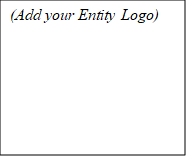
***Revised 30th June 2023***

**XXX COUNTY ASSEMBLY**

*(Indicate actual name of the County)*

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED**

**30TH JUNE 20xx**

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

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# Acronyms and Glossary of Terms

1. ***Acronyms***

ADP Annual Development Plan

AIE Authority to Incur Expenditure

CA County Assembly

CARA County Allocation of Revenue Act

CECM County Executive Committee Member

CE County Executive

CG County Government

CIDP County Integrated Development Plan

CRA Commission on Revenue Allocation

CRF County Revenue Fund

CT County Treasury

IPSAS International Public Sector Accounting Standards

MCA Member of County Assembly

OCOB Office of the Controller of Budget

OAG Office of the Auditor General

PFM Public Finance Management

PSASB Public Sector Accounting Standards Board

NT National Treasury

WB World Bank

Kshs            Kenya Shillings

1. ***Glossary of Terms***

Comparative FY Means the financial year preceding the current financial year.

*(This list is an indication of acronyms and key terms; the County Assembly should include all from the annual report and financial statements prepared)*

# Key Entity Information and Management

1. **Background information**

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

1. **Key Management Team**

The *entity’s* day-to-day management is under the following key organs:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Speaker of the County Assembly | **-** |
| 2. | Clerk of the County Assembly | **-** |
| 3. | Head of Departments | **-** |
| 4. |  | **-** |

1. **Fiduciary Management**

The key management personnel who held office during the year ended XXXXXX and who had direct fiduciary responsibility were:

| **No.** | **Designation** | **Name** |
| --- | --- | --- |
| 1. | Accounting Officer- Clerk | **-** |
| 2. | Chief Finance Officer | **-** |
| 3. | Principal Accountant | **-** |
| 4. |  | **-** |

**Key Entity Information and Management (Continued)**

1. **Fiduciary Oversight Arrangements**

*Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):*

* *Audit committee activities*
* *Finance committee activities*
* *Public Accounts and Investment committee*
* *Budget and Appropriation committee*

1. **Entity Headquarters**

P.O. Box XXXXX

XXX Building/House/Plaza

XXX Avenue/Road/Highway

**NAIROBI, KENYA**

1. **Entity Contacts**

Telephone: (254) XXXXXXXX

E-mail: xxxx@xxx.com

Website: xxx.go.ke

1. **Entity Bankers**
2. Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

**NAIROBI, KENYA**

1. Other Commercial Banks

***(List details of other commercial banks*)**

1. **Independent Auditor**

Auditor General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

**NAIROBI, KENYA**

1. **Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

1. **County Attorney**

*(List details of other County Attorneys if any.)*

# Governance Statement

**The County Assembly**

The County Assembly is constituted by the MCAs of xxx county government. It is headed by the Speaker who is elected by the MCAs. The speaker is also the chairperson of the county assembly service board while the county assembly clerk is the secretary.

Section 10 (4) of the county governments 2012 provides that a county assembly shall observe the following order of precedence.

1. The speaker of the county assembly.
2. The leader of the majority party; and
3. The leader of the minority party.

The Roles of the county assembly are outlined in Section 8 of the County Governments Act 2012 and they include:

1. Vet and approve nominees for appointment to county public office as may be provided for in this Act or any other law.
2. Perform the roles set out under Article 185 of the Constitution.
3. Approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution.
4. Approve the borrowing by the county government in accordance with Article 212 of the Constitution.
5. Approve county development planning; and
6. Perform any other role as may be set out under the Constitution or legislation.

The County Assembly Executes its mandate, through committees which are broadly classified into two.

1. **Select Committees**

Select committees are generally responsible for overseeing the work of government departments and agencies.

1. **Sectoral Committees**

The mandate of Sectoral Committees is in respect to the subject matter assigned by the Standing Orders and is exercised within the limits contemplated under Part 2 of the Fourth Schedule to the Constitution.

The County Assembly has the following Select and Sectoral committees:

1. Committee of Powers and Privileges
2. Audit Committee
3. Public Accounts/Investment Committee
4. Budget and Appropriations Committee
5. Xxx committee
6. **Committee of Powers and Privileges**

There is established committee known as the Committee of Powers and Privileges consisting of the Speaker, who shall be the chairperson of the Committee; and such other members of the county assembly as may be provided in the Standing Orders of the county assembly. The functions of the Committee of Powers and Privileges shall be to inquire into the conduct of a member whose conduct is alleged to constitute a breach of privileges accorded to the county assembly members by any legislation or standing orders and perform such other functions as may be specified by enabling legislation. The committee held xxx meetings in FY 20xx. The committee members during FY 20xx were:

|  |  |  |
| --- | --- | --- |
| **Member** | **Designation** | **Ward** |
|  |  |  |
|  |  |  |

1. **Audit Committee**

The audit committee was constituted in xxx. Its mandate is to advise the County Government on institutional risk management and compliance. The committee held xxx meetings in FY 20xx. The committee members during FY 20xx were:

|  |  |
| --- | --- |
| **Member** | **Designation** |
|  |  |
|  |  |

1. **Public Accounts/Investment Committee**

The committee was formed to provide oversight on the County’s finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held xxx extra sittings to deal with arising matters. The members who served in the committee during the year were:

|  |  |  |
| --- | --- | --- |
| **Member** | **Designation** | **Ward** |
|  |  |  |
|  |  |  |

1. **Budget and Appropriations Committee**

The budget and appropriations committee provides guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

|  |  |  |
| --- | --- | --- |
| **Member** | **Designation** | **Ward** |
|  |  |  |
|  |  |  |

1. **Xxx Committee**

The xxx committee provides guidance for xxx. *(Explain the functions of the committee in the same format as above)*

|  |  |  |
| --- | --- | --- |
| **Member** | **Designation** | **Ward** |
|  |  |  |
|  |  |  |

In addition to the above committees of the County Assembly, the County Assembly has an independent Audit Committee which was constituted in xxx to comply with the PFM (County Government) regulations (2015) on the formation of audit committees for all Counties.

**Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held an Annual consultative meeting in xxx where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County’s service delivery charter.

The County Assembly also subjected xxx bills through public participation (*a table with the bills may be included)*

**Risk management**

* Are there effective arrangements for risk management and internal control?
* Are there formal processes to identify and assess risks?
* Are there formal processed to analyse risks as a basis for how they should be managed?
* Are there formal processes to assess changes in the internal and external environments which could give rise to risks?
* Risks identified and analysed in the period and how they were managed.

**Compliance**

The entity should identify the relevant laws and regulations that governs it and disclose its compliance to these laws. There should also be a disclosure whether reports emanating from such compliance are prepared and discussed at the relevant levels or other government offices.

# Foreword By the Clerk of The Assembly

*Put the foreword note by the Clerk of the County Assembly.*

*Include the following among others:*

* 1. **Budget performance**

Here explain how the County Assembly has performed in terms of its budget against actual amounts for year based on programmes. *(Under this section, include tables, graphs, pie charts and detailed explanation of budget utilisation and execution)*

* 1. **Operational Performance**

*Under this section, include:*

1. How many laws and policies were passed by the Members of the Assembly during the and how they areexpected to improve efficiency of operations at the County Government as well as benefit the population of the County.
2. Indicate the process of dates when the County Budget was passed including the supplementary budgets.
3. Indicate the names of the Assembly committees, their mandates and highlight successes over the period.
4. Include highlights on the oversight role of the County Assembly.
   1. **Performance of key development projects**
5. Give a narrative on physical progress based on outputs, outcomes and impacts of major programmes of the County Assembly. These largely borrow from the key development projects that the County Assembly planned to undertake.
6. List the key development projects included in the Assembly’s strategic plan, procurement plan and work plan and indicate the progress made and how if completed, will improve the effectiveness and efficiency of operations.
7. Describe efforts outlined to ensure responsible competition practices (issues include Anti-corruption, responsible political involvement, fair competition, respect for competitors and their products. Efforts by the County Assembly to treat its own suppliers responsibly (honouring contracts, respecting payment schedules etc.)
   1. **Comment on value-for-money achievements**

Give specific examples of how some of the projects undertaken as listed above have positively improved the lives of the citizens of the County.

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community engagement [cause related marketing etc

* 1. **Challenges and Recommended Way Forward**

Here list some of the implementation challenges of strategic objectives for the County Assembly and recommended way forward.

What were the key factors that caused the county assembly not to fully achieve its goals and how can these be handled in order to get the Assembly’s key development agenda back on track? *E.g. effect the economy on the activities of the Assembly .*Indicate the future outlook of the County Assembly as laid out in the strategic plan. Highlight policies put in place to ensure employee welfare in the assembly ranging from hiring, gender ratio, assembly’s approach on improving employee skills, safety at work and employee turnover if it’s a challenge.

|  |
| --- |
| **………………………………………** |
| **Name:** |
| **Clerk of the County Assembly** |

# Statement Of Performance Against County Assembly Predetermined Objectives

**Guidance**

*Refer to the assembly’s program on oversight, representation, and legislation. Report on bills enacted. Borrow objective from the County Assembly Program based budget.*

*Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.(This guidance should be removed in the final set of financial statements)*

**Strategic development objectives** (***Customize as per specific County Assembly)***

The key mandate of the County Assembly of XXXX is legislation, oversight, and representation. To achieve this, the Assembly’s program was documented in terms of objective, key performance indicators, and output. Below is the performance of the Assembly in FY 20xx.

*(NB: entities may use a presentation format more relevant to their operations or use the table below)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program 1** | **Objective** | **Outcome** | **Indicator** | **Performance** | ***Remarks (Explain***  ***the***  ***reasons underperformance/ Overperformance*** |
| Legislation, oversight and representation | XX Bills passed into Acts of the County Assembly | Improved service delivery to citizens | No of bills passed in the County Assembly | In FY 20XX xx number of bills were passed xxx |  |
| Enhanced professional development of MCAs – Review standing orders | Review standing orders | % Increase in efficient Assembly operation | XX standing orders were reviewed and resulted to xxx |  |
| **Program 2** | **xxx** | **xxx** | **xxx** |  | **xxx** |

# Corporate Social Responsibility Statement/Sustainability Reporting

**(Two-to-three pages)**

1. **Sustainability strategy and profile –**

*Include an Introductory paragraph on the main mandate of the organization and its strategy on sustainability. Sustainability being the ability to maintain or continue offering services to the citizens of the country over the long- term. The entity should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.*

1. **Environmental performance**

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation’s products.

1. **Employee welfare**

Give account of the policies guiding the hiring process and whether they consider the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.). How is the entity treating its staff to ensure that talent is retained to continue offering the services needed by the citizenry.

1. **Market place practices-**

The organisation should outline its efforts to:

1. **Responsible Supply chain and supplier relations-**

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

1. **Responsible ethical practices-**

Corruption free environment

1. **Stewardship of goods and services**

Outline efforts to safeguard the rights and interests of its citizens.

1. **Community Engagements**

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community social responsibility The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, and water and sanitation initiatives)

# Statement Of Management Responsibilities

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly’s financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 20xx. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Assembly; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Clerk is of the opinion that the County Assembly’s financial statements give a true and fair view of the state of the County Assembly’s transactions for the year ended June 30, 20xx, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The County Government’s financial statements were approved and signed by the Clerk of the County Assembly on \_\_\_\_\_\_\_\_\_\_\_\_ 20xx.

|  |
| --- |
| **………………………………………** |
| **Name:** |
| **Clerk of the County Assembly** |

# Report Of the Independent Auditor County Assembly of xxx for the year ended 30th June 20xx

# Statement of Receipts and Payments for The Year Ended 30th June 20xx

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Insert current FY** | **Insert Comparative FY\*** |
|  | **Note** | **KShs** | **KShs** |
| **Receipts** |  |  |  |
| Transfers from the CRF | 1 | xxx | xxx |
| Proceeds from sale of assets | 2 | xxx | xxx |
| Miscellaneous receipts | 3 | xxx | xxx |
| **Total receipts** |  | xxx | xxx |
|  |  |  |  |
| **Payments** |  |  |  |
| Compensation of employees | 4 | xxx | xxx |
| Use of goods and services | 5 | xxx | xxx |
| Subsidies | 6 | xxx | xxx |
| Transfers to other government entities | 7 | xxx | xxx |
| Other grants and transfers | 8 | xxx | xxx |
| Social security benefits | 9 | xxx | xxx |
| Acquisition of assets | 10 | xxx | xxx |
| Finance costs | 11 | xxx | xxx |
| Other payments | 12 | xxx | xxx |
| **Total payments** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Surplus/deficit** |  | **xxx** | **xxx** |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| **……………………………….** | **…………………………………** |
| **Name:** | **Name:** |
| **Clerk of the Assembly** | **Chief Finance Officer – County Assembly** |
|  | **ICPAK Member Number:** |

\**Comparative FY means the financial year preceding the current financial year.*

# Statement Of Financial Assets and Liabilities As At 30th June 20xx

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Insert current FY** | **Insert Comparative FY** |
| **Financial assets** | **Note** | **KShs** | **KShs** |
|  |  |  |  |
| **Cash and cash equivalents** |  |  |  |
| Bank balances | 13A | - | - |
| Cash balances | 13B | - | - |
| **Total cash and cash equivalents** |  | **-** | **-** |
| Imprests and Advances | 14 | - | - |
|  |  |  |  |
| **Total financial assets** |  | **-** | **-** |
|  |  |  |  |
| **Financial liabilities** |  |  |  |
| Third party deposits and retention | 15 | - | - |
|  |  |  |  |
| **Net financial assets** |  | **-** | **-** |
|  |  |  |  |
| **Represented by** |  |  |  |
|  |  |  |  |
| Fund balance b/fwd | 16 | - | - |
| Prior year adjustment | 17 | - |  |
| Surplus/(deficit) for the year |  | - | - |
|  |  |  |  |
| **Net Financial Position** |  | **-** | **-** |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| **………………………………….** | **……………………………………..** |
| **Name:** | **Name:** |
| **Clerk of the Assembly** | **Chief Finance Officer – County Assembly** |
|  | **ICPAK Member Number:** |

# Statement Of Cash Flows for The Period Ended 30th June 20xx

|  |  | **Insert Current FY** | **Insert Comparative FY** |
| --- | --- | --- | --- |
|  | **Note** | **KShs** | **KShs** |
| **Cash flows from operating activities** |  |  |  |
| **Receipts from operating income** |  |  |  |
| Transfers from the CRF | 1 | xxx | xxx |
| Miscellaneous receipts | 3 | xxx | xxx |
| Total receipts from operating income |  | **xxx** | **xxx** |
| **Payments for operating expenses** |  |  |  |
| Compensation of employees | 4 | xxx | xxx |
| Use of goods and services | 5 | xxx | xxx |
| Subsidies | 6 | xxx | xxx |
| Transfers to other government entities | 7 | xxx | xxx |
| Other grants and transfers | 8 | xxx | xxx |
| Social security benefits | 9 | xxx | xxx |
| Finance costs | 11 | xxx | xxx |
| Other payments | 12 | xxx | xxx |
| Total payments for operating expenses |  | xxx | xxx |
| **Net receipts/(payments) from operating activities** |  | **xxx** | **xxx** |
| **Adjusted for:** |  |  |  |
| Prior year adjustment | 17 | xxx | xxx |
| Decrease/(increase) in accounts receivable: | 18 | xxx | xxx |
| Increase/(decrease) in accounts payable: | 19 | xxx | xxx |
| **Net cash flows from operating activities** |  | **xxx** | **xxx** |
|  |  |  |  |
| **Cashflow from investing activities** |  |  |  |
| Proceeds from sale of assets | 2 | xxx | xxx |
| Acquisition of assets | 10 | (xxx) | (xxx) |
| **Net cash flows from investing activities** |  | **-** | **-** |
|  |  |  |  |
| **Cash flow From Financing Activities** |  |  |  |
| Repayment of principal on domestic and foreign borrowing |  | (xxx) | (xxx) |
| **Net cash flow from financing activities** |  | xxx | xxx |
| **Net increase in cash and cash equivalents** |  | xxx | xxx |
| **Cash & cash equivalent at Start of the year** |  | xxx | xxx |
| **Cash & cash equivalent at end of the year** |  | xxx | xxx |

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| ……………………………………… | ………………………………………… |
| **Name:** | **Name:** |
| **Clerk of the Assembly** | **Chief Finance Officer – County Assembly** |
|  | **ICPAK Member Number** |

# Statement Of Comparison of Budget & Actual Amounts: Recurrent and Development for year ended 30th June 20xx

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Receipt/expense item** | **Original Budget** | **Adjustments** | **Final Budget** | **Actual on Comparable Basis** | **Budget Utilization Difference** | **% of Utilization** |
|  | **a** | **b** | **c=a+b** | **d** | **e=c-d** | **f=d/c %** |
|  | Kshs | Kshs | Kshs | Kshs | Kshs |  |
| **Receipts** |  |  |  |  |  |  |
| Transfers from the CRF | - | - | - | - | - | - |
| Proceeds from sale of assets | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Payments** |  |  |  |  |  |  |
| Compensation of employees | - | - | - | - | - | - |
| Use of goods and services | - | - | - | - | - | - |
| Subsidies | - | - | - | - | - | - |
| Transfers to other government entities | - | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - | - |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of assets | - | - | - | - | - | - |
| Finance costs | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Surplus/ deficit** | **-** | **-** | **-** | **-** | **-** | **-** |

*(NB: in cases where the surplus/ deficit on actual basis does not agree with the surplus or deficit in the statement of receipts and payments, a reconciliation of these two statements should be prepared as required under IPSAS and presented hereunder).*

*[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization]*

1. *Xxxx*
2. *Xxxx*
3. *Xxxx*
4. *Xxxx*
5. *Xxxx*

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.7.23*). Where *the result of the statement of receipts and payments is a deficit, the Assembly should explain how the deficit was funded.*

The entity financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| ……………………………………….. | …………………………………………………. |
| **Name:** | **Name:** |
| **Clerk of the Assembly** | **Chief Finance Officer – County Assembly** |
|  | **ICPAK Member Number:** |

# 12A Statement of Comparison Of Budget & Actual Amounts: Recurrent for the year ended 30th June 20xx

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Receipt/expense item** | **Original Budget** | **Adjustments** | **Final Budget** | **Actual on Comparable Basis** | **Budget Utilization Difference** | **% of Utilization** |
|  | **a** | **b** | **c=a+b** | **d** | **e=c-d** | **f=d/c %** |
|  | Kshs | Kshs | Kshs | Kshs | Kshs |  |
| **Receipts** |  |  |  |  |  |  |
| Transfers from the CRF | - | - | - | - | - | - |
| Proceeds from sale of assets | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Payments** |  |  |  |  |  |  |
| Compensation of employees | - | - | - | - | - | - |
| Use of goods and services | - | - | - | - | - | - |
| Subsidies | - | - | - | - | - | - |
| Transfers to other government entities | - | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - | - |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of assets | - | - | - | - | - | - |
| Finance costs | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Surplus/ deficit** | **-** | **-** | **-** | **-** | **-** | **-** |

*[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization]*

1. *Xxxx*
2. *Xxxx*
3. *Xxxx*
4. *Xxxx*
5. *Xxxx*

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.7.23*)

The entity financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| …………………………………………… | …………………………………………………. |
| **Name:** | **Name:** |
| **Clerk of the Assembly** | **Chief Finance Office – County Assembly** |
|  | **ICPAK Member Number:** |

# 12B Statement Of Comparison of Budget & Actual Amounts: Development for the year ended 30th June 20xx

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Receipt/expense item** | **Original Budget** | **Adjustments** | **Final Budget** | **Actual on Comparable Basis** | **Budget Utilization Difference** | **% of Utilization** |
|  | **a** | **b** | **c=a+b** | **d** | **e=c-d** | **f=d/c %** |
|  | Kshs | Kshs | Kshs | Kshs | Kshs |  |
| **Receipts** |  |  |  |  |  |  |
| Transfers from the CRF | - | - | - | - | - | - |
| Proceeds from sale of assets | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Payments** |  |  |  |  |  |  |
| Compensation of employees | - | - | - | - | - | - |
| Use of goods and services | - | - | - | - | - | - |
| Subsidies | - | - | - | - | - | - |
| Transfers to other government entities | - | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - | - |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of assets | - | - | - | - | - | - |
| Finance costs | - | - | - | - | - | - |
| Other payments | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Surplus/ deficit** | **-** | **-** | **-** | **-** | **-** | **-** |

*[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization]*

1. *Xxxx*
2. *Xxxx*
3. *Xxxx*
4. *Xxxx*

(Explain *whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.7.23*)

The entity financial statements were approved on \_\_\_\_\_\_\_\_\_\_\_ 20xx and signed by:

|  |  |
| --- | --- |
| **……………………………………………..** | **…………………………………………………….** |
| **Name:** | **Name:** |
| **Clerk of the Assembly** | **Chief Finance Office – County Assembly** |
|  | **ICPAK Member Number**: |

# Budget Execution By Programmes And Sub-Programmes

| **Programme/Sub-Programme** | **Original Budget** | **Adjustments** | **Final Budget** | **Actual on comparable basis** | **% Budget utilization** |
| --- | --- | --- | --- | --- | --- |
|  | **20xx** | **20xx** | **20xx** | **20xx** | **20xx** |
|  | **Kshs** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| **Programme 1** | **-** | **-** | **-** | **-** | **-** |
| Sub-Programme 1 | **-** | **-** | **-** | **-** | **-** |
| Sub-Programme 2 | **-** | **-** | **-** | **-** | **-** |
| Sub-Programme 3 | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| **Programme 2** | **-** | **-** | **-** | **-** | **-** |
| Sub-Programme 1 | **-** | **-** | **-** | **-** | **-** |
| Sub-Programme 2 | **-** | **-** | **-** | **-** | **-** |
| Sub-Programme 3 | **-** | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| **Total** | **-** | **-** | **-** | **-** | **-** |

*(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic. Ensure this document is accurately presented to enable consolidation with other County Entities. The totals should tie with the combined budget statement).*

# Significant Accounting Policies

The Significant 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 third party 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 some classes of receivables and payables as outlined above.

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.

1. **Reporting entity**

The financial statements are for the ***xxx*** County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

1. **Recognition of receipts and payments**

**a) Recognition of receipts**

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

**Significant Accounting Policies (Continued)**

**i) Transfers from the Exchequer/ County Treasury**

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

**ii)Other Receipts**

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

**b) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**Significant Accounting Policies (Continued)**

1. **In-kind contributions**

In-kind contributions are donations that are made to the *entity* 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 *entity* 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.

1. **Third Party Payments**

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

1. **Cash and cash equivalents**

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

1. **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 20xx, this amounted to KShs xxx compared to KShs xxx in prior period as indicated on note xxx. *There were no other restrictions on cash during the year.*

**Significant Accounting Policies (Continued)**

1. **Imprests and Advances**

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.

1. **Third party deposits and retention**

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.

1. **Non-current assets**

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

1. **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 *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**Significant Accounting Policies (Continued)**

1. **Contingent Liabilities**

A contingent liability is:

* 1. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
  2. A present obligation that arises from past events but is not recognised because:

1. It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
2. 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 Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

1. **Contingent Assets**

The Entity 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 Entity 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.

**Significant Accounting Policies (Continued)**

1. **Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County Executive*’s* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on xxx for the period 1st July 20xx to 30 June 20xx as required by law. There was xxx number of supplementary budgets passed in the year. A high-level assessment of the County Executive*’s* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

1. **Comparative figures**

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

1. **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.

1. **Prior Period Adjustment**

During the year, errors that have been corrected are disclosed *under note 26* explaining the nature and amounts.

1. **Related Party Transactions**

Related party means parties are related if one party has the ability to:

1. Control the other party or
2. Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Relates party transaction is a transfer of resources of obligations between related parties regardless of whether a price is charged.

# Notes to the Financial Statements

### Transfer From CRF

|  |  |  |
| --- | --- | --- |
|  | **Insert Current**  **FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Transfers from the county treasury for Q1 | xxx | xxx |
| Transfers from the county treasury for Q2 | xxx | xxx |
| Transfers from the county treasury for Q3 | xxx | xxx |
| Transfers from the county treasury for Q4 | xxx | xxx |
| **Cumulative amount** | **xxx** | **xxx** |

*(A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in note XXXX of this report.)*

### Proceeds From Sale of Assets

|  |  |  |
| --- | --- | --- |
|  | **Insert Current**  **FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Receipts from the Sale of Buildings | xxx | xxx |
| Receipts from the Sale of Vehicles and Transport Equipment | xxx | xxx |
| Receipts from the Sale Plant Machinery  and Equipment | xxx | xxx |
| Receipts from Sale of Certified Seeds and Breeding Stock | xxx | xxx |
| Receipts from the Sale of Strategic Reserves Stocks | xxx | xxx |
| Receipts from the Sale of Inventories, Stocks and Commodities | xxx | xxx |
| Disposal and Sales of Non-Produced Assets | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes to the Financial Statements**

### Miscellaneous receipts

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Insurance Recoveries | xxx | xxx |
| Other receipts (specify)\* | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*\*(Give a brief description of other receipts including write backs and recoveries where applicable)*

### Compensation Of Employees

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Basic salaries of permanent employees | xxx | xxx |
| Basic wages of temporary employees | xxx | xxx |
| Personal allowances paid as part of salary | xxx | xxx |
| Personal allowances paid as reimbursements | xxx | xxx |
| Personal allowances provided in kind | xxx | xxx |
| Employer contribution to compulsory national social schemes | xxx | xxx |
| Employer contribution to compulsory national health insurance schemes | xxx | xxx |
| Pension and other social security contributions | xxx | xxx |
| Social benefit schemes outside government | xxx | xxx |
| Other personnel payments | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Explain what other personnel costs relate to.)*

**Notes To The Financial Statements (Continued)**

### Use Of Goods And Services

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Utilities, supplies and services | xxx | xxx |
| Communication, supplies and services | xxx | xxx |
| Domestic travel and subsistence | xxx | xxx |
| Foreign travel and subsistence | xxx | xxx |
| Printing, advertising and information supplies & services | xxx | xxx |
| Rentals of produced assets | xxx | xxx |
| Training expenses | xxx | xxx |
| Hospitality supplies and services | xxx | xxx |
| Insurance costs | xxx | xxx |
| Specialized materials and services | xxx | xxx |
| Office and general supplies and services | xxx | xxx |
| Fuel, oil and lubricants | xxx | xxx |
| Other operating expenses *(Include Bank charges)* | xxx | xxx |
| Routine maintenance – vehicles and other transport equipment | xxx | xxx |
| Routine maintenance – other assets | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

### Subsidies

|  |  |  |
| --- | --- | --- |
| **Description** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Subsidies To County Corporations |  |  |
| *See List Attached* | xxx | xxx |
| (Insert Name) | xxx | xxx |
|  |  |  |
| Subsidies To Private Enterprises |  |  |
| *See List Attached* | xxx | xxx |
| (Insert Name) | xxx | xxx |
|  |  |  |
| **Total** | **xxx** | **xxx** |

(Provide explanations as to what subsidies relate to)

### Transfers To Other Government Entities

|  |  |  |
| --- | --- | --- |
| **Description** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| **Transfers to national government entities** | xx | xx |
|  |  |  |
| **Transfers to other county assembly entities** |  |  |
| Car loan scheme fund | xx | xx |
| Mortgage scheme/fund | xx | xx |
| Others (insert name of budget agency) | xx | xx |
|  |  |  |
| **Total** | **xxx** | **xxx** |

*(Provide the nature and purpose of transfers and are these transfers to be recovered. The transfers under this note should be that done to self-reporting entities)*

**Notes To The Financial Statements (Continued)**

### Other Grants And Transfers

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Scholarships and other educational benefits | xxx | xxx |
| Membership fees and dues and subscriptions to organizations | xxx | xxx |
| Emergency relief and refugee assistance | xxx | xxx |
| Subsidies to small businesses, cooperatives, and self employed | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Provide explanation as to what other grants and payments relate to and who is the beneficiary)*

### Social Security Benefits

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Government Pension and Retirement Benefits | xxx | xxx |
| Social Security Benefits | xxx | xxx |
| Employer Social Benefits | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Give explanations and distinguish between NSSF benefits and contributions made to other entities on behalf of staff.)*

**Notes To The Financial Statements (Continued)**

### Acquisition Of Assets

|  |  |  |
| --- | --- | --- |
| **Non- financial assets** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Purchase of buildings | xxx | xxx |
| Construction of buildings | xxx | xxx |
| Refurbishment of buildings | xxx | xxx |
| Construction of roads | xxx | xxx |
| Construction and civil works | xxx | xxx |
| Overhaul and refurbishment of construction and civil works | xxx | xxx |
| Purchase of vehicles and other transport equipment | xxx | xxx |
| Overhaul of vehicles and other transport equipment | xxx | xxx |
| Purchase of household furniture and institutional equipment | xxx | xxx |
| Purchase of office furniture and general equipment | xxx | xxx |
| Purchase of specialized plant, equipment and machinery | xxx | xxx |
| Rehabilitation and renovation of plant, machinery and equip. | xxx | xxx |
| Purchase of certified seeds, breeding stock and live animals | xxx | xxx |
| Research, studies, project preparation, design & supervision | xxx | xxx |
| Rehabilitation of civil works | xxx | xxx |
| Acquisition of strategic stocks and commodities | xxx | xxx |
| Acquisition of land | xxx | xxx |
| Acquisition of intangible assets | xxx | xxx |
| **Total acquisition of non- financial assets** | **xxx** | **xxx** |
|  |  |  |
| **Financial assets** |  |  |
| Domestic public non-financial enterprises | xxx | xxx |
| Domestic public financial institutions | xxx | xxx |
| **Total acquisition of financial assets** | xxx | xxx |
| **Total acquisition of assets** | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

### Finance Costs

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Interest payments on foreign borrowings | xxx | xxx |
| Interest payments on guaranteed debt taken over by govt | xxx | xxx |
| Interest on domestic borrowings (non-govt) | xxx | xxx |
| Interest on borrowings from other government units | xxx | xxx |
| **Total** | **xxx** | **xxx** |

(Provide detailed explanation on finance costs and whether they relate to borrowings on bank overdraft).

### Other Payments

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Budget Reserves | xxx | xxx |
| Civil Contingency Reserves | xxx | xxx |
| Other Payments | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Provide detailed explanations for other payments)*

**Notes To The Financial Statements (Continued)**

### Cash And Bank Balances

#### 13A. Bank Balances

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name Of Bank, Account Name & Currency** | **Account Number** | **Indicate whether Rec, Dev, Dep e.t.c** | **Insert Current FY** | **Insert Comparative FY** |
|  |  |  | **Kshs** | **Kshs** |
| *Name Of Bank, Account Name & Currency* |  | Development | xxx | xxx |
| *Name Of Bank, Account Name & Currency* |  | Recurrent | xxx | xxx |
| *Name Of Bank, Account Name & Currency* |  | Deposit |  |  |
| **Total** |  |  | **xxx** | **xxx** |

*Note: Amount should be as per amount in the cash book and bank reconciliation statements prepared for each account held. These balances do not include bank balances for self-reporting entities and revenue collection accounts as at reporting date.*

#### 13B. Cash In Hand

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Cash In Hand – Held In Domestic Currency | xxx | xxx |
| Cash In Hand – Held In Foreign Currency | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

Cash in hand should be analysed as follows:

| **Description** | **Insert Current FY** | **Insert Comparative FY** |
| --- | --- | --- |
|  | **Kshs** | **Kshs** |
| Location 1 | xxx | xxx |
| Location 2 | xxx | xxx |
| Location 3 | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Provide locations where cash in hand is held e.g. head office, cashier’s office, cash office etc)*

### Imprests and Advances

|  |  |  |
| --- | --- | --- |
| ***Description*** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Government Imprests | xxx | xxx |
| Salary Advance | xxx | xxx |
| Clearance accounts | xxx | xxx |
| ***Total*** | **xxx** | **xxx** |

|  |  |  |
| --- | --- | --- |
| ***Breakdown Of Imprest And Salary Advance Per Department*** | **Insert Current FY** | **Insert Comparative FY** |
| ***Imprests*** | **Kshs** | **Kshs** |
| Department Xx | xxx | xxx |
| Department Xx | xxx | xxx |
| Department Xx | xxx | xxx |
| ***Sub-Total*** | **xxx** | **xxx** |
| ***Salary Advance*** |  |  |
| Department Xx | xxx | xxx |
| Department Xx | xxx | xxx |
| ***Sub-Total*** | **xxx** | **xxx** |
| ***Grand Total*** | **xxx** | **xxx** |

*\*See Annex 5 for a detailed analysis of the outstanding imprests.*

**Notes To The Financial Statements (Continued)**

### Third Party Deposits and Advances

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Insert Current FY** | | **Insert Comparative FY** | |
|  | **Kshs** | | **Kshs** | |
| Deposits | xxx | | xxx | |
| Retentions | xxx | | xxx | |
| **Total** | **xxx** | | **xxx** | |
|  |  | |  | |
| **Ageing analysis (third party deposits and advances)** | **Current FY** | **% of the Total** | **Comparative**  **FY** | **% of the Total** |
| Under one year | xxx | % | xxx | % |
| 1-2 years | xxx | % | xxx | % |
| 2-3 years | xxx | % | xxx | % |
| Over 3 years | xxx | % | xxx | % |
| **Total (tie to above total)** | **xxx** |  | **xxx** |  |

*(NB: Amount under deposits and retentions should tie to cash held in deposit account)*

### Fund Balance Brought Forward

|  |  |  |
| --- | --- | --- |
| **Description** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Bank Accounts | xxx | xxx |
| Cash In Hand | xxx | xxx |
| Imprests and advances | xxx | xxx |
| Third party deposits and retentions | (xxx) | (xxx) |
| **Total** | **xxx** | **xxx** |
| *Provide short appropriate explanations, as necessary. The fund balances brought forward refers to the previous financial year’s closing balances]* Prior Year Adjustments  |  |  |  |  | | --- | --- | --- | --- | |  | **Balance b/f from**  **Comparative FY as per audited financial statements** | **Adjustments**  **during the year relating to prior periods** | **Adjusted \*\***  **Balance b/f**  **For Comparative FY** | | **Description Of The Error** | **Kshs** | **Kshs** | **Kshs** | | Bank Account Balances | xxx | xxx | xxx | | Cash In Hand | xxx | xxx | xxx | | Imprests and advances | xxx | xxx | xxx | | Third party deposits and retention | xxx | xxx | xxx | | Others (*Specify*) | xxx | xxx | xxx | |  | xxx | xxx | xxx |   (prior period adjustment applies to the correction of an error in the financial statements of a prior period. *Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)* | | |

### Changes In Imprests and Advances

|  |  |  |
| --- | --- | --- |
| **Description** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Opening Imprests and Advances As At 1st July 20xx | xxx | xxx |
| Closing Imprests and Advances As At 30th June 20xx | xxx | xxx |
| Change In Imprests and Advances | **xxx** | **xxx** |

### Changes In Third Party Deposits and Retentions

|  |  |  |
| --- | --- | --- |
| **Description** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Opening Third Party Deposits and Retention As At 1st July 20xx | xxx | xxx |
| Closing Third Party Deposits and Retention As At 30th June 20xx | xxx | xxx |
| Change In Third Party Deposits and Retention | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

### Other Disclosures

### Pending Accounts Payable (See Annex 1)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Balance b/f**  **Insert Comparative FY** | **Additions for the year** | **Paid during the year** | **Balance c/f**  **(insert current FY** |
| **Description** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Construction Of Buildings | xxx | xxx | (xxx) | xxx |
| Construction Of Civil Works | xxx | xxx | (xxx) | xxx |
| Supply Of Goods | xxx | xxx | (xxx) | xxx |
| Supply Of Services | xxx | xxx | (xxx) | xxx |
| **Total** | **xxx** | **xxx** | **(xxx)** | **xxx** |

### Pending Staff Payables (See Annex 2)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Balance b/f**  **Insert Comparative FY** | **Additions for the year** | **Paid during the year** | **Balance c/f**  **(insert current FY** |
| **Description** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Senior Management | xxx | xxx | (xxx) | xxx |
| Middle Management | xxx | xxx | (xxx) | xxx |
| Unionisable Employees | xxx | xxx | (xxx) | xxx |
| Others | xxx | xxx | (xxx) | xxx |
| **Total** | **xxx** | **xxx** | **(xxx)** | **xxx** |

**Notes To The Financial Statements (Continued)**

### Other Pending Payables (See Annex 3)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Balance b/f**  **Insert Comparative FY** | **Additions for the year** | **Paid during the year** | **Balance c/f**  **(insert current FY** |
| **Description** | **Kshs** | **Kshs** | **Kshs** | **Kshs** |
| Amounts due to National Government entities | xxx | xxx | (xxx) | xxx |
| Amounts due to County Government entities | xxx | xxx | (xxx) | xxx |
| Amounts due to third parties | xxx | xxx | (xxx) | xxx |
| **Total** | **xxx** | **xxx** | **(xxx)** | **xxx** |

*(Provide explanations for the prior year adjustments made, their nature and effect on the fund balance of the County)*

### External Assistance

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| External assistance received in cash | xxx | xxx |
| External assistance received as loans and grants | xxx | xxx |
| External assistance received in kind- as payment by third parties | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Total here to tie to line 2 of note 4)*

***a) External assistance relating loans and grants***

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| External assistance received as loans | xxx | xxx |
| External assistance received as grants | xxx | xxx |
| **Total** | **xxx** | **xxx** |

**Notes To The Financial Statements (Continued)**

*b)* ***Undrawn external assistance***

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Purpose for which the undrawn external assistance may be used** | **Insert Current FY** | **Insert Comparative FY** |
| **Description** |  | **Kshs** | **Kshs** |
| Undrawn External Assistance - Loans |  | xxx | xxx |
| Undrawn External Assistance - Grants |  | xxx | xxx |
| **Total** |  | **xxx** | **xxx** |

*(This is a disclosure of the assistance not yet received as per donor agreements)*

***c) Classes of providers of external assistance***

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| Multilateral Donors | xxx | xxx |
| Bilateral Donors | xxx | xxx |
| International Assistance Organization | xxx | xxx |
| NGOs | xxx | xxx |
| National Assistance Organization | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Provide details for external assistance e, g.* Economic development or welfare *objective, Emergency relief, Trading activities etc. The total here should tie to totals of note 4))*

**Notes To The Financial Statements (Continued)**

***d. Non-Monetary External Assistance***

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| Goods | xxx | xxx |
| Services | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc.*

*N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement. The totals here tie with line 3 of note 4.)*

***e.*** ***Purpose and use of external assistance.***

|  |  |  |
| --- | --- | --- |
| **Payments Made By Third**  **Parties** | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| Compensation Of Employees | xxx | xxx |
| Use Of Goods and Services | xxx | xxx |
| Subsidies | xxx | xxx |
| Transfers To Other Government Units | xxx | xxx |
| Other Grants and Transfers | xxx | xxx |
| Social Security Benefits | xxx | xxx |
| Acquisition Of Assets | xxx | xxx |
| Finance Costs, Including Loan Interest | xxx | xxx |
| Repayment Of Principal On Domestic &  Foreign Borrowing | xxx | xxx |
| Other Payments | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used. (The total here should tie to the note 4 on external assistance)*

**Notes To The Financial Statements (Continued)**

***f. External Assistance paid by Third Parties on behalf of the Entity by Source***

*This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity*

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| National Government | xxx | xxx |
| Multilateral Donors | xxx | xxx |
| Bilateral Donors | xxx | xxx |
| International Assistance Organization | xxx | xxx |
| NGOs | xxx | xxx |
| National Assistance Organization | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(This note should tie to line 3 of note 4 on external assistance)*

### PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY ASSEMBLY

*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.*

***5.1 Classification by Source***

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| National government | xxx | xxx |
| Multilateral donors | xxx | xxx |
| Bilateral donors | xxx | xxx |
| International assistance organization | xxx | xxx |
| NGOs | xxx | xxx |
| National Assistance Organization | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*(Third party payments may be done by other entities that are not providers of external assistance)*

**Notes To The Financial Statements (Continued)**

***5.2 Classification of payments made by Third Parties by Nature of expenses.***

|  |  |  |
| --- | --- | --- |
| **Payments made by third parties** | **Insert Current FY** | **Insert Comparative FY** |
| **Description** | **Kshs** | **Kshs** |
| Compensation of employees | xxx | xxx |
| Use of goods and services | xxx | xxx |
| Subsidies | xxx | xxx |
| Transfers to other government units | xxx | xxx |
| Other grants and transfers | xxx | xxx |
| Social security benefits | xxx | xxx |
| Acquisition of assets | xxx | xxx |
| Finance costs, including loan interest | xxx | xxx |
| Other payments | xxx | xxx |
| **Total** | **xxx** | **xxx** |

*N/B The above subclassification will be adopted based on the appropriate county’s operations.*

### Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The following comprise of related parties to the County Assembly:

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

**Related party transactions:**

|  |  |  |
| --- | --- | --- |
|  | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| **Compensation to Key Management** |  |  |
| Compensation to the Speaker, Deputy Speaker and  the MCAs | xxx | xxx |
| Key Management Compensation (Clerk and Heads  of departments) | xxx | xxx |
| **Total Compensation to Key Management** | **xxx** | **xxx** |
| **Transfers to related parties** |  |  |
| Transfers to other County Government Entities such  as car and mortgage schemes | xxx | xxx |
| Transfers to other entities under the Assembly | xxx | xxx |
| **Total Transfers to related parties** | **xxx** | **xxx** |
| **Transfers from related parties** |  |  |
| Transfers from the CRF | xxx | xxx |
| Payments made on behalf of the County Assembly by  other Government Agencies | xxx | xxx |
| (Insert any other transfers received) | xxx | xxx |
| **Total Transfers from related parties** | **xxx** | **xxx** |

### Contingent Liabilities

|  |  |  |
| --- | --- | --- |
| **Contingent liabilities** | **Insert Current FY** | **Insert Comparative FY** |
|  | **Kshs** | **Kshs** |
| Court case xxx against the entity | xxx | xxx |
| Bank guarantees in favour of subsidiary | xxx | xxx |
| contingent liabilities arising from PPPs | xxx | xxx |
| **Total** | **xxx** | **xxx** |

***(Give details- Update ANNEX 8 Contingent liabilities register)***

# Progress On Follow On Prior Year Auditor’s Recommendations

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

| **Reference No. on the external audit Report** | **Issue / Observations from Auditor** | **Management comments** | **Status:**  ***(Resolved / Not Resolved)*** | **Timeframe:**  ***(Put a date when you expect the issue to be resolved)*** |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

***Guidance Notes:***

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

|  |
| --- |
| **…………………………………………….** |
| **Clerk of the County Assembly** |
| **Date** |

# Annexes

**Annex 1 – Analysis Of Pending Accounts Payable**

| **Supplier of Goods or Services** | **Date invoiced/**  **contracted** | **Particulars** | **Original Amount** | **Balance at the beginning of the year** | **Addition During the year** | **Amount paid During the year** | **Outstanding Balance** |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | a | b | c | d=a+b-c |  |
| **Construction Of Buildings** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Construction Of Civil Works** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Supply Of Goods** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Supply Of Services** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Grand Total** |  |  |  |  |  |  |  |
| Note: Pending bills comprise goods and services rendered and invoiced but not yet settled as at the end of the year. | | | | | | | |

**Annex 2 – Analysis Of Pending Staff Payables**

| **Name of Staff** | **Job Group** | **Date Contracted** | **Original Amount** | **Amount Paid To-Date** | **Outstanding Balance**  **Current FY** | **Outstanding Balance**  **Comparative FY** | **Comments** |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | a | b | c=a-b |  |  |
| Senior Management |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Sub-Total |  |  |  |  |  |  |  |
| Middle Management |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Sub-Total |  |  |  |  |  |  |  |
| Unionisable Employees |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Sub-Total |  |  |  |  |  |  |  |
| Others (*specify*) |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Grand Total** |  |  |  |  |  |  |  |

**Annex 3 – Analysis Of Other Pending Payables**

| **Name** | **Brief Transaction Description** | **Date Contracted** | **Original Amount** | **Amount Paid To-Date** | **Outstanding Balance**  **Current FY** | **Outstanding Balance**  **Comparative FY** | **Comments** |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | a | b | c=a-b |  |  |
| **Amounts Due To National Govt Entities** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Amounts Due To County Govt Entities** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Amounts Due To Third Parties** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Others (*Specify*)** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Sub-Total** |  |  |  |  |  |  |  |
| **Grand Total** |  |  |  |  |  |  |  |

**Annex 4 – Summary Of Non-Current Asset Register**

| **Asset class** | **Historical Cost b/f (Kshs)**  **Previous Year** | **Additions during the year**  **(Kshs)** | **Disposals during the year**  **(Kshs)** | **Transfers in/(out) during the year**  **(Kshs)** | **Historical Cost c/f**  **(Kshs)**  **20xx** |
| --- | --- | --- | --- | --- | --- |
| Land |  |  |  |  |  |
| Buildings and structures |  |  |  |  |  |
| Transport equipment |  |  |  |  |  |
| Office equipment, furniture and fittings |  |  |  |  |  |
| ICT equipment |  |  |  |  |  |
| Machinery and equipment |  |  |  |  |  |
| Biological assets |  |  |  |  |  |
| Infrastructure assets |  |  |  |  |  |
| Heritage and cultural assets |  |  |  |  |  |
| Intangible assets |  |  |  |  |  |
| Work in progress |  |  |  |  |  |
| **Total** |  |  |  |  |  |

*NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Assembly. Additions during the year should tie to* ***note 10*** *on acquisition of assets during the year. Ensure a complete fixed asset register is separately prepared in line with guidelines from The National Treasury.*

**Annex 5 –** **Analysis Of Accounts Receivables**

***(a)Government Imprest***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name Of Officer Or Institution** | **Date Imprest Taken** | **Amount Taken** | **Amount Surrendered** | **Balance** |
|  |  | **KShs** | **KShs** | **KShs** |
| Name Of Officer Or Institution | dd/mm/yy | xxx | xxx | xxx |
| Name Of Officer Or Institution | dd/mm/yy | xxx | xxx | xxx |
| Name Of Officer Or Institution | dd/mm/yy | xxx | xxx | xxx |
| Name Of Officer Or Institution | dd/mm/yy | xxx | xxx | xxx |
| **Total** |  |  |  | **xxx** |

***(b) Salary Advance***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Name of Officer*** | ***Date Advanced*** | ***Amount Advanced*** | ***Amount Recovered*** | ***Balance*** |
|  |  | ***Kshs*** | ***Kshs*** | ***Kshs*** |
| *Name Of Officer* | dd/mm/yy | xxx | xxx | xxx |
| *Name Of Officer* | dd/mm/yy | xxx | xxx | xxx |
| *Name Of Officer* | dd/mm/yy | xxx | xxx | xxx |
| *Name Of Officer* | dd/mm/yy | xxx | xxx | xxx |
| ***Total*** |  | **xxx** | **xxx** | **xxx** |

**Annex: 6 Reporting of Climate Relevant Expenditures**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Name** | **Project Description** | **Project Objectives** | **Project Activities** |  | | | | **Source Of Funds** | **Implementing Partners** |
|  |  |  |  | **Q1** | **Q2** | **Q3** | **Q4** |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
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**Annex 7 Reporting on Disaster Expenditure**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Column I** | **Column II** | **Column III** | **Column IV** | **Column V** | **Column VI** | **Column VII** |
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Annex 8: Contingent Liabilities Register**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Nature of contingent liability** | **Payable to** | **Currency** | **Estimated Amount Kshs** | **Expected date of payment** | **Remarks** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
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