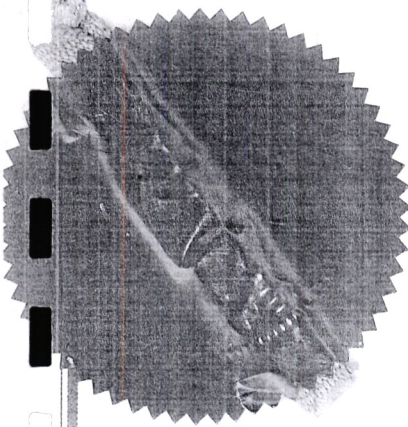


*W. O. Ombui*

Republic of Kenya



COUNTY COUNCIL OF NAKURU  
CLERK BY INSTRUMENT OF APPOINTMENT  
OFFICE NO. 12/1/000  
PASSPORT NO. 73



# Kenya National Audit Office

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REPORT

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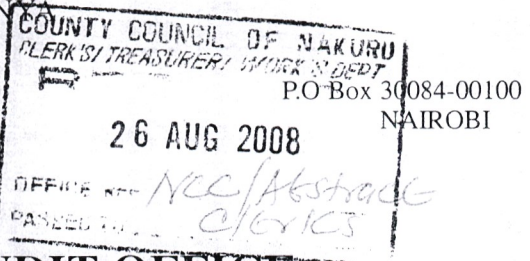
**THE CONTROLLER  
AND AUDITOR-GENERAL**

ON

**THE ABSTRACTS OF  
ACCOUNTS OF THE COUNTY  
COUNCIL OF NAKURU  
FOR THE  
YEAR ENDED  
30 JUNE 2004**

*Not a  
Final  
30/6/04*





## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ABSTRACTS OF ACCOUNTS OF THE COUNTY COUNCIL OF NAKURU FOR THE YEAR ENDED 30 JUNE 2004

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The attached Abstracts of Accounts of the County Council of Nakuru for the year ended 30 June 2004 have been audited under my direction in accordance with the provisions of Section 23 of the Public Audit Act, 2003.

#### 1.0 Respective Responsibilities of the Council and the Controller and Auditor General

The Council is responsible for the preparation of Abstracts of Accounts which give a true and fair view of the state of financial affairs of the Council and its operating results. My responsibility is to express an independent opinion on the financial statements based on the audit.

#### 2.0 Basis of Opinion

The audit was conducted in accordance with the International Standards on Auditing. Those Standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the Council as well as evaluating the overall financial statements' presentation. I believe the audit provides a reasonable basis for the opinion.

#### 3.0 Qualification Points

##### 3.1 Non Submission, Opening Balances, Format and Accuracy of the Accounts

- (i) As previously reported, the Abstracts of Accounts for a period of twenty six (26) years from 1971 to 1995/1996 have not prepared and

- presented for audit as required by Section 229 (1) of the Local Government Act, Cap 265. The Council is therefore still in breach of the law. Consequently, the opening balances as at 1 July, 1996 and for all the subsequent years, including 2003/2004, could not be confirmed.
- (ii) The Council used the Simplified Accounting Systems (SAS) format in preparing its Abstracts of Accounts. However, the format had not been approved by the Minister for Local Government as required by Section 229 (2) of the Local Government Act, Cap 265. The Council was therefore in breach of the law.
  - (iii) The 2003/2004 Accounts were not signed. Further, the Accounts did not include GRF and LATF Balance Sheets and Change Statements for Authority Equity, Capital Discharged and Fund Balances as required. Amended Accounts were not also submitted as required. The comparative amount for motor vehicles and plant of Kshs.35,744,250.00 differed from the 2002/2003 audited figure of Kshs.35,844,250.00 by an unexplained difference of Kshs.100,000.00.

In view of the above issues, the accuracy and completeness of the 2003/2004 Accounts could not be confirmed.

### **3.2 Fixed Assets**

The Fixed Assets balances decreased by Kshs.4,570,571.85 from Kshs.63,373,248.10 as at 30 June 2003 to Kshs.58,802,676.25 as at 30 June 2004. However, the Council did not maintain a Fixed Assets Register (FAR). The Council did not also maintain a capital ledger to record its capital projects indicating dates of construction, description and their location. Further, ownership documents for land and valuation reports for the assets were not made available for audit. As indicated in note 1.3.6 to the Accounts, provision for depreciation was not made in the Accounts in line with the SAS provision. The Fixed Assets included the value of three (3) vehicles and a ZA Trailer worth Kshs.2,604,000.00. However, their logbooks were not made available for audit review. In addition, inventory sheets were not produced to support the existence of furniture, fittings, equipment and tools reflected in the Accounts as at 30 June 2004.

In the circumstances, it was not possible to confirm the existence, security, ownership, valuation, location and accuracy of the Fixed Assets balance as at 30 June 2004.

### **3.3 Renewals Funds**

Section 219(1) of the Local Government Act, Cap 265 requires the Council to create adequate Renewals Funds to provide for the entire or partial replacement of some or all of its assets, which, owing to depreciation or other cause, will require at some future date to be replaced. However, no renewals funds were created and set aside during the year as required. The Council was therefore in breach of the law. It is not also clear how the Council intends to finance the replacement of its fixed assets, in future, in the absence of renewals funds.

### **3.4 Loans Outstanding**

The Loans Outstanding balances decreased from Kshs.4,484,938.15 as at 30 June 2003 to Kshs.3,884,938.15 as at 30 June 2004. However, information made available for audit indicated that loans from National Housing Corporation (NHC) and the Local Government Loans Authority (LGLA) stood at Kshs.11,683,618.00 and Kshs.4,700,677.00 respectively both totalling Kshs.16,384,295.00. The difference of Kshs.12,499,357.00 between the two sets of records has not been explained or reconciled. The loans which were indicated as having been given for the construction of offices and chambers, market and residential houses did not also have complete records showing the principal amounts, year received, repayments and interests. In the circumstances, the accuracy of the Loans Outstanding balance of Kshs.3,884,938.15 as at 30 June, 2004 could not be confirmed.

### **3.5 Cash and Cash Equivalents**

The Cash and Cash Equivalents balances increased by Kshs.16,418,292.05 from Kshs.(1,882,512.45) as at 30 June 2003 to Kshs.14,535,779.60 as at 30 June 2004. However, the main cash book was rarely written and balanced on daily basis. Further, monthly bank reconciliation statements were not prepared as required. In addition, a board of survey report to confirm the cash in hand and bank balances confirmation certificates were not made available for audit review. Under the circumstances, the Cash and Cash Equivalents amount of Kshs.14,535,779.60 as at 30 June 2004 could not be confirmed.

### **3.6 Debtors and Prepayments**

The Debtors and Prepayments balances increased by Kshs.129,230,306.25 from Kshs.286,304,796.90 as at 30 June 2003 to Kshs.415,535,103.15 as at 30 June 2004. The major Debtors comprised outstanding plot rents, property rates, imprests, contribution in lieu of rates, salaries advances, stale and returned cheques as indicated in note 5 to the Accounts. However, no debtors' control ledgers, individual schedules and refer to drawer cheques register were maintained. Further, no provision for bad and doubtful debts was made in the Accounts. In the circumstances, the accuracy of the Debtors and Prepayments balance as at 30 June 2004 could not be confirmed.

### **3.7 Budget and Budgetary Control**

During the year, the Council did not adhere to its approved estimates. The Council realized under-collection of revenue of Kshs.19,605,780.00 or 31.7% of the approved budgeted revenue of Kshs.61,722,047.00. It also incurred over-expenditure of Kshs.48,504,264.80 or 151.7% of the approved budgeted expenditure of Kshs.31,965,605.00 without Ministerial approval. The Council was, therefore, in breach of the law.

### **3.8 Non Response to Audit Queries and Draft Report**

The 2003/2004 Abstracts of Accounts were audited and material issues raised with the Council for comments through a letter dated 24 November 2005. Further, a draft audit report which the Controller and Auditor General intended to issue on the Council's Abstracts of Accounts for the year was forwarded to the Council through a letter dated 8 December 2006 for comments. No responses have been received to date. It was therefore not possible to determine what action may have been taken or is being taken to redress the issues raised.

