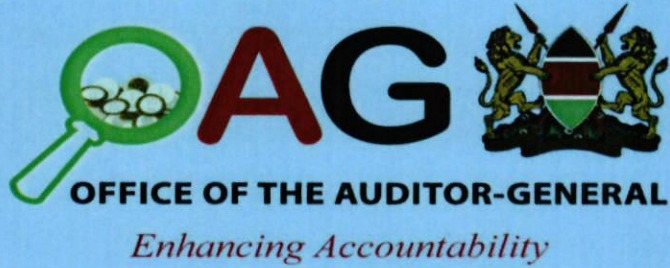


REPUBLIC OF KENYA



	PAPERS	REPORT
DATE	9/6/22	
TABLED BY	D. Maj. W.	
COMMITTEE		
CLERK AT THE TABLE	Mary.	OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF NYAMIRA

**FOR THE YEAR ENDED
30 JUNE, 2021**



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

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NYAMIRA COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2021

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

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information





Nyamira County Assembly is constituted as per the Constitution of Kenya and 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 Thirty Six (36) Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

Nyamira County Assembly's day-to-day management is under the following key organs:

	<p>Hon. Moffat Machogu Teya is the Chairman of the County Assembly Service Board (CASB). He was elected as the third Speaker of Nyamira County Assembly on 7th September 2017. Hon. Teya served as a branch manager of Heritage Insurance, Kisii Branch before his election as the Speaker of Nyamira County Assembly. He is the First Chairman of The Lake Region Economic Block Speakers' Caucus. He is the Coordinator of County Assembly Forum (CAF) Nyanza region.</p> <p>He holds a Bachelor of Commerce degree from the University of Nairobi and he is pursuing MBA at Kisii University. He is Certified Public Accountant (CPAK) and Advanced Chartered Insurance Institute (ACII).</p> <p>Hon. Teya is a Church Elder, loves singing gospel music, and enjoys playing soccer.</p>
<p>Hon. CPA. Moffat Machogu Teya Speaker & Chairman - CASB</p>	
	<p>Hon. Charles Keganga Nyarango is the Vice chairman of the County Assembly Service Board. He also serves as the Elected Member of County Assembly of Bosamaro Ward.</p> <p>He has previously worked with the National Government under the Procurement Department.</p>
<p>Hon. Charles Keganga Nyarango Vice Chairman - CASB</p>	

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	<p>Hon. Benson Sironga is a Member of County Assembly Service Board representing minority interest. He is currently serving his second term as a Member of County Assembly Service Board and a Member of County Assembly for Rigoma Ward.</p> <p>Hon. Sironga has served as a Director of KTDA – Nyakoba Tea Factory, a position that he holds to date.</p>
<p>Hon. Benson Sironga Member - CASB</p>	<p>Hon. Linet Maganda is an External of the County Assembly Service Board. She is serving her first term in office as External Member of CASB having been appointed as from November 2018.</p> <p>She is a Teacher by Profession having served as a History and Kiswahili teacher. She holds a Bachelor of Arts degree.</p>
	<p>Hon. Leonard Mugaru is an External member of County Assembly Service Board. He is serving as an External Member of the County Assembly Service Board a position he was appointed as from November 2018.</p> <p>He holds a Bachelor and Master’s degree</p>
<p>Hon. Linet Maganda Member - CASB</p>	<p>Mr. Duke Simeon Onyari is the Acting Clerk of Nyamira County Assembly. He has served as the Secretary to the County Assembly Service Board (CASB) as from 4th April, 2018. He is an Advocate of the High Court</p>
	<p>Mr. Duke Simeon Onyari is the Acting Clerk of Nyamira County Assembly. He has served as the Secretary to the County Assembly Service Board (CASB) as from 4th April, 2018. He is an Advocate of the High Court</p>
<p>Hon. Leonard Mugaru Member - CASB</p>	<p>Mr. Duke Simeon Onyari is the Acting Clerk of Nyamira County Assembly. He has served as the Secretary to the County Assembly Service Board (CASB) as from 4th April, 2018. He is an Advocate of the High Court</p>
	<p>Mr. Duke Simeon Onyari is the Acting Clerk of Nyamira County Assembly. He has served as the Secretary to the County Assembly Service Board (CASB) as from 4th April, 2018. He is an Advocate of the High Court</p>
<p>Mr. Duke Onyari Secretary - CASB</p>	<p>Mr. Duke Simeon Onyari is the Acting Clerk of Nyamira County Assembly. He has served as the Secretary to the County Assembly Service Board (CASB) as from 4th April, 2018. He is an Advocate of the High Court</p>

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(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2021 and who had direct fiduciary responsibility were:

	<p>Mr. Duke Onyari is currently the Acting Clerk of Nyamira County Assembly and Secretary to CASB. He had served as the Deputy Clerk of the County Assembly as from 1st December 2013.</p> <p>As the Acting Clerk of the County Assembly Mr. Onyari is the Accounting officer responsible for the day to day operation of the County Assembly</p>
<p>Mr. Duke Onyari Ag. Clerk</p>	<p>CPA. Leonard Nyamasege was appointed the Director Finance & Accounts as from 1st January 2019. Prior to the appointment as the Director Finance & Accounts, he served as Principal Finance & Budget officer as from 1st December 2013.</p> <p>Mr. Nyamasege holds a Bachelor of Commerce Degree and Master of Business Administration in Finance from the University of Nairobi. He is a Certified Public Accountant (CPAK) and an active member of ICPAK.</p>
 <p>CPA. Leonard Nyamasege Director Finance & Accounts</p>	<p>Ms. Joyce Onyiego is the Director Internal Audit a position she was appointed to as from 1st June 2020. Prior to her appointment as the Director Internal audit, she was the Director Supply chain Management. She holds a Bachelor Degree and MSC. Procurement from Jomo Kenyatta University of Science and Technology. She is also member of KISM.</p>
 <p>Ms. Joyce Onyiego Director Internal Audit</p>	

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(d) Fiduciary Oversight Arrangements

The following committees provided the key fiduciary oversight arrangements during the period:

- Audit committee

The audit committee conducted an induction and prepared the Audit Committee Charter.

- Finance committee

The Finance Committee examined the consolidated quarter 1, quarter 2, quarter 3 and quarter 4 expenditure reports for the Nyamira County Government.

- Public Accounts and Investment committee

The Public accounts examined reports for Education Bursary fund and Mortgage scheme fund for the year ended 30th June 2021.

