



Enhancing Accountability



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REPORT

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THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF HOMA BAY

FOR THE YEAR ENDED
30 JUNE, 2020





COUNTY ASSEMBLY OF HOMA BAY

ANNUAL REPORT 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)

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County Assembly of Homa Bay is constituted as per the constitution of Kenya 2010 and is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes forty Members of County Assembly (MCAs) elected and twenty nominated members 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.

Vision

“A modern County Assembly that offers excellence in service delivery and leadership for the people of Homa Bay County”

Mission

To ensure that the Assembly exercises its legislative oversight, representation and outreach function effectively within the framework of the Kenyan Constitution and working with all those committed to building productive and prosperous Homa Bay County.

Strategic Objectives

- To develop and sustain the Homa Bay County Assembly institutional capacity to better discharge its constitutional mandate
- To improve the legislative process at Homa Bay County Assembly
- To improve the capacity of Homa Bay County Assembly and to provide effective oversight to county government
- To fully develop the representation and outreach work of the members of county assembly

(b) Key Management

The County Assembly of Homa Bay's day-to-day management is under the following key organs:

- County Assembly Service Board
-
- and
- Clerk of the County Assembly

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(c) Fiduciary Management

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

No.	Designation	Name
1.	County Assembly Clerk	-Mr. Odhiambo Daniel Kaudo
2.	Senior Finance Officer	-CPA Jacinter Adede ICPAK No. 13233
3.	Senior Accounts Controller	-Mr. Relex Amollo Oswali

(d) Fiduciary Oversight Arrangements

Audit Committee

- The Audit Committee was set up during the financial year 2017/2018 to help the Assembly in the effective discharge of their responsibilities by measuring, evaluating and reporting on the effectiveness of the internal control systems.

(e) Headquarters

Homa Bay County Assembly
P.O. Box 20-40300
County Assembly Building
Homa Bay, Kenya

(f) Contacts

Telephone: (254) 722 265580
E-mail: info@assembly.homabay.go.ke
Website: www.assembly.homabay.go.ke

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(g) Bankers

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

2. Co-operative Bank of Kenya
Homa Bay Branch
P. O. Box 406-40300
Homa Bay.

3. Equity Bank
Equity Centre, Upper Hill
P.O. Box 1234 – 00100
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

COUNTY ASSEMBLY OF HOMA BAY
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2. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance

The county Assembly of Homa Bay was able to utilize over 82% of the budgeted amount. However funds were not received in time hence led to delays in implementing the objectives.

Operational Performance

The County Assembly of Homa Bay was able to pass several bills into Acts. The Acts include the Supplementary Appropriation Act and the Finance Act.

The reorganization of the IFMIS system has improved the financial efficiency and timely processing of payments.

Challenges and Recommended Way Forward

Delayed disbursement of funds caused delays in paying for the suppliers hence weakening supplier's confidence.

Interferences caused by the pandemic, Covid-19 virus made it difficult for realization of the Assembly's major roles of legislative and representation.

Name: Mr. Odhiambo Daniel Kaudo

Clerk of the County Assembly

Sign.....



3. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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, 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 for the 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 its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 30th September, 2020.

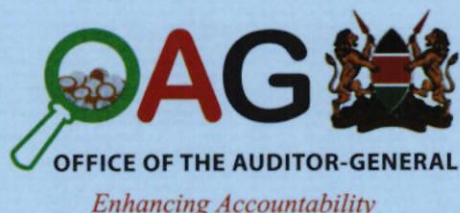
Name: Mr. Odhiambo Daniel Kaudo

Clerk of the County Assembly

Sign.....

REPUBLIC OF KENYA

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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 HOMA BAY 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 Homa Bay set out on pages 7 to 26, which comprise the statement of financial 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 amount recurrent and development 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, the financial position of the County Assembly of Homa Bay as 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 Presentation of the Financial Statements

Contrary to the reporting requirements set by the Public Sector Accounting Standards Board (PASB), the financial statements do not include a report on progress made in following up on auditor's recommendations relating to the audit report for the previous year.

In addition, the financial statements do not include annexures showing analyses of pending bills including staff payables, other pending payables and an analysis of outstanding imprests as at 30 June, 2020. Further, the Institute of Certified Public Accountant of Kenya (ICPAK) membership number for the County Assembly's Finance Officer has not been disclosed in the financial statements.

In view of these issues, the financial statements do not provide all the disclosures on the County Assembly's operations required in the reporting framework set by the PSASB.