### **4.0 Opinion**

In view of the reservations set out at paragraphs 3.1 to 3.8 above, I am unable to express an opinion in accordance with Section 24(2) of the Public Audit Act, 2003 that:

- (i) All the information and explanations required for the purpose of the audit were received;
- (ii) The Accounts have been properly maintained and are in order;

- (iii) The Consolidated Balance Sheet gives a true and fair view of the financial position of the Council as at 30 June 2004;
- (iv) The Summary of Revenue Accounts gives a true and fair view of the income and expenditure of the Council for the year ended 30 June 2004; and
- (v) The Accounts comply with the Local Government Act, Cap 265.



**P. N. KOMORA, CBS**  
**CONTROLLER AND AUDITOR GENERAL**

**Nairobi**

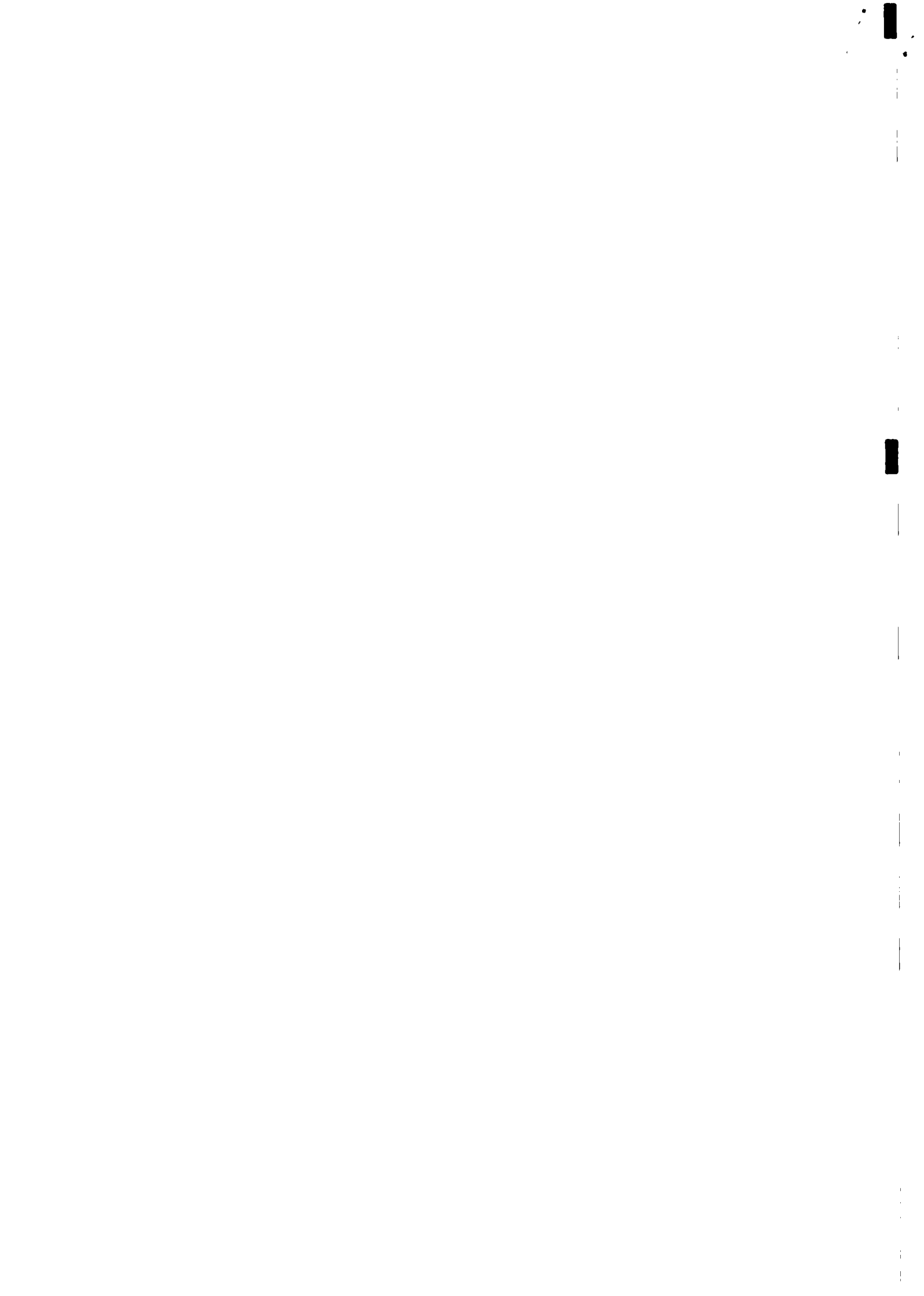
**12 August 2008**

# NAKURU COUNTY COUNCIL

## FINAL ACCOUNTS FOR FY 2003/2004

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# NAKURU COUNTY COUNCIL FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004 TREASURER'S REPORT

## 1.1 INTRODUCTION

I have the pleasure of presenting the accounts for Nakuru County Council for the period ended 30th June 2004

These are the first pilot application of the Simplified Accounting Systems (SAS) for Local Authorities being developed by the Ministry of Local Government under the Kenya Local Government Reform Programme

The County Council of Nakuru had seven operational divisions or responsibility centres during this financial year. These are -

- 1) Clerk's Department
- 2) Civic Department
- 3) Treasurer's Department
- 4) Social Services Department
- 5) Works Department
- 6) Conservancy Department
- 7) LATF Revenue Account

## 1.2 RESPONSIBILITY CENTRE ACCOUNT STATEMENTS

Each individual responsibility centre financial performance is given separately

These performance statements of receipts and expenditure are in Kenya Shillings and Kenya Pounds, which are compared to the approved budget for the year

The actual receipts and expenditure for the financial year 2002/2003 are included to show trends

The detailed performance statements for 2003/2004 are summarised in a Summary Recurrent Account to give a one-page clear picture of the operations of the Authority for the year.

*Worthy of noting is the following*

### Revenue Items

Receipts from Land Taxes were 36% of the total corporate receipts

Licences with 47% of the total corporate receipts was the most important source of revenue.

Cess contributed 14% to the corporate receipts

### Expenditure Items

The ratio of expenditure on Personnel, Operations, Maintenance, Debt Resolution and Capital Projects was 55:23:2:10:9 of the total expenditure i.e. Personnel expenditure took 55% of total expenditure during the year, Operations took 23% while Maintenance took 2%, Debt Resolution and Capital Projects took 10% and 9% respectively.

There was an underspending on current employees expenditure of 10% as per the Approved Budget and the actuals. This was due to vacant position not taken up

## 1.3 OVERALL AUTHORITY PERFORMANCE

The Authority made an overall surplus of Kshs 16.2M. Total expenditure was Kshs 132.7M, while corporate and responsibility centers receipts were Kshs 149M

Corporate Income comprised of 48% of the total receipts while LATF comprised of 52%.

It is worth noting that the responsibility centres' level of self financing was 112% with Treasurer's Department having the highest level at 178% (ignoring LATF Revenue Account)

Treasurer's Department had the highest income in the responsibility centers of Kshs 58.7 Million, (39% of all total receipts) with 178% level of self financing

Corporate Receipts totalled Kenya Shillings 70.8 Million, 94% of the budget with a good performance of collecting Land Taxes and Cess (at 108% and 109% efficiency respectively) as the main cause.

NAKURU COUNTY COUNCIL  
BALANCE SHEET  
AS AT 30TH JUNE 2004

	NOTES	2003/2004	2002/2003
<b>FIXED ASSETS</b>			
Land and Buildings		19,895,442.40	23,990,214.25
Motor Vehicles & Plant		35,744,250.00	35,744,250.00
Office Furnitures & Equipment		1,899,000.00	1,899,000.00
Other Capital Outlay		1,263,983.85	1,739,783.85
<b>Total</b>		<u>58,802,676.25</u>	<u>63,373,248.10</u>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents		14,535,779.60	(1,882,512.45)
Debtors & Prepayments		415,535,103.15	286,304,796.90
<b>TOTAL CURRENT ASSETS</b>		<u>430,070,882.75</u>	<u>284,422,284.45</u>
<b>CURRENT LIABILITIES</b>			
Creditors & Accruals		85,859,655.05	93,964,725.55
<b>Total</b>		<u>85,859,655.05</u>	<u>93,964,725.55</u>
<b>NET CURRENT ASSETS</b>		<u>344,211,227.70</u>	<u>190,457,558.90</u>
<b>NET ASSETS</b>		<u>403,013,903.95</u>	<u>253,830,807.00</u>
<b>RESERVES AND OTHER BALANCES</b>			
Authority Equity		130,889,446.03	97,898,289.55
Loans Outstanding		3,884,938.15	4,484,938.15
Capital Discharged		192,535,000.00	58,988,309.95
Fund Balances		75,704,519.77	92,459,269.35
		<u>403,013,903.95</u>	<u>253,830,807.00</u>



NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 CASHFLOW STATEMENT

RECURRENT ACTIVITIES	2003/2004 Kshs	2002/2003
<b>INCOME</b>		
Land Taxes	26,002,129.80	5,768,485.80
Licences	37,151,163.90	7,653,438.00
Cess	9,608,370.90	-
Others	3,039,599.90	4,797,219.60
LATF	76,176,310.00	42,949,962.00
<b>Total Income</b>	<u>149,977,563.50</u>	<u>61,169,105.40</u>
<b>EXPENSES</b>		
Total Expenditure	<u>165,732,333.08</u>	<u>118,959,375.10</u>
<b>Net Recurrent Activities</b>	(16,754,749.58)	(57,790,269.70)
<b>Net Cash Inflow after Recurrent Activities</b>	(16,754,749.58)	(57,790,269.70)
<b>Working Capital Changes</b>		
Increase / (Decrease) in Current Assets	(129,230,306.25)	(31,898,020.55)
Increase / (Decrease) in Creditors and Accruals	<u>18,105,070.50</u>	<u>(12,624,776.60)</u>
	(137,335,376.75)	(44,522,797.15)
<b>Cash Inflow/(Outflow) after Working Capital changes</b>	(154,090,126.33)	(102,313,067.85)
<b>RETURN ON INVESTMENTS &amp; SERVICING OF FINANCE</b>		
Interest Paid		
Interest Received		
<b>Cash Inflow/(Outflow) after Return on Invest &amp; Servicing of Finance</b>	(154,090,126.33)	(102,313,067.85)
<b>INVESTING ACTIVITIES</b>		
Increase in Fixed Assets	(4,570,571.85)	4,923,870.00
Others		
	<u>(4,570,571.85)</u>	<u>4,923,870.00</u>
<b>Cash Inflow/( Outflow) after Investing Activities</b>	(149,519,554.48)	(107,236,936.85)
<b>FINANCING ACTIVITIES</b>		
Increase in Equity Capital	32,991,156.48	93,379,025.75
Loans	(600,000.00)	(874,459.05)
Capital Outlay	133,546,690.05	5,798,329.05
	<u>165,937,846.53</u>	<u>98,302,895.75</u>
<b>Cash Inflow after Financing Activities</b>	16,418,292.05	(8,934,041.10)
<b>Cash and Cash Equivalent at beginning of the year</b>	<u>(1,882,512.45)</u>	<u>6,860,490.65</u>
	<u>14,535,779.60</u>	<u>(2,073,550.45)</u>
<b>Cash and Cash Equivalent at the end of the year</b>	<u>14,535,779.60</u>	<u>(1,882,512.45)</u>



NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 CONSOLIDATED RECURRENT ACCOUNT

Corporate Receipts	Kshs	% of Corporate Receipts
Land Taxes	23,002,129.80	38%
Licenses	32,151,163.90	47%
Cess	9,508,370.90	14%
Others	3,039,599.90	4%
<b>Total</b>	<b>67,761,664.60</b>	<b>100%</b>

Department	Personnel	Operations	Maintenance	Debt Resolution	Capital Projects	Total Expenditure	Receipts	Surplus/ (Deficit)	% Level of Self Financing
Clerks	12,473,302.50	5,534,838.35	373,127.70	-	-	13,351,271.65	3,600,784.30	(14,780,487.35)	20%
Civil	11,400,000.00	3,719,550.50	-	-	-	15,119,550.50	-	(15,119,550.50)	0%
Treasury	20,962,716.45	11,789,830.78	300,073.75	-	-	33,052,620.98	58,690,025.05	25,637,404.07	178%
Social Services	7,469,516.10	780,940.30	16,070.00	-	-	8,266,526.40	47,350.00	(8,219,176.40)	1%
Works	4,757,338.35	5,015,634.55	1,994,368.80	-	-	11,767,341.70	6,501,169.15	(5,166,172.55)	56%
Environment	13,018,517.70	-	-	-	-	13,018,517.70	1,861,936.00	(11,156,581.70)	14%
LA - Revenue Account	5,368,643.30	3,850,066.50	522,223.00	43,850,571.35	12,535,000.00	56,126,504.15	78,176,319.00	12,049,814.85	118%
<b>TOTAL</b>	<b>75,450,037.50</b>	<b>30,690,860.98</b>	<b>3,205,863.25</b>	<b>43,850,571.35</b>	<b>12,535,000.00</b>	<b>155,732,333.08</b>	<b>148,977,583.50</b>	<b>(16,754,749.58)</b>	<b>90%</b>
% of Gross Expenditure	46%	19%	2%	26%	8%				

Net Recurrent Surplus/ (Deficit)	(16,754,749.58)
General fund brought forward	51,459,269.35
Balance of general fund	75,704,519.77
Corporate Adjustments	-
Interest earned	-
Interest paid	-
General fund carried forward	75,704,519.77

NAKURU COUNTY COUNCIL  
FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
INCOME AND EXPENDITURE SUMMARY

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
<b>CORPORATE INCOME</b>				
<b>LAND TAXES</b>				
Office Rent	-	64,400 00	-	-
Sale of Council Plots	761,700 00	1,265,000 00		1,175,531 50
Allotment Fees	161,440 00	81 000 00		170,725 00
Plot Rent	-	3,603 000 00		5,698,331 45
Plot Transfer Fees	409 305 00	795 000 00		350,220 00
D/Vilia Wooden Flats Rent	-	-		-
Ojuka Estates Rent	-	27,600 00		28,090 00
Bondeni Estates Rent	318 140 00	278,300 00		283,220 00
Lanet Estate Rent	-	162 000 00		164,860 00
Survey Fees	1 383 186 00	1 196 000 00		1,857,350 15
Preparation of Building Plans	-	7 000 00		500 00
Sale of Plans	-	8 000 00		-
Reimbursement of Cost of Land	525,070 00	835,000 00		977,060 00
Plan Inspection Fees	187 400 00	265 000 00		2,066,893 00
Plot Showing Fees	908,882 00	1,505,810 00		900,635 00
Clearance Certificate	66,100 00	165,000 00		91,740 00
Rates Owed by Parastatals	-	730 000 00		-
Property Rates	-	3 500,000 00		3,708,603 25
Poll Rates	-	263 000 00		97,670 00
Contribution in Lieu of Rates	-	8 409 037 00		7,233,296 00
Lock ups & Stalls	448 846 00	586 000 00		544 324 45
Hire of Stadium & Social Hall	19 900 00	30,000 00		47 350 00
Shop Rents	-	48 000 00		15 565 00
House Rent	472,514 80	135 500 00		590,165 00
<b>TOTAL LAND TAXES</b>	<b>5,768,485.80</b>	<b>23,967,647.00</b>	<b>8%</b>	<b>26,002,129.80</b>
<b>SINGLE BUSINESS PERMIT &amp; FEES</b>				
Administration Charges	217,800 00	452,000 00		259,493 00
Burial Fees	224 150 00	260 000 00		137 680 00
Sale of Application Forms	560 730 00	576 000 00		345 240 00
Court Fines	-	-		-
Reimbursement of Cost of Legal Fees	-	1 390 000 00		-
Development Fund	7 900 00	-		-
Hire of Exhauster	2 000 00	188 000 00		109 900 00
Hire of Grader	-	50 000 00		-
Hire of other Vehicles	-	71 000 00		-
Water Connection Fees	-	-		-
Water Charges	36 750 00	108 000 00		40 590 00
Sites & Services	-	-		-
Electricity & Water Charges	-	24 000 00		5,760 00
Conservancy Fees	1 836 425 00	3 900 000 00		1 407 870 00
Livestock Auction Fees	137 295 00	84 000 00		253 000 00
Market Gate Fees	4 268 058 00	6 747 000 00		4,439 600 00
Bus Park Fees	-	2 000 000 00		-
Single Business Permits	-	24 666 800 00		24,663,222 90
Single Business Permits Penalty	-	-		36 049 00
Slaughter Fees	358 475 00	460,000 00		454,066 00
<b>TOTAL LICENCES &amp; FEES</b>	<b>7,653 438.00</b>	<b>41,976,800 00</b>	<b>-23%</b>	<b>32,151,163.90</b>



NAKURU COUNTY COUNCIL  
FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
CLERK'S DEPARTMENT

Mission Statement

A-To provide advice to elected councillor's in the policy management of the council  
B-To provide leadership to the paid staff of the council, ensuring smooth operations, effective personnel administration and legality of actions.

