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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF WEST POKOT

**FOR THE YEAR ENDED
30 JUNE, 2020**

PAPERS LAID	
DATE	18/11/2021
TABLED BY	Sen. Gideon M
COMMITTEE	
CLERK AT THE TABLE	Ms. Kavata





WEST POKOT COUNTY ASSEMBLY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 33 Members of County Assembly (MCAs), 20 elected and 13 nominated to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

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

- County Assembly Service Board; and
- Senior Board of Management;

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	David Karugutiang
2.	Director Budget and Fiscal Analysis	- Lucia Chenanga
3.	Principal Finance Officer	- Denis Plapan Rotich
4.	Senior Accounts Controller	- John Madaa Takaramoi

(d) Fiduciary Oversight Arrangements

In order to instil financial prudence over County Assembly expenditure and strategic decisions various institutions and committees have been established. They include the County Assembly Audit Committee, County Public Accounts and Investments Committee, County Budget Appropriations Committee and the Senate Public Accounts Committee.

Audit Committee

This is a requirement of each public entity as per the Public Finance Management Act regulations 2015. The Audit Committee is required to have timely and regular sittings and come up with an annual report that must highlight its effectiveness, its calendar of activities, the audit charter and significant issues considered by the committee. Some of its roles include:

- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles
- Review other sections of the annual report and regulatory filings before release and consider the accuracy and completeness of information
 - Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.

County Public Accounts Committee

Established under the West Pokot County Assembly standing orders 199(1) and its responsibilities are:

- Examine the accounts showing the appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly
- Examine the reports, accounts and workings of the county public investments

County Budget and appropriation committee

Established under the West Pokot County Assembly Standing Order 200 and its responsibilities are:

The functions of the Committee shall be to-

- Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- Discuss and review the estimates and make recommendations to the County Assembly;
- Examine the County Budget Policy Statement presented to the County Assembly;
- Examine Bills related to the national budget, including Appropriations Bills; and
- Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

The Senate Public Accounts Committee

The Public Accounts Committee is established pursuant to the provisions of S.O. No. 205. It consists of a chairperson and not more than sixteen other Members.

- The Public Accounts Committee is responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit.
- The Public Accounts Committee constituted immediately following the general election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the parliamentary term.

(e) Entity Headquarters

P.O. Box 06 -30600
West Pokot County Assembly Building
Kapenguria, Kenya

(f) Entity Contacts

Telephone: 053-2015000

E-mail: info@westpokotassembly.go.ke

Website: www.westpokotassembly.go.ke

(g) Entity Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank Ltd
P.O Box 396-30600
Kapenguria, Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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

2. FORWARD BY THE CLERK OF THE ASSEMBLY

Budget performance

The financial statement report covers the period 1st July 2019 to 30th June 2020. It presents the status of budget execution by the County Assembly, transfers received from the National Government and the total expenditure during the reporting period. It is prepared in line with Section 147 and 149 (K) of the Public Finance Management Act 2012. The report provides an analysis of actual expenditure against approved budget estimates. Expenditure is classified into recurrent and development.

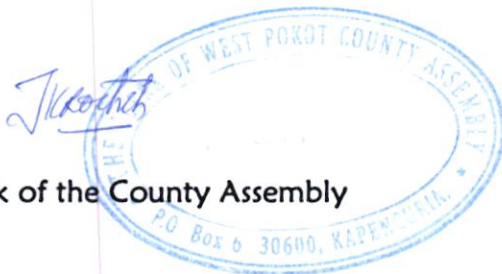
The total County Assembly budget for the financial year comprised of **KSHS 598,667,135** recurrent and **KSHS 105,815,273** in development. A total of KES 566,956,854 and KES 58,154,438 were utilized on the three County Assembly programs and development respectively. This represents an absorption rate of 95% for recurrent and 55% for development. The low absorption rate in development is attributed to failure by the National Treasury to disburse funds to the County Assembly as a result of high proportion of unpaid legible pending bills in the County Government.

Challenges and Recommended Way Forward

Although the Assembly executed its mandate and carried out all its programs, there were a few challenges experienced during the financial year. These include lack of independence of the County Assembly in carrying out monthly requisition of funds, IFMIS network breakdown and inadequate user capacity, especially the Finance and Procurement staff.

The National Treasury should expedite release of funds on time to ensure that budget implementation is not adversely affected. In addition, the IFMIS network should be stable at all time. Finally, there is need to develop a training programme to build capacity for staff in County Assemblies.

Sign
Clerk of the County Assembly



3. 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, 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 quarter under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the 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 28/9 2020.