- Budget and Appropriation committee

The Budget & Appropriations Committee deliberated and approved the Annual Development Plan (ADP), the budget estimates and supplementary budget estimates during the year. The committee also examined utilization of resources allocated to the County Departments

(e) Entity Headquarters

P.O. Box 590 - 40500

Nyamira County Assembly Building

Off Nyamira - Nyabite Road

NYAMIRA, KENYA

(f) Entity Contacts

Telephone: (254) 0701-967-200

E-mail: info@nyamiraassembly.go.ke

Website: www.nyamiraassembly.go.ke

NYAMIRA COUNTY ASSEMBLY
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(g) Entity Bankers

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

2. Kenya Commercial Bank
Nyamira Branch
P.O Box 403 – 40500
NYAMIRA, KENYA

3. Family Bank of Kenya
Nyamira Branch
P.O Box
NYAMIRA, KENYA

(h) Independent Auditor

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084 – 00100, GPO
NAIROBI, KENYA

(i) Principal Legal Adviser

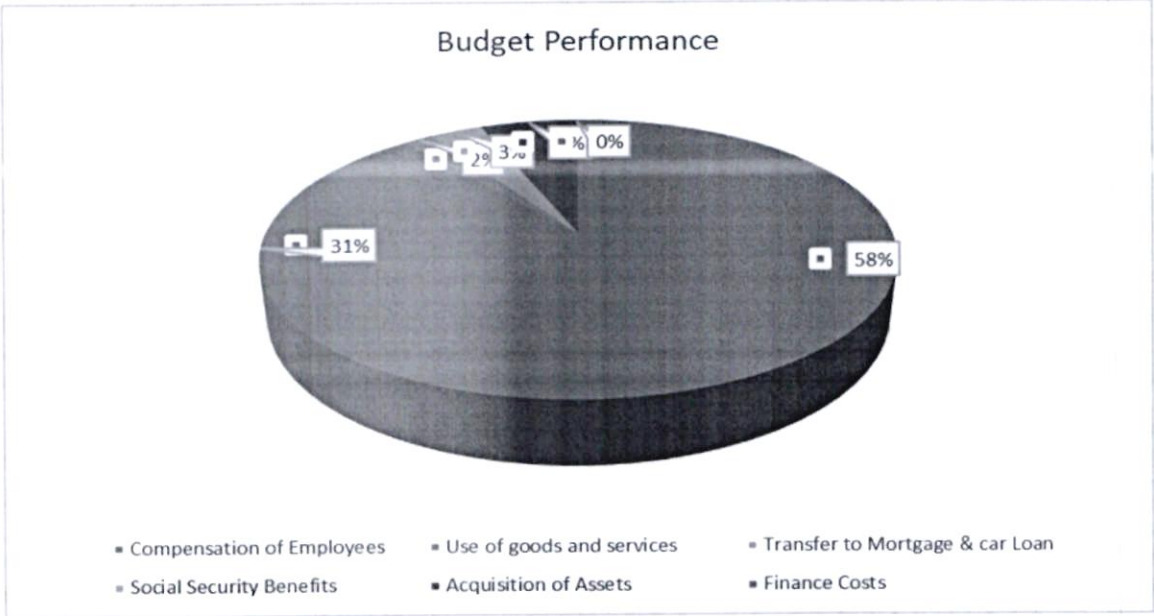
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112 – 00200, City Square
NAIROBI, KENYA

2. FORWARD BY THE CLERK OF THE ASSEMBLY

The County Assembly was able to carry out its key roles of legislation, oversight and representation despite the challenges brought about by the Covid-19 pandemic. The Assembly had an approved budget of Kshs.732,785,716 for its three core programmes namely; General Administration and Support programme, Oversight and Legislation & Representation.

2.1 Budget performance

During the period, the County Assembly had an original budget of Kshs.816,107,510 but due to resources constraints in the County, the budget was reduced during the Supplementary Budget to Kshs.732,785,716. Out of Kshs.732,785,716, allocation of Kshs.336,365,300 was for Compensation of employees, Kshs.241,074,210 for use of goods and services, Kshs.10,000,000 for Transfers to other Government entities (Car & Mortgage loan fund), Kshs.18,653,000 for social security benefits, Kshs.126,678,206 for Acquisition of Assets and Kshs.15,000 for finance costs. Out of Kshs.732,785,716 budgeted, Kshs.582,320,434 was received and 58% utilised on Compensation of employees, 31% on use of goods and 6% on Acquisition of assets as shown by the pie chart below;



2.2 Operational Performance

- a) The following six County laws were passed by the Members of the Assembly during the period;
- **The Nyamira County (Decentralized units) Administrative Act, 2020**
 - The law will provide for administrative structure for Nyamira County Government.
 - To provide for delineation of the Administration units of the County Government.
 - To provide for legal mechanisms for future decentralization of the County Government.
 - To give effect to the provisions of the Constitution and the County Government Acts with regard to devolution.
 - **The Nyamira County Water and Sanitation Act, 2020**
 - The County law will provide for legal framework for the implementation of paragraphs 10 (a) and 11 of part of the Fourth Schedule of the Constitution and Article 43 (1) (b) and (d) in order to promote water catchment conservation and protection.
 - Ensure that there is effective and efficient provision of water and sanitation services to the citizens.
 - Promote effective and efficient management of storm water in built up areas.
 - **The Nyamira County Appropriation Act, 2020**
 - The County law was to authorize the issue of sum of money out of the County Revenue Fund and its application towards the County services to its citizens for the year ending 30 June 2021 and to appropriate sum for public services and purposes.
 - **The Nyamira County Covid-19 And Highly Infectious Diseases Response Act, 2020**
 - The objective of this law is to provide for the Control and Management of Covid-19 and other highly infectious diseases

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- To provide for preparedness and response to infectious diseases outbreak, to establish an infectious diseases Coordination Committee.
- To provide for recruitment and deployment of temporary extra resources in times of health crisis.
- To regulate the administration and functions of the Coordination Committee.
- **The Nyamira County Wetland Conservation and prohibition of Destruction Act, 2019.**
 - Wetlands protect and preserve drinking water supplies by serving to purify surface water and groundwater resources;
 - Wetlands provide a natural means of flood and storm damage protection, and thereby prevent the loss of life and property through the absorption and storage of water during high runoff periods and the reduction of flood crests;
 - Wetlands serve as a transition zone between dry land and water courses, thereby retarding soil erosion;
 - Wetlands provide essential breeding, spawning, nesting, and wintering habitats for a major portion of the county's fish and wildlife, including migrating birds, endangers species, and commercially and recreationally important wildlife.
 - Wetlands maintain a critical base flow to surface waters through the gradual release of stored floodwaters and ground water, particularly during drought periods.
- **The Nyamira County Supplementary Appropriation Act, 2021**
 - An Act of the County Assembly of Nyamira to authorize the issue of a sum of money out of the County Revenue Fund and its application towards the services of the year ending on the 30th June, 2021 and to appropriate that sum for public services and purposes.