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
<b>SERVICE INCOME</b>				
Office Rent	-	64,400.00		-
Court Fines	-	-		-
Electricity & Water Charges	-	24,000.00		5,760.00
Miscellaneous Income	2,653,742.00	7,000.00		1,816,759.80
Sale of Application Forms	563,730.00	576,000.00		343,240.00
Sale of Plots	761,700.00	1,265,000.00		1,175,531.50
Administration Charges	217,800.00	452,000.00		259,493.00
<b>TOTAL INCOME</b>	<b>4,196,972.00</b>	<b>2,388,400.00</b>	<b>51%</b>	<b>3,600,784.30</b>
<b>EXPENDITURE</b>				
<b>PERSONNEL</b>				
Salaries & Wages	7,844,268.10	9,658,960.00		7,632,657.65
NSSF	202,584.00	207,600.00		182,418.00
House Allowance	3,790,867.75	4,874,400.00		3,651,090.90
Provident Fund	214,163.80	548,538.00		322,867.85
Super Fund	221,690.10	500,546.00		401,201.20
Car & Cycle Allowance	150.00	-		4,450.00
Leave Allowance	102,521.35	278,620.00		278,620.00
<b>TOTAL PERSONNEL</b>	<b>12,376,245.10</b>	<b>16,068,664.00</b>	<b>22%</b>	<b>12,473,305.60</b>
<b>OPERATIONS</b>				
<b>Administration</b>				
Travelling & Subsistence	1,359,446.40	301,000.00		1,312,158.55
Training & Courses	85,700.00	80,000.00		374,118.50
Telephone & Postage	212,632.30	90,200.00		40,254.45
Rent & Rates	91,944.80	26,500.00		130,400.00
Town Planning Fees	28,880.00	25,000.00		-
Miscellaneous Expenses	68,068.00	44,600.00		85,772.55
Subscription to ALGE/ALGAK	14,360.00	40,000.00		55,110.00
<b>Total Administration</b>	<b>1,861,031.50</b>	<b>607,300.00</b>	<b>-229%</b>	<b>1,997,814.05</b>
<b>Supplies &amp; Services</b>				
Printing & Stationary	1,216,171.00	533,000.00		1,573,969.65
Legal Fees	570,000.00	384,500.00		334,869.70
Clothing & Uniforms	59,200.00	369,000.00		7,540.55
Furniture & Fittings	8,175.00	23,000.00		2,352.00
Loan Charges	1,017,415.35	-		-
Equipment, Tools & Materials	17,170.00	27,700.00		51,903.40
<b>Total Supplies &amp; Services</b>	<b>2,888,131.35</b>	<b>1,337,200.00</b>	<b>-47%</b>	<b>1,970,635.30</b>
<b>Transport &amp; Plant Related</b>				
Petrol, Oil & Tyres	349,947.00	30,000.00		1,301,094.90
Motor Vehicle Insurance & Licences	1,199,764.10	527,000.00		200,000.00
<b>Total Transport &amp; Plant Related</b>	<b>1,549,711.10</b>	<b>557,000.00</b>	<b>-169%</b>	<b>1,501,094.90</b>

NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 CLERK'S DEPARTMENT

**Mission Statement**

A-To provide advice to elected councillor's in the policy management of the council.  
 B-To provide leadership to the paid staff of the council, ensuring smooth operations, effective personnel administration and legality of actions.

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
Premises Related				
Water, Electricity & Conservancy	498,056.40	304,000.00		65,294.10
Total Premises Related	498,056.40	304,000.00	79%	65,294.10
<b>TOTAL OPERATIONS</b>	<b>6,796,930.35</b>	<b>2,805,500.00</b>	<b>-97%</b>	<b>5,534,838.35</b>
<b>REPAIRS, ALTERATIONS &amp; MAINTENANCE - RECURRENT EXP.</b>				
Transport & Plant Related				
Repair & Maintenance of Motor Vehicles	4,000.00	-		293,810.70
Total Transport & Plant	4,000.00	-	0%	293,810.70
Premises Related				
Repair & Maintenance of Buildings	230,099.00	57,500.00		79,317.00
Total Premises Related	230,099.00	57,500.00	-38%	79,317.00
<b>TOTAL RAM</b>	<b>234,099.00</b>	<b>57,500.00</b>	<b>-549%</b>	<b>373,127.70</b>
<b>TOTAL EXPENDITURE</b>	<b>19,407,274.45</b>	<b>18,931,664.00</b>	<b>3%</b>	<b>18,381,271.65</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(15,210,302.45)</b>	<b>(16,543,264.00)</b>	<b>11%</b>	<b>(14,780,487.35)</b>

NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 CIVIC DEPARTMENT

Mission Statement				
To facilitate the representation of the public's view to ensure that policies of the council are in accordance with the aspirations of the public				
SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
<b>SERVICE INCOME</b>				
TOTAL INCOME	-	-	0%	-
<b>EXPENDITURE</b>				
<b>PERSONNEL</b>				
Chairman's Allowance	30 694 30	228,000 00		228,000 00
Chairman's Personal Allowance	-	120,000 00		120,000 00
Vice Chairman's Allowance	-	204,000 00		204,000 00
Committee Chairmen Allowance	-	768,000 00		768,000 00
Other Councilors Allowances	11 084,497 95	10,080,000 00		10,080,000 00
<b>TOTAL PERSONNEL</b>	<b>11,115,192.25</b>	<b>11,400,000.00</b>	<b>0%</b>	<b>11,400,000 00</b>
<b>OPERATIONS</b>				
<b>Administration</b>				
Councillors Subsistence Allowance	50,675 00	100,000 00		972,902 50
Councillors Travelling Allowance	1 012 595 30	530,000 00		2,447,150 00
Medical Expenses	-	40,000 00		-
Entertainment	482 366 25	185 000 00		20 000 00
Seminars & Tours	124 400 00	40 000 00		279,498 00
<b>Total Administration</b>	<b>1,670,036 55</b>	<b>895,000 00</b>	<b>-316%</b>	<b>3,719,550 50</b>
<b>Supplies &amp; Services</b>				
Legal Fees	34 400 00	-		-
Furniture & Fittings	-	3 600 00		-
Robes Provisions	15,094 40	14,000 00		-
<b>Total Supplies &amp; Services</b>	<b>49,494.40</b>	<b>17,600.00</b>	<b>100%</b>	<b>-</b>
<b>TOTAL OPERATIONS</b>	<b>1,719,530.95</b>	<b>912,600 00</b>	<b>-308%</b>	<b>3,719,550.50</b>
<b>REPAIRS, ALTERATIONS &amp; MAINTENANCE - RECURRENT EXP</b>				
<b>Premises Related</b>				
Repair & Maintenance of Buildings	31 500 00	-		-
<b>Total Premises Related</b>	<b>31,500.00</b>	<b>-</b>	<b>0%</b>	<b>-</b>
<b>TOTAL RAM</b>	<b>31,500 00</b>	<b>-</b>	<b>0%</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>	<b>12,866,223 20</b>	<b>12,312,600 00</b>	<b>-23%</b>	<b>15,119,550 50</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(12,866,223 20)</b>	<b>(12,312,600 00)</b>	<b>-23%</b>	<b>(15,119,550 50)</b>



NAKURU COUNTY COUNCIL  
FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
TREASURER'S DEPARTMENT

Mission Statement				
A-To provide financial advice to the councillors, the COUNTY clerk and other service officers for the efficient operation of the council				
B-To establish and operate sound financial systems for the council				
C-To ensure financial transactions are properly recorded and internal control are adhered to				
D-To collect all revenues properly due to the council				
E-To prepare up to date accounts and other financial management reports as required by the law				
SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
Workmen Compensation	-	80,500.00		
Miscellaneous Expenses	17,100.00	13,300.00		
Postage & Telephone		133,700.00		1,111,100.75
<b>Total Administration</b>	<b>1,318,326.00</b>	<b>1,175,000.00</b>	<b>-346%</b>	<b>5,237,713.20</b>
<b>Supplies &amp; Services</b>				
Printing & Stationery	1,092,783.50	1,020,000.00		1,882,117.50
Bank Charges	482,036.75	50,500.00		1,140.00
Loan Charges	205,404.50	-		-
Furniture & Fittings	-	74,000.00		358,255.00
Equipment, Tools & Equipment	117,021.00	104,000.00		28,780.45
Legal Fees	-	100,000.00		493,508.35
Audit Fee	500,000.00	220,000.00		114,536.45
<b>Total Supplies &amp; Services</b>	<b>2,997,245.75</b>	<b>1,551,500.00</b>	<b>-86%</b>	<b>2,879,147.75</b>
<b>Transport &amp; Plant Related</b>				
Petrol, Oil & Tyres	-	735,000.00		496,130.40
Motor Vehicle Insurance & Licences	-	391,500.00		2,673,912.00
<b>Total Transport &amp; Plant Related</b>	<b>-</b>	<b>1,126,500.00</b>	<b>-181%</b>	<b>3,170,042.40</b>
<b>Premises Related</b>				
Water, Electricity & Conservancy	63,583.00	220,000.00		502,927.43
<b>Total Premises Related</b>	<b>63,583.00</b>	<b>220,000.00</b>	<b>-129%</b>	<b>502,927.43</b>
<b>TOTAL OPERATIONS</b>	<b>4,379,134.75</b>	<b>4,073,000.00</b>	<b>-189%</b>	<b>11,789,830.78</b>
<b>REPAIRS, ALTERATIONS &amp; MAINTENANCE - RECURRENT EXP</b>				
<b>Transport &amp; Plant Related</b>				
Repair & Maintenance of Motor Vehicles	-	639,500.00		112,205.00
<b>Total Transport &amp; Plant</b>	<b>-</b>	<b>639,500.00</b>	<b>82%</b>	<b>112,205.00</b>
<b>Premises Related</b>				
Repair & Maintenance of Buildings	1,850.00	300,000.00		140,874.75
Upkeep of Office	-	100,500.00		46,500.00
<b>Total Premises Related</b>	<b>1,850.00</b>	<b>406,500.00</b>	<b>54%</b>	<b>187,868.75</b>
<b>TOTAL RAM</b>	<b>1,850.00</b>	<b>1,046,000.00</b>	<b>71%</b>	<b>300,073.75</b>
<b>TOTAL EXPENDITURE</b>	<b>24,429,247.15</b>	<b>28,975,245.00</b>	<b>-14%</b>	<b>33,052,620.98</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(16,060,455.75)</b>	<b>31,307,592.00</b>	<b>18%</b>	<b>25,637,404.07</b>



NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 SOCIAL SERVICES DEPARTMENT

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
<b>SERVICE INCOME</b>				
Hire of Stadium & Social Hall	19,900.00	36,000.00		47,350.00
House rent	-	-		-
Micellanous income	-	-		-
Development Fund	7,900.00	-		-
<b>TOTAL INCOME</b>	<b>27,800.00</b>	<b>36,000.00</b>	<b>32%</b>	<b>47,350.00</b>
<b>EXPENDITURE</b>				
<b>PERSONNEL</b>				
Salaries & Wages	4,704,830.00	4,725,590.00		4,413,901.20
NSSF	89,400.00	74,400.00		78,800.00
House Allowance	2,046,350.00	1,992,000.00		1,810,300.00
Super Fund	244,786.10	469,604.00		427,061.50
Provident Fund	283,408.20	445,017.00		600,022.40
Leave Allowance	65,723.90	139,431.00		139,431.00
<b>TOTAL PERSONNEL</b>	<b>7,434,498.20</b>	<b>7,846,042.00</b>	<b>5%</b>	<b>7,469,516.10</b>
<b>OPERATIONS</b>				
<b>Administration</b>				
Travelling & Subsistence	49,267.50	135,000.00		274,695.15
Training & Courses	-	-		65,897.00
Entertainment	-	-		10,000.00
National Days Celebrations	21,786.00	9,500.00		-
Relief of Destitutes	21,851.00	30,000.00		29,100.00
Contribution to Polytechnics	-	100,000.00		-
Office Rent CD's	12,400.00	44,000.00		-
Sports Expenses	30,000.00	110,000.00		138,800.00
School Bursary	-	200,000.00		-
Contribution to Harambee	40,000.00	40,000.00		4,000.00
Miscellaneous Expenses	74,000.00	2,900.00		216,025.75
Application Fees	-	7,000.00		-
<b>Total Administration</b>	<b>249,304.50</b>	<b>678,400.00</b>	<b>-9%</b>	<b>738,517.90</b>
<b>Supplies &amp; Services</b>				
Printing & Stationery	-	15,000.00		-
Clothing & Uniforms	-	23,500.00		28,000.00
Sports Equipment	-	43,000.00		14,422.40
Furniture & Fittings	-	30,000.00		-
<b>Total Supplies &amp; Services</b>	<b>-</b>	<b>111,500.00</b>	<b>62%</b>	<b>42,422.40</b>
<b>Premises Related</b>				
Water, Electricity & Conservancy	-	12,300.00		-
<b>Total Premises Related</b>	<b>-</b>	<b>12,300.00</b>	<b>100%</b>	<b>-</b>
<b>TOTAL OPERATIONS</b>	<b>249,304.50</b>	<b>802,200.00</b>	<b>3%</b>	<b>780,940.30</b>

NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 SOCIAL SERVICES DEPARTMENT

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
REPAIRS, ALTERATIONS & MAINTENANCE - RECURRENT EXP.				
Premises Related				
Repair & Maintenance of Buildings	-	52 500 00		-
Open Ground Maintenance	-	6,000 00		16,070 00
<b>Total Premises Related</b>	-	<b>58,500.00</b>	<b>73%</b>	<b>16,070.00</b>
<b>TOTAL RAM</b>	-	<b>58,500.00</b>	<b>73%</b>	<b>16,070.00</b>
<b>TOTAL EXPENDITURE</b>	<b>7,683,802.70</b>	<b>8,706,742.00</b>	<b>5%</b>	<b>8,266,526.40</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(7,650,002.70)</b>	<b>(8,670,742 00)</b>	<b>5%</b>	<b>(8,219,176.40)</b>





NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 WORKS DEPARTMENT

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
<b>SERVICE INCOME</b>				
D/Villa Wooden Flats Rent	-	-		-
Ojuka Estates Rent	-	27,600.00		28,090.00
Bondeni Estates Rent	318,140.00	278,300.00		283,220.00
Lanet Estate Rent	-	162,000.00		164,860.00
House Rent (Others)	-	1,750,000.00		1,750,000.00
Survey Fees	1,199,198.00	1,199,000.00		1,857,000.00
Reimbursement of Cost of Land	625,070.00	635,000.00		977,000.00
Reimbursement of Cost of Legal Fees	-	1,390,000.00		-
Plan Inspection Fees	187,400.00	265,000.00		2,066,893.00
Preparation of Building Plans	-	7,000.00		500.00
Sale of Plans	-	8,000.00		-
Wheat Cess	-	700,000.00		-
Barley Cess	-	585,000.00		-
Maize Cess	-	250,000.00		-
Pyrethrum Cess	-	400,000.00		-
Tea Cess	-	22,000.00		-
Miscellaneous Income	-	-		74,761.00
Hire of Exhauster	2,000.00	188,000.00		109,900.00
Hire of other Vehicles	-	71,000.00		-
Plot Showing Fees	908,882.00	1,505,810.00		900,635.00
Hire of Grader	-	50,000.00		-
<b>TOTAL INCOME</b>	<b>3,430,680.00</b>	<b>8,078,210.00</b>	<b>-18%</b>	<b>6,601,169.15</b>
<b>EXPENDITURE</b>				
<b>PERSONNEL</b>				
Salaries & Wages	2,773,237.80	3,093,940.00		2,811,525.30
NSSF	63,340.00	69,600.00		61,800.00
House Allowance	1,191,438.30	1,443,000.00		1,179,674.00
Super Fund	95,734.75	162,190.00		154,986.20
Provident Fund	394,675.00	435,580.00		457,549.85
Leave Allowance	61,000.00	91,803.00		91,803.00
<b>TOTAL PERSONNEL</b>	<b>4,382,899.55</b>	<b>5,296,113.00</b>	<b>10%</b>	<b>4,757,338.35</b>
<b>OPERATIONS</b>				
<b>Administration</b>				
Travelling & Subsistence	321,766.00	544,500.00		768,094.80
Postage & Telephone	-	2,500.00		-
Miscellaneous Expenses	8,521.00	11,500.00		292,643.00
<b>Total Administration</b>	<b>330,287.00</b>	<b>558,500.00</b>	<b>-90%</b>	<b>1,060,737.80</b>
<b>Supplies &amp; Services</b>				
Clothing & Uniforms	-	15,000.00		4,480.00
Legal Fees	100,000.00	-		-
Drawing Materials	-	30,000.00		-

