

# REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF BOMET FOR THE YEAR ENDED 30 JUNE 2017

---

## REPORT ON THE FINANCIAL STATEMENTS

### Disclaimer of Opinion

I have audited the accompanying financial statements of Bomet County Executive set out on pages 7 to 43, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows, summary statements of appropriation: recurrent and development combined and budget execution by programmes and sub-programmes 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

In addition, as required by Article 229(6) of the Constitution, I have not been able to obtain sufficient appropriate audit evidence to confirm that public money has been applied lawfully and in an effective way.

### Basis for Disclaimer of Opinion

#### 1.0 Inaccuracies in the Financial Statements

##### 1.1 Trial Balance and General Ledger

The County Executive did not provide a general ledger and a trial balance and therefore the sources of the financial statement balances could not be verified. In the circumstance, it has not been possible to confirm whether the balances reported in the financial statements have been accurately derived from the records of the County financial transactions.

##### 1.2 Inaccuracies in the Statement of Receipts and Payments

The statement of receipts and payments for the year reflects different comparative figures from those certified in the financial year ended 30 June 2016 for the items detailed below.

Item	2016/2017 financial statements comparative figure (Kshs)	2015/2016 financial statements certified figure (Kshs)	Variance (Kshs)
Exchequer releases	4,241,393,250	4,706,893,250	-465,500,000
Proceeds from domestic and foreign grants	60,073,250	17,620,000	42,453,250

Item	2016/2017 financial statements comparative figure (Kshs)	2015/2016 financial statements certified figure (Kshs)	Variance (Kshs)
Transfers from other government entities	17,620,000	60,073,250	-42,453,250
Compensation of employees	1,803,097,789	2,029,072,192	-225,974,403
Use of goods and services	635,761,380	852,563,751	-216,802,371

Further, the comparative figures for proceeds from domestic and foreign grants and that of transfers from Other Government Entities have been interchanged while cross referencing notes are not correctly matched with figures.

Although these anomalies were discussed with the management, no adjustment or corrections have been done.

The statement of receipts and payments, therefore, is not fairly stated.

## 2.0 Cash and Bank Balances

### 2.1 Lack of Cash Book

During the period under review, cash transfers amounting to Kshs.650,974,214 and Kshs.25,830,033 were transferred from Central Bank of Kenya recurrent account number 1000171049 and development account number 1000170964 respectively using payee name Bomet County Government and Office of the Governor and Administration. However, no cash book was presented for audit review to identify the beneficiaries and to show how the cash transfers were accounted for. In the circumstance, it has not been possible to confirm the propriety of the cash expenditure.

### 2.2 Undisclosed Bank Account

Audit examination of Bomet County Imprest Account number 172413/500UCA00/1/0 maintained at Transnational Bank Limited, Bomet Branch revealed a closing bank balance of Kshs.5,963,707.17 as at 30 June 2017. However, the transactions via this account, the details of the bank account and the closing balance of Kshs.5,963,707.17 were not captured or disclosed in the financial statements for 2016/2017 financial year..

## 3.0 Outstanding Imprest

A sum of Kshs.134,871,104 issued as imprest had not been accounted for as at 30 June 2017 and the figure has not been disclosed in the financial statements. The break down in terms of departments is shown below:

Department	Amount (Kshs)
Office of the Governor	73,973,051
Finance and Economic Planning	23,118,900
Education	1,870,100
Water and Irrigation	1,905,252
Trade and Industry	7,736,861

Social Services	10,321,288
Roads	2,906,350
Lands	4,237,800
Health	2,443,050
Agribusiness	6,358,852
<b>Total</b>	<b>134,871,104</b>

#### 4.0 County Own Generated Receipts

##### 4.1 Budgeted Receipts

The budget for county own generated receipts was Kshs.274,724,577. During the year under review, county own generated receipts stood at Kshs.234,230,199 against the previous year's receipts of Kshs.165,717,831 indicating a growth of Kshs.68,512,368.

##### 4.2 Loss of Revenue from Land rates

During the year under review, the County Executive had budgeted to collect land rates amounting to Kshs.25,489,586 from tea companies within the County but only collected Kshs 28,506,619 or 112% of the budget. A review of the budget revealed that the County Executive did not budget land rates from Sotik Tea Company although an amount of Kshs.3,846,410 was collected from the company. However, the amount collected was less than the amount charged to the company of Kshs.4,442,035 resulting to an explained variance of Kshs.595,625.