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b) **The County Budget Process.**

The County Budget Planning documents and the County Programme Based Budget were processed as follows;

S/No.	Document Name	Date Received at County Assembly	Date Approved by County Assembly
i.	Annual Development Plan 2020/2021	31 st August, 2019	13 th November, 2019
ii.	County Budget Review & Outlook Paper, 2020	18 th October, 2019	7 th November, 2019
iii.	County Fiscal Strategy Paper, 2020	3 rd March, 2020	17 th March, 2020
iv.	Annual Estimates of Revenue & Expenditure for FY:2020/2021	8 th May, 2020	25 th June, 2020
v.	The Nyamira County Appropriations Bill, 2020	30 th June, 2020	2 nd July, 2020
vi.	1 st Supplementary Budget Estimates	25 th August, 2020	22 nd September, 2020
vii.	The Nyamira County Supplementary Appropriations Bill (1) 2020	29 th September, 2020	1 st October, 2020
viii.	2 nd Supplementary Budget Estimates	11 th May, 2021	20 th May, 2021
ix.	The Nyamira County Supplementary Appropriation Bill (2) 2021	20 th May, 2021	20 th May, 2021

c) The Assembly committees, their mandates and successes over the period.

(i) The County Budget & Appropriation Committee

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

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- Examine the Bills related to the National Budget including the Appropriations Bill.
 - Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.
- The Committee passed key legislation such as The County Appropriations Bill that helped the County in utilization of the allocated County resources.

(ii) Committee on Appointment

- The Committee on Appointments shall consider, for approval by the County Assembly, appointments under Articles 179 (2) (Members of County Executive Committees.
- The Committee on Appointment considered the names of County Executive Committee and Nominee for the position of the Deputy Governor sent to the Assembly by H.E. the Governor. The Committee approved the nominees for positions of County Executive Committee Members and the Deputy Governor.

(iii) County Assembly Public Accounts Committee

- The Committee is responsible for examination of the accounts showing appropriations of the sum voted by the County Assembly to meet public expenditure and of such other accounts laid before the County Assembly.

(iv) County Assembly Roads Committee

- The Committee is responsible on all matters related to county transport, including county roads, street lighting, traffic and parking, public road transport; county public works and services including monitoring of public facilities constructed using the County resources.
- The Committee has been able to monitor the opening and murraming of the County roads currently awarded to the Mechanical Transport Fund.

(v) Committee on Implementation

- The Committee is responsible to scrutinize the resolutions of the County Assembly (including adopted reports), petitions and the undertakings given by the County Executive Committee.
- The Committee has been able to check the status and improve the implementation status of the County projects such as the construction of the Early Child Development Education classes across the twenty wards in the County.

(vi) Committee on Education

- Committee on Education is responsible for all matters related to pre-primary education, village polytechnics, home craft centres and childcare facilities.
- The Committee has been able to oversight the allocation of the bursary fund to the needy students in the County. The Committee has equally been monitoring the construction and equipping of ECDE Classes and TVET Centres in the County.

(vii) Committee on Health Services

- The Committee is responsible for all matters related to county health services, including, in particular county health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, veterinary services (excluding regulation of the profession), cemeteries, funeral parlours and crematoria and refuse removal, refuse dumps and solid waste disposal.
- The Committee has been concerned with the current situation of Covid-19 and its effects. The Committee has on frequent occasion checked on the County Government of Nyamira preparedness in handling the Covid-19 situation and its effects.

d) Highlights on the oversight role of the County Assembly.

- The County Assembly has been able to discharge its role of oversight by ensuring that resources are allocated to the Ward level. Through its Committee, the County Assembly has been able to oversight projects such as County sporting facilities, County Health facilities, and educational centres such as those for early education and youth polytechnics, status of County roads among others.

2.3 Performance of key development projects

a) The key development projects

The County Assembly had the following key projects;

- (i) Construction of the County Assembly Office Block
- (ii) Construction of car park and perimeter wall
- (iii) Purchase of stand-by generator.
- (iv) Construction of Ablution Block
- (v) Construction of twenty Ward offices
- (vi) Construction of official residence for the Speaker of County Assembly.
- (vii) Purchase and Installation of CCTV Cameras.
- (viii) Purchase and installation of Air conditioners

b) The key development projects included in the Assembly's strategic plan, procurement plan and work plan and progress made and how if completed, will improve the effectiveness and efficiency of operations.

- **County Assembly Office Block** – The office block is on progress. The project has offices, committee rooms and conference Halls/boardrooms for meetings. Once the project is completed, committee meetings will be conducted within the Assembly precincts to ensure that reports are produced on time for the County use. The Members of the County Assembly will also give maximum concentration to processing of key County legislation as opposed to currently where members hold their committee meetings in hotels.

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- **Construction of car park and perimeter wall** – The project is complete and in use. The car park and perimeter wall has enhanced security of the assets and properties of the County Assembly.
- **Purchase of Stand – by Generator** – The Generator is installed and in use. The installation of the generator has ensured that the County Assembly can easily run its daily operations without necessarily being affected by the fluctuations and power outages in electricity experienced regularly.
- **Construction of Ablution Block** – The project is completed and in use.
- **Construction of twenty Ward offices** – The County Assembly started construction of offices across the twenty County Wards. During the year, the County Assembly commenced with thirteen ward offices. The offices are expected to be completed by June 2022.
- **Purchase and installation of CCTV Cameras and Air conditioner** – The CCTV Cameras were installed and in use. The Cameras will provide security to the County Assembly offices and the assets.

c) The Efforts outlined to ensure responsible competition practices;

The County Assembly has conducted its procurement processes in an open and transparent manner in order to promote fair competition. As exhibited in the Procurement Plan, the County Assembly has strictly followed and awarded reserved categories whenever awarding contracts. The County Assembly has equally honoured its financial obligations whenever they fall due.

2.4 Comment on value-for-money achievements

- The key projects undertaken once completed will ensure that the County Assembly undertakes its core functions of Legislation, Representation and oversight
- The generator will ensure there is standby power in cases where there is fluctuations of power in the County Assembly.
- The provision of the committee rooms will give the members of the public to participate on committee meeting where County matters are being held and have a participatory approach to County matters.

NYAMIRA COUNTY ASSEMBLY
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- The ward offices will ensure that the Members of the County Assembly are easily accessible to the County citizens.