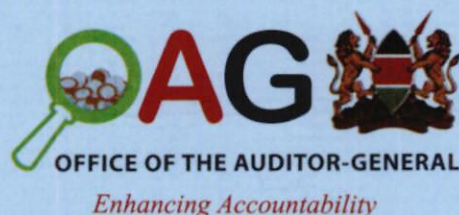


Clerk of the County Assembly



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF WEST POKOT 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 West Pokot set out on pages 8 to 32, 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 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Assembly of West Pokot as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Presentation and Inaccuracies of the Financial Statements

A review of the financial statements submitted for audit review revealed the following anomalies:

- i) The statement of financial assets and liabilities reflects a negative balance of Kshs.7,174,842 in respect of transfers to County Revenue Fund (CRF) which was not supported or explained.
- ii) The statement of cash flows reflects an amount of Kshs.22,424,842 being transfer to other government entities which differs with the amount of Kshs.15,250,000 reflected in the statement of receipts and payments. The resulting variance of Kshs.7,174,842 was not explained or reconciled.
- iii) The statement of comparison of budget and actual amounts – recurrent and development combined reflects actual on comparable basis of other receipts

amount of Kshs.58,154,438 which differs with the nil balance reflected in the statement of receipts and payments.

- iv) The statement of financial assets and liabilities reflects a fund balance brought forward amount of Kshs.8,732,542 which is at variance with the audited balance of Kshs.7,174,842 as at 30 June, 2019. The resulting variance of Kshs.1,557,700 was not explained or reconciled.

Under the circumstances, the accuracy and completeness of the financial statements could not be ascertained.

2. Variance Between IFMIS Report and Statement of Receipts and Payments

The statement of receipts and payments for the year ended 30 June, 2020 reflects total payments of Kshs.625,111,292 which is at variance with IFMIS Report total payments of Kshs.653,272,452. The resulting variance of Kshs.28,161,160 was not explained or reconciled.

Under the circumstances, the accuracy and completeness of the total payments amount of Kshs.625,111,292 for the year ended 30 June, 2020 could not be confirmed.

3. Unsupported Expenditure - Fuel, Oil and Lubricants

The statement of receipts and payments reflects an expenditure of Kshs.253,702,967 under use of goods and services which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.8,173,889 on fuel, oil and lubricants. However, Management did not provide for audit review the fuel register and the fuel drawn using a few detail orders was not recorded in the motor vehicle work tickets. Further, the signed contract agreements for the supply of fuel were not dated.

Under the circumstances, the accuracy, validity and propriety of fuel, oil and lubricants expenditure of Kshs.8,173,889 could not be confirmed.

4. Un-Authorized Expenditures

The statement of receipts and payments reflects an expenditure of Kshs.276,771,847 under compensation of employees which includes an expenditure of Kshs.154,685,174 which was not authorized and approved by the AIE holder and Accounting Officer or any other officer delegated in writing by him. Similarly, included in the expenditure of Kshs.11,453,997 under social security benefits is an expenditure of Kshs.6,294,301 which was also not approved and authorized by the AIE holder and Accounting Officer or any other officer delegated in writing by him.

Under the circumstances, the accuracy, validity and propriety of the expenditure of Kshs.160,979,475 could not be confirmed.

5. Cash and Cash Equivalents

The statement of financial assets and liabilities as at 30 June, 2020 reflected a bank balance of Kshs.428,896. However, relevant documents for two (2) bank accounts as at 30 June, 2020 were not provided for audit review as detailed below:

	Bank Account	Documents not Provided and Remarks	Account Balance (Kshs.)
1	Kenya Commercial Bank Account Number 1144041589	i) Bank Reconciliation Statement ii) Certificate of Bank balance iii) The Cash Book has no description of expenditure items. iv) Entries in Cash Book not dated v) The Cash Book not balanced and closed on a daily basis.	Nil
2	Central Bank of Kenya Account Number 1000243333	i) Bank statements ii) Bank Reconciliation Statement iii) Certificate of Bank balance iv) The Cash Book has no description of expenditure items. v) Entries in cash book not dated. vi) The Cash Book not balanced and closed on a daily basis.	428,896

Under the circumstances, the accuracy and completeness of the bank balance of Kshs.428,896 as at 30 June, 2020 could not be confirmed.

6. Lack of Assets Register

Annex 4 to the financial statements - summary of fixed assets register indicates that the County Assembly had fixed assets with a historical cost of Kshs.454,219,013 as at 30 June, 2020. However, the fixed assets register was not provided for audit review making it difficult to ascertain the nature, number, physical location and fair value of the County Assembly's assets.

Consequently, the accuracy and completeness of the fixed assets balance of Kshs.454,219,013 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 the West Pokot County Assembly Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts-recurrent and development combined reflects an approved expenditure budget of Kshs.704,482,408 against actual

expenditure of Kshs.625,111,292 resulting in an overall under expenditure of Kshs.79,371,116 or 11%. The under expenditure mainly occurred on development budget where an amount of Kshs.58,154,438 was spent against the budgeted amount of Kshs.105,815,273 resulting to an under expenditure of Kshs.47,660,835 or 45%. The underfunding and underperformance constrained execution of planned activities and delivery of services to the residents of West Pokot County.

