

REPUBLIC OF KENYA



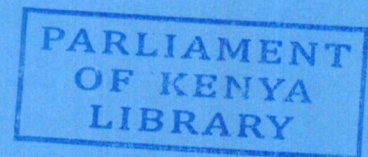
REPORT

OF

PAPERS LAID	
DATE	7/3/23
TABLED BY	Minority Whip
COMMITTEE	
CLERK AT THE TABLE	M. Ajuboda

THE AUDITOR-GENERAL

ON



COUNTY ASSEMBLY OF NYERI

**FOR THE YEAR ENDED
30 JUNE, 2022**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

07 DEC 2022

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OFFICE OF THE AUDITOR GENERAL
CENTRAL REGIONAL OFFICE
29 NOV 2022
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P. O. Box 267 - 10100, NYERI

COUNTY ASSEMBLY OF NYERI

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEARENDED

30TH JUNE 2022

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

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

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1. 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 -30 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards and 14 nominated to represent groups and special interest. 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.

(a) Key Management:

<p>Speaker of The County Assembly Hon John Kaguchia</p> 	<p>Clerk of The County Assembly Jenard N. Mwiggeh</p> 
<p>Head of Finance</p>	<p>Joseph Kimiti</p>
<p>Human Resources</p>	<p>Josiah Mathenge</p>
<p>Legal Services</p>	<p>Scolastica Wambui</p>
<p>Committee Services</p>	<p>Francis Kariuki</p>
<p>Information Services</p>	<p>Lucy Bitutu</p>

(b) Fiduciary Management

County Assembly Of Nyeri
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(c) The key management personnel who held office during the year ended June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer- Clerk	Jenard N. Mwiggeh
2.	Director Finance	Joseph Kimiti
3.	Assistant Director Finance and Accounting Services	Eustace M Kingori

Key County Assembly of Nyeri Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

Fiduciary Oversight Arrangements

Audit committee activities

The Assembly has in place an Internal Audit Department

The Assembly has in place an Audit Committee

Ensure Assembly mandates are implemented according to laid down laws i.e Human Resource Manuals.

(e). County Assembly Headquarters

P.O. Box 162

Off Nyeri-Karatina –Nairobi Highway

Ruringu

County Assembly Contacts

E-mail: nyeriassembly@gmail.com & info@nyeriassembly.go.ke

Website: www.nyeriassembly.go.ke

(f). County Assembly Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

(e) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

(f) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

P.O. Box 40112
City Square 00200
Nairobi, Kenya

County Assembly Of Nyeri
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2. Foreword by the Clerk of the Assembly



This financial statement is prepared in accordance with Section 163, 164, and 165 of the Public Finance Management Act, 2012. The sections of the PFM listed above require all County Governments through their respective county treasuries to prepare financial statements at the end of every quarter and end of each financial year.

Preparation of these statements must be in accordance with the guidelines, standard, and format prescribed by the Public Sector Accounting Standard Board. The financial statements provide a true and fair view of the financial position of the county as at 30th June 2022.

This is the seventh time the County Assembly is preparing its full year financial statements. The preparation of the Financial Statements is as per the statutory requirements. In regards to budget performance against the actual, the Assembly performed its core mandates to satisfactory level, with an absorption level of 98 % and 26 % for recurrent and development expenditure respectively.

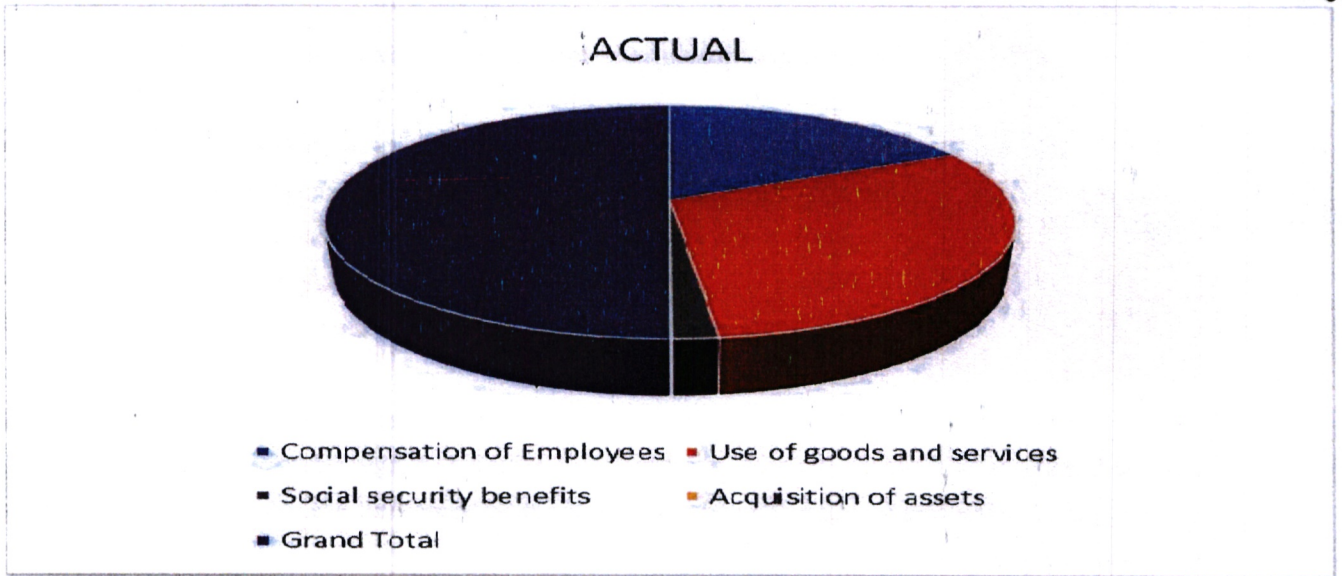
Budget performance

The County Assembly of Nyeri had a total budget of Ksh. 746,500,292 where the recurrent budget amounted to Ksh.734, 500,292 and development was Ksh. 12,000,000. Overall budget performance was 97% where recurrent was absorbed at 98% and the development was at 23%,

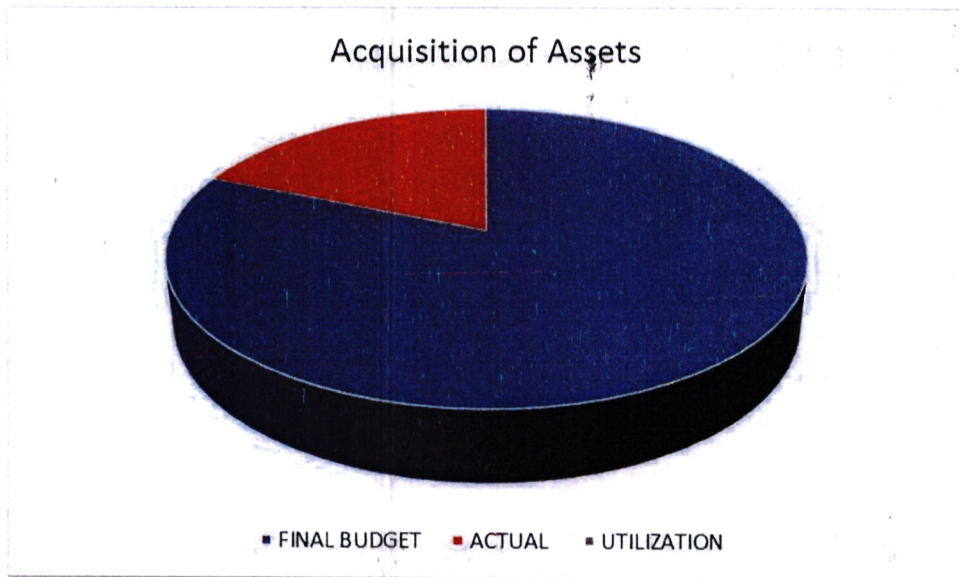
	final budget	actuals	utilization
Compensation of Employees	258,853,361	255,632,310	99%
Use of goods and services	447,319,692	433,873,768	97%
Social security benefits	26,117,239	25,997,905	100%
Acquisition of assets	14,210,000	3,685,460	26%
	746,500,292	719,189,443	97%