Further, it was noted that the tea companies were undercharged land rates at 1.3% of site value instead of 2.5%. Had the companies been charged the rate of 2.5%, the County Executive would have collected Kshs.55,965,998 resulting to loss of revenue from land rates of Kshs.27,863,680 as detailed below:

Tea Company	Budgeted Amount (Kshs)	Acreage in hectares	Site value (Kshs)	Expected charge at 2.5% (Kshs)	Actual charge at 1.3% (Kshs)	Undercharge (Kshs)	Actual Collection (Kshs)
Unilevr Tea Kenya	12,679,973	12,007.52 ha	960,601,760	24,015,044	12,487,822	12,527,222	12,487,822
Williamson Kenya Tea Ltd	3,302,206	2,701 ha	216,080,480	5,402,012	2,809,046	2,592,966	2,809,046
James Finlay	9,507,407	9,003 ha	720,262,664	18,006,567	9,363,341	8,643,152	9,363,341
Sotik Tea	0	3,694 ha	341,695,000	8,542,375	4,442,035	4,100,340	3,846,410
<b>Total</b>	<b>25,489,586</b>			<b>55,965,998</b>	<b>29,102,244</b>	<b>27,863,680</b>	<b>28,506,619</b>

In the circumstances, the revenue collected has been understated resulting to loss of revenue amounting to Kshs.27,863,680.

#### **4.3 Lack of Valuation Roll and Registers for Plot Rents and Town Rates**

The statement of receipts and payments reflects county own generated receipts of Kshs.5,915,334 under various fees for plot rates and town rates. However, arrears of Kshs.142,833,500 with an accrued interest of Kshs.27,014,783 have not been collected. In addition, there is no valuation report for the parcels of land which attract rates and therefore it was not possible to confirm whether the amount paid was calculated on the correct site values and acreage. In the circumstance, revenue amounting to Kshs.169,848,283 is outstanding.

#### **4.4 Unrealized Revenue on Fund Raising Events**

The revenue budget for fund raising events which was hire of stadium was Kshs.16,118,831 but the actual collection totaled Kshs.10,233,000 thereby resulting to under collection of revenue of Kshs.5,885,831. Its therefore appears that revenue from this category can be realized in full were proper controls to be put in place as the collection rate attained was 63.4 % of the amount budgeted.

#### **5.0 Compensation of Employees**

The statement of receipts and payments for the year ended 30 June 2017 reflects compensation of employee's expenditure of Kshs.2,181,569,537 against a budget of Kshs.2,181,853,562. The expenditure represents forty-one (41%) percent total expenditure of Kshs.5,312,514,971. The rate of forty-one (41%) of total expenditure may not be sustainable in the future unless strict controls are instituted.

In addition, examination of payroll records established that eight hundred and thirty-nine employees (839) with a monthly gross salary of Kshs.27,289,156 were employed during the financial year under review without approval of the County Public Service Board and confirmation of availability of budgetary provisions from the County Treasury. Further, Kshs.8,366,290 was paid as acting allowances in excess of the six months' period required by the Public Service Commission, Human Resource Policies and Procedures Manual.

#### **6.0 Use of Goods and Services**

##### **6.1 Misclassification of expenditure in Foreign Travel**

The statement of receipts and payments for the year ended 30 June 2017 reflects use of goods and services expenditure of Kshs.677,613,985. Included in this expenditure figure is foreign travel of Kshs.20,555,072. However, the schedule presented for audit shows expenditure totaling Kshs.28,427,832 and includes payments made to Jambostar properties amounting to Kshs.15,216,188. This expenditure relates to a contract for construction of modern kiosks at Sotik town through the Department of Lands and Urban Planning. The inclusion of this expenditure under foreign travel is a clear misclassification.

##### **6.2 Printing Advertising and Information Supplies**

The County Executive Supplementary budget for 2016-2017 had a provision of Kshs.45,339,159 for printing advertising and information supplies but actual expenditure reflected in the statement of receipts and payments amounts to Kshs.55,467,610 thereby resulting to an over expenditure of Kshs.10,128,451. The schedule presented for audit reflects an amount of Kshs.19,271,607 resulting to unsupported and unexplained difference of Kshs.36,196,003. In the circumstance, the whole expenditure of Kshs.55,467,610 on printing, advertising and information was not fully accounted for.

### **6.3 Unsupported Expenditure – Rentals of Produced Assets**

Audit examination on rentals of produced assets schedule as at 30 June 2017, established that payments for rents and rates, account code number 2210603 amounting to Kshs.19,597,170.20 were included in the schedule. However, no payment vouchers and lease agreements in support of these expenditures were presented for audit review.

In the circumstance, the expenditure of Kshs.19,597,170.20 on rent was not accounted for.

### **6.4 Training Expenses**

The statement of receipts and payments for the year ended 30 June 2017 reflects use of goods and services expenditure of Kshs.677,613,985. Included under use of goods and services expenditure is training expenditure of Kshs.47,434,085. The supporting schedule presented for audit had a figure of Kshs.43,544,400 resulting to an unexplained difference of Kshs.3,889,685. In addition, the County Executive did not provide the general ledger in support of transactions and therefore the details of payments totaling Kshs.43,544,400 could not be verified. In the circumstance, expenditure on training expenses amounting Kshs.47,434,085 could not be confirmed as fairly stated.

### **6.5 Specialized Materials and Services**

Note 11 to the financial statements reflects Kshs.54,100,784 as expenditure incurred on specialized materials and services. However, the specific account codes making the expenditure classification showed a figure of Kshs.92,397,527 thereby understating the statement of receipts and payments by Kshs.38,296,743. failure of the balances totalling has not been explained.