2.0 Unconfirmed Balances

2.1 Cash and Cash Equivalents

The statement of financial position as at 30 June, 2020 reflects bank balances totalling Kshs.1,652,544, as further disclosed in Note 8 to the financial statements. However, examination of records on the balance revealed the following anomalies:

2.1.1 Unsupported Cash and Cash Equivalents Balance

The cash and cash equivalents balance totalling Kshs.1,652,544 is comprised of Kshs.260,177 and Kshs.1,391,081 held at the Central Bank of Kenya and Kshs.1,286 held in a commercial bank. However, the cash book for the commercial bank account reflected a negative (overdrawn) account balance totalling Kshs.776,962 resulting to an unexplained variance of Kshs.775,676 between the two sets of records. In addition, one other commercial bank account reflected a nil bank balance whereas the respective cash book reflected a negative balance of Kshs.20,232,274 in respect to the account.

Further, bank reconciliation statements and cashbooks for the recurrent and development bank accounts held at the Central Bank of Kenya (CBK) totalling Kshs.260,177 and Kshs.1,391,081 as at 30 June, 2020 respectively, were not provided for audit review. As a result, the accuracy and completeness of the balances could not be confirmed.

2.1.2 Stale Cheques

The cash and cash equivalents balance totalling Kshs.1,652,544 as at 30 June, 2020 excludes unreversed stale cheques totalling Kshs.232,274 and Kshs.777,990 in two commercial bank accounts and is, therefore understated by Kshs.1,010,264.

Consequently, the balance is not fairly stated in the financial statements.

Further, review of the two bank accounts indicated that they were overdrawn by Kshs.776,962.31 and Kshs.20,232,274 respectively without approval from the County Assembly contrary to Section 119(4) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a Government entity shall not cause a bank account of the entity to be overdrawn beyond the limit authorized.

Consequently, Management breached the law.

2.2 Compensation of Employees

Included in the compensation of employees balance totalling Kshs.422,231,440 are payments totalling Kshs.353,113,606 made through the electronic Integrated Personnel Payments Database (IPPD) and Kshs.69,117,834 made through a manual system. The latter payments were indicated as having been made to County Assembly staff and staff employed in the Wards as well as Members of the County Assembly. However, the payments were not sufficiently analyzed and as a result, their validity and accuracy could not be confirmed.

2.3 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services payments totalling Kshs.318,097,584, as further reflected in Note 3 to the financial statements. However, the following discrepancies were observed in respect to the balance:

2.3.1 Domestic and Foreign Travel

Hospitality supplies and services amounting to Kshs.47,390,000 include payments totalling Kshs.5,051,450 that were not supported with relevant documents, such as imprest surrender vouchers, and in addition, were not recorded in the ledger.

2.3.2 Training Expenses

Similarly, training expenses totalling Kshs.37,856,260 were not supported with key records including signed attendance registers, training programs and reports.

2.3.3 Printing Services

Records indicated that Kshs.4,900,000 was spent on printing services. However, records for payments totalling Kshs.1,768,342 included therein were not provided for audit review.

2.3.4 Fuel, Oil and Lubricants

Fuel, oil and lubricants purchases totalling Kshs.4,200,000 made in the first six months of the year under review between July and December 2019 were not supported with fuel registers, suppliers' statements and work tickets.

In view of these issues, the occurrence, propriety, accuracy and completeness of payments totalling Kshs.52,007,747 made in respect of the items cited and included in the goods and services balance totalling Kshs.318,097,584 could not be confirmed.

2.4 Other Payments

The statement of receipts and payments reflects other payments totalling Kshs.74,261,619 as further disclosed in Note 7 to the financial statements. However, the balance contains the following anomalies:

2.4.1 Ward Offices Operational Expenses

Records examined indicated that Kshs.60,960,000 was spent on operational expenses for Ward Offices. However, supporting documents such as approvals for the expenditure, lease agreements and valuation reports were not provided for audit review. As a result, the validity and propriety of the payments totalling Kshs.60,960,000 could not be confirmed.

2.4.2 County Assembly Service Board (CASB) Expenses

Note 7 to the financial statements reflects Board expenses totalling Kshs.921,300 but payment vouchers on the item reflected payments totalling Kshs.2,542,900 resulting to an unexplained variance of Kshs.1,621,600.

As a result, the propriety and accuracy of the expenditure totalling Kshs.921,300 reported to have been incurred on Board expenses could not be confirmed.