2. Pending Bills

As disclosed in Note 3.9 on other disclosures to the financial statements, the County Assembly had pending bills totalling Kshs.16,428,126 which were due to suppliers of goods and services as at 30 June, 2020. However, an amount of Kshs.9,177,000 of the pending bills was not supported by any documentary evidence. Further, the pending bills of Kshs.16,428,120 included an amount due to the prison industry of Kshs.3,000,000 for furniture not supplied. Failure to settle bills during the year to which they relate distorts the financial statements for that year and adversely affects the provisions for the subsequent year to which they have to be charged.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Domestic Travel and Subsistence Allowances

The statement of receipts and payments reflects an expenditure of Kshs.253,702,967 under use of goods and services which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.139,434,710 incurred on domestic travel and subsistence allowances. The latter balance includes an amount of Kshs.2,402,400 incurred on carrying out Ward Offices spot check, sensitizing the constituents on Corona Virus, determining the distance in kilometers of the homes of nominated Members of County Assembly and establishing the pieces of land for construction of Ward Offices. The amount was irregularly paid to the members of the whole house, two Board Members and members of staff instead of a House Committee. Further, determination of the distance in kilometres of the homes of nominated Members of County Assembly had already been done by another team which had incorporated the County Works Officer.

Under the circumstance, the validity and propriety of the expenditure of Kshs.2,402,400 could not be confirmed.

2. Ethnic Composition of Employees

A review of staff establishment records revealed that, the County Assembly had ninety-six (96) employees out of which eighty-six (86) or 90% belonged to one ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Expenditure on Salaries, Emoluments and Benefits

The County Assembly spent a total of Kshs.288,225,844 on compensation of employees and benefits (compensation of employees – Kshs.276,771,847 and social security benefits – Kshs.11,453,997) during the year under review. This represents 46% of the total receipts of Kshs.623,982,488 on compensation of employees and benefits. Consequently, the compensation of employees cost exceeded the set threshold of 35% stipulated under Regulation 25(1) of the Public Finance Management (County Governments) Regulations, 2015.

Consequently, Management is in breach of the law.

4. Irregular Salary Deductions

A review of the payroll revealed that some members of staff earned net salaries less than a third of their basic pay against the requirement of Section 19(3) of Employment Act, 2007 which requires that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay.

In the circumstance, the Management is in breach of the law.

5. Irregular Payment of Transport Allowances to Members of the County Assembly

Included in the compensation of employees' expenditure of Kshs.276,771,847 is an amount of Kshs.7,241,298 relating to transport allowances paid to Members of County Assembly. However, the transport allowances were not paid through the payroll and in accordance with the approved rates as provided for in the Salaries and Remuneration Commission Kenya Gazette Vol.CXIX-No.89 of 7 July, 2017.

The Gazette Notice requires payment of transport allowance for Members of the County Assembly to be clustered into four zones and Members of the County Assembly to be paid a fixed monthly transport allowance through the payroll. Further, the transport allowances paid were not taxed.

6. Irregular Payment of Sitting Allowances

The compensation of employees' expenditure of Kshs.276,771,847 also includes sitting allowances of Kshs.7,260,500 paid to Members of County Assembly and County

Assembly Service Board, which were paid outside the payroll without any justification from the accounting officer. Further, Pay As You Earn (PAYE) of Kshs.5,634,150 deducted from the sitting allowances was not remitted to the Kenya Revenue Authority.

7. Irregular Employment of Ward Staff

A review of personnel records revealed that each Ward Office had six employees contrary to the requirement of the Commission on Revenue Allocation Circular Ref No: CRA/CSO/CMG/9/VOL.V (43) of 3 August, 2020 which provides for employment of three (3) employees per Ward Office. Further, the ward employees were each being paid salaries below the approved minimum wage of Kshs.13,572.90 per month.

8. Irregular Expenditure on Hotels and Conference Facilities

The statement of receipts and payments reflects an expenditure of Kshs.253,702,967 under use of goods and services which, as disclosed in Note 5 to the financial statements, includes an amount of Kshs.12,710,770 relating to training expenses. The latter balance includes an expenditure of Kshs.7,231,550 incurred on hiring hotels and conference facilities. However, the hotels and conference facilities were directly procured and the procured services were not included in the procurement plan for the year under review. Further, the County Assembly did not have an annual training plan, training needs assessment was not done and no reports were produced after the trainings were completed.

In addition, procurement of hotel and conference facilities was done outside IFMIS against the requirement of Treasury Circular No. 24/2015 dated 21 December, 2015 which provided guidelines on the use of E-Procurement in the County Governments.