2.5 Challenges and Recommended Way Forward

- Delayed disbursement of funds from the National Treasury especially for Development, the delay is likely to affect the key County Assembly development projects.
- Inadequate offices and committee rooms thus affecting operations of Departments and Committees. The Office block will address the issue of offices in the long run.
- Instability of Integrated Financial Management System networks causing delays in payments to the suppliers. More stable network is required to address future problems.
- The spread of Covid-19 during the year also caused a lot of panic, the Assembly was not prepared to have virtual Assembly and even for the employees to work from home. This has affected implementation of key functions in the Assembly especially Legislation and oversight. Legislation requires Members to deliberate on key legislations and then conduct public participation on the legislation. Unlike the previous year, public participation especially on budget estimates was conducted through online platforms. The online platforms had technological challenges to the County residents. Visitation of key projects such as County roads and Health facilities was not adequately done. The Assembly pursued ways of conducting e-Assembly to contain the spread of Covid-19.



Duke Simeon Onyari

Clerk of the County Assembly

NYAMIRA COUNTY ASSEMBLY
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**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ASSEMBLY
 PREDETRMINED OBJECTIVES**

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 Nyamira 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 2020/2021

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs – Provide ongoing professional development of MCAs	Increased ability of MCA in legislation	No of bills passed in the County Assembly	In FY 2020/2021 MCA were trained on County Budgeting making process and oversight role by the Senate.
	Enhanced professional development of MCAs – Review standing orders	Review standing orders	% increase in efficient Assembly operation	Nyamira County Assembly standing orders were reviewed and resulted to efficient management of

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				Committees.
Program 2 General Administration, Policy Planning & Support Services	To provide effective and efficient to support services for effective execution of technical mandates of the County Assembly	Infrastructural development and improvement, Training of staff and payment of utility bills and salaries	Construction of office block to cater for staff and MCAs.	Office block is on-going, staff and MCAs paid salaries

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Nyamira County Assembly ensures that the lives of the citizens are transformed. During the period, the County Assembly made achievements under the following areas;

i. Sustainability strategy and profile -

Trainings have been conducted on Parliamentary Oversight of Sustainable Development Goals that promotes good governance practices. The County Assembly has constantly built capacity for the Members of County Assembly on promoting good governance.

The major hindrances to the roles of Oversight, Representation and Legislation are monitoring of resources allocation to marginalized communities. Emphasis has been put on empowering the youths, women, ethnic minorities and people with disabilities and the importance of giving them greater voice in decision making process.

Political trends in the County are based on the dynamics of voter preferences. This has created a County Government that is majorly from a majority coalition or parties and the opposition being a coalition of the minority coalition or parties.

ii. Environmental performance

To reduce the usage of paper especially printing of papers, disposal of used toners and cartridges, the Honourable Speaker and the County Assembly House Leadership in collaboration with the Ministry of Information and Communication introduced the iPads that are used in running the virtual Assembly in order to reduce paper work within the County Assembly. The County Assembly is still exploring ways of managing other solid waste.

iii. Employee welfare

The County Assembly has ensured that it employs qualified personnel from all parts of the Republic of Kenya in line with the Constitution of Kenya and observing the third gender rule. The skills in employees are developed and improved through trainings and mentorship programmes. A number of staff have attended several government related trainings in the Kenya School of Government to improve their skills and add value to the organization. Appraisals have been done to aid promotions of deserving hardworking and competent employees.

iv. Market place practices-

The County Assembly ensures that its employees and the MCAs are not involved in the supply of goods and services to the County Assembly.

The County Assembly ensures that procurement of goods and services is done independently and only the qualified suppliers are awarded contracts to supply for the County Assembly.

The County Assembly upon awarding contract to successful suppliers ensures that the suppliers are paid for what they have supplied.

All tenders that exceed 5 million for civil works and 3 million for goods and services are advertised in the nationwide circulation newspapers and through the Government supplier's portal. While tenders below 5 million for civil works and below 3million for supply of goods or services, the suppliers are requested to give quotations for competitive awarding of the contracts.

v. Community Engagements-

The County Assembly has been in the forefront in engaging its residents on matters relating to governance of the affairs of the County. The County Assembly undertook public participation on the key legislations passed including the budget estimates.

The County Assembly has always sensitized the community on the rapid spread of Covid-19 pandemic.

vi. Others

The Corporate Social Responsibility Committee in the Assembly has been able to identify areas that needs cooperation between the citizens and the County Government. The CSR Committee carried out market visitations to ensure that they comply with Ministry of Health laid down Covid-19 Regulations. The Committee equally visited the County Health facilities.

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, 2021. 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, 2021, 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, and that the County Assembly's funds

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For the year ended 30th June, 2021

received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

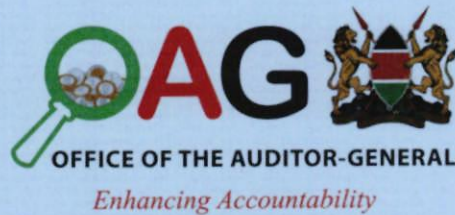
The County Assembly's financial statements were approved and signed by the Clerk of the County Assembly on 24th January, 2022.



Duke Simeon Onyari
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 NYAMIRA FOR THE YEAR ENDED 30 JUNE, 2021

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 control, 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 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

Opinion

I have audited the accompanying financial statements of the Nyamira County Assembly set out on pages 1 to 28, which comprise the statement of financial assets and liabilities

as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts - recurrent and development combined 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, the financial statements present fairly, in all material respects, the financial position of the County Assembly of Nyamira as at 30 June, 2021, 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 the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Nyamira 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 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 of Kshs.732,785,716 and Kshs.582,320,434, respectively resulting to an under-funding of Kshs.150,465,282 or 21% of the budget.

Similarly, the County Assembly expended Kshs.583,747,448 against an approved budget of Kshs.732,785,716 resulting to an under-expenditure of Kshs.149,038,268 or 21% of the budget.

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

2. Pending Bills

As disclosed in Note 1 on other disclosures, the financial statements reflects pending account payables amounting to Kshs.9,604,687 which were not settled during the year

under review but were carried forward to 2021/2022 financial year. Failure to settle the bills negatively impacts on the subsequent year's budget provisions against which they have to be charged to.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources and basis for qualified opinion sections 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. Construction of Offices for Staff and Members of County Assembly (MCAs)

Note 6 to the financial statements reflects acquisition of assets expenditure of Kshs.34,308,167 which includes an amount of Kshs.29,470,519 relating to construction of buildings. The latter further includes an amount of Kshs.27,808,218 paid in respect of construction of offices for staff and Members of County Assembly (MCAs). The contract was awarded to a local contractor at a contract sum of Kshs.367,000,000. The contract was to be carried out in one hundred and fifty-six (156) weeks with expected completion date of May, 2018 but which was later revised to 13 August, 2021.