2.5 Acquisition of Fixed Assets

Annex 2 to the financial statements reflects a summary of fixed assets register that is incorrectly titled as relating to the 2018/2019 financial year instead of the year under review. The summary reflects closing assets with historical costs totalling Kshs.55,234,795. However, the audit indicated that contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015, Management did not maintain a fixed assets register and as result, the valuation, existence and ownership of the assets reflected in the summary could not be confirmed.

2.6 Pending Bills

Note 1 of other disclosures reflects unpaid bills totalling Kshs.100,588,153 as at 30 June, 2020. However, the balance was not supported by source documents and schedules namely invoices, inspection and acceptance reports, delivery notes and ledger entries. Further, no satisfactory explanation was provided by Management for non-payment of bills totalling Kshs.8,676,479 that were more than four (4) years old.

In view of these issues, the accuracy, validity and completeness of the pending bills balance totalling Kshs.100,588,153 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matters

1.0 Budgetary Control and Performance

1.1 Receipts

The statement of comparison of budget and actual amounts - recurrent and development for the year under review reflects an approved receipt budget totalling Kshs.1,054,516,376 and actual receipts totalling Kshs.907,727,846 resulting to a shortfall of Kshs.146,788,530 equivalent to 14% of the budget.

1.2 Expenditure

The statement of comparison of budget and actual amounts for the year under review reflects an expenditure budget of Kshs.1,054,516,376 and actual expenditure totalling Kshs.906,665,491 resulting to a deficit of Kshs.147,850,885 or 14% which arose as shown below:

Expense Item	Budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)	Utilization Ratio (%)
1. Compensation of Employees	451,808,692	422,231,439	29,577,252	93%
2. Use of Goods and Services	318,097,584	318,097,584	-	100%
3. Acquisition of Assets	129,903,800	51,074,848	78,828,952	40%
4. Transfers	80,000,000	41,000,000	39,000,000	50%
5. Other Payments	74,706,300	74,261,619	444,681	99%
Total	1,054,516,376	906,665,491	147,850,885	86%

The under absorption of Kshs.147,850,885 denotes goods and services that were not delivered.

The significant shortfall of revenues totalling Kshs.146,788,530 appears to have been the main cause for the under-expenditure totalling Kshs.147,850,885. The underperformance may have curtailed the ability of the County Assembly to strengthen its oversight and legislative roles in the County.

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 discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that public resources have been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Use of Goods and Services

1.1 Motor Vehicle Insurance

Expenditure records indicated that Kshs.32,500,000 was spent on insurance costs in the year under review. The expenditure included Kshs.670,398 paid for motor vehicles insurance cover for five vehicles ostensibly owned by the County Executive. However, the following anomalies were noted in respect to the payments:

- i. There was no valuation report to determine the basis upon which the premium for each vehicle was paid.
- ii. The logbooks for the five vehicles were not provided for audit review therefore, their ownership by the County Assembly could not be confirmed.

As a result, the validity and value for money on the payments totalling Kshs.670,398 could not be confirmed.

2.0 Delay in Completion of Automated Gate

Expenditure records indicated that Kshs.4,267,910 was in the year under review paid to a contractor to install an automated gate at the County Assembly under a contract costing at Kshs.7,112,260. The contract agreement dated 21 May, 2020 had provided for completion of the Project in one month.

However, the project had not been completed at the time of the audit in October, 2020. There were no records indicating that the contract had been extended upon expiry in June, 2020. Further, the contractor was not on site and there were no records on the level of the project's completion.

In view of the abandoned state of the Project its expected date of completion could not be confirmed.

3.0 Lack of Ethnic Diversity in Staff Establishment

Review of the of personnel records indicated that the County Assembly's staff establishment had seventy-six (76) employees out of whom 72 or 95% were members of the ethnic community dominant in the County. The high ratio of dominance was contrary to Section 7 of the National Cohesion and Integration Act No.12 of 2008 which requires all public entities to seek to represent the diversity of the people of Kenya in employment of staff.

In the circumstance, Management is in breach of the law on promotion of national cohesion.

4.0 High Wage Bill

Expenditure records indicated that Kshs.422,231,440 was spent on compensation of employees. The spending was equivalent to 47% of the County Assembly's revenue receipts totalling Kshs.907,727,846 in the year under review.

This was contrary to Section 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which prescribes that County Government expenditure on wages and benefits for public officers should not exceed 35% of the County Government's total revenue. Therefore, the wage bill threshold was surpassed by twelve percentage points .

Overuse of limited budgetary funds to finance payment of personnel emoluments is likely to constrain funding of the County Assembly's operations and thereby hinder it from effectively carrying out its legislative and oversight mandate.