**County Assembly Of Nyeri
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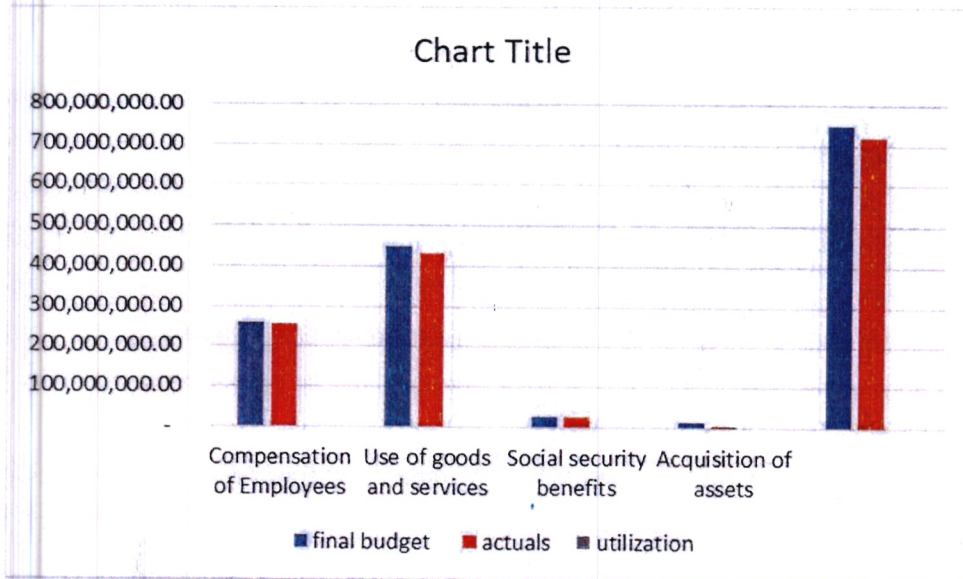
Pictorial representation Recurrent



Development



**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**



2.1 Operational Performance

Laws and policies were passed

The Assembly passed eleven laws and one policy during the period under review as enumerated below;

Laws

1. Nyeri County Vocational Training Centre Bill, 2021
2. Nyeri County Finance Bill, 2021
3. Nyeri County Fire and Rescue Services Bill, 2021
4. Nyeri County Supplementary Appropriation Bill, 2021
5. Nyeri County Coffee Bill, 2022
6. Nyeri Animal Control and Abattoirs Management Bill, 2022
7. Nyeri County Environment Management Bill, 2022
8. Nyeri County Supplementary Appropriation (N0.2) Bill, 2022
9. The Nyeri County Persons living with Disability Bill, 2022
10. Nyeri County Co-operative Amendment Bill, 2022
11. Nyeri County Appropriation Bill, 2022

Policy

- 1 The Nyeri County Gender and Development Policy 2021-2025

The laws are expected to improve efficiency of operations at the County Government as well as benefit the population of the County as follows;

- Timely approval of budget laws will ensure that timely services are given to the population and departments implement projects within the financial year and that pending bills at the close of the financial year are minimal;
- Provide for the rights and privileges of persons with disabilities;

County Assembly Of Nyeri

Annual Report and Financial Statements For the year ended 30th June 2022

- To reduce environmental pollution and reduce the negative climate change effects;
- To improve efficiency at the Vocational Training Centres through development of a framework for running of the centres, to provide for the establishment, governance and development of Vocational Training Centres; to provide for their development and organisation;
- The Nyeri Animal Control and Abattoirs Management Bill seeks to make provision for a regulatory and enforcement framework; and take other necessary measures from the viewpoint of public health in order to ensure the proper management of abattoirs, slaughter and dressing of livestock for human consumption, and to make provision for veterinary and hygiene controls in such abattoirs;
- The Nyeri County Coffee Bill, 2022 seeks to make provision for the development, regulation and promotion of the coffee industry in Nyeri County
- The Nyeri County Fire and Rescue Services Bill, 2021 makes provision for a legal and legislative framework for a fire disaster management system, makes provision for fire and rescue services, establishes a fire brigade and its functions, makes provision for the supply of water

The County budget and all supplementary budgets were passed as indicated

- On 16th June, 2021 – the Nyeri County Budget Estimates for the financial year 2021/22 was approved
- On 23rd June, 2021 – the Nyeri County Appropriation Bill, 2021 was passed
- On 1st September, 2021 - Nyeri County Finance Bill, 2021 was passed
- On 7th December, 2021 - the Nyeri County First Supplementary Budget Estimates for the financial year 2021/22 was approved
- On 9th December, 2021 - Nyeri County Supplementary Appropriation (No.1) Bill, 2021 was passed
- On 2nd March, 2022 – the Nyeri County Annual Development Plan for the financial year 2022/23 was approved.
- On Wednesday 9th March, 2022 – the Nyeri County Fiscal Strategy Paper, 2022 was adopted
- On 5th April, 2022 - the Nyeri County Second Supplementary Budget Estimates for the financial year 2021/22 was approved
- On 6th April, 2022 - Nyeri County Supplementary Appropriation (No.2) Bill, 2021 was passed
- On 14th June, 2022 – the Nyeri County Budget Estimates for the financial year 2022/23 was approved
- On 14th June, 2022 – the Nyeri County Appropriation Bill, 2022 was passed

Assembly committees

Select Committees

There are eleven (11) select Committees which have distinct mandates as enumerated below;

1. Assembly Business Committee

The County Assembly Business Committee shall—

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- (a) Prepare and, if necessary, from time to time adjust the Assembly Calendar with the approval of the Assembly;
- (b) Monitor and oversee the implementation of the Assembly Business and programmes.
- (c) Implement the Standing Orders respecting the scheduling or programming of the business of the Assembly and the functioning of the Committees of the Assembly;
- (d) Determine the order in which the reports of Committees shall be debated in the Assembly;
- (e) May take decisions and issue directives and guidelines to prioritize or postpone any business of the Assembly acting with the concurrence of the Leader of the Majority Party or the Leader of the Minority Party, as the case may be.
- (f) Consider such matters as may from time to time arise in connection with the business of the Assembly and shall have and perform such powers and functions as are conferred on and ascribed to it by these Standing Orders or from time to time by the Assembly.

d) Oversight role of the County Assembly

2. Budget and Appropriations Committee

- a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- b) Examine the County Integrated Development Plan and the Annual Development Plan;
- c) Discuss and review the estimates and make recommendations to the Assembly;
- d) Examine the County Fiscal Strategy Paper presented to the Assembly;
- e) Consider the County Appropriation Bills; and
- f) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

3. County Public Accounts Committee

- a. The Public Accounts Committee is responsible for the examination of the accounts of the County Government.

4. County Public Investments Committee

- a. The Public Investments Committee shall be responsible for the examination of the annual reports of the Auditor General on the accounts of County Government Nyeri, including county corporations; the examination of any recommendation from the Auditor General relating to withholding of funds to a County Government of Nyeri entity or a county corporation; and the examination of proposals from the county executive to declare a county corporation to be a County Government Nyeri entity.
- b. The Committee may in respect of a County Government of Nyeri, inquire into the commercial affairs of the County Assembly with a view to examining the prudence and commercial effectiveness of the continued investment of the County Government of Nyeri .
- c. The Committee may examine the commercial effectiveness of the County Government's investment in a County Government of Nyeri entity or a county corporation, including proposals for divestiture.

5. Procedure and Rules Committee

County Assembly Of Nyeri
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- a. The Procedure and Rules Committee shall consider and report on all matters relating to the Standing Orders.
- b. The Procedure and Rules Committee may propose amendments to the Standing Orders and any such amendments shall upon approval by the Assembly, take effect at the time appointed by the Assembly.
- c. The Assembly Procedure and Rules Committee may propose rules for the orderly and effective conduct of committee business and any such rules, shall upon approval by the Assembly, continue in force until amended or repealed by the Assembly.

6. County Delegated Legislation Committee

The Committee considers statutory instruments

7. Powers and Privileges Committee

The Committee considers either of its own motion or as a result of a complaint made by any person the conduct of a Member whose conduct is alleged to constitute a breach of privilege within fourteen days of receipt of a complaint

8. Committee on Appointments

The Committee on Appointments considers for approval by the Assembly appointments under Articles 179(2) (Members of County Executive Committees).

9. Committee on Implementation

The Committee scrutinizes the resolutions of the Assembly (including adopted committee reports), petitions and the undertakings given by the County Executive Committee.