Examination of related documents and physical verification of the project on 13 October, 2021 revealed the following anomalies:

- i. The building had not been completed and the contractor was not on site. A section of the slab and a beam had collapsed. A preliminary report by the Ministry of Transport, Infrastructure, Public Works, Housing and Urban Development dated 4 June, 2021 reference number BI/SE/3/Vol VIII/(78) indicated that the entrance slab failed due to inadequate design (support system) causing deflation of the beam and that the framework failed due to lack of bracing.
- ii. The National Construction Authority is yet to issue a lifting of the suspension of works awaiting submission of the approved redesign of the collapsed section of the building, together with a methodology statement for the implementation of the works by the assembly.

In view of the foregoing, the value for money may not be realized from the sub-standard and delayed works.

2. Automation of Broadcasting and Hansard Recording Functions

The acquisition of assets expenditure of Kshs.34,308,167 includes an amount of Kshs.1,662,300 paid in respect of automation of Broadcasting and Hansard recording functions. The contract was awarded to a local contractor at a contract sum of

Kshs.17,698,000. The contract was to be carried out in twenty-four (24) weeks beginning 15 May, 2016.

Review of records revealed that payments totalling Kshs.14,662,300 had been made to the contractor to date but the works remained incomplete with no approved extension as required under Section 139(2) of the Public Procurement and Asset Disposal Act, 2015.

Physical verification on 13 November, 2021 revealed that the server supplied did not meet the required specifications and had remained unused since its delivery. In addition, the conference system software supplied was not fully set, for instance, it was not linked to the camera, and thus disabling the camera from automatically focusing from the MCAs while on the floor. Further, the smart card readers were not working and the personal details of the MCAs could not be relayed on the Speaker's dashboard during plenary sessions as envisaged.

Consequently, the value for money on the expenditure amounting to Kshs.14,662,300 incurred to date could not be confirmed.

3. Irregular Payment of Transport Allowance

The statement of receipts and payments reflects an expenditure on use of goods and services of Kshs.184,448,412 and as disclosed in Note 3 to the financial statements which includes domestic travel and subsistence expenses of Kshs.117,284,049. The latter includes an amount of Kshs.7,155,500 paid as transport allowance to Members of County Assembly and staff of the Assembly for various journey at the rate specified in the transport policy approved by the County Assembly Service Board in the year 2017, and without the approval from Salaries and Remuneration Commission.

The Management, therefore, contravened Section 11(b) and (f) of the Salaries and Remuneration Commission Act, 2011 which provides that the function of the commission includes among others, keeping under review all matters relating to the salaries and remuneration of public officers including making recommendations on matters relating to the salary and remuneration of a particular state or public officer.

Consequently, the County Assembly was in breach of the law.

4. Failure to Observe One-Third Rule in Employment

Examination of Nyamira County Assembly staff establishment and employment records for the 2020/2021 financial year revealed that the Assembly had two hundred and sixty (260) employees. An analysis of ethnic composition revealed that two hundred and fifty-nine (259) employees, which is 99.9% were from one ethnic community while only one (1), which is (0.1%) was from other ethnic communities. This is contrary to Section 65(1) of the County Governments Act, 2012 and Section 7(2) of the National Cohesion and Integration Act, 2008.

Consequently, the County Assembly was in breach of the law.

5. Employment of Ward Staff

Review of personal records revealed that Members of the County Assembly directly employed eighty (80) ward staff without involving the County Assembly Service Board in contravention of Section 12(7b) of the County Governments Act, 2012.

Further, review of records revealed that the Assembly engaged four employees per ward in all the twenty wards resulting in an overemployment of twenty (20) ward staff contrary to the provisions of the Commission on Revenue Allocation Circular Ref CRA/CSO/CGM/18/Vol.8/(1) dated 11 May, 2015 on the County Governments' Budget ceilings on recurrent expenditure, limiting the number of employees per ward to three (3).

Consequently, the County Assembly was in breach of the law.

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 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

Ineffectiveness of Internal Audit Function

The Internal Audit Department did not provide any internal audit report. In addition, no annual audit plan was approved by the audit committee during the year under review. Consequently, the internal audit function did not effectively discharge its oversight role as envisaged in Regulation 153 of the Public Finance Management (County Governments) Regulations, 2015.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Assembly's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to dissolve the 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 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Assembly to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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

13 May, 2022

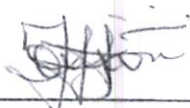
NYAMIRA COUNTY ASSEMBLY
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7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE
2021

		2020-2021	2019-2020
	Note	KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	582,320,434	661,145,614
TOTAL RECEIPTS		582,320,434	661,145,614
PAYMENTS			
Compensation of Employees	2	336,324,918	313,960,570
Use of goods and services	3	184,448,412	268,976,094
Transfers to Other Government Entities	4	10,000,395	20,000,000
Social Security Benefits	5	18,651,718	14,399,394
Acquisition of Assets	6	34,308,167	45,038,104
Finance Costs	7	13,838	45,950
TOTAL PAYMENTS		583,747,448	662,420,112
DEFICIT		(1,427,014)	(1,274,498)

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th January, 2022 and signed by:



Clerk of the Assembly
Duke Simeon Onyari



Director Finance – County Assembly
CPA. Leonard Nyamasege
ICPAK Member No: 10008

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

7.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

		2020-2021	2019-2020
FINANCIAL ASSETS	Note	Kshs	Kshs
Cash and Cash Equivalents			
Bank Balances	8	18,667,583	15,257,641
Total Cash and cash equivalents		18,667,583	15,257,641
TOTAL FINANCIAL ASSETS		18,667,583	15,257,641
FINANCIAL LIABILITIES			
Accounts Payables	9	18,435,554	13,598,598
NET FINANCIAL ASSETS		232,029	1,659,043
REPRESENTED BY			
Fund balance b/fwd	10	1,659,043	2,933,541
Deficit for the year		(1,427,014)	(1,274,498)
NET FINANCIAL POSITION		232,029	1,659,043

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th January, 2022 and signed by:

Clerk of the Assembly
Duke Simeon Onyari

Director Finance – County Assembly
CPA. Leonard Nyamasege
ICPAK Member No: 10008

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

7.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

		2020-2021	2019-2020
	Note	Kshs	Kshs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	582,320,434	661,145,614
Payments for operating expenses			
Compensation of Employees	2	(336,324,918)	(313,960,570)
Use of goods and services	3	(184,448,412)	(268,976,094)
Transfers to Other Government Entities	4	(10,000,395)	(20,000,000)
Social Security Benefits	5	(18,651,718)	(14,399,394)
Finance Costs	7	(13,838)	(45,950)
Adjusted for:			
Decrease/(Increase) in Accounts receivable:		-	68,650
Increase/(Decrease) in Accounts Payable:	11	4,836,956	13,598,598
Net cash flows from operating activities		37,718,109	57,430,854
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(34,308,167)	(45,038,104)
Net cash flows from investing activities		(34,308,167)	(45,038,104)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalent at BEGINNING of the year	8	15,257,641	2,864,891
Cash and cash equivalent at END of the year	8	18,667,583	15,257,641

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th January, 2022 and signed by:

Clerk of the Assembly
Duke Simeon Onyari

Director Finance – County Assembly
CPA. Leonard Nyamasege
ICPAK Member No: 10008

NYAMIRA COUNTY ASSEMBLY
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For the year ended 30th June, 2021

7.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT & DEVELOPMENT COMBINED
FOR THE YEAR ENDED 30TH JUNE 2021.

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	816,107,510	(83,321,794)	732,785,716	582,320,434	21%
TOTAL	816,107,510	(83,321,794)	732,785,716	582,320,434	21%
PAYMENTS					
Compensation of Employees	358,382,921	(22,017,621)	336,365,300	336,324,918	0%
Use of goods and services	214,141,480	26,932,730	241,074,210	184,448,412	23%
Transfers to Other Government Entities	40,000,000	(30,000,000)	10,000,000	10,000,395	0%
Social Security Benefits	23,043,109	(4,390,109)	18,653,000	18,651,718	0%
Acquisition of Assets	180,480,000	(53,801,794)	126,678,206	34,308,167	73%
Finance Costs	60,000	(45,000)	15,000	13,838	0%
TOTAL	816,107,510	(83,321,794)	732,785,716	583,747,448	21%
DEFICIT	-	-	-	(1,427,014)	

- The underutilization of 73% was due to that contractors raised their certificates at the end of financial year and hence not paid as at 30th June 2021.
 - Kshs.84,859,917 was requested on 25th June, 2021 and was received on 2nd July, 2021 hence the amounts have been disclosed as cash in transit.
 - The changes between the original and final budget of Kshs.83,321,794 was as a result of reallocations of the budget by way of supplementary budget.
- The entity financial statements were approved on 24th January, 2022 and signed by:



Clerk of the Assembly
Duke Simeon Onyari




Director Finance – County Assembly
CPA. Leonard Nyamasege
ICPAK Member No: 10008

NYAMIRA COUNTY ASSEMBLY
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For the year ended 30th June, 2021


7.5. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2021.

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	B	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	636,107,510	(30,000,000)	606,107,510	548,012,268	10%
TOTAL	636,107,510	(30,000,000)	606,107,510	548,012,268	-
PAYMENTS					
Compensation of Employees	358,382,921	(22,017,621)	336,365,300	336,324,918	0%
Use of goods and services	214,141,480	26,932,730	241,074,210	184,448,412	23%
Transfers to Other Government Entities	40,000,000	(30,000,000)	10,000,000	10,000,395	0%
Social Security Benefits	23,043,109	(4,390,190)	18,653,000	18,651,718	0%
Acquisition of Assets	480,000	(480,000)	-	0	0%
Finance Costs	60,000	(45,000)	15,000	13,838	0%
TOTAL	636,107,510	(30,000,000)	606,107,510	549,439,282	9%
DEFICIT	-	-	-	(1,427,014)	

- There was underutilization of 10% (ten percent) on Transfers from County Treasury since Kshs.58,095,241 was received on 2nd July, 2021.
 - The underutilization of 23% under use of goods and services was due to Kshs.58,095,241 received after 30th June, 2021.
 - The changes between the original and final budget of Kshs.30,000,000 was as a result of reallocations of the budget by way of supplementary budget.
- The entity financial statements were approved on 24th January, 2022 and signed by:



Clerk of the Assembly
Duke Simeon Onyari



Director Finance – County Assembly
CPA. Leonard Nyamasege
ICPAK Member No: 10008

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

7.6. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2021.

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	180,000,000	(53,321,794)	126,678,206	34,308,167	73%
TOTAL	180,000,000	(53,321,794)	126,678,206	34,308,167	73%
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Acquisition of Assets	180,000,000	(53,321,794)	126,678,206	34,308,167	73%
Finance Costs	-	-	-	-	-
TOTAL	180,000,000	(53,321,794)	126,678,206	34,308,167	73%
SURPLUS	-	-	-	-	-

- The underutilization of 73% was due to that contractors raised their certificates at the end of financial year and not paid as at 30th June 2021.
 - Kshs.26,764,676 was requested on 25th June, 2021 and was received on 2nd July, 2021 hence the amounts have been disclosed as cash in transit.
 - The changes between the original and final budget of Kshs.53,321,794 was as a result of reallocations of the budget by way of supplementary budget.
- The entity financial statements were approved on 24th January, 2022 and signed by:



Clerk of the Assembly
Duke Simeon Onyari



Director Finance – County Assembly
CPA. Leonard Nyamasege
ICPAK Member No: 10008

7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2021.

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	
Programme 1 Policy, Planning, General Administration & Support Services					
Sub-programme 1-General Administration	240,644,561	(15,264,927)	225,379,634	197,372,602	12%
Sub-programme 2-Policy Planning	89,900,615	(8,969,773)	80,930,842	71,930,842	11%
Sub-programme 3-Car & Mortgage Loan Fund	10,000,000	-	10,000,000	10,000,395	0%
Sub-programme 4-Infrastructure Development	180,000,000	(53,321,794)	126,678,206	34,308,167	73%
Programme 2 - Oversight	46,204,300	(5,765,300)	40,439,000	38,317,900	5%
Programme 3 – Legislation & Representation	249,358,034	-	249,358,034	231,817,542	7%
Total	816,107,510	(83,321,794)	732,785,716	583,747,448	20%

7.8. 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 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 Nyamira County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Transfers from the Exchequer/ County Treasury

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

ii) Other Receipts

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

b) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

4. In-kind contributions

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. Cash and cash equivalents

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

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 2021, this amounted to KShs.18,435,554 compared to KShs.13,598,598 in prior period as indicated on note 9. There were no other restrictions on cash during the year.

7. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. 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.

9. 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.

10. 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 Nyamira County Assembly 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)

11. Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The County Assembly 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.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans.

12. Contingent Assets

The County Assembly 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 County Assembly in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

13. 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 Nyamira County Assembly budget was approved as required by Law. The original budget was approved by the County Assembly on 25th June 2020 for the period 1st July 2020 to 30 June 2021 as required by law. There was two number of supplementary budgets passed in the year. The supplementary budgets were approved on 22nd September 2020 and 20th May 2021. A high-level assessment of the Nyamira County Assembly's actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

14. Comparative figures

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

15. 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. 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.

17. 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.

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

7.9. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE COUNTY TREASURY/EXCHEQUER RELEASES

	2020-2021	2019-2020
	Kshs	Kshs
Transfers from the County Treasury for Q1	56,239,910	143,770,934
Transfers from the County Treasury for Q2	242,221,199	142,105,269
Transfers from the County Treasury for Q3	101,961,035	199,304,895
Transfers from the County Treasury for Q4	181,898,290	175,964,516
Cumulative Amount	582,320,434	661,145,614

2. COMPENSATION OF EMPLOYEES

	2020 - 2021	2019 - 2020
	Kshs	Kshs
Basic salaries of permanent employees	111,372,388	150,820,532
Basic wages of temporary employees	74,978,210	73,500
Personal allowances paid as part of salary	125,257,837	140,298,918
Personal allowances paid as reimbursements	3,484,000	3,205,000
Employer Contribution to compulsory National Social Schemes	21,232,483	19,562,620
Total	336,324,918	313,960,570

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. USE OF GOODS AND SERVICES

	2020 - 2021	2019 – 2020
	Kshs	Kshs
Utilities, supplies and services	303,915	613,549
Communication, supplies and services	506,490	608,673
Domestic travel and subsistence	117,284,049	139,953,247
Foreign travel and subsistence	-	40,139,613
Printing, advertising and information supplies & services	1,119,943	3,766,058
Rentals of produced assets	3,480,000	3,540,000
Training expenses	2,440,250	4,193,336
Hospitality supplies and services	4,849,120	18,849,536
Insurance costs	28,264,275	577,889
Specialized materials and services	187,200	2,359,868
Office and general supplies and services	5,337,393	7,419,000
Fuel, oil and lubricants	2,086,035	2,700,545
Other operating expenses	17,297,936	41,409,141
Routine maintenance – vehicles and other transport equipment	1,117,812	2,170,339
Routine maintenance – other assets	173,994	675,300
Total	184,448,412	268,976,094

4. TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to other County Assembly entities		
Car & Mortgage Loan Scheme fund	10,000,000	20,000,000
Transfer to County Revenue Fund – County Executive	395	-
TOTAL	10,000,395	20,000,000

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30th June, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. SOCIAL SECURITY BENEFITS

	2020 - 2021	2019 - 2020
	Kshs	Kshs
Government pension and retirement benefits	18,651,718	14,399,394
Social security benefits	-	-
Total	18,651,718	14,399,394

6. ACQUISITION OF ASSETS

<u>Non- Financial Assets</u>	2020 - 2021	2019 - 2020
	Kshs	Kshs
Construction of Buildings	29,470,519	33,207,798
Construction and Civil Works	4,837,648	7,769,377
Purchase of Specialized Plant, Equipment and Machinery	-	4,060,929
Total acquisition of non- financial assets	34,308,167	45,038,104

7. FINANCE COSTS

	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bank Charges	13,838	45,950
Total	13,838	45,950

Finance costs relates to Bank Service Charges and Commission for the two Bank Accounts held at Kenya Commercial Bank.

NYAMIRA COUNTY ASSEMBLY
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For the year ended 30th June, 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. BANK BALANCES

Name of Bank, Account Name & currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2020 – 2021	2019 - 2020
			Kshs	Kshs
Central Bank, Nyamira County Assembly	1000239751	Recurrent	856	802,395
Central Bank, Nyamira County Assembly	1000326905	Development	1	-
Central Bank, Nyamira County Assembly	1000343559	Retention	18,435,554	13,598,598
KCB, Nyamira County Assembly	1145126987	Imprest	191,126	736,241
KCB, Nyamira County Assembly	1203826095	Salaries	40,046	120,407
Total			18,667,583	15,257,641

9. ACCOUNTS PAYABLE

Description	2020 – 2021	2019 - 2020
	KShs	KShs
Contractors' Retentions	18,435,554	13,598,598
Total	18,435,554	13,598,598

10. FUND BALANCE BROUGHT FORWARD

Description	2020 - 2021	2019 - 2020
	KShs	KShs
Bank accounts	1,659,043	2,864,891
Cash in hand	-	-
Accounts Receivables	-	68,650
Accounts Payables	-	-
Total	1,659,043	2,933,541

NYAMIRA COUNTY ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CHANGES IN ACCOUNTS PAYABLE

Description	2020-2021	2019-2020
	Kshs	Kshs
Opening Accounts Payables as at 1 st July	13,598,598	-
Closing Accounts payables as at 30 th June	18,435,554	13,598,598
Change in Accounts payables	4,836,956	13,598,598

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	18,283,690	9,524,528	(27,808,218)	-
Construction of civil works	-	11,715,896	(4,837,648)	6,878,248
Supply of goods	1,918,383	2,470,356	(1,662,300)	2,726,439
Supply of services	697,507	-	(697,507)	-
Total	20,899,580	23,710,780	(35,005,673)	9,604,687

2. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the County Assembly:

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

3. CASH-IN-TRANSIT

As at 30th June, 2021, Kshs.84,859,917 comprising of Kshs.30,354,285 for Recurrent expenditure, Kshs.26,764,676 for Development expenditure and Kshs.27,740,956 for Recurrent expenditure had been requested, the amounts were received after 30th June, 2021 and have been excluded from this report.

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS:

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	159,543,155	152,316,716
Key Management Compensation (Clerk and Heads of departments)	23,319,670	21,014,480
Total Compensation to Key Management	182,862,825	173,331,196
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car & mortgage schemes	10,000,000	20,000,000
Total Transfers to related parties	10,000,000	20,000,000
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer	582,320,434	661,145,614
Total Transfers from related parties	582,320,434	661,145,614

NYAMIRA COUNTY ASSEMBLY
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OTHER DISCLOSURES

4. ACCOUNTS PAYABLES

Accounts Payable relates to Contractors' Retention amounts as below;