5.0 Failure to Reserve Procurement Opportunities

The financial statements for the year under review indicated that the County Assembly incurred expenditure totalling Kshs.51,074,848 on acquisition of assets and Kshs.422,231,440 on supply of goods and services. However, there were no records indicating that at least 30% of the value of supplies on procurement of goods and services were awarded to small and micro enterprises owned by youth,

women and persons with disabilities contrary to Legal Notice No.114 of 18 June, 2013.

Consequently, the County Assembly Management may have breached the law.

6.0 Irregular Fuel Expenditure

Fuel consumption records issued by the firm contracted to supply fuel , oil and lubricants to the County Assembly indicated that the fuel card for vehicle KAW 803Z was used to draw fuel valued at Kshs.126,873. However, records maintained on the vehicle indicated that it was not used in the year under review. No explanation was provided by Management for the anomaly .

Consequently, the propriety and regularity of the payments totalling Kshs.126,873 could not be confirmed.

7.0 Non-Adherence to One-Third Pay Rule

Examination of payroll data indicated that twenty-five (25) of the County Assembly staff members earned salaries that were less than one third of their respective basic salaries contrary to the provisions of Section 19(3) of the Employment Act, 2007. The Section prohibits an employer from making deductions that exceed two-thirds of the wages of their employees.

Consequently, Management breached the Law and also exposed the staff to the risk of pecuniary embarrassment.

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 discussed in the Basis for Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and overall governance were effective.

Basis for Conclusion

Lack of Risk Management Policy

Audit review of the County Assembly's operational systems indicated that contrary to Regulation 158(1) of Public Finance Management (County Governments) Regulationst, 2015, Management had not established a risk management policy.

The Regulation requires the Accounting Officer in each public entity to develop risk management strategies that include fraud prevention mechanisms. As a result of the omission, the County Assembly lacked objective means for identifying, measuring and mitigating operational and other risks.

Further, the security and reliability of the project data including the Management Information Systems could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires 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 overall governance.

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 overall 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 ability of the County Assembly 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 sustaining 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 Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2021


COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

4. FINANCIAL STATEMENTS


4.1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020

		2019/2020	2018/2019
	Note	KShs	KShs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	861,000,000	890,623,273
Other Receipts	1	46,727,846	0
TOTAL RECEIPTS		907,727,846	890,623,273
PAYMENTS			
Compensation of Employees	2	422,231,440	450,377,925
Use of goods and services	3	318,097,584	407,065,608
Social Security Benefits	4	0	512,400
Other Grants and Transfers	5	41,000,000	28,000,000
Acquisition of Assets	6	51,074,848	4,159,947
Other Payments	7	74,261,619	0.00
TOTAL PAYMENTS		906,665,491	890,115,880
SURPLUS		1,062,355	507,393

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September, 2020 and signed by:



 County Assembly Clerk
 Name: Mr. Odhiambo Daniel Kaudo



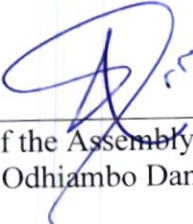
 Chief Finance Office – County Assembly
 Name: CPA Jacinter Adede

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020


4.2. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2020

		2019/2020	2018/2019
FINANCIAL ASSETS	Note	KShs	KShs
Cash and Cash Equivalents			
Bank Balances	8	1,652,544	590,189
Total Cash and cash equivalents			590,189
Accounts receivables – Outstanding Imprests		0	-
TOTAL FINANCIAL ASSETS		1,652,544	590,189
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions			-
NET FINANCIAL ASSETS		1,652,544	590,189
REPRESENTED BY			
Fund balance b/fwd	9	590,189	82,796
Surplus/Deficit for the year		1,062,355	507,393
NET FINANCIAL POSITION		1,652,544	590,189

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September, 2020 and signed by:



 Clerk of the Assembly
 Name: Odhiambo Daniel Kaudo

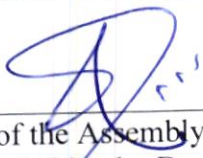



 Chief Finance Officer – County Assembly
 Name: CPA Jacinter Adede

4.3. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2019/2020	2018/2019
	Note	KShs	KShs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer Releases	1	861,000,000	890,623,273
Other Receipts	1	46,727,847	-
Payments for operating expenses			
Compensation of Employees	2	422,231,440	(450,377,925)
Use of goods and services	3	318,097,584	(407,065,608)
Social Security Benefits	4	0	512,400
Other Grants and Transfers	5	41,000,000	28,000,000
Other Payments	7	74,261,619	0
Adjusted for:			
Adjustments during the year			-
Net cash flows from operating activities		52,137,204	4,667,340
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	51,074,848	4,159,947
Net cash flows from investing activities		51,074,848	4,159,947
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalent at BEGINNING of the year		590,181	82,796
Cash and cash equivalent at END of the year		1,652,537	590,189