10. Liaison Committee

The Liaison Committee shall—

- (a) Guide and co-ordinate the operations, policies and mandates of all Committees;
- (b) Deliberate on and apportion the annual operating budget among the Committees;
- (c) Consider the programmes of all Committees, including their need to travel and sit away from the precincts of Assembly;
- (d) Ensure that Committees submit reports as required by these Standing Orders;
- (f) Determine, whenever necessary, the committee or committees to deliberate on any matter; and
- (g) Give such advice relating to the work and mandate of select committees as it may consider necessary;
- (h) The Liaison Committee shall consider reports of Committee that have not been deliberated by the Assembly and shall report to the Assembly on the consideration of such reports.

11. County Ward Development Oversight Committee

The functions of the Committee shall be to monitor the implementation of the ward Development projects that cut across all the 30 Wards and ensuring that there is equity in the implementation of the said projects and compliance with the plans, policy framework and legislation;

Sectoral Committees

1. Youth and Sports Committee
2. Water & Sanitation Services Committee

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3. Gender, Social Services and Special Programmes Committee
4. Agriculture, Livestock and Fisheries
5. Transport, Public Works and Infrastructure Committee
6. Health Services Committee
7. Environment & Natural Resources Committee
8. Trade, Tourism and Cooperatives Development Committee
9. Physical Planning, Housing & Urbanization Committee
10. Finance and Economic Planning
11. Education, Science and Technology Committee
12. Legal Affairs, County Public Service and Administration Committee

Mandate of Sectoral Committees

The mandate of Sectoral Committees is in respect of the subject matter assigned under the first Schedule of the Standing Orders

FIRST SCHEDULE

2.2 Performance of key development projects

The Assembly came into existence after the promulgation of constitution 2010, which brought devolution as per Chapter 11(Eleven) of the constitution. The main development projects undertaken have been

- a) Perimeter fence –This was to enhance security
- b) Renovation of Block A and block B including Chambers – This was to improve on working conditions
- c) Hotel Perimeter fence- This was to separate the Hotel from the Assembly and control movement in and out of the Hotel
- d) Renovation of car parking.

The projects conclude by 30th June 2022 and the contactors paid the full contract amount were in line with the County Assembly Strategic Plan and the procurement process was followed during the awarding of all tenders

2.3 Comment on value-for-money achievements

The resources were used efficiently with proper follow up of all regulations on procurement where the binder with least prices was give the work ,this played a key role in ensuring that reasonable prices were used in buying of goods and services . We have always honoured paying suppliers in time and ensuring that a competitive and transparent process is involved while sourcing for the same. This is done through adherence to Public Procurement and Asset Disposal Act 2015.

2.4 Challenges and Recommended Way Forward

Challenges

1. Inadequate funds
2. Delays in exchequer releases

Recommended Way Forward

1. Review of expenditure ceilings issued upward to cater for objectives outlined.

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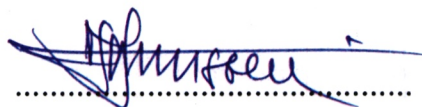
2 Inadequate funds. Due the Assembly budget being restricted to ceilings issued by the CRA, some activities could not be implemented i.e Speakers House Construction, Refurbishment of Chambers, Procurement of items i.e ICT related like asset tagging machine, CCTV installation,

3 Due to Covid-19, the Assembly activities were greatly due to the fact that, most of the activities in the Assembly are executed through gatherings i.e plenary sessions, committee meetings, and public participation forums.

4 The National Treasury should ensure that funds are released to the counties on time to avoid delays in implementation of projects and payment to suppliers

Strategic Focus Areas	Strategic Objectives
Legislative and Committee Services	To strengthen the capacity of the Members of the County Assembly
Staff management and development	To develop staff capacity to support Assembly in its role
Physical Infrastructure development	To improve physical infrastructure to provide a conducive work environment
Research and ICT in service delivery	To strengthen research and information services for the Assembly
Financial resources management	To enhance and sustain financial resources mobilization and management.
Public education and outreach activities	To develop consultative public education and outreach activities
Good governance and accountability by the Assembly leadership	To develop of an ethical working environment that enhances good governance

As outlined in the strategic plan summarized above, the Assembly focus areas and the expected objectives, indicates that the Assembly outlook will be an enterprising one.



Name:

Clerk of the County Assembly

**County Assembly Of Nyeri
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3. 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 Nyeri 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

Program 1	Objective	Outcome	Indicator	Performance
Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in making legislation.	No of bills and/or legislative business passed in the County Assembly	In FY 21/22 fifteen (15) Bills were passed by the Assembly namely: - The Nyeri County Flag and Other Emblems Act, 2020; The Nyeri County Solid Waste Management Bill, 2020; The Nyeri County Inspectorate and Enforcement Services Bill, 2020; The Nyeri County Disaster Management Bill, 2020; The Nyeri County Inspectorate and Enforcement Services Act, 2020 The Nyeri County Youth Development Bill The Nyeri County Transport Bill The Nyeri County Finance Bill, 2021 The Nyeri County Climate Change Act, 2021 The Nyeri County Health Services Fund Act, 2021
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% Increase in efficient Assembly operation	

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				<p>&The Nyeri County Health Services Fund Regulations, 2021 The Nyeri County Supplementary Appropriation Act, 2021 The Nyeri County Forest Management and Conservation Act, 2021 The Nyeri County Transport Bill, 2021 The Nyeri County Elimu Fund (Amendments) Bill, 2021 The Nyeri County Disaster Management Bill, 2020</p> <p>In regard to representation, a total of 107 motions, which are in various stages of implementation, were passed by the House. A total of 14 petitions were also considered by the Assembly.</p>
	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in making legislation.	No of bills and/or legislative business passed in the County Assembly	In FY 20/21 fifteen (15) Bills were passed by the Assembly namely: - The Nyeri County Flag and Other Emblems Act, 2020; The Nyeri County Solid Waste Management Bill, 2020; The Nyeri County Inspectorate and Enforcement Services Bill, 2020; The Nyeri County Disaster Management Bill,

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

				<p>2020; The Nyeri County Inspectorate and Enforcement Services Act, 2020 The Nyeri County Youth Development Bill The Nyeri County Transport Bill The Nyeri County Finance Bill, 2021 The Nyeri County Climate Change Act, 2021 The Nyeri County Health Services Fund Act, 2021 & The Nyeri County Health Services Fund Regulations, 2021 The Nyeri County Supplementary Appropriation Act, 2021 The Nyeri County Forest Management and Conservation Act, 2021 The Nyeri County Transport Bill, 2021 The Nyeri County Elimu Fund (Amendments) Bill, 2021 The Nyeri County Disaster Management Bill, 2020</p> <p>In regard to representation, a total of 107 motions, which are in various stages of implementation, were passed by the House. A total of 14 petitions were also considered by the Assembly.</p>
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**County Assembly Of Nyeri
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Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in making legislation.	No of bills and/or legislative business passed in the County Assembly	In FY 20/21 fifteen (15) Bills were passed by the Assembly namely: - The Nyeri County Flag and Other Emblems Act, 2020; The Nyeri County Solid Waste Management Bill, 2020; The Nyeri County Inspectorate and Enforcement Services Bill, 2020; The Nyeri County Disaster Management Bill, 2020; The Nyeri County Inspectorate and Enforcement Services Act, 2020 The Nyeri County Youth Development Bill The Nyeri County Transport Bill The Nyeri County Finance Bill, 2021 The Nyeri County Climate Change Act, 2021 The Nyeri County Health Services Fund Act, 2021 & The Nyeri County Health Services Fund Regulations, 2021 The Nyeri County Supplementary Appropriation Act, 2021 The Nyeri County Forest Management and Conservation Act, 2021 The Nyeri County Transport Bill, 2021 The Nyeri County Elimu Fund (Amendments) Bill, 2021

County Assembly Of Nyeri

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				<p>The Nyeri County Disaster Management Bill, 2021</p> <p>In regard to representation, a total of 107 motions, which are in various stages of implementation, were passed by the House. A total of 14 petitions were also considered by the Assembly.</p>
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County Assembly Of Nyeri
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4. Corporate Social Responsibility Statement/Sustainability Reporting

Nyeri 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 Nyeri County Assembly 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 Nyeri has established a research section mandated in identification and determination of distinct aspects concerning economic, ecological and social dimensions of sustainability, on the other hand the County Assembly has embraced scientific efforts regarding the establishment of specific sustainability strategies. These are strategies that focus on internal /external orientation of sustainability commitments.