No.	Contractors Name	Activity	Certificate Amounts	Retention Amounts
1.	Ajaz Investments Limited	Construction of Ward office - Gesima	2,016,695	201,669
2.	Apic Contractors Limited	Construction of Ward office - Itibo	2,652,135	265,214
3.	Benris Investments	Supply & installation of Auditorium chairs	10,498,319	1,049,832
4.	Jo World Company Ltd	Networking & cabling	1,165,860	116,586
5.	Strategy Engineering Co.	Construction of Ward office - Nyamaiya	2,118,790	211,879
6.	Tazama Builders Limited	Construction of perimeter wall, car park and gate houses	20,747,266	2,074,727
7.	Winmax Global Company	Padding and carpeting of offices	2,909,447	290,945
8.	Jetta Builders Limited	Construction of office Block	105,107,195	10,510,719
9.	Keguru Enterprises	Construction of Ward office - Bosamaro	1,546,100	154,610
10.	Kenya ICT & Computer Engineering	Supply and installation of Hansard system	14,091,250	1,409,125
11.	Kofrica Ventures Limited	Construction of Ward office - Kiabonyoru	1,884,539	188,454
12.	Nerog Investments Ltd	Construction of Ward office - Ekerenyo	1,785,872	178,587
13.	Offspace Construction Co Ltd	Construction of Ward office - Bonyamatuta	2,659,750	265,975
14.	Sadelyx Supplies Limited	Construction of Ward office - Manga	3,297,812	329,781
15.	Scale Ventures	Construction of Ward office - Kembra	2,114,790	211,479
16.	Electro Watts Limited	Supply and installation of Generator	3,071,529	307,153
17.	Chacha Logistics	Construction of Ward office - Bokeira	1,926,324	192,632
18.	Gesure Building Contractors Limited	Construction of Township Ward office	1,664,850	166,485
19.	Henebo Company Limited	Construction of Ward office - Mekenene	935,660	93,566
20.	Honet Company Limited	Construction of Ward office - Bomwagamo	2,161,361	216,136
	Total		184,355,544	18,435,554

The Retention amounts of Kshs.18,435,554 are in Nyamira County Assembly Deposit Account held by Central Bank of Kenya.

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
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8. 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)
1.	Payment of Salaries – Kshs.1,079,620 which was paid as salaries to ward staff outside the IPPD payroll during the financial year 2019/2020.	Some ward staff had no personal numbers. Effective 1 st July, 2020, the County Assembly does not process salaries outside IPPD.	Not Resolved	1 st July, 2020
1.	Pending Bills – Kshs.20,899,580 comprises of construction of buildings Kshs.18,283,690 supply of goods Kshs.1,918,383 and supply of services of Kshs.697,507 which had not been settled at the end of the financial period under review.	The County Assembly had a total of Kshs.20,899,580 as pending bills as at 30 June, 2020. The amounts of Kshs.20,899.580 relates to services that were offered by various suppliers during the financial year ended 30 June, 2020 but payment for the services were done and cleared after 30 June, 2020.	Not Resolved	July, 2020

NYAMIRA COUNTY ASSEMBLY
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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)
2.	Budget Control and Performance - The statement of comparison of budget and actual amounts disclosed that the County Assembly realized under absorption of its budget on two items	Acquisition of assets – Kshs.57,976 was budgeted for finance cost for the financial year ending 30 June 2020. During the year Kshs.12,026 were adjusted for leaving Kshs.45,950 for utilization.	Not Resolved	December, 2020
3.	Contingent Liabilities – Kshs.22,645,625 as pending court cases whose outcome is uncertain as at the end of the financial period under review.	The amounts relates to pending court case that is yet to be settled,	Not Resolved	December, 2020
1.	Construction of County Assembly Offices - The County Assembly engaged M/s Jetta Builders Limited for construction of County Assembly Office Block	The contractor is currently on site doing the construction and trying to recover the already lost time	Not Resolved	
2.	Salary Over Commitment -Included Kshs.313,960,570 is an amount of Kshs.158,007 incurred on	The members involved have since rectified and they are now below the set limit of the third rule.	Not Resolved	January, 2021

NYAMIRA COUNTY ASSEMBLY
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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)
	various employees which however was above the set limit of a third rule.			
3.	Staff in Unqualified Positions – There were officers who did not meet the minimum requirements as set out in the County Assembly’s scheme of service for holding their current positions.	The Board deemed it prudent to deploy the mentioned staff so as to ensure that there is efficient discharge of office duties in the Assembly.	Not Resolved	
4.	Excess Staff - The County Assembly staff records against the departmental approved staff establishment revealed overemployment in certain positions.	The staff noted moved from one job cadre to the next job cadre as a result of the annual salary increments and SRC recommended salaries harmonization.	Not Resolved	December, 2020
5.	Acting appointment – The Acting Clerk of Nyamira County Assembly was appointed on 3 rd April 2018 to serve in this position on an acting capacity.	The substantive County Assembly Clerk has an active court case whose outcome could otherwise have enabled the Service Board make decision.	Not Resolved	

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
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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)
1.	<p>Internal Audit Functions – During the year under review the internal Audit Unit of the County Assembly operated without An approved annual internal audit activity plan, audit charter and Approved budget.</p>	<p>The Internal Audit function has started to develop an internal audit charter and annual audit plan that will guide the operations of internal audit.</p>	Not Resolved	
2.	<p>Lack of Audit Committee – The term of the audit committee had expired and by end of the financial year, an audit committee was established by the the Accounting Officer but did not assume the office until 6th December 2019.</p>	<p>The County Assembly has an Audit Committee is in place. Delay in executing their mandates was occasioned by the Covid-19 pandemic.</p>		
3.	<p>Staff Positions not in the Approved Staff establishment – The IPPD payroll for the month of June 2020 revealed that one hundred and thirty six</p>	<p>The County Assembly is working towards aligning its workforce to the existing staff establishment.</p>	Not Resolved	

NYAMIRA COUNTY ASSEMBLY
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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)
	officers occupying various positions in the Assembly not in the approved staff establishment.			

Clerk of the County Assembly

Sign.....

Date: 24th January, 2022

NYAMIRA COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2021

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. Jetta Builders Ltd	13.06.2018	367,000,000	18,283,690	9,524,528	(27,808,218)	-	Office Block
Sub-Total							
Construction of civil works							
2. Tazama Builders Limited	10.06.2016	27,625,516	-	11,715,896	(4,837,648)	6,878,248	Perimeter Wall
Sub-Total							
Supply of goods							
3. KICE	17.06.2016	17,698,000	-	2,470,356	(1,662,300)	808,056	Hansard system
4. Electro watts			1,918,383	-	-	1,918,383	Supply of Generator
Sub-Total				23,710,780	(34,308,166)	9,604,687	
Supply of services							
5. Ward Office Operations	29.06.2020	660,000	-	-	(660,000)	-	
6. Dans Hotel - Conference	13.03.2020	37,507	-	-	(37,507)	-	
Sub-Total				-	(697,507)	-	
Grand Total				23,710,780	(35,005,673)	9,604,687	

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

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ANNEX 2 – SUMMARY OF NON – CURRENT ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (Kshs) 2020/2021
Buildings and structures	166,535,297	34,308,167	-	-	200,843,464
Transport equipment	9,541,350	-	-	-	9,541,350
Office equipment, furniture and fittings	51,640,723	-	-	-	51,640,723
ICT Equipment	20,038,095	-	-	-	20,038,095
Machinery and Equipment	227,575	-	-	-	227,575
Infrastructure Assets	1,224,201	-	-	-	1,224,201
Total	249,207,241	34,308,167	-	-	283,515,408