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th September, 2020 and signed by:


 Clerk of the Assembly
 Name: Odhiambo Daniel Kaudo

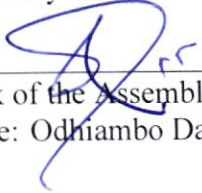

 Chief Finance Office – County Assembly
 Name: Jacinter Adede


HOMABAY COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

**4.4. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
 COMBINED FOR THE YEAR ENDED 30 JUNE 2020**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	KShs	KShs	KShs	KShs	KShs	%
Transfers from the County Treasury/Exchequer Releases	1,054,516,376	-	1,054,516,376	861,000,000	193,516,376	82
Other receipts	-	-	-	46,727,846	46,727,846	0
TOTAL	1,054,516,376	-	1,054,516,376	907,727,846	146,788,529	86
PAYMENTS					-	
Compensation of Employees	501,308,692	(49,500,000)	451,808,692	422,231,440	29,577,252.15	93
Use of goods and services	227,714,884	90,382,700	318,097,584	318,097,584	-	100
Acquisition of Assets	145,403,800	(15,500,000)	129,903,800	51,074,848	78,828,951	39
Transfers	80,000,000		80,000,000	41,000,000	39,000,000	50
Other payments	100,089,000	(25,382,700)	74,706,300	74,261,619	444,681	100
TOTAL	1,054,516,376	0	1,054,516,376	906,665,491	147,850,885	86

The entity financial statements were approved on 30th September, 2020 and signed by


 Clerk of the Assembly
 Name: Odhiambo Daniel Kaudo



 Chief Finance Officer – County Assembly
 Name: CPA Jacinter Adede Ogwe


COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

4.5 STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f=(d/c*%)
RECEIPTS	KShs	KShs	KShs	KShs	KShs	%
Exchequer Releases	932,232,576	-	932,232,576.00	816,000,000	116,232,576	88
Other Receipts				46,727,846	46,727,846	0
TOTAL	932,232,576		932,232,576	862,727,846	69,504,729	93
PAYMENTS						
Compensation of Employees	501,308,692	(49,500,000)	451,808,692	422,231,440	29,577,252	93
Use of goods and services	227,714,884	90,382,700	318,097,584	318,097,584		100
Acquisition of Assets	23,120,000	(15,500,000)	7,620,000	7,465,929	154,071	98
Transfers	80,000,000	0	80,000,000	41,000,000	39,000,000	50
Other payments	100,089,000	(25,382,700)	74,706,300	74,261,619	444,681	100
TOTAL	932,232,576	0	932,232,576	863,056,572	69,176,004	93

The entity financial statements were approved on 30th September, 2020 and signed by:


 Clerk of the Assembly
 Name: Odhiambo Daniel Kaudo

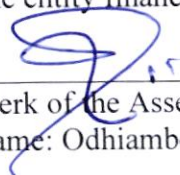

 Chief Finance Office – County Assembly
 Name: CPA Jacinter Adede Ogwe


COUNTY ASSEMBLY OF HOMA BAY
 Reports and Financial Statements
 For the year ended June 30, 2020

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% Utilization difference
	a	b	c=a+b	d	e=c-d	f= (d/c* %)
RECEIPTS	KShs	KShs	KShs	KShs	KShs	%
Exchequer Releases	122,283,800	-	122,283,800	45,000,000	77,283,800	37
TOTAL	122,283,800	-	122,283,800	45,000,000	77,283,800	
PAYMENTS						
Construction of Speakers residence	30,000,000	10,000,000	20,000,000	-	20,000,000	0
Construction of MCAS Offices	80,283,800	-	80,283,800	33,458,329	46,825,471	42
Construction and civil Works(Car park and Car shades)	4,000,000	2,500,000	6,500,000	3,882,680	2,617,320	60
Refurbishment of buildings (Canopy and Drainage)	8,000,000	-	8,000,000	2,000,000	6,000,000	25
Construction of other Infrastructure (Automated security System)	-	7,500,000	7,500,000	4,267,910	3,232,090	57
TOTAL	122,283,800	-	122,283,800	43,608,919	78,674,881	36