9. Acquisition of Assets

a. Construction of County Assembly Restaurant and Car Park

As previously reported, the County Assembly entered into a contract with a firm for the construction of a restaurant and a car park on 3 January, 2014 at a contract sum of Kshs.36,685,718. An expenditure of Kshs.15,765,679 was incurred on the project in the financial year 2014/2015 but payment vouchers were not submitted for audit verification. During the year under review, project records including payment vouchers, certificates of completion issued, status report of the project were still not provided for our audit verification. Further, a physical verification of the project revealed that it has stalled and there was no budgetary provision in respect of the project in the 2019/2020 financial year.

Consequently, the objectives of the project have not been achieved and residents of West Pokot County may not have obtained value for money spent on the project as planned.

b. Construction of Buildings

The statement of receipts and payments reflects an expenditure of Kshs.67,920,438 under acquisition of assets which, as disclosed in Note 10 to the financial statements, includes an amount of Kshs.58,154,438 relating to construction of buildings. The latter balance includes an amount of Kshs.56,154,439 paid during the year for construction of

a modern assembly complex. The contract was awarded on 6 January, 2015 at a price of Kshs.358,392,421.

The contractor has been paid a total of Kshs.338,151,067 or 94% of the contract sum for certified works against 76% of work done as at 30 June, 2020. The amount paid include prime cost of Kshs.34,000,000 which has not been accounted for. The completion/interim certificates were issued upon valuation by the quantity surveyor contrary to Section 48(4) of the Public Procurement and Assets Disposal Act, 2015 which requires the Inspection and Acceptance Committee to ensure that the correct quantity of the goods is received, the goods, works or services meet the technical standards defined in the contract, the goods, works or services have been delivered or completed on time, or that any delay has been noted, all required manuals or documentation have been received and issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract.

However, the project is behind schedule as it was supposed to be completed by February, 2018. Management has not claimed liquidated damages from the contractor. The Management has explained that the execution of the contract was suspended by the Governor of West Pokot through a letter dated 19 September, 2017 to facilitate a special audit of all contracts. The basis of the termination of the contract and the termination letter by the Governor were not provided for audit verification.

c. Purchase of Motor Vehicles and Other Transport Equipment

Included in the acquisition of assets expenditure of Kshs.67,920,438 is an amount of Kshs.8,356,000 relating to purchase of motor vehicles and other transport equipment which was paid for purchase of a Toyota Fortuner. However, review of records provided revealed that the vehicle was directly procured although the prevailing conditions did not justify the procurement method.

Further, the logbook for the vehicle was also not provided for audit verification. Management explained that the supplier was identified from the contracted suppliers of motor vehicles for the Ministry of Transport, Infrastructure, Public Works, Housing and Urban Development. However, there was no documentary evidence to confirm that the County Assembly requested to use the contracted suppliers of the Ministry and the approval from the Tender Committee as required under Section 56 of the Public Procurement and Asset Disposal Act, 2015.

10. Unresolved Prior Year Audit Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Information Communication Technology

A review of the Information and Communication Technology (ICT) System of West Pokot County Assembly revealed that the Assembly did not have an approved IT Policy, Data Recovery Plan and IT Security Policy which are vital in effective and efficient management of the entity's IT resources.

Further, the County Assembly did not have an IT Steering Committee which is important in performing the oversight function and formulation of policies to ensure that IT Unit functions are properly in place to assist in the achievement of organizational objectives in an efficient, economic and effective manner. In addition, the County Assembly did not have periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

2. Internal Audit Function

As previously reported, the County Assembly has established an Internal Audit Unit to oversee the governance mechanism and promote transparency and accountability of management of the County Assembly's resources. The unit has, however, only two officers who reports to Management instead of an Audit Committee contrary to Regulation 155(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Head of Internal Audit Unit in a County Government to enjoy operational independence through the reporting structure by reporting administratively to the Accounting Officer and functionally to the Audit Committee.

Consequently, due to the shortage of capacity in Internal Audit Unit, weaknesses in internal control systems may pass unnoticed exposing the County Assembly to risk of loss of assets and other resources.

3. Risk Management Processes

As reported in the previous year, a review of risk management processes revealed that the Management does not conduct risk assessment of the various operational areas to make recommendations of the measures to be instituted to check on the risks. The

lack of risk assessment and regular reviews on fraud risk control processes makes it impossible for the Management to establish if the operations are not prone to risks.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the County Assembly's 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 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 County Assembly policies and procedures may deteriorate.