The County Assembly of Nyeri has a profile that clearly outlines its strategic plan that has set priorities, focus energy and resources that are set to strengthen operations and give a way forward on the direction the institution wants to take. The plan will run from 2018-2022.

b) Environmental performance

The organization does not have an environmental policy to guide the organization. This is informed by the mandate the organization which is to provide efficient and effective legislative, oversight and representative services for the welfare of the people of Nyeri County. However, The County Assembly of Nyeri is guided by the Kenya National Environment Policy 2013; the policy provides a framework for an integrated approach to sustainable environment management and natural resources.

The Assembly has outsourced the function of cleaning and managing the Assembly grounds to a registered Company with clear instructions on the waste management which is also significantly very little going by the nature and mandate of the Assembly.

Further, to ensure there is organized waste management approach, the Assembly has placed waste containers in all strategic places in the Assembly and they are promptly emptied for safe disposal.

c) Employee welfare

The County Assembly of Nyeri is guided by the constitution of Kenya chapter 226 in matters concerning employment. There is a clear training program that identifies the needs of training on members and staff to improve on skills. We have established a clear policy that guides on managing careers, appraisal and reward systems.

In accordance with the occupational safety and health act 2007, it is responsibility of an employer to provide institution with training and supervision as is necessary to ensure healthy and safety at work and of workers, The County Assembly of Nyeri has conducted trainings on safety and first aid to all employees and has a budgetary allocation on insurance of WIBA and a medical cover to members and all staffs.

d) Market place practices-

a) Generally, the Assembly operates in a highly political environment on a day-to-day basis. However, despite the influence this can have in operations, the institution sees to it that procedures are followed

County Assembly Of Nyeri

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and this ensures that there are no issues with bodies like the EACC. The Assembly competes fairly on all aspects as situations may demand. Responsible competition practice.

b) The County Assembly of Nyeri maintains an updated list of Registered Suppliers. The list is developed competitively by placing an advert in the dailies and having all interested bidders submit their tender. This then goes through an evaluation process which ensures the qualified suppliers are shortlisted for the stated period. The list is further developed on a continuous basis as provided for in the PPAD 2015 Act. The Assembly ensures that payments to suppliers are done in good time; on a first come, first served basis

c) Whenever the Assembly requires running an advertisement, it does so either on the dailies with a wide circulation in the Country or via its website. This ensures that the advertisement reaches a wide population as it should without any agenda to withhold information from reaching any particular group.

d) The Assembly is among other duties, charged with the responsibility of serving the electorate. Thus, it ensures that whatever engagements it is involved in on a day-to-day basis, the interests of the electorate come first. Product stewardship- outline efforts to safeguard consumer rights and interests

e) **Community Engagements-**

The County Assembly has not budgeted for corporate social responsibility; this was informed by the Office of the Controller of Budget that county assemblies should not be involved in the CSP activities because there is a very likelihood that may easily conflict with assembly oversight role. While on the other hand the Office of the Controller of Budget also felt that CSP activities could also be used to gain political mileage to the detriment of the Assembly's mandate of representation.

County Assembly Of Nyeri
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5. 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.

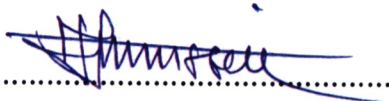
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year, ended June 30, 2022. This responsibility includes: (i) maintaining adequate 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 year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly Financial Statements were approved and signed by the Clerk of the County Assembly on 15/Mou 2022.

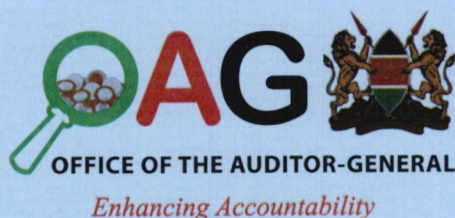


Name:

Clerk of the County Assembly

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

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 Nyeri set out on pages 1 to 46, which comprise of the statement of financial assets and liabilities

Report of the Auditor-General on County Assembly of Nyeri for the year ended 30 June, 2022

as at 30 June, 2022, statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 County Assembly of Nyeri 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

Lack of Land Ownership Documents

Annex 4 (summary of non-current asset register) reflects historical cost of non-current assets balance of Kshs.230,149,950 as at 30 June, 2022, which includes a balance of Kshs.19,000,000 relating to land. However, land ownership documents were not provided for audit.

In the circumstances, the ownership of land balance of Kshs.19,000,000 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 Nyeri 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development reflects final receipts budget and actual on comparable basis totaling Kshs.746,500,292 and Kshs.719,190,433 respectively, resulting to an under-funding of

Kshs.27,309,859 or 4% of the budget. Similarly, the County Assembly spent Kshs.719,189,383 against an approved budget of Kshs.746,500,292 resulting to an under-expenditure of Kshs.27,310,909 or 4% of the budget.

The underfunding and underperformance affected planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Audit Matters

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

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. Irregular Payment of Subscription Fees

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.433,873,768 on use of goods and services which includes an amount of Kshs.56,485,563 in respect of other operating expenses. As pointed out in the previous year, the amount includes Kshs.750,000 relating to subscription fees made to the Society of Clerks-at-the-Table (SOCATT). However, the Society is not anchored in law and the expenditure incurred could not be confirmed as a proper charge to public funds.

In the circumstances, the validity of the expenditure of Kshs.750,000 on subscription fees to Society of Clerks-at-the-Table (SOCATT) could not be confirmed.

2. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees was sixty-one (61) out of which fifty six (56) or 93% of the total number were members of the same/dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires all public officers to seek to represent the diversity of the people of Kenya in employment of staff and that no public

Institution shall have more than one third of its staff establishment from the same ethnic community.

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

3. Failure to Adhere to a Third Rule on Basic Salary

During the year under review, four (4) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016 and Section 19(3) of the Employment Act, 2007.

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

4. Irregular expenditure on Ward Administration Expenses

The statement of receipts and payments reflects use of goods and services amount of Kshs.433,873,768 and as disclosed in Note 5 to the financial statements. Included in this amount is Kshs.56,485,563 in respect of other operating expenses out of which Kshs.24,768,000 was spent on ward administration expenses. A review of payment records revealed that the County Assembly spent Kshs.48,000 on operations costs per ward per month instead Kshs.35,500 provided in the Commission of Revenue Allocation circular No.CSO/CMG/9/VOL.V(43) of June, 2018 which set the total ward costs at Kshs.118,333 per ward per month, and operation cost at 30% or Kshs.35,500. This resulted to an over expenditure of Kshs.12,500 per month or Kshs.150,000 per year per ward thus translating to a total over expenditure of Kshs.6,450,000 for the forty-three (43) wards.

In the circumstances, the validity of the excess expenditure of Kshs.6,450,000 could not be confirmed.

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, 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

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

In preparing the financial statements, Management is responsible for assessing the County Assembly's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or 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 financial reporting process, reviewing the effectiveness of how the entity 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of 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 scepticism throughout the audit. I also:

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

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

I communicate with 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 Gathungu, CBS
AUDITOR-GENERAL

Nairobi

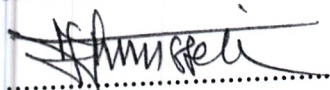
19 January, 2023

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

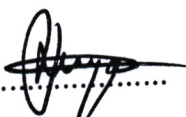
5. Statement of Receipts and Payments for the Year Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
Receipts			
Exchequer releases	1	719,190,433	701,649,261
Proceeds from sale of assets	2	-	87,000
Other receipts	3	-	-
Total receipts		719,190,433	701,736,261
Payments			
Compensation of employees	4	255,632,310	232,915,126
Use of goods and services	5	433,873,768	393,971,037
Subsidies	6	-	-
Transfers to other government entities	7	-	30,000,000
Other grants and transfers	8	-	-
Social security benefits	9	25,997,905	19,306,110
Acquisition of assets	10	3,685,460	25,227,917
Finance costs	11	-	314,676
Other payments	12	-	-
Total payments		719,189,443	701,734,866
Surplus/deficit		1,050	1,395

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/MOV 2022 and signed by:



Name:
Clerk of the Assembly

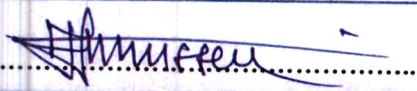
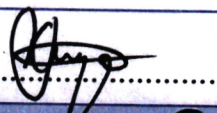