The entity financial statements were approved on 30th September, 2020 and signed by:


 Clerk of the Assembly
 Name: Odhiambo Daniel Kaudo


 Chief Finance Office – County Assembly
 Name: CPA Jacinter Adede Ogwe

HOMABAY COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

4.5. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30th June 2020	
	KShs	KShs	KShs	KShs	KShs
PROGRAMME 1: LEGISLATIVE SERVICES					
Compensation to Employees	319,366,788	-26,000,000	293,366,788	278,368,263	14,998,525
Use of Goods and Services	73,010,044	34,900,000	107,910,044	107,465,363	444,681
Other recurrent	25,040,988	0	25,040,988	21,462,261	3,578,727
PROGRAMME 2: OVERSIGHT AND CONTROL SERVICES					
Compensation to employees	0	0	0	0	
Use of goods and services	27,081,120	14,640,000	41,721,120	41,721,120	0
Other current					
PROGRAMME 3: WARD REPRESENTATION SERVICES					
Compensation to employees	0	0	0		0
Use of goods and services	84,000,000	(23,040,000)	60,960,000	60,960,000	0
Other Recurrent					
Total Expenditure of Programme					
PROGRAMME 4: POLICY PLANNING AND ADMINISTRATIVE SUPPORT SERVICES					
Compensation to employees	155,900,916	(23,500,000)	132,400,916	121,400,916	11,000,000
Use of goods and services	139,712,720	38,500,000	178,212,720	178,212,720	0
Other current	85,000,000	0	85,000,000	46,000,000	39,000,000
Acquisition of Non-Financial Assets	23,120,000	(15,500,000)	7,620,000	7,465,929	154,071
Other development	122,283,800	0	122,283,800	43,608,919	78,674,881
Grand Total	1,054,516,376	0	1,054,516,376	906,665,491	147,850,885

4.6. 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 Homa Bay 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 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 entity.

COUNTY ASSEMBLY OF HOMA BAY

Reports and Financial Statements

For the year ended June 30, 2020

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

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 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 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 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.

COUNTY ASSEMBLY OF HOMA BAY

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.

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 entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

COUNTY ASSEMBLY OF HOMA BAY

Reports and Financial Statements

For the year ended June 30, 2020

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 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.

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 Assembly's budget was approved as required by Law. A high-level assessment of the Homa Bay 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.

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.

COUNTY ASSEMBLY OF HOMA BAY**Reports and Financial Statements****For the year ended June 30, 2020****4.7. NOTES TO THE FINANCIAL STATEMENTS****1. I. Transfers from the County Treasury/Exchequer Releases**

	2019/2020	2018/2019
	KShs	KShs
Transfers from the County Treasury for Q1	160,000,000	102,329,800
Transfers from the County Treasury for Q2	200,000,000	225,000,000
Transfers from the County Treasury for Q3	284,000,000	155,500,000
Transfers from the County Treasury for Q4	217,000,000	407,793,473
Cumulative Amount	861,000,000	890,623,273

II. OTHER RECEIPTS

	2019/2020	2018/2019
	KShs	KShs
Funding from HBCA Mortgage Fund	46,727,847	0
Cumulative Amount	46,727,847	0

(This is an amount borrowed from Mortgage account which at the end of the FY 2019/2020 had not been refunded hence a Liability to the HBCA)

2. COMPENSATION OF EMPLOYEES

	2019/2020	2018/2019
	KShs	KShs
Basic salaries of permanent employees	69,718,680	70,266,254
Basic wages of temporary employees	88,453,816	130,128,196
Personal allowances paid as part of salary	222,679,401	242,669,136
Personal allowances paid as reimbursements	5,868,000	0
Compulsory national social security schemes	14,049,282	0
Personal allowances provided in kind	0	0
Pension and other social security contributions	21,462,261	0
Compulsory national health insurance schemes	0	7,314,339
Other personnel payments	0	0
Total	422,231,440	450,377,925

COUNTY ASSEMBLY OF HOMA BAY**Reports and Financial Statements****For the year ended June 30, 2020****3. USE OF GOODS AND SERVICES**