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

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

my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to 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 West Pokot County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

05 November, 2021

WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

3.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019/20 Kshs	2018/19 Kshs
RECEIPTS			
Transfers from the County Treasury/Exchequer Releases	1	623,982,488	559,786,655
Proceeds from Sale of Assets	2	-	108,530,360
Other Receipts	3	-	-
TOTAL RECEIPTS		623,982,488	668,317,015
PAYMENTS			
Compensation of Employees	4	276,771,847	262,447,143
Use of goods and services	5	253,702,967	222,370,911
Subsidies	6	-	-
Transfers to Other Government Entities	7	15,250,000	39,392,606
Other grants and transfers	8	-	-
Social Security Benefits	9	11,453,997	10,306,519
Acquisition of Assets	10	67,920,438	129,586,192
Finance Costs	11	12,043	11,025
Other Payments	12	-	-
TOTAL PAYMENTS		625,111,292	664,114,396
SURPLUS/DEFICIT		(1,128,804)	4,202,619

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/09 2020 and signed by:


 Clerk of the County Assembly




 Principal Finance Officer – County Assembly



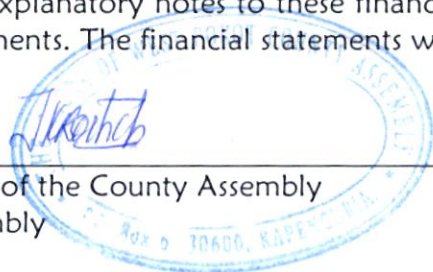
WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

3.2.STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

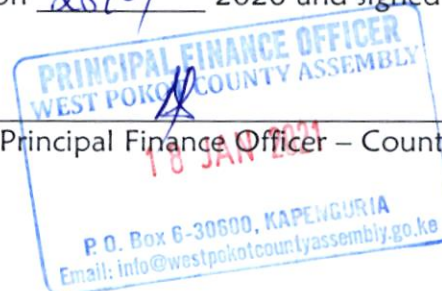
	Note	2019/20 Kshs	2018/19 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	13A	428,896	7,174,842
Cash Balances	13B	-	-
Total Cash and cash equivalents		428,896	7,174,842
Accounts receivables – Outstanding Imprests	14	-	1,557,700
TOTAL FINANCIAL ASSETS		428,896	8,732,542
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	-	-
NET FINANCIAL ASSETS		428,896	8,732,542
REPRESENTED BY			
Fund balance b/fwd	16	8,732,542	4,529,923
Transfers to County Revenue Account year end (CRF)		- 7,174,842	-
Surplus/Deficit for the year		-1,128,804	4,202,619
NET FINANCIAL POSITION		428,896	8,732,542
	<i>Control</i>	-	0

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/09 2020 and signed by:

 Clerk of the County Assembly
 Assembly



 Principal Finance Officer – County



WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

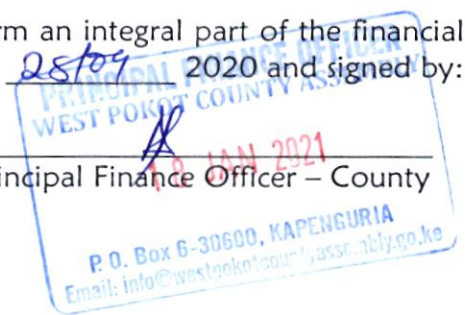
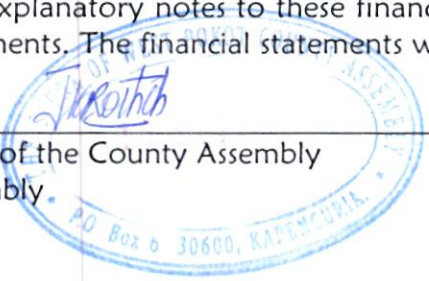
3.3.STATEMENT OF CASH FLOWS

	Note	2019/20 Kshs	2018/19 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Transfers from the County Treasury/Exchequer Releases	1	623,982,488	559,786,655
Other Receipts	3	0	108,530,360
Payments for operating expenses			
Compensation of Employees	4	(276,771,847)	(262,447,143)
Use of goods and services	5	(253,702,967)	(222,370,911)
Subsidies	6	0	0
Transfers to Other Government Entities	7	(22,424,842)	(39,392,606)
Other grants and transfers	8	0	0
Social Security Benefits	9	(11,453,997)	(10,306,519)
Finance Costs	11	(12,043)	(11,025)
Other Payments	12		
Adjusted for:			
Adjustments during the year			
Transfers to County Revenue Account year end (CRF)		0	0
Net cash flows from operating activities		59,616,792	133,788,812
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	10	(67,920,438)	(129,586,192)
Net cash flows from investing activities		(67,920,438)	(129,586,192)
NET INCREASE IN CASH AND CASH EQUIVALENT		(8,303,646)	4,202,619
Cash and cash equivalent at BEGINNING of the year		8,732,542	4,529,923
Cash and cash equivalent at END of the year		428,896	8,732,542
As per statement of assets		428,896	8,732,542
<i>Control</i>		<i>(0)</i>	<i>0</i>

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/09 2020 and signed by:

Clerk of the County Assembly
Assembly

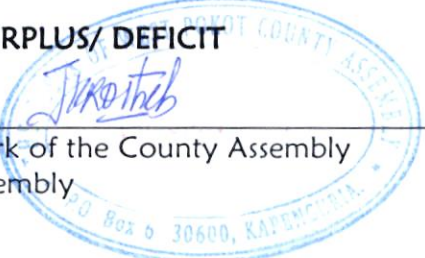
Principal Finance Officer – County



WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/Exchequer Releases	582,300,000	16,367,135	598,667,135	565,828,050	88.6%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	100,000,000	5,815,273	105,815,273	58,154,438	55%
TOTAL	682,300,000	22,182,408	704,482,408	623,982,488	-
PAYMENTS					
Compensation of Employees	302,649,362	(25,340,000)	277,309,362	276,771,847	99.8%
Use of goods and services	231,921,007	43,791,135	275,712,142	253,702,967	92%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	30,500,000	(15,250,000)	15,250,000	15,250,000	100%
Other grants and transfers	-	-	-	-	-
Social Security Benefits	15,229,631	400,000	15,629,631	11,453,997	73.3%
Acquisition of Assets	102,000,000	18,581,273	120,581,273	67,920,438	53%
Finance Costs	-	-	-	12,043	-
Other Payments	-	-	-	-	-
TOTAL	682,300,000	22,182,408	704,482,408	625,111,292	92%
SURPLUS/ DEFICIT	-	-	-	428,896	


 Clerk of the County Assembly
 Assembly


 Principal Finance Officer – County

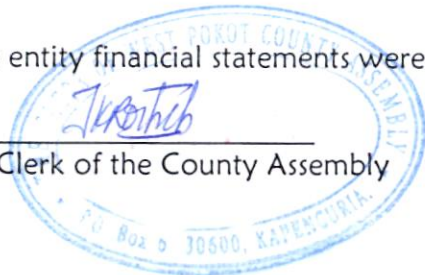
WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

3.4.STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis e=d-c	% Utilisation difference
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	582,300,000	16,367,135	598,667,135	565,828,050	88.6%
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	-	-	-	-	-
TOTAL	582,300,000	16,367,135	598,667,135	565,828,050	88.6%
PAYMENTS					
Compensation of Employees	302,649,362	(25,340,000)	277,309,362	276,771,847	99.8%
Use of goods and services	231,921,007	43,791,135	275,712,142	253,702,967	91.4%
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	30,500,000	(15,250,000)	15,250,000	15,250,000	100%
Other grants and transfers	-	-	-	-	-
Social Security Benefits	15,229,631	400,000	15,629,631	11,453,997	73.3%
Acquisition of Assets	2,000,000	12,766,000	14,766,000	9,766,000	66.1%
Finance Costs	-	-	-	12,043	-
Other Payments	-	-	-	-	-
TOTAL	582,300,000	16,367,135	598,667,135	566,956,854	-
SURPLUS/ DEFICIT				428,896	

The entity financial statements were approved on 28/09 2020 and signed by:

4. Clerk of the County Assembly



Principal Finance Officer – County Assembly



WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

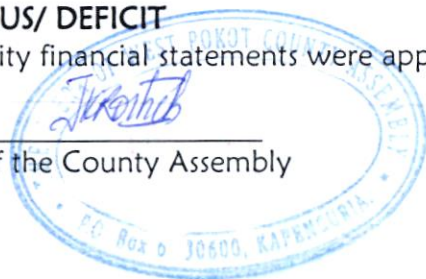
4.1. STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	KShs	KShs	c=a+b	e=d-c	KShs
RECEIPTS					
Transfers from the County Treasury/ Exchequer Releases	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Other Receipts	100,000,000	5,815,273	105,815,273	58,154,438	55%
TOTAL	100,000,000	5,815,273	105,815,273	58,154,438	55%
PAYMENTS					
Compensation of Employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Subsidies	-	-	-	-	-
Transfers to Other Government Entities	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social Security Benefits	-	-	-	-	-
Acquisition of Assets	100,000,000	5,815,273	105,815,273	58,154,438	55%
Finance Costs	-	-	-	-	-
Other Payments	-	-	-	-	-
TOTAL	100,000,000	5,815,273	105,815,273	58,154,438	55%
SURPLUS/ DEFICIT				-	

The entity financial statements were approved on 28/09 2020 and signed by:

 Clerk of the County Assembly

 Principal Finance Officer – County Assembly



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

4.2. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KShs	KShs	KShs	KShs	KShs
Programme 1	361,720,946	38,801,440	399,542,339	369,727,118	94
Programme 2	165,779,054	-5,868,305	160,890,796	160,435,436	99.77
Programme 3	54,800,000	-16,566,000	38,234,000	36,955,100	99.81
TOTALS	582,300,000	16,367,135	598,667,135	566,956,854	

4.3.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 West Pokot 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 recognizes 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.

WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

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.

5. Cash and cash equivalents

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

Restriction on cash

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

There were no other restrictions on cash during the year.

6. Accounts Receivable

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

7. Accounts Payable

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

8. Non-current assets

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

WEST POKOT COUNTY ASSEMBLY

Reports and Financial Statements

For the year ended June 30, 2020

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 County Assembly's budget was approved as required by Law .The original budget was approved by the County Assembly on 27th June 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There was 2 number of supplementary budgets passed in the year. A high-level assessment of the 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.

WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

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.

NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from the County Treasury/Exchequer Releases

	2019/20	2018/19
	KShs	KShs
Transfers from the County Treasury for Q1	93,221,000	96,000,000
Transfers from the County Treasury for Q2	115,515,000	120,000,000
Transfers from the County Treasury for Q3	162,268,705	161,000,000
Transfers from the County Treasury for Q4	252,977,783	182,786,655
Cumulative Amount	623,982,488	559,786,655

2. PROCEEDS FROM SALE OF ASSETS

	2019/20	2018/19
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Total	-	-

WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

3. OTHER RECEIPTS

	2019/20 KShs	2018/19 KShs
Tender fees received	-	-
Other Receipts II	-	108,530,360.00
Other Receipts III	-	-
Other Receipts IV	-	-
Total	-	89,397,932.00

Other receipts relate to payments made by the County Treasury on behalf of the County Assembly. The County Assembly development funds are requisitioned and paid by the County Treasury after approval by the Accounting officer this is because the County Assembly does not maintain a development account with CBK.

4. COMPENSATION OF EMPLOYEES

	2019/20 KShs	2018/19 KShs
Basic salaries of permanent employees	234,737,051	201,856,238.
Basic wages of temporary employees	9,236,678	22,476,302
Personal allowances paid as part of salary	32,798,118	38,114,601
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
Total	276,771,846.60	262,447,143

5. USE OF GOODS AND SERVICES

	2019/20 KShs	2018/19 KShs
Utilities, supplies and services	353,047	399,626.35
Communication, supplies and services	1,664,369	2,412,210.00
Domestic travel and subsistence	139,434,710	131,199,575.00
Foreign travel and subsistence	19,699,987	36,258,996.00
Printing, advertising and information supplies &	2,068,998	5,830,770.00

WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

services		
Rentals of produced assets	2,340,000	2,040,000.00
Training expenses	12,710,770	10,026,230.00
Hospitality supplies and services	1,156,220	4,154,955.00
Insurance costs	53,620,313	6,233,489.00
Specialized materials and services	1,999,299	4,152,674.00
Office and general supplies and services	2,791,970	2,875,696.00
Fuel Oil and Lubricants	8,173,889	4,800,647.15
Other operating expenses	2,741,787	7,461,899.00
Routine maintenance – vehicles and other transport equipment	4,770,758	4,424,143.00
Routine maintenance – other assets	176,850	100,000.00
Total	253,702,967.45	222,370,910.50

6. SUBSIDIES

Description	2019/20 KShs	2018/19 KShs
Subsidies to County Corporations <i>See list attached</i>	-	-
TOTAL	-	-

7. TRANSFERS TO FUND ACCOUNTS

Description	2019/20 KShs	2018/19 KShs
Transfers to National Government entities	-	2,392,606
Transfers to County Assembly Car loan and Mortgage Fund Account No. 01141694710400	15,250,000	37,000,000
TOTAL	15,250,000	39,392,606.00

8. OTHER GRANTS AND TRANSFERS

Description	2019/20 KShs	2018/19 KShs
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Total	-	-

WEST POKOT COUNTY ASSEMBLY
Reports and Financial Statements
For the year ended June 30, 2020

9. SOCIAL SECURITY BENEFITS

	2019/20	2018/19
	KShs	KShs
Government pension and retirement benefits (Gratuity)	11,453,997	10,306,518.90
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	11,453,997	10,306,518.90

NOTE

This is monthly Gratuity contribution for Members of the County Assembly to LAPFUND.

10. ACQUISITION OF ASSETS

<u>Non- Financial Assets</u>	2019/20	2018/19
	KShs	KShs
Purchase of Buildings	-	-
Construction of Buildings	58,154,438	108,530,360
Refurbishment of Buildings	-	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	8,356,000	16,306,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and Equipment	1,410,000	3,154,632
Purchase of ICT Equipment	-	1,595,200
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total purchase of non-financial assets	-	-

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Non- Financial Assets	2019/20	2018/19
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Total purchase of financial assets	-	-
Total	67,920,438	129,586,192

11. FINANCE COSTS

	2019/20	2018/19
	KShs	KShs
Bank Charges	12,043.00	11,025.00
Exchange Rate Losses	-	-
Other Finance costs	-	-
Interest on borrowings	-	-
Total	12,043.00	11,025.00

12. OTHER PAYMENTS

	2019/20	2018/19
	KShs	KShs
Budget Reserves	-	-
Total	-	-

13. CASH AND BANK BALANCES

13A. BANK BALANCES

Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2019/20	2018/19
		KShs	KShs
<i>Central Bank of Kenya, Acc. No.1000243333 & Ksh</i>	Recurrent Acc	428,896	-
<i>Kenya Commercial Bank, Acc. No. 1144041589 & Ksh</i>	Commercial Bank Accs. (Recurrent)	-	7,174,841.90