NAKURU COUNTY COUNCIL  
 FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
 WORKS DEPARTMENT

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
Survey Professional Fees	-	380,000 00		1,497,301 40
Equipment, Tools & Materials	-	28,500 00		144,566 60
<b>Total Supplies &amp; Services</b>	<b>100,000.00</b>	<b>453,500.00</b>	<b>-263%</b>	<b>1,646,348.00</b>
<b>Transport &amp; Plant Related</b>				
Petrol, Oil & Tyres	872,850 30	590,000 00		2,244,316 65
Motor Vehicle Insurance & Licences	195,632 00	56,000 00		-
<b>Total Transport &amp; Plant Related</b>	<b>1,069,482.30</b>	<b>646,000.00</b>	<b>-247%</b>	<b>2,244,316.65</b>
<b>Premises Related</b>				
Water, Electricity & Conservancy	13,720 00	7,000 00		64,232 10
<b>Total Premises Related</b>	<b>13,720.00</b>	<b>7,000.00</b>	<b>0%</b>	<b>64,232.10</b>
<b>TOTAL OPERATIONS</b>	<b>1,513,489.30</b>	<b>1,665,000.00</b>	<b>-201%</b>	<b>5,015,634 55</b>
<b>REPAIRS, ALTERATIONS &amp; MAINTENANCE - RECURRENT EXP</b>				
<b>Premises Related</b>				
Repairs and Maint of Buildings	390,262 00	333,000 00		509,063 00
Cost of Land Acquisition	-	200,000 00		-
<b>Total Premises Related</b>	<b>390,262.00</b>	<b>533,000 00</b>	<b>4%</b>	<b>509,063.00</b>
<b>Transport &amp; Plant Related</b>				
Repair & Maintenance of Motor Vehicles	682,182 60	50,000 00		1,485,305 80
<b>Total Transport &amp; Plant</b>	<b>682,182.60</b>	<b>50,000.00</b>	<b>-2871%</b>	<b>1,485,305.80</b>
<b>TOTAL RAM</b>	<b>1,072,444.60</b>	<b>583,000.00</b>	<b>-242%</b>	<b>1,994,368.80</b>
<b>TOTAL EXPENDITURE</b>	<b>2,585,933.90</b>	<b>2,248,000.00</b>	<b>-212%</b>	<b>7,010,003.35</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>844,746.10</b>	<b>5,830,210.00</b>	<b>-107%</b>	<b>(408,834.20)</b>

NAKURU COUNTY COUNCIL  
FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2004  
ENVIROMENT DEPARTMENT

SUBJECTIVE HEAD	2002/2003 ACTUAL Kshs	2003/2004 APPROVED Kshs	BUDGET VARIANCE %	2003/2004 ACTUAL Kshs
<b>SERVICE INCOME</b>				
Conservancy Fees	1,836,425.00	3,900,000.00		1,407,870.00
Slaughter Fees	358,475.00	460,000.00		454,066.00
<b>TOTAL INCOME</b>	<b>2,194,900.00</b>	<b>4,360,000.00</b>	<b>-57%</b>	<b>1,861,936.00</b>
<b>EXPENDITURE</b>				
<b>PERSONNEL</b>				
Salaries & Wages	8,086,275.75	8,503,580.00		8,034,771.00
NSSF	353,196.00	356,400.00		332,480.00
House Allowance	4,212,243.60	4,473,000.00		4,175,813.35
Provident Fund	63,058.50	32,022.00		220,346.35
Leave Allowance	59,925.60	255,107.00		255,107.00
<b>TOTAL PERSONNEL</b>	<b>12,774,699.45</b>	<b>13,620,109.00</b>	<b>4%</b>	<b>13,018,517.70</b>
<b>OPERATIONS</b>				
<b>Administration</b>				
Travelling & Subsistence	7,000.00	100,000.00		-
Postage & Telephone	-	4,500.00		-
<b>Total Administration</b>	<b>7,000.00</b>	<b>104,500.00</b>	<b>100%</b>	<b>-</b>
<b>Supplies &amp; Services</b>				
Equipment, Tools & Materials	-	40,000.00		-
Clothing & Uniforms	-	130,000.00		-
<b>Total Supplies &amp; Services</b>	<b>-</b>	<b>170,000.00</b>	<b>100%</b>	<b>-</b>
<b>Transport &amp; Plant Related</b>				
Petrol, Oil & Tyres	-	210,000.00		-
Motor Vehicle Insurance & Licences	-	210,000.00		-
<b>Total Transport &amp; Plant Related</b>	<b>-</b>	<b>210,000.00</b>	<b>100%</b>	<b>-</b>
<b>Premises Related</b>				
Water, Electricity & Conservancy	-	40,000.00		-
<b>Total Premises Related</b>	<b>-</b>	<b>40,000.00</b>	<b>100%</b>	<b>-</b>
<b>TOTAL OPERATIONS</b>	<b>7,000.00</b>	<b>524,500.00</b>	<b>100%</b>	<b>-</b>
<b>REPAIRS, ALTERATIONS &amp; MAINTENANCE - RECURRENT EXP.</b>				
<b>Premises Related</b>				
Repair & Maintenance of Buildings	45,782.00	200,000.00		-
<b>Total Premises Related</b>	<b>45,782.00</b>	<b>200,000.00</b>	<b>100%</b>	<b>-</b>
<b>TOTAL RAM</b>	<b>45,782.00</b>	<b>200,000.00</b>	<b>100%</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>	<b>12,827,481.45</b>	<b>14,344,609.00</b>	<b>9%</b>	<b>13,018,517.70</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(10,632,581.45)</b>	<b>(9,984,609.00)</b>	<b>-12%</b>	<b>(11,156,581.70)</b>

# NAKURU COUNTY COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004

### 1.0.0 Accounting Concepts

#### 1.1.0 Introduction

SAS is based firmly on the generally accepted accounting concepts of

- Going Concern
- Accruals/Matching
- Consistency
- Prudence
- Materiality and Substance over form

Adoption of these concepts ensures that accounts "present fairly" the financial position of a local authority

However, given the unique nature of Kenyan Local Government, certain refinements have been introduced

#### a) Going Concern Concept

In most cases the accounting system will treat value in the assumption that the authority will continue trading. It is unlikely that a Local Authority may be wound up in the same way as a company. In event of a Local Government re-organization, the going concern concept should be applied although the authority itself may cease to exist

#### b) Accrual/Matching Concept

The Matching or Accrual Concept can be defined as follows

"Revenue and costs are accrued -that is recognized as they are earned or incurred (and not as money is received or paid) and recorded in the financial statement at the period to which they relate provided that where the Accrual Concept is inconsistent with the Prudence Concept the later prevails

Here the Prudence Concept is of significance in Kenya. The SAS basis of accounting is converted "receipts and converted payment" which means that accounting throughout the year is on a cash basis but, for final accounts purposes, accruals for material debtors and creditors are introduced to convert the accounts to an income and expenditure basis, thus keeping in line the Accrual Concept of accounting

#### (c) Consistency Concept

It is assumed that the accounting policies are consistent from one period to another.

The Consistency Concept requires that there should be consistency of accounting treatment of like items within each accounting period and from one accounting period to the next. As SAS has been used for the first time, prior figures have been restated to present a valid comparison

#### (d) Prudence Concept

Uncertainties inevitably surround many transactions. This should be recognized by exercising prudence in preparing financial statements. Prudence does not however justify the creation of secret or hidden reserves

The Prudence Concept requires that revenues are not anticipated until realization can be assessed with reasonable certainty. In US Government accounting technology, which has been adopted by SAS, revenues should be recognized when they become "measurable and available for use". This has implications for Kenyan Local Government as regards land taxes and other revenue which are billed. Such revenues are measurable immediately but may not be paid or "available for use" for a lengthy period of time, if at all

# NAKURU COUNTY COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004

### e) Substance over form and Materiality Concept

Transaction and other events should be accounted for and presented in accordance with their substance and financial reality and not merely with their legal form. The concept derives from the fact that accounts may still not "present fairly" the financial position of the authority. For example, SAS requires disclosures of certain items in particular, delaying debtors and delayed creditors separately from operational debtors and creditors, as there is usually a link between the former types of debtors and creditors. Financial statement should disclose all items which are material enough to affect evaluation or decisions.