	2019/2020	2018/2019
	KShs	KShs
Utilities, supplies and services	1,100,000	2,210,696
Communication, supplies and services	990,000	6,063,725
Domestic and foreign travel and subsistence	150,901,324	178,339,071
Printing, advertising and information supplies & services	4,900,000	3,077,308
Rentals of produced assets	750,000	
Training expenses	37,856,260	31,895,495
Hospitality supplies and services	47,390,000	22,850,184
Insurance costs	32,500,000	2,448,909
Medical Scheme		36,000,000
Specialized materials and services	4,350,000	5,378,213
Office and general supplies and services	4,980,000	3,835,916
Other operating expenses(Legal, Guards, Professional, subscription)	23,480,000	106,003,566
Routine maintenance – vehicles and equipment	4,000,000	3,793,735
Fuel, Oil and Lubricants	4,200,000.00	3,030,000
Routine maintenance- other assets	700,000	2,138,790
Total	318,097,584	407,065,608

COUNTY ASSEMBLY OF HOMA BAY

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SOCIAL SECURITY BENEFITS

	2019/2020	2018/2019
	KShs	KShs
Social Security Benefits	0	512,400
	0	512,400

5. OTHER GRANTS AND TRANSFERS

	2019/2020	2018/2019
	KShs	KShs
Mortgage and car loan	41,000,000	28,000,0000
Total	41,000,000	28,000,000

(The amount of Kshs. 40,000,000 relates to Exchequer funding to the Mortgage Fund which is usually received through the HBCA CBK Recurrent bank account and transferred to Mortgage Fund Account. The other Kshs. 1,000,000 is a fringe Benefit Tax that was paid on behalf of Mortgage Account)

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

6. ACQUISITION OF ASSETS

Non-Financial Assets	2019/2020	2018/2019
	KShs	KShs
Refurbishment of Buildings		4,159,947
Purchase of Office Furniture and General Equipment	2,220,000	0
Purchase of ICT Equipment, Software and Other ICT Assets	5,245,929	0
Construction of Other Infrastructure-Automated security System	4,267,910	0
Construction of MCAs Offices	33,458,329	0
Refurbishment of buildings (Canopy and Drainage)	2,000,000	0
Construction and Civil works (Car park and Car shades)	3,882,680	0
Total	51,074,848	4,159,947

HOMABAY COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended 30 June 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. OTHER PAYMENTS

	2019/2020	2018/2019
	KShs	KShs
Contribution to CAF and SOCATT	5,700,000	0
CASB Expenses	921,300	0
Extra Claim on Mileage	0	0
Ward offices Operation Expenses	60,960,000	0
Fringe Benefits/Withholding tax	5,000,000	0
Medical expenses	1,680,319	0
Total	74,261,619	0.00

8. CASH AND BANK BALANCES

BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/2020	2018/2019
		KShs	KShs
<i>Central Bank of Kenya Account No. 1000239379 Currency: Kshs</i>	Recurrent	260,177	25,320
<i>Central Bank OF Kenya Account No.1000309482 Currency:kshs</i>	Development	1,391,081	542,200
<i>Cooperative Bank of Kenya Account No. 01141456870100 Currency: Kshs</i>	Commercial	1,286	1,967
<i>Equity Bank of Kenya</i>	Commercial	0	38,702
Total		1,652,544	590,189

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. FUND BALANCE BROUGHT FORWARD

	2019/2020	2018/2019
	KShs	KShs
Bank accounts	1,652,544	590,189
Prior Year Adjustments	-	-
Total	1,652,544	590,189

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

4.8. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	0	52,931,330	0	52,931,330
Construction of civil works	0	0	0	0
Supply of goods	34,776,638	47,656,923	34,776,638	47,656,923
Supply of services				
Total	34,776,638	100,588,153	34,776,638	100,588,153

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

OTHER DISCLOSURES (CONTINUED)

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.

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

Related party transactions:

	2019- 2020	2018- 2019
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs		
Key Management Compensation(Clerk and Heads of departments)		
Total Compensation to Key Management		
Transfers to related parties		
Transfers to other County Government Entities such as car and mortgage schemes	41,000,000	28,000,000
Transfers to County Corporations		
Transfers to non reporting entities e.g ECD centres, welfare centres etc		
Total Transfers to related parties		
Transfers from related parties		
Transfers from the County Executive- Exchequer		
Payments made on behalf of the County Assembly by other Government Agencies		
(Insert any other transfers received)		
Total Transfers from related parties		

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

3. PROGRESS ON FOLLOW UP OF AUDITOR 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	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Clerk of the County Assembly

Sign.....

Date.....