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Total		428,896	7,174,841.90
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13B. CASH IN HAND

	2019/20	2018/19
	KShs	KShs
Cash in Hand – Held in domestic currency	-	-
Cash in Hand – Held in foreign currency	-	-
Total	-	-

Cash in hand should be analysed as follows:

	2019/20	2018/19
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

14. ACCOUNTS RECEIVABLE

	2019/20	2018/19
	KShs	KShs
Government Imprests		1,557,700.00
Clearance Accounts	-	-
Staff Advances	-	-
Other Advances	-	-
Total		1,557,700.00

15. ACCOUNTS PAYABLE

	2019/20	2018/19
	KShs	KShs
Deposits	-	-
Retentions	-	-
Total	-	-

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16. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	Kshs	Kshs
Bank accounts	8,732,542	4,529,923.00
Cash in hand		-
Accounts Receivables		-
Accounts Payables		-
Total	8,732,541.90	4,529,923.00

17. PRIOR YEAR ADJUSTMENTS

Description of the adjustment	2019/20	2018/19
	KShs	KShs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (<i>specify</i>)	-	-
Total	-	-

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4.4. OTHER DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Supply of goods				
1. Mtelo Enterprises Ltd.		760,000	-	760,000
Supply of services				
1. Imperial Hotel		644,000		644,000
2. Shardonabo Investments Ltd		133,900		133,900
3. Astrong General Merchants		77,750		77,750
4. Sirwo Enterprises Ltd		58,500		58,500
5. E.L.C.K. - KBC		24,000		24,000
6. Bievenue Delta Hotel		1,162,800		1,162,800
7. Pride inn Paradise		1,260,000		1,260,000
8. Elgonet Communications (Kalya)		179,100		179,100
9. North Rift Radio		119,700		119,700
10. Kwokwo International FM		91,200		91,200
11. AMACO		109,681		109,681
12. Eastern & Southern African Management Inst. (ESAMI)		1,173,000		1,173,000
13. County Assembly Forum		4,157,000		4,157,000
14. Kenya Literature Bureau		513,000		513,000
15. African Touch Safaris		1,044,495		1,044,495
16. Donjud Company Ltd.		1,920,000		1,920,000
17. Prison Industry	3,000,000	-		3,000,000

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4. 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.

OTHER DISCLOSURES (CONTINUED)

Related party transactions:

	2019- 2020 Kshs	2018- 2019 Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	102,533,485	-
Key Management Compensation(Clerk and Heads of departments)	25,765,330	-
Total Compensation to Key Management	128,298,815	-
<u>Transfers to related parties</u>		
Transfers to other County Government Entities such as car and mortgage schemes	15,250,000	-
Transfers to County Corporations	-	-
Transfers to non reporting entities e.g. ECD centres, welfare centres etc.	-	-
Total Transfers to related parties	15,250,000	-
<u>Transfers from related parties</u>		
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	-	-

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5. 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)
3.0	Cash and Cash equivalents	The Assembly has provided a board of survey report to support the cash balances.	Senior Accounts Controller	Resolved	
4.0	Lack of Imprest Register	The Imprest Register provided was not in conformity to the one set out by the PSAB.	PFO	Not Resolved	30 th June 2021
5.0	Lack of Fixed Asset Register	The County Assembly provided a list of all assets owned, this did not conform to the standards set by the PSAB.	Accounting Officer	Not resolved	30 th June 2021
2.1	Provision of Internet Services	Management has had challenges with Telkom from inception; this has however changed since the Government through the Ministry of ICT is providing free internet service (30mbps) to the Institution from 1/7/2020.	Head of ICT	Resolved	

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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)
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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..... *J. K. Kibet*



Date.....

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ANNEXES 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	A	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2 – ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	b	c	d=a-c		
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 3 – ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.		-					
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (<i>specify</i>)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (KShs) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfers in/(out)	Historical Cost c/f (KShs) 2019/20

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Asset class	Historical Cost b/f (KShs) 2017/18	Additions during the year (KShs)	Disposals during the year (KShs)	Transfer s in/(out)	Historical Cost c/f (KShs) 2019/20
Land					
Buildings and structures	354,966,611	58,154,438	-	-	413,121,049
Transport equipment	16,306,000	8,356,000	-	-	24,662,000
Office equipment, furniture and fittings	6,792,860.00	1,410,000	-	-	8,202,860
ICT Equipment	8,233,104.00	-	-	-	8,233,104.00
Machinery and Equipment					
Biological assets					
Infrastructure Assets					
Heritage and cultural assets					
Intangible assets					
Work In Progress					
Total	386,298,575	67,920,438			454,219,013

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ANNEX 5 – ANALYSIS OF OUTSTANDING IMPRESTS

Government Imprest Holders

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>KShs</i>	<i>KShs</i>	<i>KShs</i>

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT