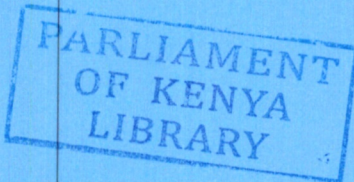


REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**

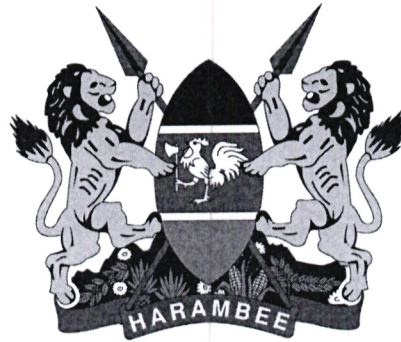
**OF**

**THE AUDITOR-GENERAL**

**ON**

**COUNTY ASSEMBLY OF NAKURU**

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



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**NAKURU COUNTY ASSEMBLY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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## **1. KEY ENTITY INFORMATION AND MANAGEMENT**






### **(a) Background information**

The County Assembly is established by article 176 of the Constitution of Kenya and is headed by the Speaker who is responsible for the general policy and strategic direction of the Assembly. The Assembly under article 185 {1, 2, 3 & 4} has been bestowed with the legislative authority of the County Government, and oversight role over the County Executive Committee and any other County Executive organs as well as receiving and approving plans and policies on the management and exploitation of the County's resources; and the development and management of its infrastructure and institutions.

The Assembly has 78 number of Members of County Assembly constituted of fifty-five elected and twenty-three nominated.

**COUNTY ASSEMBLY OF NAKURU**  
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**(b) Key Management Team**

	<b>Name</b>	<b>Details of qualifications and experience</b>
1	 Joseph M. Malinda	Masters of Business Administration (MBA), Bachelor of Law (LLB). 26 years' Experience.  Clerk to the County Assembly, Secretary of County Assembly Service Board and the Accounting Officer.
2	 Stephen M. Gatimu	MPA, Bachelor of Arts (BA). 13 years' Experience.  Deputy Clerk and Directorate of Committee and Legislative Services.
3	 Jane N. Waweru	Bachelor of Commerce, CPA (K). 21 years' experience.  Director in - charge of financial services.
4	 Jane W. Karanja	Bachelor of Business Administration (BBM), Diploma in Business Management. 21 years' experience.  Director of Human Resource and Development.
5	 Joseph K. Chege	Bachelor of Arts (BA), Diploma in Mass Communication, 26 years' Experience  Director of Hansard, Information Technology and Public Relations

**COUNTY ASSEMBLY OF NAKURU**  
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**For the year ended June 30, 2021**

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**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Clerk	<b>Joseph Malinda</b>
2.	Deputy Clerk	<b>Stephen Gatimu</b>
3.	Director Financial Services	<b>Jane Waweru</b>
4.	Director HRM	<b>Jane Wakanyi</b>
5.	Director Hansard and ICT	<b>Joseph Chege</b>

**(d) Fiduciary Oversight Arrangements**

The County Assembly Service Board prepared annual estimates of expenditure of the County Assembly service and submitted them to the County Assembly for approval, and exercised budgetary control over the service.

The Finance Committee of the County Assembly Service Board oversaw the financial activities of the Assembly and gave approvals for crucial programs that were undertaken by the Assembly. The Committee's undertakings were presented to the Board for guidance and ratification in the period ended 30th June, 2021.

The Nakuru County Assembly's Budget and Finance Committees steered the Budget making process and Finance acts respectively. The two Committees were instrumental in ensuring the County achieved its targets in terms of budgetary allocations and local revenue generation. Its mandate is to investigate, inquire and report on all matters related to coordination, control and monitoring of the county budget.

The County Assembly Public Accounts and Investment Committee followed up on all Audit issues that were raised by the Office of the Auditor General as far as all the County Entities were concerned. Its mandate is to examine the accounts, showing the appropriations of sum voted by the house to meet public expenditure. Reports and accounts for all county public investments

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**(e) Entity Headquarters**

P.O. Box 907 -20100

Ugatuza Plaza

Nakuru – Eldoret Highway

Nakuru, Kenya.

**(f) Entity Contacts**

Telephone: (254) 051-2216472

E-mail: [clerkassembly@nakurucounty.go.ke](mailto:clerkassembly@nakurucounty.go.ke)

Website: [www.nakurucounty.org.ke](http://www.nakurucounty.org.ke)

**(g) Entity Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
Account No. 1000239878  
Account No. 1000285273  
Account No. 1000285281  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Family Bank Ltd  
Family Bank Towers,  
Muindi Mbingu Street  
Account No. 018000071948  
P.O. Box 7414-00200  
City Square  
Nairobi, Kenya

**(h) Independent Auditors**

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

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**(i) Principal Legal Adviser**

The Nakuru County Attorney  
P.O. Box 2870 - 20100  
County Government of Nakuru Headquarters  
Nakuru, Kenya

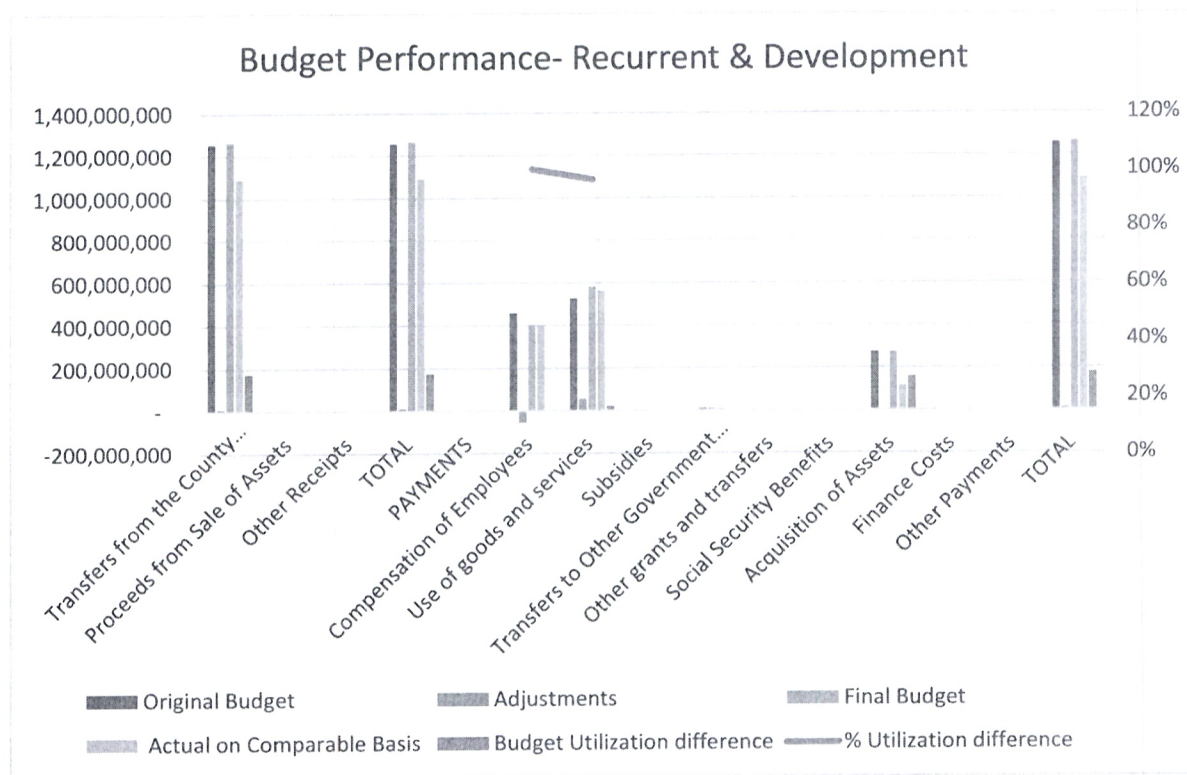


**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**2. FORWARD BY THE CLERK**

**Budget performance**

The Nakuru County Assembly posted reduced performance in absorption of funds for the financial year ended 30th June, 2021 on comparable basis to the previous period that ended in June, 2020. Budget utilization stood at 86% for both Recurrent and Development vote heads, a decrease of 11% from the previous year. The drop in funds absorption was due to covid 19. The Assembly’s budgetary performance is summarised and presented in the chart below:



**Operational Performance**

In undertaking its mandate, Nakuru County Assembly was able to pass four bills into Acts namely; The Nakuru County Climate Change Bill, The Nakuru County Water and Sanitation Service Bill, The Nakuru County Waste Management Bill and The Nakuru Appropriation Bill of 2021. In addition, there are a number of bills that are on-going and are in different stages of legislation in the Assembly. These bills are The Nakuru County Peace Building and Conflict Management Bill of 2021, The Nakuru County Food and Agricultural Bill No. 3 of 2021, The

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
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Nakuru County Welfare Bill No. 4 of 2021 and The Nakuru County Welfare Bill No. 4 of 2021. The bills are expected to facilitate compliance of the law by providing all the necessary guidelines required to comply with the law.

The Assembly has got both select and sectoral committees. The Sectoral Committees are Agriculture, Health Services, Culture, Sports and Community services, Roads, Transport and Public Works, Trade, Tourism, Cooperative and Planning, Early Childhood Education and Vocational Training, Labour, Gender, Youth and Social welfare, Justice and Legal affairs, Information Communication Technology and e-government, Land, Housing and physical planning, Governance and Security and Energy, Environment and Natural resources.

On the other hand, select committees includes; House business committee, Committee on Appointments, Committee on Selection, Public Accounts and Investments committee, Finance, Budget and Appropriation committee, Rules and Delegated Legislation committee, Committee on Powers and Privileges, Committee on Implementation, Liaison committee and Members' Welfare, Catering and Library committee.

**Performance of key development projects**

In the financial year 2020 - 2021, the County Assembly undertook a number of major projects as follows;

- a) Phase II Office Block – The construction of phase II office block was ongoing in the current period and as at the close of the financial year, the project was at sixty percent completion. The Phase II Office block will house a Modern Chamber, Cafeteria and Offices.
- b) Speaker's Official residence- The project is completed and it has been handed over to the Assembly. For the residence to be habitable, there is a need of architectural landscaping. The landscaping is scheduled to begin and end in the coming financial year.
- c) Refurbishments of the Old Office Block- The project was ongoing in the current period and by the close of the financial year in 30<sup>th</sup> June, 2021; the project was 95% complete.
- d) Water Treatment Plant\_ The plant is already installed awaiting testing and commissioning.

The projects are geared towards performance improvement by providing a conducive working environment for both the Members of County Assembly and staff.

**Value for money achievements**

Nakuru County Assembly believes in Accountability, Transparency and prudence in utilization of public funds. In the FY 2020-2021, value for money was achieved through observing existing laws and regulations by ensuring that goods and services rendered met the required standards and quality. The Assembly engaged the relevant authorities before, during and after completion of the projects to ensure compliance. Some of the external oversight organs engaged was department of Public Works, Public Procurement and Regulatory Authority, Office of the Auditor general among others.

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**Challenges and Recommended Way Forward**

The main challenge in the period ended June, 2021 was intermittent release of funds due to delays in the Office of the Controller of Budget. The funds took longer to hit the Assembly's accounts in central bank and thus hampering smooth operations in the Assembly. The delays also caused the Assembly to incur unwarranted penalties and interests for late remission of statutory dues.

Covid\_19 pandemic persisted and posed real operational challenges in the Assembly. Staff had to work on shifts and others worked from home depending on their health and age factors. The development projects scaled down operations so as to meet the Ministry of Health guidelines on the number of people working in an area and this resulted in a slump on budget absorption in the development vote.

In the subsequent financial years, we will urge the Office of the Controller of Budget to hasten the approvals for the release of funds to Counties for them to be able to deliver on their mandates.

We encourage the County Government of Nakuru to allocate additional funds to the department of Health for it to complement the National Government in fighting the pandemic. We also encourage all the Staff and Members of County Assembly to take-up covid\_19 vaccination whenever they get a chance.

Sign



**Joseph Mutua Malinda**  
**Clerk of the County Assembly**

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES**

In undertaking its mandate, Nakuru County Assembly was able to pass four bills into Acts namely; The Nakuru County Climate Change Bill, The Nakuru County Water and Sanitation Service Bill, The Nakuru County Waste Management Bill and The Nakuru Appropriation Bill of 2021. In addition, there are a number of bills that are on-going and are in different stages of legislation in the Assembly. These bills are The Nakuru County Peace Building and Conflict Management Bill of 2021, The Nakuru County Food and Agricultural Bill No. 3 of 2021, The Nakuru County Welfare Bill No. 4 of 2021 and The Nakuru County Welfare Bill No. 4 of 2021. The bills are expected to facilitate compliance of the law by providing all the necessary guidelines required to comply with the law.

The table below outlays the expected outputs and the performance of the Nakuru County Assembly in the Financial Year 2020-2021

<b>Program 1</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Legislation, Oversight and Representation	Enhance professional development of MCAs by providing ongoing professional development of MCAs	Increased capacity and ability of MCA in the legislation process	No of bills passed in the County Assembly	<b>In FY 2020/2021 Members of County Assembly were trained on:</b> >Legislative Procedures >Legislative Drafting >Committee Effectiveness > Four bills were enacted into law
	Effective Oversight Role	Enhanced service delivery by the Executive arm of the County	>Petitions prosecuted and reports tabled in the Assembly >Statements requested and tabled in the Assembly	>There were 8 statements requested in the FY 2020/2021 and 7 motions resolved in the House
<b>Program 2</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>

**COUNTY ASSEMBLY OF NAKURU**  
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Administrative Programme	Enhance Professional Development of Staff-Facilitate requisite training for Members of Staff enlisted in the Professional bodies	Enhanced performance and output by Members of Staff	> Number of Staff trained in the year	<b>&gt;All cadres of Staff were trained for at least 5days in the FY 2020/2021: The training was coupled with a Team building exercise.</b>
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#### **4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The Assembly exists to develop a well-resourced, efficient, effective and sustainable 21<sup>st</sup> Century legislative institution that is able to deliver on its mandate through enactment of progressive laws and policies and effective exercise of oversight.

Below is a brief highlight of our achievements

##### **1. Sustainability strategy and profile**

The Assembly passed The Nakuru Village Polytechnics Bill in an effort to enhance creativity and entrench technical capability to every part of the County as well as creating a self-employed population.

##### **2. Environmental performance**

In an effort to reduce paper work, the Assembly created emails to all Members of Staff and encourage the use of emails in communication instead of printing on paper. The Assembly has also installed hand driers in the toilets to cut down on use of napkins and tissue papers for drying hands. To this end the Assembly is by extension reducing the need of cutting down of trees as raw materials for producing papers and tissues.

##### **3. Employee welfare**

The County Assembly Service Board through the Human Resource Development department has developed Human Resource manual that covers all Staff matters. There is in place a medical cover for all Members of Staff that also covers their dependants. The Board also uses appraisals tools to monitor performance by Members of Staff. The promotions are also by merit and use the appraisal scores to reward the hardworking Members of Staff.

##### **4. Community Engagements-**

The Assembly involves the County residents in decision-making and project selection through public participation that are done in all the eleven Sub-Counties every year as part of the budget preparation process. The Assembly also receive petitions from Members of public on any matter touching on the service delivery in the County. The Assembly has also set a public gallery for residents to sit on and follow debates in the Assembly. The Nakuru residents and any one can also access information regarding bills and all legislations that have been passed as well as engage the Assembly through our website.

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**5. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Clerk of the Assembly prepares the financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk to the Assembly is responsible for the preparation and presentation of the Assembly's Financial Statements, which give a true and fair view of the state of affairs of the Assembly for the year ended June 30, 2021. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 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 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 Assembly's Financial Statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2021, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the Assembly which have been relied upon in the preparation of its Financial Statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the Assembly has complied fully with applicable Government Regulations and that the Assembly's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Clerk confirms that the 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 Assembly's Financial Statements were approved and signed by the Clerk of the County Assembly on 11/3 2021.

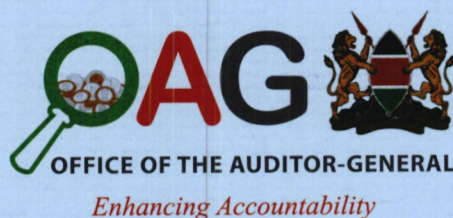


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**Joseph Mutua Malinda**  
**Clerk of the County Assembly**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF NAKURU FOR THE YEAR ENDED 30 JUNE, 2021

---

### PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Nakuru set out on pages 15 to 50, which comprise of the statement of financial assets and liabilities as at 30 June, 2021, 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 Nakuru as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012 and County Governments Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Variance Between Financial Statements and Integrated Financial Management Information System (IFMIS)**

A review of balances disclosed in the financial statements and the supporting Integrated Financial Management Information System (IFMIS) ledger balances revealed several variances on components itemized below:

<b>Component</b>	<b>Financial Statements Figure (Kshs.)</b>	<b>Supporting/IFMIS Balance (Kshs.)</b>	<b>Variances (Kshs.)</b>
Exchequer Receipts	1,091,058,398	1,043,645,179	47,423,219
Compensation of Employees	406,525,663	43,616,355	362,909,308
Use of Goods and Services	555,995,473	400,513,812	155,481,661
Social Security Benefits	0	533,388	(533,388)
Acquisition of Assets	116,354,616	85,034,731	31,319,885
Recurrent Bank A/C	1,301,871	88,468,428	(87,166,557)
Development Bank A/C	2,247	46,858,771	(46,856,524)
Deposit Bank A/C	6,576,065	0	6,576,065
Imprest Bank A/C	450,127	0	450,127

In the circumstances, the completeness and accuracy of balances reflected in the financial statements for the year ended 30 June, 2021, could not be confirmed.

### **2.0 Receipts after the Cutoff Date**

As disclosed in Note 1 to the financial statements, the statement of receipts and payments reflect transfers from County Treasury/Exchequer Releases balance of Kshs.1,091,058,398. However, included in this balance is an amount of Kshs.195,042,377 that was received after the cutoff date of 30 June, 2021. This is contrary to Regulation 97(4) of the Public Finance Management (County Governments) Regulations, 2015 which provides that actual cash transactions taking place after 30 June shall not be treated as pertaining to the previous financial year even though the accounts for that year may be open for end of year procedures and adjustments.

Consequently, the accuracy, cutoff and completeness of County Exchequer Releases balance of Kshs.1,091,058,398 for the year ended 30 June, 2021 could not be confirmed.

### **3.0 Unsupported Domestic and Subsistence Allowances**

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.555,995,473 in respect to use of goods and services for the financial year ended 30 June, 2021. However, included in this balance is an amount of Kshs.104,743,014 incurred on domestic travel and subsistence which further includes an amount of Kshs.13,268,300 being transport allowance claims for MCAs and Staff members that were not supported by way of a policy document.

Under the circumstances, the validity, accuracy and completeness of transport allowance claims amounting Kshs.13,268,300 for the year ended 30 June, 2021 could not be ascertained.

### **4.0 Rent Payments Not Supported by Lease Agreements**

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects use of goods and services balance of Kshs.555,995,473 for the year ended 30 June, 2021. Included in this balance is rentals of produced assets balance of Kshs.6,051,722 which further includes Kshs.1,012,500 being house rent for the speaker's house. Further, no valid tenancy agreement was provided to confirm validity of the rent payments.

Under the circumstances, the validity, accuracy and completeness of the rent payments of Kshs.1,012,500 for the year ended 30 June, 2021 could not be confirmed.

### **5.0 Unsupported Acquisition of Assets**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects acquisition of assets balance of Kshs.116,354,616 for the financial year ended 30 June, 2021. However, included in this balance is an amount of Kshs.11,941,212 that has not been supported by relevant procurement records.

Under the circumstances, the validity, accuracy and completeness of acquisition of assets costing Kshs.11,941,212 for the year ended 30 June, 2021 could not be confirmed.

### **6.0 Payments Made after Closure of the Financial Year**

The statement of receipts and payments reflects total payments balance of Kshs.1,088,881,172 for the year ended 30 June, 2021. However, included in the balance is Kshs.209,000,866 comprising of recurrent expenditure of Kshs.43,858,526 and development expenditure of Kshs.165,142,340 made after the financial year cutoff date of 30 June, 2021 contrary to Section 97(4) of the Public Finance Management (County Governments) Regulations, 2015 which provides that actual cash transactions taking place after 30 June shall not be treated as pertaining to the previous financial year even though the accounts for that year may be open for end of year procedures and adjustments.

Consequently, the accuracy and completeness of the total payments balance of Kshs.1,088,881,172 for the year ended 30 June, 2021 could not be confirmed.

## **7.0 Bank Balances**

As disclosed in Note 7 to the financial statements, the statement of financial assets and liabilities reflect bank balance of Kshs.8,330,311 as at 30 June, 2021. However, supporting certificate of bank balances and the bank reconciliation statements provided for review reflects balances as at 31 July, 2021 a month after the reporting date therefore causing doubt on the validity of the reported bank balance.

Consequently, the accuracy and completeness of the bank balance of Kshs.8,330,311 as at 30 June, 2021 could not be ascertained.

## **8.0 Un-approved Payment of Legal Fees**

As disclosed in Note 3 to the financial statement, the statement of receipts and payments reflects use of goods and services balance of Kshs.555,995,473 for the year ended 30 June, 2021. Included in this balance is an amount of Kshs.19,995,874 in respect of legal fees which further includes an amount of Kshs.3,392,800 incurred on legal costs without the approval of the Clerk to the County Assembly.

Under the circumstances, the validity and authenticity of the legal costs amounting to Kshs.3,392,800 for the year ended 30 June, 2021 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Assembly of Nakuru 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.

## **Emphasis of Matter**

### **1.0 Budgetary Control and Performance**

The statement of comparison of budget and actual amounts - recurrent and development combined reflect a total receipts final budget of Kshs.1,264,408,526 against actual receipts of Kshs.1,091,058,398 resulting to a shortfall of Kshs.173,350,128 (or 14%). The statement also reflects a final expenditure budget of Kshs.1,264,408,526 against actual expenditure of Kshs.1,088,881,172 resulting to under absorption of Kshs.175,527,354 (or 14%). No explanation has been provided for the fourteen percent (14%) shortfall in funding and a similar rate of under absorption which may have negatively impacted on the planned activities for the year, thus negatively affecting service delivery to the citizens.

### **2.0 Anomalies in Pending Accounts Payable**

As disclosed in Note 1.4 – Other Disclosures and under Annex 1 to the financial statements is pending accounts payable balance of Kshs.141,900,004 for the year ended 30 June, 2021. However, the Annex reflects additions of Kshs.191,499,836 which differs

with the vote book balance of Kshs.28,863,082 on a comparable basis resulting to unexplained or unreconciled variance of Kshs.126,611,515. Similarly, the Annex reflects an opening balance of Kshs.54,015,682 which differs from the prior year balance of Kshs.279,775,082 also resulting to unexplained variance of Kshs.225,759,400.

In the circumstances, the accuracy and completeness of the pending accounts payable balance of Kshs.141,900,004 for the year ended 30 June, 2021 could not be ascertained.

### **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.

## **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 Qualified Opinion, 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**

#### **1.0 Excess Transfer to the County Assembly**

As disclosed in Note 1 to the financial statements, the statement of receipts and payments reflect transfers from the County Treasury/Exchequer releases balance of Kshs.1,091,058,398 for the year ended 30 June, 2021. This amount exceeds the set threshold of the lower of seven percent (7%) of County revenue or twice the personnel emoluments of that County Assembly whichever is lower. In the year under review, the disburseable amount should have been Kshs.916,932,472 instead of the disbursed amount of Kshs.1,091,058,398 resulting to over disbursements of Kshs.174,125,926 contrary to Regulation 25(1)(f) and (h) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, Management was in breach of the law.

#### **2.0 Irregular Payments of Casual Wages**

The statement of receipts and payments reflects compensation of employees' balance of Kshs.406,525,663 and as disclosed in Note 2 to the financial statements. Included in the balance is Kshs.37,836,416 paid in respect of temporary employees of which Kshs.2,429,180 was incurred on casual wages for the whole year instead of the required three month's period stipulated in sect. 37 (b) of the Employment Act 2007 and Section B.16 (1) of the Assembly's Human Resource Manual, 2018, which stipulates that casual workers shall be engaged only on urgent short-term tasks with the approval of the County Assembly

Service Board and shall not be engaged for more than three months, as stipulated in the Employment Act, 2007. Further, the respective letters of employment showing their rate of pay, conditions of service, master roll or expected output were not provided for review.

Consequently, the Management was in breach of the law.

### **3.0 Irregular Expenditure on Subscriptions to Professional Bodies**

The statement of receipts and payments reflects use of goods and services balance of Kshs.555,995,473 for the year ended 30 June, 2021. Included in this balance is an amount of Kshs.5,898,450 in respect of subscriptions to professional and trade bodies comprising of Kshs.750,000 to Society of Clerks -At-The Table in Kenya Legislatures (SOCATT) and Kshs.5,000,000 to County Assemblies Forum (CAF) as annual subscription fees. Although the expenditure was budgeted for, there is no existing law or policy in place authorizing the said payments of subscription fees. In addition, no verifiable document was provided for review.

Consequently, the Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of a Risk Management Policy**

The County Assembly Management did not provide for review, a risk management policy. This is contrary to Regulation 158(1)(a) and (b) of the Public Finance Management Act (County Governments) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and internal control that builds robust business operations.

In the absence of a risk management policy, it has not been possible to confirm whether the internal controls built within the financial and operational systems were functioning as intended during the year under review.

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how the County Assembly 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's policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the appropriate 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 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 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**27 May, 2022**




**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

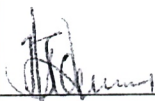
**7. FINANCIAL STATEMENTS**

**7.1.STATEMENT OF RECEIPTS AND PAYMENTS**

		<b>2020/21</b>	<b>2019/20</b>
	<b>Note</b>	<b>KES</b>	<b>KES</b>
<b>RECEIPTS</b>			
Transfers from the County Treasury/Exchequer Releases	1	1,091,058,398	1,168,608,398
<b>TOTAL RECEIPTS</b>		<b>1,091,058,398</b>	<b>1,168,608,398</b>
<b>PAYMENTS</b>			
Compensation of Employees	3	406,525,663	342,592,838
Use of goods and services	4	555,995,473	568,609,109
Subsidies			-
Transfers to Other Government Entities	5	10,000,000	16,112,711
Other grants and transfers			-
Acquisition of Assets	6	116,354,616	244,696,859
Finance Costs	7	5,420	22,924
<b>TOTAL PAYMENTS</b>		<b>1,088,881,172</b>	<b>1,172,034,441</b>
<b>SURPLUS/DEFICIT</b>		<b>2,177,226</b>	<b>(3,426,043)</b>

The explanatory notes to the Financial Statements form an integral part of the financial statements.  
The financial statements were approved on 10/3/2021 and signed by:


  
\_\_\_\_\_  
**Clerk of the Assembly**  
**Joseph Mutua Malinda**

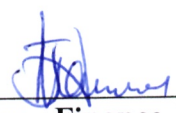
  
\_\_\_\_\_  
**Director - Finance, Procurement and Budget**  
**Jane Njoki Waweru**  
**ICPAK Member Number: 7941**

**7.2.STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**

		2020/21	2019/20
FINANCIAL ASSETS	Note	KES	KES
<b>Cash and Cash Equivalents</b>			
Bank Balances	8	8,330,311	8,358,986
<b>Total Cash and cash equivalents</b>		<b>8,330,311</b>	<b>8,358,986</b>
Accounts receivables – Outstanding Imprests	12	422,980	310,000
<b>TOTAL FINANCIAL ASSETS</b>		<b>8,753,291</b>	<b>8,668,986</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	10	6,576,065	8,118,714
<b>NET FINANCIAL ASSETS</b>		<b>2,177,226</b>	<b>550,273</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.	11	550,273	3,976,315
Prior year adjustments	14	(550,273)	-
Surplus/Deficit for the year		<b>2,177,226</b>	<b>(3,426,043)</b>
<b>NET FINANCIAL POSITION</b>		<b>2,177,226</b>	<b>550,273</b>

The explanatory notes to the Financial Statements form an integral part of the financial statements. The financial statements were approved on 11/3/2021 and signed by:

  
 Clerk of the Assembly  
 Joseph Mutua Malinda


  
 Director - Finance, Procurement and Budget  
 Jane Njoki Waweru  
 ICPAK Member Number: 7941


**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**7.3.STATEMENT OF CASH FLOWS**

		2020/21	2019/20
	Note	KES	KES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operating income</b>			
Transfers from the County Treasury/Exchequer Releases	1	1,091,058,398	1,168,608,398
Other Receipts			-
<b>Payments for operating expenses</b>			
Compensation of Employees	3	(406,525,663)	(342,592,838)
Use of goods and services	4	(555,995,473)	(568,609,109)
Subsidies			-
Transfers to Other Government Entities	5	(10,000,000)	(16,112,711)
Finance Costs	7	(5,420)	(22,924)
<b>Adjusted for:</b>			
Increase in Outstanding Imprest	12	(112,980)	(310,000)
Accounts Payables – Deposits & Retentions	13	(1,542,649)	8,118,714
<b>Net cash flows from operating activities</b>		<b>116,876,213</b>	<b>249,079,530</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	6	(116,354,616)	(244,696,859)
<b>Net cash flows from investing activities</b>		<b>(116,354,616)</b>	<b>(244,696,859)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	8	<b>8,358,986</b>	<b>3,976,315</b>
<b>Prior Year Adjustments</b>	14	<b>(550,273)</b>	
<b>Cash and cash equivalent at END of the year</b>		<b>8,330,310</b>	<b>8,358,986</b>

The explanatory notes to the Financial Statements form an integral part of the financial statements. The financial statements were approved on 11/3/2021 and signed by:


  
 Clerk of the Assembly  
 Joseph Mutua Malinda


  
 Director - Finance, Procurement and Budget  
 Jane Njoki Waweru  
 ICPAK Member Number: 7941

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	Utilization
	KES	KES	KES	KES	KES	%
<b>RECEIPTS</b>						
Transfers from the County Treasury/Exchequer Releases	1,254,408,526	10,000,000	1,264,408,526	1,091,058,398	173,350,128	<b>86%</b>
<b>TOTAL</b>	<b>1,254,408,526</b>	<b>10,000,000</b>	<b>1,264,408,526</b>	<b>1,091,058,398</b>	<b>173,350,128</b>	<b>86%</b>
<b>PAYMENTS</b>						
Compensation of Employees	458,466,236	(56,480,956)	406,585,280	406,525,663	59,617	<b>100%</b>
Use of goods and services	524,553,000	56,580,956	576,633,956	555,995,473	20,633,062	<b>96%</b>
Transfers to Other Government Entities		10,000,000	10,000,000	10,000,000	-	100%
Acquisition of Assets	271,189,290		271,189,290	116,354,615	154,834,675	<b>43%</b>
Finance Costs	200,000	(100,000)	100,000	5,420	94,580	<b>5%</b>
Other Payments						
<b>TOTAL</b>	<b>1,254,408,526</b>	<b>10,000,000</b>	<b>1,264,408,526</b>	<b>1,088,881,172</b>	<b>175,527,354</b>	<b>86%</b>
<b>Surplus/Deficit</b>				<b>2,177,226</b>	<b>(2,177,226)</b>	