COUNTY ASSEMBLY OF HOMA BAY
Reports and Financial Statements
For the year ended June 30, 2020

ANNEXES

ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

			INVOICE AMOUNT	PAID	BALANCE
1	PRIDE KIINGS SECURITY SERVICES	HIRED GUARDS			1,461,600
2	JAPAT GENERAL SERVICES	CLEANING SERVICES			1,110,000
3	RATIDO ENTERPRISES LIMITED	CLOTHING AND UNIFORMS			100,000
4	NATION MEDIA GROUP	PUBLICATION			1,200,000
5	STANDARD MEDIA GROUP LIMITED	PUBLICATION			700,000
6	GLACIER EAST AFRICA LIMITED	CLEANING SERVICES			285,000
7	KENYA SCHOOL OF GOVERNMENT	STAFF AUDIT	2,000,000		300,000
8	LIQUID TELECOMMUNICATION KE	INTERNET SERVICES	755,500	500,000	255,500
9	JUBILEE INSURANCE CO. OF KENYA	MOTOR VEHICLE INSURANCE	700,000	500,000	200,000
10	JOYSTAR BUSINESS TRAINING	LAPTOP	132,500	-	132,500
11	FELVEECK ENTERPRISES		650,000	-	650,000
12	LABTRONIX ENTERPRISES LIMITED		655,000		655,000
13	MACOB AGENCY TRADERS LIMITED	TYRES	725,000	-	725,000
14	SYSCORE SOLUTION	CONSULTANCY	1,260,000	500,000	760,000
15	NANOVOLT ENTERPRISES	PRINTED STATIONARY	800,000	-	800,000
16	LUMUMBA AND AYIEKO ADVOCATES	LEGAL FEES			6,682,000
17	FIRSTGEN AGENCIES LIMITED	PRINTED STATIONARIES	1,240,000	-	1,240,000
18	FLAMETREE COMPUTERS SYSTEM	SUPPLY OF COMPUTERS		-	2,498,000
19	BO AKANGO AND COMPANY	LEGAL FEES		-	390,000
20	HO OBACH AND PARTNERS				300,000
21	MWAMU AND CMPANY ADVOCATES	LEGAL FEES			300,000
22	MARTIN M. GITONGA ADVOCATES	LEGAL FEES			
23	CITYBLUE HOTELS KENYA LIMITED	HOSIPITALITY SERVICES		-	163,000
24	VAALIVA ENTERPRISES	SOFT DRINKS (water & Soda)			914,700
25	INFOLINK CONSULTANCY	TABLETS			1,985,800

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			3,985,800	2,000,000	
26	LIKAMO	LAPTOP	117,900	-	117,900
27	JAEKO ENTERPRISES	FURNITURE			
28	KENYA ALLIANCE INSURANCE	MEDICAL COVER	35,000,000		3,999,995
29	PRIDEIN FLAMINGO RESORT	HOSIPITALITY SERVICES	62,750	-	62,750
30	AON INSURANCE	MOTOR VEHICLE INSURANCE	944,213	200,000	744,213
31	AMACO INSURANCE	MOTOR VEHICLE INSURANCE			46,000
32	CIALA HOTEL	HOSIPITALITY SERVICES			2,700,000
33	KISUMU LINK TOURS	AIRTICKET BILL	1,189,006		1,189,006
34	FAST CHOICE	WARD FURNITURE	6,327,180	200,000	6,127,180
35	VITORIA SITES	HOSIPITALITY SERVICES	1,200,000	-	1,200,000
36	ODURU ENTERPRISES	CONSTRUCTIO N WING 1	7,979,656		2,709,190
37	SCONAN CO LD	CONSTRUCTIO N WING 3	6,402,859		1,854,449
38	OXYGEN ENTERPRISES	CONSTRUCTIO N WING 2	6,768,373		3,098,139
39	HEART LAND	MCAS OFFICES	80,000,000	35,000,000	45,000,000
40	KATCHET LOGISTICS	DRAINAGE	3,802,700		1,802,700
41	KOMBIRO BUILDING CONSTRUCTION	GATE	7,112,260		3,112,260
42	BUILDHIGH ENTERISES	CAR PARK	6,898,950		3,016,270
			176,709,647	38,900,000	100,588,153

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2018/2019	Additions during the year (KShs)	Disposals during the year (KShs)	Historical Cost c/f (KShs) 2019/2020
Buildings and structures	4,159,947.00	43,608,919		47,768,866
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	-	2,220,000	-	2,220,000
ICT Equipment, Software and Other ICT Assets	-	5,245,929	-	5,245,929
Other Machinery and Equipment	-	-	-	-
Total	4,159,947.00	51,074,848	-	55,234,795