Name: Joseph Kimiti
Chief Finance Officer – County Assembly
ICPAK Member Number: 8458

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

6. Statement of Financial Assets and Liabilities as at 30th June 2022

		2021-2022	2020-2021
Financial assets	Note	Kshs	Kshs
Cash and cash equivalents			
Bank balances	13A	1,050	1,320,929
Cash balances	13B	-	-
Total cash and cash equivalents		1,050	1,320,929
Imprests and Advances	14	-	-
Total financial assets		1,050	1,320,929
Financial liabilities			
Third party deposits and retention	15	-	1,319,533
Net financial assets		1,050	1,396
Represented by			
Fund balance b/fwd	16	-	-
Prior year adjustment	17	-	-
Surplus/(deficit) for the year		1,050	1,395
Total Net Financial Assets and Liabilities		1,050	1,395

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/Nov 2022 and signed by:

	
Name: <u>EDWARD N. MWIGACH</u>	Name: <u>JOSEPH KIMITI</u>
Clerk of the Assembly	Chief Finance Officer – County Assembly
	ICPAK Member Number: <u>8458</u>

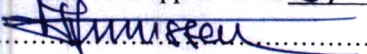
County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022


7. Statement of Cash Flows for the Period Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Exchequer releases	1	719,190,433	701,649,261
Other receipts	3	-	-
Total Receipts		719,190,433	701,649,261
Payments for operating expenses			
Compensation of employees	4	255,632,310	232,915,126
Use of goods and services	5	433,873,708	393,971,037
Subsidies	6	-	-
Transfers to other government entities	7	-	30,000,000
Other grants and transfers	8	-	-
Social security benefits	9	25,997,905	19,306,110
Finance costs	11	-	314,676
Other payments	12	-	-
Total payment from operating activities		715,503,923	676,506,949
Cash flows from operating activities		3,686,510	25,142,312
Adjusted for:			
Prior year adjustment return to crf	17	(1,396)	-
Decrease/(increase) in accounts receivable:	18	-	-
Increase/(decrease) in accounts payable:	19	(1,319,533)	641,530
Net cash flows from operating activities		2,365,581	25,783,842
Cash flow from investing activities			
Proceeds from sale of assets	2	-	87,000
Acquisition of assets	10	(3,685,460)	(25,227,917)
Net cash flows from investing activities		(3,685,460)	(25,140,917)
Net increase in cash and cash equivalents		(1,319,879)	642,925
Cash & cash equivalent at Start of the year	13	1,320,929	678,004
Cash & cash equivalent at end of the year	13	1,050	1,320,929

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/Nov 2022 and signed by:


Name: EDWARD N. MUIGGET
Clerk of the Assembly

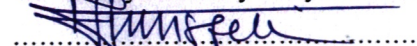

Name: JOSEPH MUTITI
Chief Finance Officer – County Assembly
ICPAK Member Number 8458

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

8. Statement of Comparison of Budget & Actual Amounts: Recurrent and Development

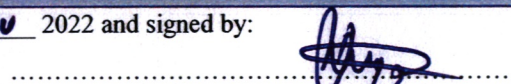
Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	%Utilization difference
	Kshs	Kshs	e=a+b	e=d-e	Kshs
Receipts					
Exchequer releases	756,085,232	(9,584,940)	746,500,292	719,190,433	96%
Proceeds from sale of assets	-	-	-	-	-
Other receipts	-	-	-	-	-
Total	756,085,232	(9,584,940)	746,500,292	719,190,433	96%
Payments					
Compensation of employees	246,503,781	12,349,580	258,853,361	255,632,309	99%
Use of goods and services	393,678,100	53,641,592	447,319,692	433,873,771	97%
Transfers to other government entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social security benefits	20,453,351	5,663,888	26,117,239	25,997,905	100%
Acquisition of assets	65,450,000	(51,240,000)	14,210,000	3,685,460	26%
Financée costs	-	-	-	-	-
Other payments	30,000,000	(30,000,000)	-	-	-
Total	756,085,232	(9,584,940)	746,500,292	719,189,383	96%
Surplus/ deficit	-	-	-	1,050	

The County Assembly of Nyeri statements were approved on 15/Nov 2022 and signed by:



Name: JONAS N. MWIGIZI

Clerk of the Assembly



Name: JOSEPH KIMATI

Chief Finance Officer – County Assembly

9. Statement of Comparison of Budget & Actual Amounts: Recurrent

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	B	c=a+b	e=d-c	
Receipts					
Exchequer releases	706,085,232	28,415,060	734,500,292	716,414,035	98%
Proceeds from sale of assets					
Other receipts					
Total	706,085,232	28,415,060	734,500,292	716,414,035	98%
Payments					
Compensation of employees	246,503,781	12,349,580	258,853,361	255,632,309	99%
Use of goods and services	393,678,100	53,641,592	447,319,692	433,873,771	97%
Transfers to other government entities					
Other grants and transfers					
Social security benefits	20,453,351	5,663,888	26,117,239	25,997,905	100%
Acquisition of assets	15,450,000	(13,240,000)	2,210,000	909,000	41%
Finance costs					
Other payments	30,000,000	(30,000,000)			
Total	706,085,232	28,415,060	734,500,292	716,412,985	98%
Surplus/ deficit	-	-	-	1,050	

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

The County Assembly of Nyeri statements were approved on 15/11/2022 2022 and signed by:

~~Signature~~

Name: JENKINS N. MWIGACHE

Clerk of the Assembly



Name: JOSEPH KIMITI

Chief Finance Officer – County Assembly

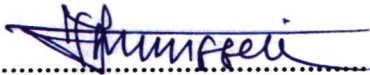
County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022


10. Statement Of Comparison of Budget & Actual Amounts: Development

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
Receipts					
Treasury/ exchequer releases	50,000,000	(38,000,000)	12,000,000	2,776,460	23%
Proceeds from sale of assets					
Other receipts					
Total	50,000,000	(38,000,000)	12,000,000	2,776,460	23%
Payments					
Compensation of employees					
Use of goods and services					
Subsidies					
Transfers to other government entities					
Other grants and transfers					
Social security benefits					
Acquisition of assets	50,000,000	(38,000,000)	12,000,000	2,776,460	23%
Finance costs					
Other payments					
Total	50,000,000	(38,000,000)	12,000,000	2,776,460	23%
Surplus/ deficit					

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

The County Assembly of Nyeri financial statements were approved on 15/Nov 2022 and signed by:


.....
Name: EDWARD N. MWANGI
Clerk of the Assembly


.....
Name: JOSEPH KAMILI
Chief Finance Office – County Assembly
ICPAK Member Number: 8458

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

11. Budget Execution by Programmes and Sub-Programmes

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Nyeri County Ledger

Entity: 3922-Nyeri - County Assembly

Period: JUL-21 To JUN-22

Program	Sub Program	Description	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference
			KShs	KShs	KShs	KShs	KShs
3910			-	-	-	-	-
		Default - Non Programmatic	-	-	-	-	-
710003910		General administration, Policy Development and implementation	756,085,232	(9,584,940)	746,500,292	719,189,443	27,310,849
	710013910	Administration and planning services	726,085,232	20,415,060	746,500,292	719,189,443	27,310,849
	710023910	Mortgage services	30,000,000	(30,000,000)	-	-	-
		Grand Total	756,085,232	(9,584,940)	746,500,292	719,189,443	27,310,849

The Statement has been prepared, reviewed and approved by the following:

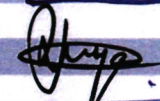
Prepared By:



Date:

15/MAY 2022

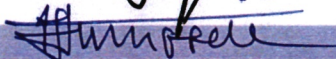
Reviewed By:



Date:

15/MAY 2022

Approved By:



Date:

15/MAY 2022

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

12. 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 Nyeri 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.

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

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.

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Significant Accounting Policies (Continued)

4. In-kind contributions

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

6. Cash and cash equivalents

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

7. Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to KShs.0 compared to KShs.1,319,533 in prior period as indicated on note 19. There were no other restrictions on cash during the year.

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

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 County Assembly of Nyeri 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

County Assembly Of Nyeri

Annual Report and Financial Statements For the year ended 30th June 2022

- 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.

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

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 County Assembly of Nyeri budget was approved as required by Law. The original budget was approved by the County Assembly on 16th June, 2021 for the period 1st 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 9/12/21 and 5/04/22. A high-level assessment of the County Assembly of Nyeri 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.

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

13. Notes to the Financial Statements

1. Exchequer Releases

	2021-2022	2020-2021
	Kshs	Kshs
Transfers from the county treasury for q1	104,350,161	43,981,500
Transfers from the county treasury for q2	171,763,935	203,255,700
Transfers from the county treasury for q3	238,082,259	190,044,506
Transfers from the county treasury for q4	204,994,138	264,367,555
Cumulative amount	719,190,493	701,649,261

2. Proceeds From Sale Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from the Sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	87,000
Receipts from Sale of Certified Seeds and Breeding Stock		
Receipts from the Sale of Strategic Reserves Stocks	0	0
Receipts from the Sale of Inventories, Stocks and Commodities	0	0
Disposal and Sales of Non-Produced Assets	0	0
Total	0	87,000

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Tender Fees Received		
Other Receipts II		
Other Receipts III		
Other Receipts IV		
Total		

4. Compensation of Employees

	2021- 2022	2020- 2021
	Kshs	Kshs
Basic salaries of permanent employees	143,593,003	136,049,627
Basic wages of temporary employees	30,406,100	30,655,680
Personal allowances paid as part of salary	57,465,299	54,610,449
Personal allowances paid as reimbursements	2,851,000	2,808,000
Personal allowances provided in kind	12,570,022	-
Employer contribution to compulsory national social schemes	8,746,886	8,791,370
Employer contribution to compulsory national health insurance schemes	-	-
Pension and other social security contributions	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	255,632,310	232,915,126

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

5. Use Of Goods And Services

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	1,355,000	1,549,400
Communication, supplies and services	4,973,814.00	4,075,944
Domestic travel and subsistence	132,611,920.30	166,158,805
Foreign travel and subsistence	87,062,596	11,212,648
Printing, advertising and information supplies & services	3,116,482	4,080,092
Rentals of produced assets	5,880,000	7,200,000
Training expenses	31,791,772	18,690,896
Hospitality supplies and services	72,753,744	85,339,038
Insurance costs	30,691,567	29,813,143
Specialized materials and services	524,386	865,000
Office and general supplies and services	1,188,700	3,527,843
Fuel, oil and lubricants	2,974,662	1,976,008
Other operating expenses	56,485,563	54,408,441
Routine maintenance – vehicles and other transport equipment	1,463,396	2,535,926
Routine maintenance – other assets	1,000,165.00	2,537,853
Total	433,873,768	393,971,037

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

6. Subsidies

Description	2021-2022	2020-2021
	Kshs	Kshs
Subsidies To County Corporations		
<i>See List Attached</i>		
(Insert Name)		
Subsidies To Private Enterprises		
<i>See List Attached</i>		
(Insert Name)		
Total		

7. Transfers To Other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to national government entities	0	0
	0	30,000,000
Transfers to other county assembly entities	0	-
Car loan scheme fund	0	30,000,000
Mortgage	0	30,000,000
Others (insert name of budget agency)	0	0
	0	
Total	0	30,000,000

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

8. Other Grants And Transfers

	2021-2022	2020-2021
	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		
Total		

9. Social Security Benefits

	2021 - 2022	2020-2021
	Kshs	Kshs
Government Pension and Retirement Benefits	25,997,905	19,306,110
Social Security Benefits	-	-
Employer Social Benefits	-	-
Total	25,997,905	19,306,110

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

10. Acquisition Of Assets

<u>Non- financial assets</u>	2021 - 2022	2020-2021
	Kshs	Kshs
Purchase of buildings	-	-
Construction of buildings	-	-
Refurbishment of buildings	2,776,460	13,195,425
Construction of roads	-	-
Construction and civil works	-	-
Overhaul and refurbishment of construction and civil works	-	-
Purchase of vehicles and other transport equipment	-	-
Overhaul of vehicles and other transport equipment	-	-
Purchase of household furniture and institutional equipment	-	7,359,892
Purchase of office furniture and general equipment	909,000	4,672,600
Purchase of specialized plant, equipment and machinery	-	-
Rehabilitation and renovation of plant, machinery and equip.	-	-
Purchase of certified seeds, breeding stock and live animals	-	-
Research, studies, project preparation, design & supervision	-	-
Rehabilitation of civil works	-	-
Acquisition of strategic stocks and commodities	-	-
Acquisition of land	-	-
Acquisition of intangible assets	-	-
Total acquisition of non- financial assets	3,685,460	25,227,917
	-	-
<u>Financial assets</u>	-	-
Domestic public non-financial enterprises	-	-
Domestic public financial institutions	-	-
Total acquisition of financial assets	-	-
Total acquisition of assets	3,685,460	25,227,917

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

11. Finance Costs

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank charges		314,676
Interest payments on foreign borrowings		
Interest payments on guaranteed debt taken over by govt		
Interest on domestic borrowings (non-govt)		
Interest on borrowings from other government units		
Total		314,676

12. Other Payments

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Budget Reserves		
Civil Contingency Reserves		
Other Payments		

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

13. Cash and Bank Balances

13A. Bank Balances

Name Of Bank, Account Name & Currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2021 - 2022	2020 - 2021
			Kshs	Kshs
Central Bank Of Kenya Ksh	1000282298	Development		-
Central Bank Of Kenya Ksh	100024380	Recurrent	1,050	1,396
Central Bank Of Kenya Ksh	10002822747	Deposit		1,319,530
Total			1,050	1,320,929

13B. Cash in Hand

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Cash In Hand – Held In Domestic Currency		
Cash In Hand – Held In Foreign Currency		
Total		

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

Cash in hand should be analysed as follows:

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Total		

14. Imprests and Advances

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Government Imprests		
Salary Advance		
Clearance accounts		
Total		

Breakdown Of Imprest And Salary Advance Per Department	2021 - 2022	2020 - 2021
	Kshs	Kshs
Imprests		
Clerk		
Finance&Accounting Services		
Procurement		
Human Resources		
Sargent At Arm		
I,C,T		
Sub-Total		
Grand Total		

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

15. Third Party Deposits and Advances

Description	2021 – 2022	2020 - 2021
	Kshs	Kshs
Deposits		
Retentions		1,319,533
Total		1,319,533

16. Fund Balance Brought Forward

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank Accounts		
Cash In Hand		
Accounts Receivables		
Accounts Payables		
Total		

17. Prior Year Adjustments

Description Of The Error	Balance b/f FY 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020-2021
	Kshs	Kshs	Kshs
Bank Account Balances			
Cash In Hand			
Accounts Payables			
Receivables			
Others (<i>Specify</i>)			

18. Changes in imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Account Receivables As At 1 st July 2021		

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Closing Account Receivables As At 30th June 2022

Change In Account Receivables

19. Changes in Third Party Deposits and Retention

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Accounts Payables As At 1 st July 2021	1,319,533	677,530
Closing Accounts Payables As At 30 th June 2022	0	1,319,533
Change In Accounts Payables	(1,319,533)	641,530

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings				
Construction Of Civil Works				
Supply Of Goods				
Supply Of Services	1,760,841		(1,384,241)	3,040,556
Total	1,760,841		(1,384,241)	3,040,556

2. Pending Staff Payables (See Annex 2)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Senior Management				
Middle Management				
Unionisable Employees				
Others				
Total				

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

3. Other Pending Payables (See Annex 3)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total				

4. External Assistance

	FY 2021-2022	FY 2020-2021
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		
Total		

a) External assistance relating loans and grants

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
External assistance received as loans		
External assistance received as grants		
Total		

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2021-2022	FY 2020-2021
Description		Kshs	Kshs
Undrawn External Assistance - Loans			
Undrawn External Assistance - Grants			
Total			

c) Classes of providers of external assistance

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
Multilateral Donors		
Bilateral Donors		
International Assistance Organization		
Ngos		
National Assistance Organization		
Total		

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

d. Non-Monetary External Assistance

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
Goods		
Services		
Total		

e. Purpose and use of external assistance.

Payments Made By Third Parties	FY 2021-2022	FY 2020-2021
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		
Total		

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes to the Financial Statements (Continued)

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

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
National Government		
Multilateral Donors		
Bilateral Donors		
International Assistance Organization		
NGOs		
National Assistance Organization		
Total		

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

Classification by Source

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties	FY 2021-2022	FY 2020-2021
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		
Other payments		
Total		

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.