The explanatory notes to the Financial Statements form an integral part of the financial statements. The financial statements were approved on 11/3/2021 and signed by:

  
 Clerk of the Assembly  
**Joseph Mutua Malinda**

  
 Director - Finance, Procurement and Budget  
**Jane Njoki Waweru**  
 ICPAK Member Number: 7941

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: RECURRENT**

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>Utilization</b>
	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>KES</b>	<b>%</b>
<b>RECEIPTS</b>						
Transfers from the County Treasury/ Exchequer Releases	983,219,236	10,000,000	993,219,236	993,409,049	(189,813)	<b>100%</b>
Other Receipts						
<b>TOTAL</b>	<b>983,219,236</b>	<b>10,000,000</b>	<b>993,219,236</b>	<b>993,409,049</b>	<b>(189,813)</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	458,466,236	(56,480,956)	406,585,280	406,525,663	59,617	<b>100%</b>
Use of goods and services	513,053,000	50,230,956	576,633,956	555,995,473	20,633,062	<b>100%</b>
Transfers to Other Government Entities		10,000,000	10,000,000	10,000,000	-	<b>100%</b>
Other grants and transfers						
Social Security Benefits						
Acquisition of Assets	11,500,000	6,350,000	17,850,000	17,164,865	685,135	<b>96%</b>
Finance Costs	200,000	(100,000)	100,000	5,420	94,580	<b>5%</b>
Other Payments						
<b>TOTAL</b>	<b>983,219,236</b>	<b>10,000,000</b>	<b>993,219,236</b>	<b>989,691,422</b>	<b>3,527,814</b>	<b>100%</b>
<b>Surplus/Deficit</b>				<b>3,717,627</b>	<b>(3,717,627)</b>	

The explanatory notes to the Financial Statements form an integral part of the financial statements. The financial statements were approved on 11/3/2021 and signed by:



Clerk of the Assembly  
**Joseph Mutua Malinda**




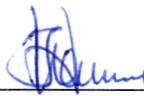
Director - Finance, Procurement and Budget  
**Jane Njoki Waweru**  
**ICPAK Member Number: 7941**

**7.5.STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS: DEVELOPMENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	Utilization
	KES	KES	KES	KES	KES	%
<b>RECEIPTS</b>						
Transfers from the County Treasury/ Exchequer Releases	271,189,290	-	271,189,290	97,649,349	173,539,941	36%
Other Receipts						
<b>TOTAL</b>	<b>271,189,290</b>	<b>-</b>	<b>271,189,290</b>	<b>97,649,349</b>	<b>173,539,941</b>	<b>36%</b>
<b>PAYMENTS</b>						
Compensation of Employees						
Use of goods and services						
Transfers to Other Government Entities						
Acquisition of Assets	271,189,290		271,189,290	99,189,751	171,999,539	37%
Finance Costs						
<b>TOTAL</b>	<b>271,189,290</b>	<b>-</b>	<b>271,189,290</b>	<b>99,189,751</b>	<b>171,999,539</b>	<b>37%</b>
<b>SURPLUS/ DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,540,402)</b>	<b>1,540,402</b>	

The explanatory notes to the Financial Statements form an integral part of the financial statements. The financial statements were approved on 11/3/2021 and signed by:

  
 Clerk of the Assembly  
 Joseph Mutua Malinda

  
 Director - Finance, Procurement and Budget  
 Jane Njoki Waweru  
 ICPAK Member Number: 7941

1.1. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	KES	KES	KES	KES	KES
<b>Programme 1 Administrative</b>					
Compensation of Employees	170,206,769	-34,480,956	135,725,813	135,720,723	5,090
Use of Goods and services	158,443,220	62,255,043	220,698,263	200,065,401	20,632,862
Transfer to Other Government entities		10,000,000	10,000,000	10,000,000.00	0
Acquisition of Assets	271,189,290		271,189,290	116,354,615.00	154,834,675
<b>Sub – Total</b>	<b>599,839,279</b>	<b>37,774,087</b>	<b>637,613,366</b>	<b>462,140,739</b>	<b>175,472,627</b>
<b>Programme 2 Legislative Services</b>					
Compensation of Employees	290,259,467	-19,400,000	270,859,467	270,804,940.00	54,527
Use of Goods and services	364,309,780	-8,374,087	355,935,693	355,935,493.00	200
Acquisition of Assets					
<b>Sub – Total</b>	<b>654,569,247</b>	<b>-27,774,087</b>	<b>626,795,160</b>	<b>626,740,433</b>	<b>54,727</b>
<b>Total</b>	<b>1,254,408,526</b>	<b>10,000,000</b>	<b>1,264,408,526</b>	<b>1,088,881,172</b>	<b>175,527,354</b>

## **1.2. SIGNIFICANT ACCOUNTING POLICIES**

The principal 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 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 Assembly recognises all receipts from the various sources when the event occurs and the Assembly has actually received the related cash.

#### **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.



**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Receipts**

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

**b) Recognition of payments**

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

**Compensation of employees**

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

**Use of goods and services**

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

**Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**4. In-kind contributions**

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

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. Third Party Payments**

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc. There were no payments made by third parties on behalf of the Assembly in the FY 2020/21.

**6. Cash and cash equivalents**

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

**Restriction on cash**

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to KES 6,576,065.00

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**9. Non-current assets**

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

**10. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the 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.

**11. Contingent Liabilities**

A contingent liability is:

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

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

The Assembly does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. Contingent Assets**

The Assembly does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Assembly in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**13. Budget**

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Assembly's budget was approved as required by Law. The County Assembly approved the original budget on 19<sup>th</sup> August, 2020 for the period 1st July 2020 to 30 June 2021 as required by law. There were two number of supplementary budgets passed in the year. The supplementary budgets were approved on 9<sup>th</sup> February, 2021 and 15<sup>th</sup> June, 2021. 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.

**14. Comparative figures**

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

**15. Subsequent events**

Events after submission of the financial year end financial statements to County Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of the County Treasury.

**16. Errors**

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

**17. Related party transactions**

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

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**1.3. NOTES TO THE FINANCIAL STATEMENTS**

**1. Transfers from the County Treasury/Exchequer Releases**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Transfers from the County Treasury for Q1	85,331,660	157,656,970
Transfers from the County Treasury for Q2	341,833,596	279,698,749
Transfers from the County Treasury for Q3	214,279,834	369,584,302
Transfers from the County Treasury for Q4	449,613,308	361,668,377
<b>Cumulative Amount</b>	<b>1,091,058,398</b>	<b>1,168,608,398</b>

**COUNTY ASSEMBLY OF NAKURU**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. COMPENSATION OF EMPLOYEES**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Basic salaries of permanent employees	63,825,317	68,488,759
Basic wages of temporary employees	37,836,416	
Superannuation Fund /Gratuity	29,130,639	27,649,416
House allowance	19,182,687	19,492,048
Responsibility Allowance	25,950,122	19,598,000
Commuter Allowance	43,308,717	43,885,947
Pension and other social security contributions	641,240	225,200
Provident Fund Contributions	19,952,310	11,905,317
Gross Pay {Members of County Assembly}	160,608,025	143,105,182
Other personnel payments	1,495,280	8,242,969
Honoraria	4,594,910	-
<b>Total</b>	<b>406,525,663</b>	<b>342,592,838</b>

**3. USE OF GOODS AND SERVICES**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Utilities, supplies and services	3,408,739	47,557,975
Communication, supplies and services	3,024,094	2,060,560
Domestic travel and subsistence	104,743,014	110,396,308
Foreign travel and subsistence	32,122,266	42,260,275
Printing, advertising and information supplies & services	14,430,539	13,069,715
Rentals of produced assets	6,051,722	5,771,366
Training expenses	16,209,906	17,462,736
Hospitality supplies and services	129,680,374	33,170,548
Insurance costs	33,890,705	32,555,641
Specialized materials and services	4,704,624	7,138,355
Office and general supplies and services	13,339,591	18,982,933
Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	5,898,450	6,041,950
Legal Dues/fees, Arbitration and Compensation Payments	19,995,874	20,511,273
Committee Meeting Expenses (Sitting Allowances)	69,775,208	84,835,095
Other operating expenses	80,195,973	113,206,209
Routine maintenance – vehicles and other transport equipment	4,475,326	3,005,544

**COUNTY ASSEMBLY OF NAKURU**  
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Routine maintenance – other assets	10,949,125	7,999,869
Fuel Oil and Lubricants	3,099,943	2,582,759
<b>Total</b>	<b>555,995,473</b>	<b>568,609,109</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. TRANSFERS TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Transfers to County Revenue Fund		1,112,711
Transfer to Mortgage and car Loan Fund	10,000,000	15,000,000
<b>TOTAL</b>	<b>10,000,000</b>	<b>16,112,711</b>



**COUNTY ASSEMBLY OF NAKURU**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**5. ACQUISITION OF ASSETS**

<b>Non- Financial Assets</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Refurbishment of Buildings	3,621,466	1,960,440
Construction of Buildings -Office Block Phase II	64,450,172	208,842,836
Construction of Public Gallery	1,750,258	-
Development of Strategic Plan	1,169,280	-
Construction of Speaker's Residence	9,134,965	-
Chambers Configuration	510,000	-
Purchase of Hansard Equipment- Office Block Phase II	16,676,730	26,285,705
Purchase and Installation of water treatment plant	1,876,880	-
Purchase of Household Furniture and Institutional Equipment	400,000	390,323
Purchase of Office Furniture and General Equipment	487,489	309,354
Purchase of ICT Equipment, Software and Other ICT Assets	10,141,899	6,908,201
Purchase of Software	6,135,477	-
<b>Total</b>	<b>116,354,615</b>	<b>244,696,859</b>

**COUNTY ASSEMBLY OF NAKURU**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. FINANCE COSTS**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Bank Charges	5,420	22,924
<b>Total</b>	<b>5,420</b>	<b>22,924</b>

**7. CASH AND BANK BALANCES**

<b>Bank, Account No. &amp; Currency</b>	<b>Account Type</b>	<b>2020/21</b>	<b>2019/20</b>
		<b>KES</b>	<b>KES</b>
<i>Central Bank of Kenya Acc No. 1000239778 KES</i>	Recurrent Acc	1,301,871	13,232
<i>Central Bank of Kenya Acc No. 1000285281 KES</i>	Development Acc	2,247	226,153
<i>Central Bank of Kenya Acc No. 1000285273 KES</i>	Deposit Acc	6,576,065	8,118,714
<i>Family Bank Acc. No. 01800071948</i>	Imprest Acc	450,127	887
<b>Total</b>		<b>8,330,311</b>	<b>8,358,986</b>

**8. ACCOUNTS RECEIVABLES**

<b>Description</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Government Imprests	422,980	310,000
<b>Total</b>	<b>422,980</b>	<b>310,000</b>

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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**9. ACCOUNTS PAYABLE**

<b>Description</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Retentions – Edmar Enterprises Ltd		1,000,328
- Amber Construction Ltd	5,854,876	7,118,386
-Thermo Expert Construction Ltd	333,338	
-Mark & Damian E. A Contractors	387,851	
<b>Total</b>	<b>6,576,065</b>	<b>8,118,714</b>

**10. FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>KES</b>	<b>KES</b>
Bank Accounts	8,358,986	3,976,315
Cash-in-Hand		
Accounts Receivables	310,000	
Accounts Payables	(8,118,714)	
<b>Total</b>	<b>550,273</b>	<b>3,976,315</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. NET CHANGES IN ACCOUNTS PAYABLES**

<b>Description</b>	<b>2020 – 2021</b>	<b>2019 – 2020</b>
	<b>KES</b>	<b>KES</b>
Outstanding Imprest as at 1 <sup>st</sup> July 2020	310,000	-
Imprest issued during the year	7,883,665	21,237,859
Imprest surrendered during the Year	(7,770,685)	(20,927,859)
Net changes in account receivables	<b>422,980</b>	<b>310,000</b>

**12. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

<b>Description</b>	<b>2020 – 2021</b>	<b>2019 – 2020</b>
	<b>KES</b>	<b>KES</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2020	8,118,714	-
Deposit and Retentions held during the year	3,521,509	23,551,546
Deposit and Retentions paid during the Year	(5,074,158)	(15,432,832)
Net changes in account receivables	<b>6,576,065</b>	<b>8,118,714</b>

**13. PRIOR YEAR ADJUSTMENTS**

<b>Description of the Error</b>	<b>FY 2019/2020</b>	<b>FY 2018/2019</b>
	<b>KES</b>	<b>KES</b>
Balance B/F as per Audited Accounts of F.Y 2019/2020	8,358,986	3,976,315
<b>Adjustments during the year relating to prior period:</b>		
Less: Transfer to CRF Account	(240,273)	
Less: Surrendered Imprest for FY 2019/2020	(310,000)	
Other Errors (specify)		
<b>Total</b>	<b>8,289,253</b>	<b>3,976,315</b>

**COUNTY ASSEMBLY OF NAKURU**  
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**1.4. OTHER DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>Balance b/f FY 2019/2020</b>	<b>Additions for the period</b>	<b>Adjustments</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2020/2021</b>
<b>Description</b>	<b>KES (A)</b>	<b>KES (B)</b>	<b>KES (C)</b>	<b>KES (D)</b>	<b>KES E=A+B+C-D</b>
Construction of buildings	230,076,700		(230,076,700)	-	-
Construction of buildings – Retention	8,118,714	2,156,765		<b>3,699,413</b>	<b>6,576,065</b>
Staff Payables-Perdiem		135,000		-	135,000
Statutory Dues		62,473,463		-	62,473,463
Supply of goods	49,920	1,939,450		49,920	1,939,450
Supply of services	41,529,748	88,769,919		<b>59,523,642</b>	<b>70,776,025</b>
<b>Total</b>	<b>279,775,082</b>	<b>155,474,597</b>	<b>(230,076,700)</b>	<b>63,272,975</b>	<b>141,900,004</b>

**COUNTY ASSEMBLY OF NAKURU**  
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**2. RELATED PARTY DISCLOSURES**

The following comprise of related parties to the County Assembly:

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

**Related party transactions:**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KES</b>	<b>KES</b>
<b>Compensation to Key Management</b>		
Compensation to the Speaker, Deputy Speaker and the MCAs	150,950,775	222,472,920
Key Management Compensation (Clerk and Heads of departments)	14,087,560	13,817,160
<b>Total Compensation to Key Management</b>	<b>165,038,335</b>	<b>236,290,080</b>
<b>Transfers to related parties</b>		
Transfers to other County Assembly Car Loan and Mortgage Fund	10,000,000	15,000,000
Transfer To County Revenue Fund		1,112,711
<b>Total Transfers to related parties</b>	<b>10,000,000</b>	<b>16,112,711</b>
<b>Transfers from related parties</b>		
Transfers from the County Executive- Exchequer	1,091,058,398	1,168,608,398
<b>Total Transfers from related parties</b>	<b>1,091,058,398</b>	<b>1,168,608,398</b>

**COUNTY ASSEMBLY OF NAKURU**  
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**3. PROGRESS ON FOLLOW ON PRIOR YEAR AUDITOR’S RECOMMENDATIONS**

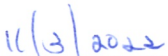
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

The Assembly has not yet received a signed audit reports for FY 2019/2020 and therefore not aware of the issues raised by the Auditor General.

Clerk of the County Assembly

Sign.....

Date.....

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
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**ANNEXES**

**ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Additions during the Year	Adjustment	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20
	A	B	C	D	E=A+B+C-D	
Sub-Total	230,076,700	-	(230,076,700)	-	-	230,076,700
Construction of buildings - Retentions						
	<b>230,076,700</b>	-	<b>(230,076,700)</b>	-	-	<b>230,076,700</b>
Edmar Enterprises Ltd	1,000,328	1,435,575		2,435,903	-	1,000,328
Amber Construction Ltd	7,118,386	-	-	1,263,510	5,854,876	7,118,386
				-		
Mark and Damion		387,851			387,851	
Thermo Expert		333,339			333,339	
<b>Sub-Total</b>	<b>8,118,714</b>	<b>2,156,765</b>	-	<b>3,699,413</b>	<b>6,576,066</b>	<b>8,118,714</b>
<b>Supply of goods</b>						
Kinamba Evans Enterprises	8,120			8,120	-	8,120
Kinamba Evans Enterprises	41,800			41,800	-	41,800



**COUNTY ASSEMBLY OF NAKURU**  
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Zaburi Investment Limited		1,939,450			1,939,450	
<b>Sub-Total</b>	<b>49,920</b>	<b>1,939,450</b>	<b>-</b>	<b>49,920</b>	<b>1,939,450</b>	<b>49,920</b>
<b>Supply of services</b>					-	
Capabuil Ltd	521,130			521,130	-	521,130
Getso Consultants Ltd	1,365,000			1,365,000	-	1,365,000
Postal Corporation Of Kenya	1,790			1,790	-	1,790
Weston Hotel	154,000			154,000	-	154,000
Hotel La Mada	105,000			105,000	-	105,000
The Ole-Ken Hotel	32,000			32,000	-	32,000
Klacciqal International	76,300			76,300	-	76,300
Klacciqal International	155,500			155,500	-	155,500
Klacciqal International	267,850			267,850	-	267,850
Klacciqal International	1,019,350			1,019,350	-	1,019,350
Dt Dobie	40,758			40,758	-	40,758
Samar Auto Garage Ltd	29,580			29,580	-	29,580
Rift Motors Ltd	73,706			73,706	-	73,706

**COUNTY ASSEMBLY OF NAKURU**  
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Jaichi Motors	21,576			21,576	-	21,576
Onpoint Cleaners Ltd	939,600			939,600	-	939,600
A. N. GEKE ADVOCATES		350,000			350,000	
Aben Company Ltd		3,619,200			3,619,200	
AKANGO & CO ADVOCATES	1,141,800	-	-		1,141,800	3,238,500
AKANGO & CO ADVOCATES	1,061,400	-			1,061,400	
AKANGO & CO ADVOCATES	350,900	-			350,900	
AKANGO & CO ADVOCATES	684,400	-			684,400	
AMADI & AMADI ADVOCATES		250,000			250,000	
AMADI & AMADI ADVOCATES		250,000			250,000	
AMADI & AMADI ADVOCATES		250,000			250,000	
AMADI & AMADI ADVOCATES		250,000			250,000	
AMADI & AMADI ADVOCATES		250,000			250,000	
Capabuil Ltd		173,229			-	173,229
Capabuil Ltd		231,826			-	231,826
Danblaq Company Ltd		2,714,400			-	2,714,400

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
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GITHIONGORI & HARRISON ADVOCATES		348,200			348,200	
GITHIONGORI & HARRISON ADVOCATES		464,000			464,000	
GITHIONGORI & HARRISON ADVOCATES		348,200			348,200	
GITHIONGORI & HARRISON ADVOCATES		754,000			754,000	
GITHIONGORI & HARRISON ADVOCATES		754,000			754,000	
GITHIONGORI & HARRISON ADVOCATES		348,200			348,200	
GITHIONGORI & HARRISON ADVOCATES		487,200			487,200	
GITHIONGORI & HARRISON ADVOCATES		928,000			928,000	
GITHIONGORI & HARRISON ADVOCATES		754,000			754,000	
GITHIONGORI & HARRISON ADVOCATES		700,000			700,000	
GITHIONGORI & HARRISON ADVOCATES		406,000			406,000	
GITHIONGORI & HARRISON ADVOCATES		350,000			350,000	
GITHIRU & CO ADVOCATES	2,409,700	673,623	-	3,083,323	-	2,409,700
GITHIRU & CO ADVOCATES	850,000	360,000	-	300,000	910,000	850,000
GORDON OGOLA & CO. ADVOCATES	1,336,000	900,000	-	300,000	1,936,000	1,336,000

**COUNTY ASSEMBLY OF NAKURU**

**Reports and Financial Statements**

**For the year ended June 30, 2021**

GORDON OGOLA & CO. ADVOCATES	1,952,000	600,000	-	950,000	1,602,000	1,952,000
GORDON OGOLA & CO. ADVOCATES	2,706,000	310,000	-	450,000	2,566,000	2,706,000
GORDON OGOLA & CO. ADVOCATES	3,100,000	-	-	-	3,100,000	2,320,000
GORDON OGOLA & CO. ADVOCATES	2,320,000	200,000	-	-	2,520,000	3,100,000
HOSMAN & HOSMAN ADVOCATES	-	1,482,000	-	-	1,482,000	
HOSMAN & HOSMAN ADVOCATES		706,800	-	-	706,800	
HOSMAN & HOSMAN ADVOCATES		706,800	-	-	706,800	
Kenya School of Government		350,000	-	-	350,000	
Kistech Computers		798,080	-	-	798,080	
MIRUGI KARIUKI & ADVOCATES	1,325,000	5,415,000	-	6,740,000	-	3,140,000
MIRUGI KARIUKI & ADVOCATES	360,000	3,504,000	-	3,864,000	-	360,000
MIRUGI KARIUKI & ADVOCATES	-	869,000	-	500,000	369,000	852,000
MIRUGI KARIUKI & ADVOCATES	252,000	2,526,000	-	1,844,250	933,750	252,000
MIRUGI KARIUKI & ADVOCATES	369,000	3,091,000	-	2,650,000	810,000	369,000
MIRUGI KARIUKI & ADVOCATES	-	371,253	-	371,253	-	597,250

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

MIRUGI KARIUKI & ADVOCATES	-	200,000	-	200,000	-	3,460,000
MIRUGI KARIUKI & ADVOCATES	595,000	937,800	-	1,532,800	-	595,000
MIRUGI KARIUKI & ADVOCATES	495,000	400,000	-	300,000	595,000	495,000
MIRUGI KARIUKI & ADVOCATES	597,250	327,886	-	600,000	325,136	918,150
MIRUGI KARIUKI & ADVOCATES	-	918,150	-	918,150	-	1,325,000
MIRUGI KARIUKI & ADVOCATES	1,908,000	7,488,000	-	9,396,000	-	1,908,000
MIRUGI KARIUKI & ADVOCATES	852,000	5,025,500	-	5,877,500	-	200,003
MIRUGI KARIUKI & ADVOCATES	200,003	740,430	-	-	940,433	
MIRUGI KARIUKI & ADVOCATES	3,460,000	2,408,000	-	2,500,000	3,368,000	
MIRUGI KARIUKI & ADVOCATES	3,140,000	4,825,000	-	2,000,000	5,965,000	
MIRUGI KARIUKI & ADVOCATES	918,150	2,120,000	-	2,000,000	1,038,150	
MUNENE CHEGE & CO. ADVOCATE	4,343,005	2,457,283	-	5,307,487	1,492,801	4,343,005
MUNENE CHEGE & CO. ADVOCATE		250,000	-	-	250,000	
MUNENE CHEGE & CO. ADVOCATE		440,800	-	440,800	-	
MUNENE CHEGE & CO. ADVOCATE		81,200	-	81,200	-	

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

MUNENE CHEGE & CO. ADVOCATE		81,200	-	81,200	-
MUNENE CHEGE & CO. ADVOCATE		81,200	-	81,200	-
MUNENE CHEGE & CO. ADVOCATE		81,200	-	81,200	-
MUNENE CHEGE & CO. ADVOCATE		250,000	-	250,000	-
MUNENE CHEGE & CO. ADVOCATE		440,800	-	440,800	-
MUNENE CHEGE & CO. ADVOCATE		1,208,139	-	1,208,139	-
MUNENE CHEGE & CO. ADVOCATE		400,000	-		400,000
MUNENE CHEGE & CO. ADVOCATE		250,000	-		250,000
MUNENE CHEGE & CO. ADVOCATE		250,000			250,000
MUSEMBI NDOLO & CO. ADVOCATES		598,560			598,560
MUSEMBI NDOLO & CO. ADVOCATES		598,560			598,560
ODHIAMBO & ODHIAMBO ADVOCATES		4,490,000			4,490,000
ODHIAMBO & ODHIAMBO ADVOCATES		1,500,000			1,500,000
ODHIAMBO & ODHIAMBO ADVOCATES		5,300,000			5,300,000
ODHIAMBO & ODHIAMBO ADVOCATES		1,992,000			1,992,000

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

ODHIAMBO & ODHIAMBO ADVOCATES		1,859,000			1,859,000	
ODHIAMBO & ODHIAMBO ADVOCATES		656,000			656,000	
ODHIAMBO & ODHIAMBO ADVOCATES		1,028,000			1,028,000	
ODHIAMBO & ODHIAMBO ADVOCATES		684,400			684,400	
P & H Procurement Consultants Ltd		556,800		371,200	185,600	
<b>Sub-Total</b>	<b>41,529,748</b>	<b>88,769,919</b>	<b>-</b>	<b>59,523,642</b>	<b>70,776,025</b>	<b>41,529,748</b>
Other pending Bills- Statutory Dues & Staff Payables						
Lapfund	-	17,823,387			17,823,387	
Kenya Revenue Authority		44,650,076			44,650,076	
John Kwambai		135,000			135,000	
<b>Sub-Total</b>	<b>-</b>	<b>62,608,463</b>	<b>-</b>	<b>-</b>	<b>62,608,463</b>	<b>-</b>
<b>Grand Total</b>	<b>279,775,082</b>	<b>155,474,597</b>	<b>(230,076,700)</b>	<b>63,272,975</b>	<b>141,900,004</b>	<b>279,775,082</b>

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (KES) 2019/20</b>	<b>Additions during the year (KES)</b>	<b>Disposals during the year (KES)</b>	<b>Transfers in/(out)</b>	<b>Historical Cost c/f (KES) 2020/21</b>
Land, Buildings and structures	620,869,945	96,143,591			<b>717,013,536</b>
Transport equipment	70,898,273				<b>70,898,273</b>
Office equipment, furniture and fittings	32,200,019	3,933,649			<b>36,133,668</b>
ICT Equipment, soft-wares and other ICT assets	27,268,008	16,277,376			<b>43,545,384</b>
Other Machinery and Equipment	15,995				<b>15,995</b>
<b>Total</b>	<b>751,252,240</b>	<b>116,354,616</b>			<b>867,606,856</b>



**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**ANNEX 3 – 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 as at 30<sup>th</sup> June 2021</i>
		<i>KES</i>	<i>KES</i>	<i>KES</i>
MARTHA ALWANGA	4-JUN-21	22,980	-	22,980
LILY CHELNGAT	11-JUN-21	200,000	-	200,000
WINNIE NGIGE	16-JUN-21	200,000	-	200,000
<i>Total</i>		<b>422,980</b>		<b>422,980</b>

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**ANNEX 7-BANK RECONCILIATION**

**COUNTY GOVERNMENT OF NAKURU**  
**BANK RECONCILIATION STATEMENT AS AT 31ST JULY 2021**

**NAKURU COUNTY ASSEMBLY RECURRENT -Account number : '1000239878 CENTRAL BANK OF KENYA**

	Sh.	cts.	Sh.	cts.
<b>BALANCE AS PER BANK STATEMENT AS AT 31ST JULY 2021</b>			1,301,871.00	40
LESS:- Payments in cash book not yet recorded in Bank Statement (Unpresented Cheques)				
Add:- Receipts in Bank Statement Not yet recorded in Cashbook			1,301,871.00	40
<b>BALANCE AS PER CASH BOOK AS AT 31ST JULY 2021</b>				

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

JANE N. WAWERU  
**DIRECTOR-FINANCE**

  
 .....  
**Signature**

  
 .....  
**Date**

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

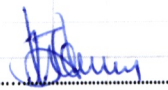
**COUNTY GOVERNMENT OF NAKURU**  
**BANK RECONCILIATION STATEMENT AS AT 31ST JULY 2021**

NAKURU COUNTY ASSEMBLY DEVELOPMENT -Account number : '1000285281 CENTRAL BANK OF KENYA

	Sh.	cts.	Sh.	cts.
<b>BALANCE AS PER BANK STATEMENT AS AT 31ST JULY 2021</b>			2,247.00	20
LESS:- Payments in cash book not yet recorded in Bank Statement (Unpresented Cheques)			0.00	
Add:- Receipts in Bank Statement Not yet recorded in Cashbook			0.00	
			<b>2,247.00</b>	
<b>BALANCE AS PER CASH BOOK AS AT 31ST JULY 2021</b>				

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

JANEN. WAWERU  
DIRECTOR-FINANCE

  
Signature

11/3/2022  
Date

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

**COUNTY GOVERNMENT OF NAKURU**  
**BANK RECONCILIATION STATEMENT AS AT 31ST JULY 2021**

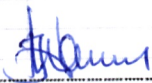
NAKURU COUNTY ASSEMBLY DEPOSIT - Account number : '1000285273 CENTRAL BANK OF KENYA

	Sh.	cts.	Sh.	cts.
BALANCE AS PER BANKS STATEMENT AS AT 31ST JULY 2021			6,576,064.00	90
Less:- Payments in cash book not yet recorded in Bank Statement (Unpresented Cheques)				0.00
Add:- Receipts in Bank Statement Not yet recorded in Cashbook				0.00
			<b>6,576,064.00</b>	<b>90</b>

**BALANCE AS PER CASHBOOK AS AT 31ST JULY 2021**

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

**JANEN NJOKI**  
**DIRECTOR-FINANCE**



Signature

11/3/22

Date

**COUNTY ASSEMBLY OF NAKURU**  
**Reports and Financial Statements**  
**For the year ended June 30, 2021**

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CBK RECCURENT BNK ACCOUNT  
 NAIROBI CITY COUNTY ASSEMBLY  
 BANK RECONCILLIATION AS AT 31st august 2020

Balance as per Bank Certificate as at 31st august 2020

**Less:**

- 1. Payments in Cash Book not yet recorded in Bank Statement(unpresented cheques) as at 31st august 2020
- 2. Receipts in Bank Statement
- 3. Balance returned to CRF

2. Receipts in Bank Statement not yet recorded in not yet recorded in the cash Book (deposits) as at 31st august 2020(b

**Add:**

- 3. Payments in Bank Statement not yet recorded in Cash Book (Bank Charges) as at 31st august 2020
- 4. Receipts in Cash Book not yet recorded in Bank Statement as 31st august 2020.(Undercast Adjustments)

Bank Balance as per cash book as at 31st august 2020

Shs.	Cts.	Shs.	Cts.	Shs.	Cts.
				149,104,813	-
				-	-
				149,104,813	-
				-	-
				-	-
				-	-
				0	-

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above reconciliation is correct.

**Prepared By:**

.....  
Signature

*Moses Abungi - Accountant II*  
.....  
Name/Designation

*06/09/2020*  
.....  
Date

**Supervisor:**

.....  
Signature

*Penny Odongo*  
.....  
Name/Designation

*06/09/2020*  
.....  
Date