### 1.2.0 Accounting Policies

The accounts have been prepared under the historical cost convention

### 1.2.1 Accruals of Income and Expenditure

#### (a) Revenues

Plot rents and rates outstanding at the end of the year are accrued as debtors. This is in accordance with the prudence principle.

#### (b)(i) Employees

Salary arrears are accrued as creditors. No accruals are made for paid leave entitlement not taken as this is considered not material from year to year.

#### (ii) Statutory and other deductions

Unremitted statutory and other deductions are accrued as creditors.

#### (iii) Supplies and Services

Material invoices for supplies and services received during the year but not yet paid are accrued as creditors within current liabilities.

### 1.3.0 Fixed Assets

#### 1.3.1 Coverage

Only assets that are readily identifiable as authority assets are included in the balance sheet. However, a professional valuation of all council assets should be done to reflect the current market value of all assets.

#### 1.3.2 Valuation of Land

Land has been valued at current open market value as at 30th June 2004. However no valuation was done by a professional valuer hence the council should ensure the same is done.

#### 1.3.3 Valuation of Buildings

Buildings have not been valued by a professional valuer at depreciated current replacement cost as at 30th June 2004.

#### 1.3.4 Valuation of Motor Vehicles

The Motor Vehicles have not been valued by the Automobiles Association of Kenya at the current market price as at 30 June 2004.

#### 1.3.5 Furniture and Equipment

Furniture and equipment have been stated at historical cost. Valuation on the same should be done.

# NAKURU COUNTY COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004

### 1.3.6 Assets Utilization

No Charges have been made for the use of assets or their depreciation in line with current SAS Provisions.

### 3.3.6 Assets utilization

No Charges have been made for the use of assets or their depreciation in line with current SAS Provisions.

### 3.3.7 FIXED ASSET SCHEDULE

Fixed assets held and their current valuations are

	2003/2004 Kshs	2002/2003 Kshs
<b>1.0 LAND &amp; BUILDINGS</b>		
<b>(a) Offices</b>		
Council Land	1,276,490 00	1,276,490 00
Head Quarter Offices	640,000 00	640,000 00
Revenue Collection Offices	100,000 00	100,000 00
Mai Mahiu Revenue Office	200,000 00	200,000 00
Elbergon Office	12,000 00	12,000 00
<b>Total Offices</b>	<b>2,228,490.00</b>	<b>2,228,490.00</b>
<b>(b) Housing</b>		
House for Mechanic	35,000 00	35,000 00
Staff Houses - Flats	330,000 00	330,000 00
Njoro Housing Scheme	45,600 00	45,600 00
Rongai Houses (2 Units)	1,360,000 00	1,360,000 00
Molo Rental Houses	-	228,211 85
Residential Shops	164,923 05	164,923 05
21 Blocks of 4 Simple Rooms	166,987 40	166,987 40
Staff Rental Housing Scheme	15,000 00	15,000 00
Mau Narok Rental Scheme	60,000 00	60,000 00
Njoro Rental Scheme	500,000 00	500,000 00
Rongai Rental Houses	20,000 00	20,000 00
Lanet Rental Houses	20,000 00	20,000 00
Rental Houses Phase III	60,000 00	60,000 00
Rental Houses Phase II	180,000 00	180,000 00
Dunduri Rental Houses	8,000 00	8,000 00
Njoro Rental Houses	250,000 00	250,000 00
African Rental Houses - Molo	-	60,000 00
Molo Site & Service Scheme	-	3,500,000 00
Elbergon Site & Service Scheme	4,000,000 00	4,000,000 00
Njoro Site & Service Scheme	7,000,000 00	7,000,000 00
<b>Total Housing</b>	<b>14,215,510.45</b>	<b>18,003,722.30</b>
<b>(c) Health Centres</b>		
Molo Health Centre	-	130,000 00
Dispensaries Construction	13,559 95	13,559 95
Njoro Health Care	25,000 00	25,000 00
Mangoch Dispensary	600,000 00	600,000 00
<b>Total Health Centres</b>	<b>638,559.95</b>	<b>768,559.95</b>

**NAKURU COUNTY COUNCIL  
NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004**

<b>(d) Beer Halls</b>		
Rongai Beer Hall	20,000.00	20,000.00
Molo Beer Hall	-	60,000.00
Londiani & Elbergon Beer Halls	36,858.00	36,858.00
Dondori Social Center Beer Hall	37,000.00	37,000.00
<b>Total Beer Halls</b>	<b>93,858.00</b>	<b>153,858.00</b>

<b>(e) Community Halls &amp; Centres</b>		
Home Craft Training Centre	19,200.00	19,200.00
Kabazi Shopping & Social Centre	55,000.00	55,000.00
Molo South Community Centre	-	57,200.00
Subukia & Solai Community Centre	83,260.00	83,260.00
Subukia Village Centre	35,600.00	35,600.00
Tea Shop at Solai Village Center	6,800.00	6,800.00
Lock up Shops at Community Centre	91,640.00	91,640.00
Community Halls	114,300.00	114,300.00
Community Hall - Olenguruone	10,000.00	10,000.00
<b>Total Community Halls &amp; Centres</b>	<b>415,800.00</b>	<b>473,000.00</b>

<b>(f) Market &amp; Stadia</b>		
Elbergon Market	286,621.00	286,621.00
Bahati Market	29,000.00	29,000.00
Njoro Market	217,500.00	817,500.00
Molo Market	-	26,240.00
Rongai Market	15,000.00	15,000.00
Gilgil Market	470,263.00	470,263.00
Gilgil Stadium Perimeter Wall	600,000.00	600,000.00
<b>Total Market &amp; Stadia</b>	<b>2,218,384.00</b>	<b>2,244,624.00</b>

<b>(g) Slaughter House &amp; Slaughter Slabs</b>		
Molo Slaughter House	-	21,120.00
Molo South Centre Butchery	-	12,000.00
Kapatchi Centre Butchery	11,900.00	11,900.00
Banita Village Centre Butchery	32,700.00	32,700.00
Slaughter Slabs	40,240.00	40,240.00
<b>Total Slaughter House &amp; Slaughter Slabs</b>	<b>84,840.00</b>	<b>117,960.00</b>

<b>TOTAL LAND &amp; BUILDINGS</b>	<b>19,895,442.40</b>	<b>23,990,214.25</b>
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<b>2.0 MOTOR VEHICLES &amp; PLANT</b>		
Peugeot 504 Estate KAB 076Q	1,640,000.00	1,640,000.00
Peugeot 504 GL Station Wagon KAB 033Q	818,000.00	818,000.00
Toyota Corolla KUL 363	240,000.00	240,000.00
Nissan Sunny Saloon KAB 040Q	640,000.00	640,000.00
Toyota Hilux KAB 029Q	545,000.00	545,000.00
Toyota Hilux KAB 030Q	545,000.00	545,000.00
Mitsubishi Fuso KWE 172	1,080,000.00	1,080,000.00
Suzuki Station Wagon KWE 262	264,000.00	264,000.00
Massay Ferguson Tractor KLW 270	82,900.00	82,900.00
Aveling Tractor KAB 266Q	6,500,000.00	6,500,000.00
Aveling Tractor KAB 277Q	6,500,000.00	6,500,000.00
Isuzu Exhauster KTX 378	372,300.00	372,300.00
Loader L: Good Shovel KWE 173	4,200,000.00	4,200,000.00
Catapillar Grader KUL 333	2,000,000.00	2,000,000.00
BWN & Blane Trailer ZA	100,000.00	100,000.00



**NAKURU COUNTY COUNCIL**  
**NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004**

Land rover-KAN 099P	3,606,680 00	3,606,680 00
Tractor KAN 042P	1,686,500 00	1,686,500 00
Land rover-KAN045P	3,507,870 00	3,507,870 00
Exhauster	1,416,000 00	1,416,000 00
<b>TOTAL MOTOR VEHICLES &amp; PLANT</b>	<b><u>35,744,250.00</u></b>	<b><u>35,744,250.00</u></b>

**3.0 FURNITURE, FITTINGS & EQUIPMENT**

Calculator	4,000 00	4,000 00
Duplicating Machine	10,000 00	10,000 00
Photocopiers	120,000 00	120,000 00
Franking Machine	50,000 00	50,000 00
Survey Equipment	80,000 00	80,000 00
Typewriters	1,025,000 00	1,635,000 00
<b>TOTAL FURNITURE, FITTINGS &amp; EQUIPMENT</b>	<b><u>1,899,000.00</u></b>	<b><u>1,899,000.00</u></b>

**4.0 OTHER CAPITAL OUTLAY**

**(a) Workshop & Road Camps**

Workshop & Store	30,000 00	30,000 00
Extension of Workshop & Depots	100,000 00	100,000 00
Roads Labour Camps	180,110 85	180,110 85
Elburgon Roads Depot	80,000 00	80,000 00
Bitumensing of County Roads	400,000 00	400,000 00
Roads - Molo	-	129,200 00
<b>Total Workshop &amp; Road Camps</b>	<b><u>790,110.85</u></b>	<b><u>919,310.85</u></b>

**(b) Water Supplies, Drainage & Sewerage**

Njoro Water Supply	277,873 00	277,873 00
Mau Narok Water Supply	35,000 00	35,000 00
Molo Water Drainage Phase I	-	86,600 00
Subukia & Solai Centre Water Supply	12,000 00	12,000 00
Improvement of Water Supply	85,000 00	85,000 00
Molo Sewerage Scheme	-	260,000 00
<b>Total Water Supplies, Drainage &amp; Sewerage</b>	<b><u>409,873.00</u></b>	<b><u>756,473.00</u></b>

**(c) Water Pumps & Meters**

Njoro Meters	3,000 00	3,000 00
Njoro Engine	13,000 00	13,000 00
Mau Narok Motor Engine	13,000 00	13,000 00
Mau Narok Motors	7,000 00	7,000 00
Rongai Engine	10,000 00	10,000 00
Dondori Hydrium	2,000 00	2,000 00
Lower Solai Engine	8,000 00	8,000 00
Subukia Hydrium	3,000 00	3,000 00
Bahati Engine Pump	5,000 00	5,000 00
<b>Total Water Pumps &amp; Meters</b>	<b><u>64,000.00</u></b>	<b><u>64,000.00</u></b>

**TOTAL OTHER CAPITAL OUTLAY**

<b><u>1,263,983 85</u></b>	<b><u>1,739,783.85</u></b>
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**TOTAL FIXED ASSETS**

<b><u>58,802,676.25</u></b>	<b><u>63,373,248.10</u></b>
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2003/2004

2002/2003

NAKURU COUNTY COUNCIL  
NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004

5.0 DEBTORS & PREPAYMENTS	Kshs	Kshs
Salaries Control Account	-	8,101,459.45
Imprests	6,928,730.00	14,481,218.35
Insurance Premiums	1,369,658.00	136,281.20
Returned Cheques	8,901,792.70	8,901,792.70
Funeral Contributions	184,880.00	184,880.00
Salary Recoveries	25,763.00	25,763.00
Overstated / Understated Cheques	1,092,860.15	1,092,860.15
Miscellaneous (MCB) Payment	3,721,630.70	3,721,630.70
Property Rates	149,583,003.00	166,690,811.25
LASC Owed by GoK	4,422,032.00	7,897,409.90
Plot Rent	154,917,156.00	62,448,247.05
School Fees	17,668.00	17,668.00
National Disaster Fund	100,000.00	100,000.00
Refunds	453,895.35	453,895.35
Refund of Pocket Expenses	214,640.25	214,640.25
Petty Cash	250,401.85	250,401.85
Uncoded Expenditure	3,458,019.40	3,458,019.40
Reimbursement Vouchers	3,502,372.25	3,502,372.25
Reimbursement Imprest	653,658.00	653,658.00
Refund of Petty Cash	180,880.00	180,880.00
Sundry Debtors	140,000.00	140,000.00
Salary Advances	-	2,933,163.55
Stale Cheques	717,744.50	717,744.50
Contribution in Lieu of Rates	70,887,278.00	-
Rates Owed by Parastatals	3,411,040.00	-
<b>TOTAL DEBTORS &amp; PREPAYMENTS</b>	<b>415,535,103.15</b>	<b>286,304,796.90</b>

6.0 CASH & CASH EQUIVALENTS		
Cash at Bank - GRF Account	1,206,618.80	(25,696,022.90)
Cash at Bank - LATF Account	8,529,147.00	10,653,848.05
Cash at Bank - LASC Account	-	309.55
Cash at Bank - Salaries Account	1,192,745.90	(8,671,002.95)
Cash at Bank - Olenguruone Account	86,471.55	-
Cash at Bank - Elburgon Account	288,563.00	(7,220.35)
Cash at Bank - Mai Mahiu Account	1,053,065.90	18,567.90
Cash at Bank - Mai Mahiu Water Project Account	569,622.90	-
Cash at Bank - Gilgil Account	978,505.00	(1,061,594.05)
Cash at Bank - Cess Account	263,842.55	39,064.95
Cash at Bank - Keringet Account	-	(4,121,688.75)
Cash at Bank - Subukia Account	-	34,807.60
Cash at Bank - Naivasha Account	-	(389,846.25)
Cash at Bank - Njoro Account	-	293,885.90
Cash in Hand - GRF Account	-	44,152,206.45
Cash in Hand - Mai Mahiu Account	122,021.00	-
Cash in Hand - Salaries Account	101,898.00	(24,679,808.00)
Cash in Hand - Keringet Account	57,688.00	(1,886,121.25)
Cash in Hand - Subukia Account	-	(162,068.50)
Cash in Hand - Gilgil Account	35,590.00	18,197,912.05
Cash in Hand - Naivasha Account	-	(8,288,681.25)
Cash in Hand - Elburgon Account	-	(309,060.65)
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>14,535,779.60</b>	<b>(1,882,512.45)</b>
	<b>2003/2004</b>	<b>2002/2003</b>

# NAKURU COUNTY COUNCIL

## NOTES TO THE ACCOUNTS FOR THE YEAR 2003/2004

7.0 CREDITORS & ACCRUALS	Kshs	Kshs
KRA Income Tax (PAYE)	118,090.00	4,651,652.85
NSSF Dues	3,970,264.00	5,215,411.10
NHIF Dues	1,534,509.00	2,208,724.60
Super Fund	15,000,768.00	13,981,672.95
Provident Fund	2,590,715.00	3,852,358.85
KLEWU Dues	852,921.00	1,086,799.00
Nakuru Staff SACCO	8,171,343.00	13,771,348.30
Self Help Groups	171,340.00	425,443.30
Staff Welfare Fund	314,280.00	597,906.80
Staff Contributions	2,100,472.00	2,100,471.70
Tuition Fees	117,916.15	117,916.15
Salary Arrears	6,201,289.00	6,619,185.05
Parties	84,384.45	84,384.45
Plot Rent Deposit	1,631,847.00	1,631,847.00
Nakuru Municipal Council (Service Charge)	997,740.00	845,607.00
Overpayments	38,953.85	38,953.85
Shortages Recovered	143,808.05	143,808.05
Errors Corrected (MCB)	325,044.95	325,044.95
Loans Account (Site & Service)	232,450.30	232,450.30
NHC Loan Charges Unpaid	11,683,618.00	15,104,892.20
LGSA Loan Charges Unpaid	4,700,677.55	4,700,677.55
NHC Loan Recoveries	27,650.00	27,650.00
MCN (Water Charges)	542,598.95	542,598.95
Surveyors Fees	8,662,642.00	6,309,991.35
Miscellaneous Holding Account	3,836,612.80	3,836,612.80
Miscellaneous Deductions	122,402.00	1,088,080.75
Surcharges	-	20,500.00
K P & L Co. Ltd - Electricity Charges	586,762.00	163,971.50
Telkom (K) - Telephone Expenses	2,681,085.00	2,708,790.10
DFT/MT/TT (Transfers)	-	33,327.00
National Water & Pipeline Corporation	2,604,190.00	1,496,647.10
Leave Allowances Due	202,351.00	-
Accountancy Fees	445,000.00	-
Trade Creditors	5,165,930.00	-
<b>TOTAL CREDITORS &amp; ACCRUALS</b>	<b>85,859,655.05</b>	<b>93,964,725.55</b>

### 8.0 Funds Balances, Reserves and provisions

#### 8.1. Authority equity

This represents the fixed asset holding, investments and net current assets net off General Fund at the time of restructuring the balance sheet.

#### 8.1.2 Fund Balances

SARS provisions require reserves and provisions, where they exist, be separately identified but aggregated within the general fund balances. The County Council of Nakuru maintains no distinct reserves and any relevant expenditure falls directly on the general fund.

#### 9.0 Currency denomination

Kenya Shilling is the current accounting unit used by the Central Government and this has been adopted as the accounting unit for Local Government Budgets and accounts.

NOTE: No cash and bank certificates were availed to confirm the actual balances as at the year end.