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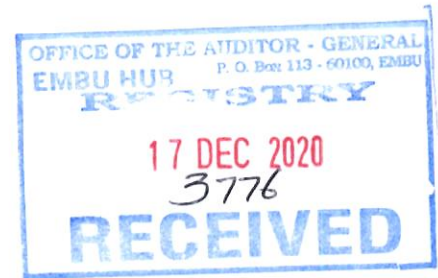
COUNTY ASSEMBLY OF MERU

FOR THE YEAR ENDED

30 JUNE, 2020

PAPERS LAID	
DATE	17/02/2022
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	GETRUDE





COUNTY ASSEMBLY OF MERU
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

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1. KEY COUNTY ASSEMBLY OF MERU INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly is constituted as per the constitution of Kenya and headed by the County Speaker, who is responsible for the general policy and strategic direction of the County Assembly. The County Assembly is made up of 45 Members of the County Assembly (MCAs) elected to represent members of the public from their respective wards and 23 nominated members to represent different groups. The MCAs are responsible for making laws for effective performance of the County Government, approving plans and policies, representing the people and playing the oversight role over the County Executive.

(b) Key Management

The County Assembly of Meru day-to-day management is under the following key organs:

- The Office of the Speaker;
- The Office of the Clerk;

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Name.	Designation.
1.	Jacob Kirari	Clerk-Accounting Officer
2.	Lawrence Gitari	Director- Finance and Accounting Services
3.	Stanley Karonai	Principal Finance Officer
4.	Phillipa Kiao	Principal Accountant

(d) Fiduciary Oversight Arrangements

The County Assembly of Meru has Budget and Appropriations Committee that makes the budget for the assembly and the executive, the PAIC that follows up on expenditures and takes management to account, the Finance and ICT Committee that mainly concentrates on sources of revenue for operations and the Internal Audit Committee that formulates and advises on internal control.

The County Assembly committees have different roles among them formulation of policies and plans for proper implementation by the departments in the executive side of the county government. They also liaise with different departments to help bring different government businesses to the house for debate and adoption.

(e) County Assembly of Meru Headquarters

P.O. Box 3 - 60200
County Headquarters Building
Kenyatta Highway
Meru, KENYA

(f) County Assembly of Meru Contacts

Telephone: (254) 720088043
E-mail: assembly@meru.go.ke
Website: www.meru.go.ke

(g) County Assembly of Meru Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Equity Bank Ltd
Meru Branch

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. FORWARD BY THE CLERK

It has been another year of challenges and achievement for County Assembly of Meru. In the face of significant operational and financial pressures, we have achieved notable success through focusing on our top priorities as approved by the County Assembly of Meru.

Our approved budget for the County Assembly of Meru was Ksh.945,220,000 against actual expenditure of Ksh.925,025,053 representing a performance of 97.86% analysed on the table below as per the programme.

Name of the Programme	Printed /Revised Gross Estimates (Kshs.)	Estimates	Final Budget	Actual on comparable basis	Budget Utilization Difference
	Ksh	Ksh	Ksh	Ksh.	Ksh.
Legislation and Representation	485,513,922	-11,440,983	474,072,939	474,046,828	0%
Legislative Oversight	235,825,342	6,827,385	242,652,727	242,648,454	0%
General Admin, Planning & Support	223,880,736	4,613,598	228,494,334	208,329,771	8.82%
	945,220,000	-	945,220,000	925,025,053	2.14%

Under financial year 2019/2020, the County Assembly of Meru has debated and passed the following bills;

1. Punguza Mzigo Bill which was aimed at changing the constitution
2. The Meru County Teaching Referral Hospital Board Bill which is on the management of the hospital
3. The Meru County Status Law (Miscellaneous Amendments) bill no. 6 of 2019.
4. The Meru County Enforcement Bill no. 7 of 2019.
5. The Meru County Revenue Regulation and Control Bill no. 8 of 2019
6. The Kaguru Agricultural Training Center Bill no. 10 of 2019
7. The Meru County Cancer Institute Bill no. 9 of 2019
8. The Meru County Public Transport and Traffic Management Bill No. 3 of 2020
9. The Meru County Tax Waivers Bill no. 4 of 2020
10. The Meru County Appropriation Bill no. 6 of 2020.
11. The County Assembly of Meru Passed the Budget and three supplementary budgets on the dates indicated below;

The Meru County Appropriation Bill (Bill no.5 of 2019) on 2nd July 2019

The Meru County Supplementary Appropriation Bill, (No. 11. of 2019) on 21st November 2019

The Meru County Supplementary Appropriation Bill, (No. 1 of 2020) on 5th January 2020

The Meru County Supplementary Appropriation Bill, (No. 2 of 2020) on 26th May 2020.

The County Assembly of Meru is made up of the following Committees in Summary; detail of which can be found in the Standing Orders as last amended by the County Assembly of Meru during the Fifth Session of the First Assembly on 14th June, 2017.

COUNTY ASSEMBLY OF MERU
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COMMITTEE	ROLES	ACHIEVEMENT
House business	Prepare Assembly Calendar and Oversee house business	The house business is well organized.
Selection	Nominate members to serve in committees	There are already established committees
Appointments	Consider appointments for approval by the assembly	Approvals CECs, board Members have been done
Public Accounts and Investment Committee	Examine reports and accounts	The committee has already examine all reports up to 30 th June 2018
Budget and appropriation	Discus and review the estimates	The Appropriation bills have been approved in time
Finance and ICT	Evaluate revenue estimates, economic and policies	A finance bill is already on its final stages
Procedure and Rules	Consider and report on all matters relating to standing orders	The standing order have already been redrafted and reorganised
Powers and privileges	Inquire into any alleged breach by any member of the Assembly on the code of conduct	The members have observed the code of conduct
Implementation	Scrutinize the resolutions of the Assembly, petitions and undertakings given by the County Executive Committee	The committee has ensured all business brought to its attention has been dealt with
Delegated Legislation	Consider any statutory instrument pursuant to the Constitution, any law or Standing orders	The committee has ensured that the Assembly is in adherence to The Constitution.
Liaison	Guide and coordinate the operations, policies and mandates of all committees	The committees are orderly and complete all their tasks
Agriculture	Study programme and objectives of Agriculture department	Have a number of bills approved
Culture	Study programme and objectives of culture department	Have a number of bills approved
Cohesion	Study and review all county legislation referred to it	Have a number of bills approved
Education	Study programme and objectives of Education department	Have a number of bills approved
Health	Study programme and objectives of Health department	Have a number of bills approved
Labour	Study programme and objectives of Public Service department	Have a number of bills approved
Planning	Study programme and objectives of Planning department	Have a number of bills approved

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Justice	Study programme and objectives of Legal Affairs department	Have a number of bills approved
Trade	Study programme and objectives of Trade department	Have a number of bills approved
Transport	Study programme and objectives of Transport department	Have a number of bills approved
Water	Study programme and objectives of water department	Have a number of bills approved

A County Assembly exercises and executes the mandate, role and function by the sovereign power to participate in governance, delegated to them under Section 1(2), (3) and (4) of Constitution of Kenya 2010. They exercise oversight over all issues and matters of governance, especially, the operation of the County Executive Committee and all organs of the County Executive; they receive, deliberate on and approve:-

- a) All development plans, programmes, policies and budget of a County Government; as set out in Sections 207, 220 (2), 201 and 203 of the constitution, 2010 and Part IV of the Public Finance Management Act, 2012;
- (b) Vetting all nominees for appointment as County Secretary and Chief Officers of the County Public Service;
- (c) The borrowing by a County Government in accordance with provisions of Section 212 of the Constitution, 2010.
- (d) Appointment of a Clerk of a County Assembly on recommendation of the County Assembly Service Board (CASB).

The County Assembly of Meru has been able to renovate its offices and chambers, install modern Hansard system and construct a perimeter wall round the premises. This has ensured security as well as conducive working environment. The refurbished offices are friendly to PWD as well as a provision of public gallery that members of the public use to follow the debates in the house. The County Assembly has a plan to build Honorable Members' offices. This will go a long way in members' welfare as they currently operate from the parking lots with the cars as their offices.

The key challenge experienced in the last financial year included inadequate staff capacity to utilise IFMIS modules, and late release of cash by the national Treasury. The above mentioned challenges have been addressed by collaborating with the national treasury in training the County Assembly staff on IFMIS modules and asking the senate to intervene on late release of county funds by the national treasury.

We thank the National Assembly and the Senate through National Treasury for their continued support.



Jacob Kirari
Clerk; County Assembly of Meru

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETRMINED OBJECTIVES

Programme	Objective	Outcome	Indicators	Performance in FY 19/20
P1: Legislative and Committee services	<ul style="list-style-type: none"> To formulate and approve County Laws To enhance Oversight over County Executive departments 	<ul style="list-style-type: none"> Improved legislation and oversight services Improved Service Delivery 	<ul style="list-style-type: none"> No. of Bills considered No. of public participation fora 	13 Bills passed 127 Motions
P2: Human Resource Development	To improve Assembly Members and staff skills on Assembly procedures and rules literacy levels	Improved performance of members and staff	<ul style="list-style-type: none"> Members and Staff satisfaction index Number of reports generated and tabled for consideration 	<ul style="list-style-type: none"> 100% Staff and Members trained The number of Bills and motions passed increased for the financial year compared to the previous one
P3: Citizens Participation and Social Responsibility	To enhance citizen engagement in decision making and strengthen partnerships	Enhanced citizen engagement in legislation and policy making processes	<ul style="list-style-type: none"> Citizens' Satisfaction Index Number of petitions submitted from the public 	Held 13 public participation which was an improvement as compared to the forums from previous year
P4: General Administration, Planning & Support	To reduce recurrent expenditure and enhance a conducive working environment	Improved work environment and reduced recurrent expenditure	% of recurrent expenditure	The sub-programmes under the programme did not actualize for lack of funding

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

The county Assembly has continually embraced the prudent utilization of allocated resources by the National treasury. Additionally, the Assembly has continually sought the support of strategic partners to aid in capacity building programmes. Key achievements have been the continuous capacity building programme that has seen improvement in the performance of both Members of the County Assembly as well as staff members. There has however, been challenges experienced especially towards the end of the financial year due to the Covid-19 pandemic that saw delayed disbursement of financial resources thus constraining the assembly operations.

2. Environmental performance

Meru is strategically located in the Mt Kenya and Nyambene ranges which influence the volcanic soils, temperatures, humidity, relief rainfall and diverse ecological zones. The county's gazetted forest cover is 972.3 km², which is 14.02 per cent of the total county area. There are nine gazetted forests and nineteen ungazetted forests.

As the County Assembly, in the interactions with the public it was discovered that farmers continue to farm with great destruction of the soil and the environment. This leads to water logging, acidity, mineral deficiency and consequently aridity. In addition, the public participation lamented at the wanton destruction and environmental degradation that has occurred in the county, including on many hills. Measures to address these concerns have been incorporated for action by the committees on Agriculture and that of Water.

There are also plans for the fastracking of the development and operationalization of a solid waste management system and a recycling plant, develop walkways and cyclist lanes

Internally, the County Assembly had embraced the use of electronic devices for transaction of business especially for the distribution of order papers and other crucial communications.

3. Employee Welfare

The County Assembly Service Board had considered and passed various policies namely; Internship policy, Attachment policy and the Transport policy. Other policy documents are at various stages of consideration.

4. Market place practices

In compliance with the Leadership and Integrity Regulations, 2015, specifically section (4) which states that: “A State officer or a public officer who receives a gift in terms of this regulation shall, irrespective of the monetary value of the gift, declare the gift received to the public entity which the public officer represents in a manner prescribed in Form A, in the Schedule.” The county Assembly of Meru has a gift register which is set up in the manner prescribed in regulation 13 of the Leadership and Integrity Regulations, 2015.

Additionally, in compliance with the provisions of section 46 (1) (d) and 46 (2) of the Leadership and Integrity Act, 2012, the County Assembly has established a conflict of interest register which has been operational for the last three years.

The county Assembly has embraced its core values in its daily operations by ensuring that there is fairness in the recruitment processes, professionalism during day to day operations, and openness especially during procurement processes. The County Assembly has also been accommodative to all views and opinions especially during the conducting of public participation forums where all views are taken into consideration.

5. Community Engagements

The Constitution of Kenya 2010 provides for the inclusions of all Kenyans in spheres of development. This ensures that catering for affirmative groups is not considered a philanthropic issue but a key agenda in Social Development. The social set up within the Meru community has been such that less fortunate individuals in the Society received social support. Faith based organizations and charitable institutions have also been secondary avenues for provision of social support for vulnerable groups especially children. However today, the community finds itself at cross roads. Meru is one of the towns that have, in recent years, experienced the upsurge in street children and families. A report by KNBS shows that street children have increased by 3% since 2010. These children for whom the street has become home face multiple risks of exploitation, sexually transmitted diseases and substance abuse.

The Social protection acknowledges that gender mainstreaming is essential in ensuring that members of the community are protected irrespective of their gender. Both genders are today facing various challenges in the community.

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To this end, the County Assembly, especially through the Women's caucus has come up with strategies including increased inclusivity in planning and decision making, increased engagement in business among women and PWDs, reduction in Gender Violence Cases, reduction in FGM and Early marriages, reduction in number of street children and partnerships with NGOs to source for PWD assistive devices.

This is aimed to be done through the following specific interventions:

- Map out the women PWD in Meru County;
- Establish categories of children in need of care, protection and other needs;
- Reduce the reported cases of FGM by 5% annually;
- Reduce the reported cases of SGBV from 38 % to 29%;
- Reduce the children subjected to child labor from 26% to 16%.
- Enacting of Laws that legislate and implement the Sexual, Gender Based Violence (SGBV) Policy and outlaw retrogressive cultural practices.

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the county assembly shall prepare financial statements of its operations, receiver of revenue and forward the same to the executive for consolidated financial statements for all County Assembly entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the 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 and as at the end of the financial year ended on June 30, 2020. 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 during the financial year ended June 30, 2020, 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 the 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 Assembly Regulations and the terms of external financing covenants (where applicable), and that the County Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Assembly's financial statements were approved and signed by the Clerk on 23rd September 2020.



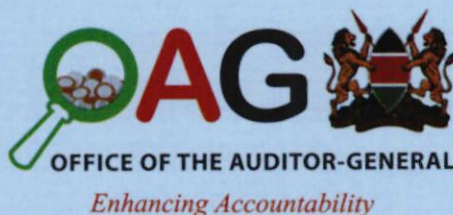
Jacob Kirari
Clerk- County Assembly of Meru



Lawrence Gitari. ICPAK No. 9200
Director- Finance and Accounts

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF MERU FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Meru set out on pages 1 to 21, which comprise the statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Meru as at 30 June, 2020, 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 Government Act, 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in Cash and Cash Equivalents

The statement of financial assets and liabilities and as disclosed in Note 7 to the financial statements reflects Kshs.627 in respect of bank balances which was at variance with the cashbooks amount of Kshs.629,003 resulting to an unexplained and unreconciled variance of Kshs.628,376. Further, review of the bank reconciliation statements revealed a balance of Kshs.469,630 in respect of recurrent account and a Nil balance in respect of imprest accounts which was at variance with the certificates of balance of Kshs.1,003,188 in respect of the recurrent account and Kshs.1,954,036 in respect of the imprest account.

In addition, the bank reconciliation statement for Equity Bank account reflects Kshs.160,000 in respect to payment in bank statement not recorded in the cashbook that has remained outstanding since November, 2013. Management did not provide explanations or reconciliations on the differences.

In the circumstances, the accuracy and completeness of the Kshs.627 in respect to bank balances for the year ended 30 June, 2020 could not be ascertained.

2.0 Unsupported Domestic Travel Expenditure

The statement of financial assets and liabilities and as disclosed in Note 4 to the financial statements reflects Kshs.397,837,738 in respect to use of goods and services which includes Kshs.238,692,597 in respect to domestic travel and subsistence. Included in the domestic travel and subsistence is Kshs.9,003,600 paid to Members of County Assembly while attending seminars and report writing workshops outside Meru County. However, supporting documents including attendance registers, work tickets and committee resolution to have the committee sittings outside the duty station were not provided for audit review.

In the circumstances, the validity of the expenditure of Kshs.9,003,600 for the year ended 30 June, 2020 could not be ascertained.

3.0 Irregular Contributions to County Assembly Forum (CAF)

The statement of financial assets and liabilities and as disclosed in Note 4 to the financial statements reflects Kshs.397,837,738 in respect of use of goods and services which includes Kshs.70,536,099 in respect to other operating expenses. Included in the other operating expenses is Kshs.3,000,000 in respect to payment for County Assembly Forum (CAF) membership subscription for 2019/2020 financial year. However, Management did not provide for audit verification basis for which the payments were made.

In the circumstances, the validity of the expenditure of Kshs.3,000,000 in respect of membership subscription to the County Assembly Forum (CAF) for the year ended 30 June, 2020 could not be confirmed.

4.0 Unaccounted for Expenditure on Hospitality Supplies and Services

The statement of financial assets and liabilities and as disclosed in Note 4 to the financial statements reflects Kshs.397,837,738 in respect to use of goods and services which include Kshs.24,906,003 in respect to hospitality supplies and services. However, expenditure of Kshs.3,081,200 was not supported by relevant documents such as invitation letters to meetings/conferences/workshops, signed attendance registers, payment vouchers, approved rates of payments, back to office reports, evidence of travel to and from the meetings, conferences and workshops venues and work tickets.

In the circumstances, the validity of the expenditure of Kshs.24,906,003 in respect to hospitality supplies and services for the year ended 30 June, 2020 could not be confirmed.

5.0 Summary Statement of Fixed Assets

Annex 4 to the financial statements reflects Kshs.259,999,239 in respect to historical cost of assets as at 30 June, 2020. However, the fixed assets register maintained by the County Assembly was not up-dated and did not include the values, acquisition dates and historical costs of the fixed assets contrary to Section 136(1) of the Public Finance

Management (County Government) Regulations, 2015 which provides that an accounting Officer shall be responsible for maintaining updated register of assets under his or her control or possession as prescribed by the relevant laws.

In view of the above, the accuracy, completeness, valuation and existence of assets at historical cost of Kshs.259,999,239 as at 30 June, 2020 could not be ascertained.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.945,220,000 and Kshs.867,000,000 respectively resulting to a shortfall of Kshs.78,220,000 of the budget. Similarly, the County Assembly expended Kshs.866,999,373 against an approved budget of Kshs.945,220,000 resulting to an under-expenditure of Kshs.78,220,627 of the budget. The revenue deficit and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 of Conclusion

1.0 Failure to Comply with Fiscal Responsibility Principles on Wage Bill

The statement of receipts and payments and as disclosed in Note 3 to the financial statements for the year ended 30 June, 2020 reflects Kshs.463,148,635 in respect to

compensation of employees while the statement of receipts and payments reflects Kshs.867,000,000 in respect to the total revenue received in the year under review. The wage bill constitutes fifty-three (53%) of the total revenue for the year ended 30 June, 2020 contrary to Section 25(1)(b) of the Public Finance Management (County Government) Regulations, 2015 which states that the wage bill shall not exceed thirty-five (35) percent of the County Government's total revenue.

In the circumstances, the County Assembly is in breach of the law.

2.0 Irregular Procurement of Fuel, Oil and Lubricants

The statement of financial assets and liabilities and as disclosed in Note 4 to the financial statements for the year ended 30 June, 2020 reflects Kshs.397,837,738 in respect to use of goods and services. The amount includes Kshs.1,543,343 in respect to expenditure on fuel, oil and lubricants which was procured directly. This was contrary to Section 91(1) of the Public Procurement and Asset Disposal Act, 2015 which provides for open tendering as the preferred procurement method for procurement of goods, works and services.

Consequently, Management was in breach of law.

3.0 Procurement of Legal Services

The statement of financial assets and liabilities and as disclosed in Note 4 to the financial statements reflects Kshs.397,837,738 in respect to use of goods and services which includes Kshs.70,536,099 in respect to other operating expenses. Included in this amount is Kshs.2,583,000 in respect to legal fees paid to two (2) law firms. However, procurement records indicating how the service providers were identified and the contract between County Assembly and the two law firms were not availed for audit review.

In the circumstances, the validity and regularity of the procurement of legal services for the year ended 30 June, 2020 could not be ascertained.

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, except for the matters described in the Basis for conclusion on effectiveness of internal controls, risk management and governance section of my report,

I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Lack of Risk Management Policy and Report

The County Assembly had not put in place risk management policy, strategies and risk register to mitigate against risk. It was, therefore, not clear how the management manages risk exposures. This is in contravention of Regulation 158 (1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

2.0 In-effectiveness of the Internal Audit Function

Review of records provided for audit review revealed that although the internal audit charter was in draft form, it had not been approved by the Board. Further, the audit department was not adequately facilitated as there was no clear budget line for the function.

In the circumstances, the County Assembly internal audit function may not function as required.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Assembly of Meru's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or to cease operations.

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

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the County Assembly of Meru's policies and procedures may deteriorate.

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

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


Nancy Gathungu
AUDITOR-GENERAL


NAIROBI

01 October, 2021


5.1 STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	867,000,000	941,182,191
Transfers from Other Government Entities	2	-	-
TOTAL REVENUES		867,000,000	941,182,191
PAYMENTS			
Compensation of Employees	3	463,148,635	442,045,191
Use of goods and services	4	397,837,738	477,398,155
Other grants and transfers	5	-	12,000,000
Acquisition of Assets	6	6,013,000	9,738,662
TOTAL PAYMENTS		866,999,373	941,182,008
SURPLUS/DEFICIT		627	183

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru




 Lawrence Gitari. ICPAK No. 9200
 Director- Finance and Accounts


5.2 STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7	627	183
TOTAL FINANCIAL ASSETS		627	183
REPRESENTED BY			
Fund balance b/fwd	8	183	-
Surplus/Deficit for the year		627	183
Prior year adjustments	9	-183	-
NET FINANCIAL POSITION		627	183
		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru




 Lawrence Gitari. ICPAK No. 9200
 Director- Finance and Accounts


COUNTY ASSEMBLY OF MERU
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5.3 STATEMENT OF CASHFLOW

	Note	2019-2020	2018-2019
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	867,000,000	941,182,191
Transfers from Other Government Entities	2	-	-
		<u>867,000,000</u>	<u>941,182,191</u>
Payments for operating expenses			
Compensation of Employees	3	463,148,635	442,045,191
Use of goods and services	4	397,837,738	477,398,155
Other grants and transfers	5	-	12,000,000
		<u>860,986,373</u>	<u>931,443,346</u>
Adjusted for:			
Adjustments during the year	9	183	-
Net cash flow from operating activities		6,013,444	9,738,845
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	6,013,000	9,738,662
Net cash flows from Investing Activities		<u>6,013,000</u>	<u>9,738,662</u>
NET INCREASE IN CASH AND CASH EQUIVALENT			
		444	-
Cash and cash equivalent at BEGINNING of the year	8	183	-
Cash and cash equivalent at END of the year	7	627	183
Control		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru



 Lawrence Gitari. ICPAK NO. 9200
 Director- Finance and Accounts

COUNTY ASSEMBLY OF MERU
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5.4 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: RECURRENT AND
 DEVELOPMENT COMBINED

Revenue/ expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% of Utilization Difference
	a	b	C=a+b	d	E=d-c	F=e/c%
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Balance B/F	-	-	-	-	-	-
RECEIPTS						
Exchequer releases	945,220,000	-	945,220,000	867,000,000	78,220,000	8.27
County Executive	-	-	-	-	-	-
Total Receipts	945,220,000	-	945,220,000	867,000,000	78,220,000	8.27
Payments						
Compensation of Employees	494,356,691	-31,208,029	463,148,662	463,148,635	27	0
Use of Goods and Services	421,863,309	23,482,258	445,345,567	397,837,738	47,507,829	10.67
Other Grants and Transfers	-	10,222,771	10,222,771	-	10,222,771	100
Acquisition of Assets	29,000,000	-2,497,000	26,503,000	6,013,000	20,490,000	77.31
Total	945,220,000	-	945,220,000	866,999,373	78,220,627	8.28


Note:

1. The underutilization difference in use of goods and services as well as other grants and transfers was due to non-release of June exchequer by the National treasury.
2. The underutilization difference in acquisition of assets is high due to procurement processes involved in land for the speaker's residence. The process involves National Lands Commission and government valuers which is beyond our control.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru



 Lawrence Gitari. ICPAK No. 9200
 Director- Finance and Accounts

COUNTY ASSEMBLY OF MERU
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5.5 SUMMARY STATEMENT OF COMPARISON: RECURRENT

Revenue/ expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% of Utilization Difference to Final Budget
	a	b	C=a+b	d	E=d-c	F=e/c%
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Balance B/F						
RECEIPTS						
Exchequer releases	916,220,000	2,497,000	918,717,000	860,987,000	57,730,000	6.28
County Exec	-	-	-	-	-	-
Total Receipts	916,220,000	2,497,000	918,717,000	860,987,000	57,730,000	6.28
Payments						
Compensation of Employees	494,356,691	-31,208,029	463,148,662	463,148,635	27	0
Use of Goods and Services	421,863,309	23,482,258	445,345,567	397,837,738	47,507,829	10.67
Other Grants and Transfers	-	10,222,771	10,222,771	-	10,222,771	100
Total	916,220,000	2,497,000	918,717,000	860,986,373	57,730,627	6.28


Note:

The underutilization difference in use of goods and services as well as other grants and transfers was due to non-release of June exchequer by the National treasury.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru



 Lawrence Gitari. ICPAK No. 9200
 Director- Finance and Accounts

COUNTY ASSEMBLY OF MERU

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For the year ended June 30, 2020

5.6 SUMMARY STATEMENT OF COMPARISON: DEVELOPMENT


Revenue/ expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% of Utilization Difference to Final Budget
	a	b	C=a+b	d	E=d-c	F=e/c%
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Balance B/F						
RECEIPTS						
Exchequer releases	29,000,000	-2,497,000	26,503,000	6,013,000	20,490,000	77.31
Total Receipts	29,000,000	-2,497,000	26,503,000	6,013,000	20,490,000	77.31
Payments						
Acquisition of Assets	29,000,000	-2,497,000	26,503,000	6,013,000	20,490,000	77.31
Other Expenses						
Total	29,000,000	-2,497,000	26,503,000	6,013,000	20,490,000	77.31

Note: In acquisition of assets the underutilization is due to lengthy processes involving National Land Commission in acquisition of land for speaker's residence.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru



 Lawrence Gitari. ICPAK No. 9200
 Director- Finance and Accounts

COUNTY ASSEMBLY OF MERU
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5.7 BUDGET EXECUTION BY PROGRAMMES


Name of the Programme	Printed /Revised Gross Estimates (Kshs.)	Estimates	Final Budget	Actual on comparable basis	Budget Utilization Difference
	Ksh	Ksh	Ksh	Ksh.	Ksh.
Legislation and Representation	485,513,922	-11,440,983	474,072,939	454,661,228	4.09%
Legislative Oversight	235,825,342	6,827,385	242,652,727	228,470,054	5.84%
General Admin, Planning & Support	223,880,736	4,613,598	228,494,334	183,868,091	19.53%
	945,220,000	-	945,220,000	866,999,373	8.27%

The underutilization difference was due to non-release of June exchequer by the National treasury and procurement processes involved in land for the speaker's residence. The process involves National Lands Commission and government valuers which is beyond our control.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The County Assembly of Meru financial statements were approved on 23rd September 2020.



 Jacob Kirari
 Clerk- County Assembly of Meru



 Lawrence Gitari. ICPAK No. 9200
 Director- Finance and Accounts

5.8 SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with 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 County Assembly of Meru 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 County Assembly of Meru

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

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

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 County Assembly of Meru.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 County Assembly of Meru recognises all expenses when the event occurs and the related cash has actually been paid out by the County Assembly of Meru.

Compensation of employees

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

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.

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 County Assembly of Meru and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the County Assembly of Meru 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 Meru 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.

COUNTY ASSEMBLY OF MERU

Reports and Financial statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. 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.

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.

There were no other restrictions on cash during the year.

6. Accounts Receivable

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.

7. Accounts Payable

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.

8. 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 County Assembly of Meru fixed asset register a summary of which is provided as a memorandum to these financial statements.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. 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 Meru 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.

10. 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 Meru budget was approved as required by Law .The original budget was approved by the County Assembly on 9th July 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There were two supplementary budgets passed in the year. A high-level assessment of the County Assembly of Meru 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.

11. Comparative figures

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

12. Subsequent events

Events subsequent to 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.

13. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

14. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

5.9 NOTES TO THE FINANCIAL STATEMENTS

1. EXCHEQUER RELEASES

	2019-2020	2018-2019
	Kshs.	Kshs.
Total exchequer releases for quarter 1	90,000,000	151,977,755
Total exchequer releases for quarter 2	360,000,000	326,446,679
Total exchequer releases for quarter 3	227,000,000	202,000,000
Total exchequer releases for quarter 4	190,000,000	260,757,757
Total	867,000,000	941,182,191

2. TRANSFERS FROM OTHER GOVT ENTITIES

	2019-2020	2018-2019
	Kshs.	Kshs.
Transfers from county executive	-	-
Total		

3. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs.	Kshs.
Basic salaries of permanent employees	190,466,474	180,104,164
Basic wages of temporary employees	46,749,202	42,341,055
Personal allowances paid as part of salary	172,011,906	167,767,248
Pension and other social security contributions	53,921,053	51,832,724
Compulsory national social security schemes		
Total	463,148,635	442,045,191

4. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs.	Kshs.
Utilities, supplies and services	2,012,082	2,430,000
Communication, supplies and services	2,907,570	2,929,584
Domestic travel and subsistence	238,692,597	208,976,221
Foreign travel and subsistence	9,400,397	70,010,000
Printing, advertising and infor. Supplies and services	5,054,664	8,699,999
Rentals of produced assets	900,000	1,380,000
Training expenses	3,530,600	13,276,400
Hospitality supplies and services	24,906,003	71,424,261
Insurance costs	31,545,317	31,371,453
Specialized materials and services	218,800	610,350
Office and general supplies and services	4,310,609	5,427,209
Other operating expenses	70,536,099	54,295,799
Routine maintenance- vehicles and transport equip	2,052,327	2,999,999
Routine maintenance- other assets	227,330	571,280
Fuel, oil and lubricants	1,543,343	2,995,600
Payables from previous financial year	-	-
Total	397,837,738	477,398,155

5. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs.	Kshs.
Other current transfers and grants	-	12,000,000
Total	-	12,000,000

6. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs.	Kshs.
Construction of buildings	-	-
Overhaul and refurbishment of chamber	-	4,508,662
Purchase of office furniture and Gen equip	150,000	2,350,000
ICT equipment	5,863,000	2,880,000
	6,013,000	9,738,662

7. A. BANK ACCOUNTS

Name of bank, account No. & Currency	Amount in bank A/c currency	Recurrent, development	Exc rate (foreign) Currency	2019-2020	2018-2019
				Kshs.	Kshs.
Equity bank- 0140261449618		Imprest A/C		506	-
IFMIS-1000194677		Recurrent		121	183
IFMIS		Development		-	-
TOTAL				627	183

8. BALANCES BROUGHT FORWARD

Name of bank, account no & currency	Amount in bank account currency	2019-2020	2018-2019
		Kshs.	Kshs.
Equity bank- 0140261449618	Kes	183	-
CBK- Recurrent-1000194677	Kes	-	-
Total		183	-

9. PRIOR YEAR ADJUSTMENT

Name of bank, account no & currency	Amount in bank account currency	2019-2020	2018-2019
		Kshs.	Kshs.
Equity bank- 0140261449618	Kes	-183	-
CBK- Recurrent-1000194677	kes	-	-
Total		-183	-

The closing balance for 2018/2019 was remitted back to the CRF as directed by law.


5.10 OTHER IMPORTANT DISCLOSURES

1: REVOLVING FUND ACCOUNT

Name of bank, account no & currency	Amount in bank account currency	2019-2020	2018-2019
		Kshs.	Kshs.
Equity bank- staff mortgage 0140267706704	kes	1,621,083	1,647,857
Equity bank- MCAs mortgage 0140276191615	kes	164,090,173	89,508,337
Total		165,711,256	91,156,194

6. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The audit certificate for financial year 2018/2019 has not been received yet.



Jacob Kirari
Clerk- County Assembly of Meru



Lawrence Gitari IC PAK No. 9200
Director- Finance and Accounts

COUNTY ASSEMBLY OF MERU
Reports and Financial statements
For the year ended June 30, 2020
ANNEXES

ANNEX 1: ANALYSIS OF PENDING ACCOUNTS PAYABLE

SUPPLIERS			
1	Armac Group - Training fee on land law	AG0316	190,000
2	Mutindwa enterprises - Replacement of gear box 12CG035A	AG0631	497,900
3	Mutindwa enterprises - Repair for 12CG046A	AG0344	149,820
4	Mutindwa enterprises - Service for 12CG046A	AG0956	41,178
5	Mutindwa enterprises - Service for 12CG032A	AG0962	94,748
6	Abuzon Ltd - Supply of Tissue papers & chrome rims	AG0958	87,500
7	Briaton Dairy Farm - Supply of milk for month of Feb 2020	AG0764	17,095
8	John Matumo- Supply of newspapers for the month of JuneMarch 2020	AG0821	60,480
9	Manene construction- Intercom installation and upgrade additional of office phones	AG0936	980,000
10	Jomut - Maintanance of LAN and replacement of faulty cables	AG0934	1,665,000
11	MFI - Payment for KYOCERA MK-6725G Tonner	AG0961	342,000
12	Ideal Security Services- Provision of security services for the month of June 2020	AG0988	180,960
13	Donarios Investment - Provision of cleaning services for June 2020	AG0999	158,398
14	Institute of Certified Public Secretaries - Annual subscription for yr 2020	AG0942	20,000
15	Fremars Logistics - Supply of general office suppliers	AG0981	10,500
16	Wambugu & Muriuki Advocates- Legal fees in employment labour court	AG0985	1,310,000
17	Tech Hub Solutions - Supply of printers,scanners and replacement of laptop harddisk	AG0935	325,000
18	Mutongeria Ltd - Publication of Annual development plan	AG01020	1,500,000
19	Continental Digital Imaging - Supply of sign boards,graphic designing and mounting	AG01028	52,440
20	County Assemblies Forum(CAF) - Subscription for yr 2019/2020 & arrears	AG0243	1,000,000
21	Standard Group - Advertisement various vacancies	AG0939	177,480
22	Standard Group - Advertisement for Public participation for ADP 2020/2021	AG0959	68,440
23	Nation Media -Advertisement for submission of memoranda	AG0964	169,860
24	Nation Media -Advertisement for Public participation on Punguza Mzigo	AG0957	142,680
25	Nation Media -Advertisement various vacancies	AG0965	172,840
26	Nation Media -Advertisement Assembly calendar fourth session	AG0948	73,080
27	Bomen Hotel - Provision of full conference facilities	AG0305	212,200
28	Bomen Hotel - Provision of full conference facilities	AH0035	294,000
29	Bomen Hotel - Provision of full conference facilities	AH0032	294,000
30	Bomen Hotel - Provision of full conference facilities	AH0033	425,600
31	Meru Water & Sewarage services - Supply of bottled water	AG0960	198,830
32	County Assemblies Forum(CAF) - Subscription for yr 2019/2020	AG01013	1,968,800

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33	Sunstar Hotel - Provision of full conference facilities	AG0753	1,409,400
34	Sunstar Hotel - Conference Facility	VARIOUS	3,543,200
35	MFI - Payment for KYOCERA MK-6725G Tonner	AG0800	174,000
36	Mutindwa enterprises - Service for 12CG031A	AG0912	63,904
37	Mutembei & Kimathi Advocate - Legal services	AG0831	1,160,000
38	UAP Insurance Company Ltd - Provision of fire related peril insurance	AG0837	100,176
39	Standard Group - Advertisement for application for vacancies	AG0499	266,800
40	Standard Group - Advertisement for vetting forhonors and award board	AG0627	319,000
	Total		<u>19,917,309</u>

ANNEX 2: ANALYSIS OF PENDING STAFF PAYABLE

NO.	NAME/PARTICULARS		AMOUNT
1	Individual Account - CAF Nominated members on 4th Feb 2020	AG0927	522,000
2	Individual Account - Labour Committee 29th Feb - 3rd March 2020	AG0861	527,200
3	Individual Account - Agriculture Committee 13th -15th March 2020	AG854	581,600
4	Individual Account - Implementation Committee 4th -6th Oct 2019	AG0987	1,277,600
5	Individual Account - Health Committee 29th Feb - 3rd March 2020	AG0860	1,061,200
6	Individual Account -Selection Committee 14th -16th May 2020	AG0978	954,900
7	Individual Account - Lands& Planning Committee 29th Feb - 3rd March 2020	AG0859	818,000
8	Individual Account - Education Committee 29th Feb - 3rd March 2020	AG0855	749,200
9	Individual Account - PAC Committee 8th -11th Dec 2019	AG0903	1,614,800
10	Individual Account -Budget Committee 1st-3rd April2020	AG0992	1,380,300
11	Individual Account - Implementation Committee 18th - 20th Jan 2020	AG0908	1,165,200
12	Individual Account -Implementation Committee 18th -20th Oct 2019	AG0907	1,277,600
13	Individual Account -Budget Committee 27th-30th May 2020	AG0994	1,640,800
14	Individual Account -Budget Committee 1st-3rd April2020	AG0993	1,640,000
15	Individual Account - Water Committee 29th Feb - 3rd March 2020	AG0863	191,200
16	Individual Account -Implementation Committee 26th - 28th June 2020	AG01040	881,400
17	Individual Account -Education Committee 24th - 29th June 2020	AG01039	837,900
18	Individual Account - Cohension Committee 13th -15th March 2020	AG0857	909,200
19	Individual Account - PAC Committee 29th Feb - 3rd March 2020	AG0906	448,600
20	Individual Account - Transport Committee 13th -15th March 2020	AG0858	375,200
21	Individual Account - Labour Committee 13th -15th March 2020	AG0862	319,200
22	Individual Account - Lands & Planning Committee 13th -15th March 2020	AG0867	237,600
23	Individual Account - Justice & Legal 29th Feb - 3rd March 2020	AG0865	185,600
24	Individual Account - Trade Committee 13th -15th March 2020	AG0856	445,600
25	Individual Account - Culture 29th Feb - 3rd March 2020	AG0864	385,200
26	Individual Account - Education Committee 13th -15th March 2020	AG0886	435,600
27	Individual Account -Adhoc Committee 9th to 12th March 2020	AG01042	1,855,500
28	Individual Account -Adhoc Committee 2nd to 4th Dec 2019	AG01043	1,275,800
29	Individual Account -Adhoc Committee 11th to 13th Feb 2020	AG01041	1,217,200
30	Individual Account - Justice & Legal 2nd - 4th Nov 2019	AG0405	968,800
31	PAC Committee 1st to 9th may 2020	AG01048	618,300

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32	Hon Robert,adamson,karimi,linus facilitation to kwale for annual national planners	AG0846	372,100
33	Hon gacheri,kinoti,salome,secondina,kananu attending training on human rights KSG EMBU	AG0844	302,500
34	Clerk county assembly, facilitation of members to isiolo to compile a report	AH0111	380,200
35	Johnson mwatha to pay for WFI	AG01003	11,500
36	Stephen nkumbo Tender committee allowance	AG0848	21,000
	Sub totals		27,885,600

ANNEX 3: ANALYSIS OF OTHER PENDING AYABLES

	Staff car loan and mortgage		10,222,771
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ANNEX 4: SUMMARY OF FIXED ASSETS

Asset class	Historical Cost b/f (KShs) 2018/19	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2019/20
Land	-	-	-	-	-
Buildings and structures- Overhaul and Refurbishment	162,467,216	-	-	-	162,467,216
Transport equipment	37,227,740	-	-	-	37,227,740
Office equipment, furniture and fittings	34,488,821	150,000	-	-	34,638,821
ICT Equipment	9,255,700	5,863,000	-	-	15,118,700
Specialized Equipment	6,038,100	-	-	-	6,038,100
Research, Design and Supervision	4,508,662	-	-	-	4,508,662
Total	253,986,239	6,013,000	-	-	259,999,239

The above summary of fixed assets does not include the value of land and building prior to reestablishment under the County Assembly of Meru. This is because the Transition Authority has not finished the transition process to grant ownership or value of the same.