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Related party transactions:

	2021- 2022	2020- 2021
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	163,201,856	157,368,014
Key Management Compensation (Clerk and Heads of departments)	20,044,896	29,972,653
Total Compensation to Key Management	183,246,752	187,340,649
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes		30,000,000
Transfers to County Corporations		
Transfers to non-reporting entities e.g ECD centres, welfare centres etc		
Total Transfers to related parties		30,000,000
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer	719,190,493	701,649,261
Payments made on behalf of the County Assembly by other Government Agencies (Insert any other transfers received)		
Total Transfers from related parties	719,190,493	701,649,261

7. Contingent Liabilities

Contingent liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court case against the County Assembly Of Nyeri		
Bank guarantees in favour of subsidiary		
contingent liabilities arising from PPPs		
Total		

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

14. 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from the Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2018/2019 2.0 Unexplained Variances between Various Financial Statement and IFMIS Report Balances	3.1 Statement of Receipts and Payments The statement of receipts and payments reflects receipts and payments totalling Kshs. 655,982,249 and Kshs. 655,980,450 respectively which however differ from the balances amounting to Kshs. 636,616,791 and Kshs. 656,366,168 respectively reflected in the IFMIS report for the year under review	<i>The variances arose as a result of IFMIS errors which have arisen over time and the Assembly is unable to clear these errors. However, the Assembly is in regular communication with The National Treasury IFMIS Department to address this issue</i>	Not Resolved	By 30 th September, 2021					
2018/2019 1.0 Unconfirmed	Annex 4, summary of fixed assets register, attached to the financial statements for	<i>Concerning the unconfirmed Fixed Assets Balances the</i>	Not resolved	30 th september, 2021					

County Assembly Of Nyeri

Annual Report and Financial Statements For the year ended 30th June 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Fixed Assets Balance	the year ended 30 th June, 2018 reflects assets totaling Kshs.182,396,624 as at 30 th June, 2019. As similarly reported in the previous year, the closing assets balance for the year under review does not include assets of unknown aggregate value inherited from the defunct Municipal Council of Nyeri. These include three motor vehicles of unknown value and a piece of land L.R No. Aguthii/Gaaki-677 valued at Kshs.19,000,000.As a	Assembly reported all the assets that it owns. The three motor vehicles and land L.R.No. Aguthii / Gakii -677 ownership is still undetermined as it still waiting direction from Inter-Governmental Relations Technical Committee (on Consultation, Cooperation & Coordination in Devolution).							

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
	result of the omission, the accuracy and completeness of the summary of fixed assets register balance of Kshs.182,396,624 as at 30 th June,2019 has not been confirmed.							
2018/2019 Non – Compliance with Ethnic Diversity	Examination of the human resource records revealed that during the year under review, the County Assembly had fifty four (54) permanent employees out of whom forty two equivalent to 96% of all staff members employed since the 2013/14 Financial	<i>The Assembly is an equal opportunity employer and all appointments are considered on merit irrespective of the ethnicity. However, most employees were absorbed from Defunct Local Authorities which consisted of employees from the dominant community in the</i>	Not Resolved work in progress					

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

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	Year were from the dominant community in the County. As reported previously, this was contrary to the provisions of Section 65(e) of the County Governments Act, 2012 which requires County Governments to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the County.	locality							
2017/2018 1.0 Fund Balance	The fund balances disclosed in Note 16 to the financial statements of Kshs 1,495,641 and	The financial statement reporting is done under IPSAS Cash thus, any unspent cash at the end of the	Not Resolved						

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
	<p>Kshs.1,288,591 differs with closing balances of Kshs 44,883 and Kshs.16,000,671 reflected in the statement of financial assets as at 30 June 2018 and 2017, respectively. The resultant differences have not been explained or reconciled.</p>	<p><i>financial year is returned back to CRF (County Revenue Fund) and therefore, there are no opening balances at the beginning of the new financial year.</i></p> <p><i>Consequently, the balances amounting to ksh 44,883 was surplus for the financial year ended June, 2018 and balances amounting to ksh Kshs,16,000,671 was surplus for the financial year ended 2016/17 which was unspent fund for the respective years and was transferred to CRF in accordance with the PFM Act, 2012 section 136(2).</i></p> <p><i>As per balances reflected in the Notes to the Financial Statements, amounting to ksh 1,495,641 and ksh816,516 for financial year</i></p>						

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

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		<i>ended June 2018 and 2017 respectively represents retention money held for the contractors.</i>							
<u>2017/2018</u> <u>1.0 Summary of Fixed Assets Register</u>	Annex 4 summary of fixed assets totaling Kshs 176,511,100 as at 30 June 2018. The balance excludes assets inherited from the defunct municipal council of Nyeri comprising of three motor vehicles of known values and a piece of land L.R No .Aguthi/Gaaki-677 valued at Kshs. 19,000,000. As a result, the accuracy and completeness of summary of fixed assets register balance of Ksh.176, 511,100 as at 30 June 2018 cannot be confirmed.	<i>The Assembly is yet to secure the transfer of logbooks for the four motor vehicles inherited from the defunct local authorities. The Assembly is awaiting policy guidelines on ownership and transfer of assets from Intergovernmental Relations Committee. (See annexure 2.0) The Assembly is in the process of valuing all the properties in its possession inherited from the defunct local Authorities.</i>	Not resolved						
<u>2017/2018</u> <u>1.0 Overall</u>	During the financial year ended 30 June 2018, County	<i>The development vote was underutilized due</i>	Not resolved						

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
<u>budget performance</u>	Assembly of Nyeri had an approved budget of Kshs 737,760,445 out of which Kshs 676,007,599(92%) was allocated to the recurrent vote and Kshs 61,752,846(8%) to the development combined reflects overall expenditure totaling Kshs.642,757,624 or 87% absorption rate. However, the County Assembly did not utilize Kshs.95,002,821 or 13% of its budget, which negatively impacted on service delivery to the public .	<i>to the delay in completion of structural designs and preparation of Bills of Quantities which were being done by the officers from the Public Works Department leading to delay in tendering for the envisaged works.</i>						
<u>2017/2018 2.0 Variances between the financial Statements IFMIS report</u>	The financial statements for the year ended 30 June 2018 reflects various amounts and balances which are at variance with figures shown in the IFMIS report	<i>The variances arose as a result of IFMIS errors which have arisen over time and the Assembly is unable to clear these errors as they are beyond the Assembly's control. Further, the Assembly is in regular communication with the National Treasury IFMIS</i>	Not resolved					

County Assembly Of Nyeri

Annual Report and Financial Statements For the year ended 30th June 2022

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		<i>section to address this issue</i>							
<u>2017/20181.0 County Assembly Projects</u>	<i>According to records presented for audit, the County Assembly awarded two contracts to construction firms on 6th July 2016 for refurbishment of a hotel and construction of a gate at contract prices of Kshs.6, 853,326 and Kshs.3, 818,905 respectively. The constructions were expected to be completed in August 2017 and February 2017 respectively. However a review of progress of the constructions revealed that the contract period had lapsed and the projects were behind</i>	<i>The delay in completion of the projects arose as a result of withdrawal of Technical Officers from County Public Works by the Executive. The Officers were responsible for supervising the construction of the two Assembly projects</i>	Not resolved						
<u>2017/2018 2.0 Lack of Prudence in use</u>	<i>Note 5 to the financial statements reflects an expenditure of Kshs. 129,064,007 On domestic travel and subsistence in respect of members of county Assembly and staff allowances during various workshops, meetings, re</i>	<i>The Assembly wishes to clarify that retreats and trainings for Honourable Members are conducted outside the Assembly precincts to enable the members concentrate and avoid unnecessary interruptions from</i>	Not resolved						

County Assembly Of Nyeri

Annual Report and Financial Statements For the year ended 30th June 2022

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<u>of Public Funds</u>	retreats and seminars held outside the precincts of the County Assembly. However the meetings would have been economically and prudently conducted within the County Assembly offices and premises designated for such routine activities so as to save on subsistence allowances and hotel charges. Therefore it has not been possible to confirm that the county Assembly obtained value for money on domestic travel and subsistence expenditure of Kshs.129, 064,007 for the year ended 30 June 2018.	<i>the electorate. The retreats are supported with approved invitation letters, programmes and reports where applicable and the same are available for review.</i>						
<u>2017/2018 3.0 Assessment of Car Loan</u>	Statement of receipts and payments for the year ended 30 June 2018 reflects transfer to other Government entities(mortgage funds)amounting to Kshs 125,000,000.Accordin	<i>The Fund is established under Car Loan and Mortgage Scheme Fund for Members, Regulations 2018.)In addition, the financial statements were</i>	Not resolved					

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

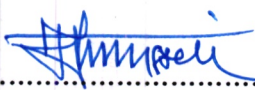
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p><u>n</u> <u>and</u> <u>Mor</u> <u>tgag</u> <u>e</u> <u>Sche</u> <u>me</u> <u>for</u> <u>Me</u> <u>mbe</u> <u>rs of</u> <u>the</u> <u>Cou</u> <u>nty</u> <u>Asse</u> <u>mbly</u></p>	<p>g to records made available for audit, the amount was transferred to mortgage fund account for the establishment of car loan and mortgage facility for the members of County Assembly of Nyeri (MCAs). However, no approval for the establishment of the fund was provided for audit review. Consequently, the validity of the transfers and expenditure of Kshs. 125,000,000 cannot be confirmed. Further, section 167(3) of the public Finance management Act, 2012 require submission to the Auditor-General for audit, the financial statements of each county public fund not later than three months after the end of financial year. However, the County Assembly of Nyeri management did not submit the County Assembly car loan and</p>	<p><i>prepared and submitted</i></p>							

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)	Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
	mortgage scheme Funds financial statements for the year ended 30 June 2018 and has thus contravened the law.							
2017/2018 <u>Lack of Policies</u>	The county Assembly of Nyeri does not have various operational plans, risk management policy and disaster recovery plan. The lack of operational plans and policies makes it impossible for the management to establish best practices on procedures and review on areas prone to risks.	The Assembly is in the process of formulating the Risk Management Policy and a Disaster Recovery plan.	Not resolved					
2017/2018 <u>Ineffective Audit Committee</u>	Not resolved							
2017/2018 <u>Payment of salaries outside Integrated Payroll</u>	The statement of receipts and payments for the year ended 30 June 2018 reflects expenditure totaling Kshs.163, 716,306 on compensation of employee's pout of which an amount of	<i>The payment amounting to Ksh. 16,543,925 was paid to Ward employees who are partisan/ personal staff hired by Honourable Members on yearly basis and not five</i>	Not resolved					

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

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<u>and Personnel Database (IPPD) System</u>	<p>Kshs 16,543,925 was paid through manual payment vouchers outside the government recommended IPPD system under unclear circumstances.</p> <p>Further payment of salaries to staff outside the IPPD system under the IPPD payroll distorts the determination of national wage bill which is crucial for planning purposes by both the County Government and National Government</p>	<p>years as observed in the report. Further, they serve at the pleasure of the Honourable Members and therefore have no definite term of service resulting to high turnover; therefore it is a challenge integrating them in the IPPD System.</p>							



Clerk of the County Assembly

Date 15/06/2022

**County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022**

15. Annexes

Annex 1–Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
Construction Of Buildings							
1.							
Sub-Total							
Construction Of Civil Works							
2.							
Sub-Total							
Supply Of Goods							
3.							
Sub-Total							
Supply Of Services							
4.							
Sub-Total							
Grand Total							
Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments							

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Annex 2 – Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
Senior Management							
1.							
Sub-Total							
Middle Management							
2.							
Sub-Total							
Unionisable Employees							
3.							
Sub-Total							
Others (<i>specify</i>)							
4.							
Sub-Total							
Grand Total							

County Assembly Of Nyeri
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Annex 3 – Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
Amounts Due To National Govt Entities							
1.							
Sub-Total							
Amounts Due To County Govt Entities							
2.							
Sub-Total							
Amounts Due To Third Parties							
3.							
Sub-Total							
Others (Specify)							
4.							
5.							
6.							
Sub-Total							
Grand Total							

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Annex 4 – Summary of Non-Current Asset Register

Asset class	Historical Cost b/f (KShs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (KShs) 2021-2022
Land	19,000,000				19,000,000
Buildings and structures	86,695,169	2,776,460			89,471,629
Transport equipment	39,047,640				39,047,640
Office equipment, furniture and fittings	71,417,024				71,417,024
Ict equipment	4,672,600	909,000			5,581,600
Machinery and equipment	3,741,057				3,741,057
Biological assets					0
Infrastructure assets	1,891,000				1,891,000
Heritage and cultural assets					0
Intangible assets					0
Work in progress					0
Total	226,464,490	3,685,460			230,149,950

County Assembly Of Nyeri
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Annex 5 – Analysis of Accounts Receivables
(a) Government Imprest

Name Of Officer Or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
Name Of Officer Or Institution	dd/mm/yy			
Name Of Officer Or Institution	dd/mm/yy			
Name Of Officer Or Institution	dd/mm/yy			
Name Of Officer Or Institution	dd/mm/yy			
Total				

County Assembly Of Nyeri
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(b) Salary Advance

<i>Name of Officer</i>	<i>Date Advanced</i>	<i>Amount Advanced</i>	<i>Amount Recovered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
	dd/mm/yy			
	dd/mm/yy			
	dd/mm/yy			
	dd/mm/yy			
Total				

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Annex: 6 Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Annex 7 Disaster Expenditure Reporting Template

Date: _____

Entity: _____

Period to which this report refers (FY)	Year	Quarter
Name of Reporting Officer		

Contact details of the reporting officer:	Email	Telephone

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

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

Annex 8: Contingent Liabilities Register

1.	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.						

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

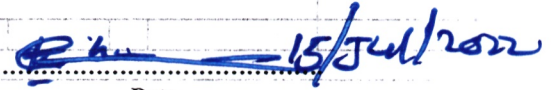
Annex 9 – Bank Reconciliation/FO 30 Report

REPUBLIC OF KENYA		F.O 30				
RECURRENT ACCOUNT BANK RECOILATION						
AS AT 30 JUNE 2022 STATION COUNTY ASSEMBLY OF NYERI						
	Sh	Cts	Sh.	Cts	Sh.	cts
Balances as per Bank Certificates					952,654	0.00
Less:-						
1. Payments in Cash Book not yet recoded in Bank Statement						
(unpresented Cheques)					-44,240,465	
2.Receipts in Bank Statement not yet recoded in cash Book						
Add-					43,288,860	
3. Payments in Bank Statement not yet recorded in cash						
4. Reciepts in Cash Book not yet Recorded in Bank Statement.						
Bank balance as per Cash book					1,050	0.00

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and the above Reconciliation is correct.


 Signature


 Designation


 Date

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

REPUBLIC OF KENYA		F.O 30	
DEVELOPMENT ACCOUNT BANK RECOCLINATION			
AS AT 30 JUNE 2022 STATION COUNTY ASSEMBLY OF NYERI			
	Sh	Cts	Sh. Cts
Balances as per Bank Certificates			0
Less:-			
1. Payments in Cash Book not yet recorded in Bank Statement			
(unpresented Cheques)			0
2. Receipts in Bank Statement not yet recorded in cash Book			
Add-			0
3. Payments in Bank Statement not yet recorded in cash			
4. Reciepts in Cash Book not yet Recorded in Bank Statement.			
Bank balance as per Cash book			0

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and the above Recociliation is correct.


Signature

ADAS
Designation

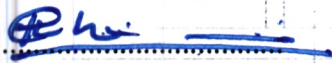
15/July/2022
Date

County Assembly Of Nyeri
Annual Report and Financial Statements For the year ended 30th June 2022

REPUBLIC OF KENYA F.O 30
DEPOSIT ACCOUNT BANK RECOILATION
AS AT 30 JUNE 2022 STATION COUNTY ASSEMBLY OF NYERI

	Sh	Cts	Sh.	Cts	Sh.	cts
Balances as per Bank Certificates						0
Less:-						
1. Payments in Cash Book not yet recoded in Bank Statement						
(unpresented Cheques)						0
2. Receipts in Bank Statement not yet recoded in cash Book						
Add-						0
3. Payments in Bank Statement not yet recorded in cash						
4. Recieipts in Cash Book not yet Recorded in Bank Statement.						
Bank balance as per Cash book						0

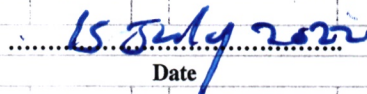
I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and the above Recoiliation is correct.



Signature



Designation



Date