### **6.6 Maintenance of Vehicles and Other Transport Equipment**

During the year 2016-2017 financial year, the County Executive had an approved budget of Kshs.43,284,597 for maintenance of vehicles while the actual expenditure reported in the financial statement is Kshs.67,850,845 resulting to an over expenditure of Kshs.24,566,248 which has not been explained. In addition, there were no inspection reports provided for confirmation of the repairs. The expenditure could therefore not be authenticated.

### **6.7 Fuel and Lubricants**

During the financial year under review, the County Executive had a budget of Kshs.34,000,000 for refined fuel and lubricants against actual expenditure of Kshs.34,000,000 reported in Note 11 to the financial statements. However, no work tickets were produced to confirm how the fuel was consumed. In the circumstance, the expenditure of presented Kshs.34,000,000 on fuel, oil and lubricants could not be confirmed as fairly stated.

## **7.0 Transfers to Other Government Entities**

### **7.1 Bomet Integrated Development Program**

Note 13 to the financial statements reflects transfers to Bomet Integrated Development Program of Kshs.57,600,000. The budget for the year was Kshs.53,591,284 and therefore the reported transfer was exceeded by Kshs.4,008,716. Verification of the transfers against the bank statement for account number 01020067433800 maintained at National Bank Bomet branch revealed that only an amount of Kshs.42,000,000 was received and credited. However, records maintained at the County Treasury revealed that Kshs.73,000,000 was transferred to this program resulting to unreconciled difference of Kshs.31,000,000. In the circumstance, the reported amount of Kshs.57,600,000 could not be confirmed as fairly stated.

### **7.2 Transfers to Bomet Water Company**

The budget provision for Bomet Water Company support was Kshs.42,000,000, however records maintained and verified at the water company reflect actual transfers of Kshs.100,599,890 resulting to excess transfers of Kshs.58,599,890. In addition, Note 13 to the financial statements reflects Kshs.41,999,960 as having been transferred and therefore the difference of Kshs.58,599,930 could not be confirmed as having been received by the water company. In the circumstance, the excess transfers of Kshs.58,599,890 cannot be authenticated as duly approved.

### **7.3 Transfers to Cooperative Societies**

Note 13 reflects transfers to Cooperative Societies of Kshs.193,144,879 for capacity building against a budget of Kshs.180,716,490 resulting to an over expenditure of Kshs.12,428,389. It was however observed that the county executive has not enacted a legal framework to ensure accountability for these transfers as once the transfers a been made there is no feedback on the use. In addition, out of Kshs.193,144,879, only Kshs.21,713,289 was supported by payment vouchers leaving an amount of Kshs.171,431,590 unsupported.

### **7.4 Cash Transfer to Health Facilities**

The budget for cash transfers to health facilities was Kshs.173,246,286 against an actual transfers of Kshs.173,246,286 reported in Note 13 to the financial statements. Examination of Central Bank of Kenya bank statement number 100017104 revealed that out of the reported amount of Kshs.173,246,286, only Kshs.95,235,835 was confirmed as having been transferred. The balance of Kshs.78,010,451 could not be explained or

reconciled. In the circumstance, it has not been possible to confirm whether all the approved transfers to health facilities were received.

## **8.0 Social Security Benefits**

The statement of receipts and payments as at 30th June 2017, reflects Kshs.62,978,459 under social security benefits and as disclosed in Note 15 to the financial statements. However, payment vouchers subjected to audit review amount to Kshs.83,269,963 thereby resulting in understatement of social security benefits expenditure by Kshs.20,291,504 during the period under review.

## **9.0 Acquisition of Assets**

### **9.1 Construction of Roads**

Note 16 reports construction of roads expenditure of Kshs.324,777,408 against a budget of Kshs.227,501,474 resulting to over expenditure of Kshs.97,275,934. In the circumstance, the over expenditure could not be confirmed as having been duly approved.

### **9.2 Construction and Civil Works**

During the period under review, the reported construction and civil works was Kshs.185,841,855. However, the status of these construction and civil works could not be confirmed as no completion reports were presented for audit review. In addition, procurement records to show identification, selection and award of contractors were not presented for audit and therefore verification was not possible.

### **9.3 Construction of Buildings**

The reported expenditure for construction of buildings under Note 16 to the financial statements was Kshs.122,855,806 against a budget of Kshs.123,047,950. The supporting schedule provided for audit review had a figure of Kshs.70,572,267 resulting to unsupported and unexplained expenditure of Kshs.52,283,539. In the circumstance, expenditure on construction of buildings amounting Kshs.122,855,806 could not be confirmed as fairly stated.

### **9.4 Overhaul and Refurbishment of Construction and Civil Works**

The budget for overhaul and refurbishment of construction and civil works was Kshs.258,559,887 against reported actual expenditure of Kshs.249,427,814. The schedule in support of this expenditure had a total of Kshs.151,552,777 resulting to unsupported and accounted for expenditure of Kshs.97,875,037. In addition, comparison of the account codes to which the actual expenditure was charged with the budget revealed that payments totaling for which there was no budgetary provision Kshs.18,127,034 were made. Further, the schedule revealed that payments totaling Kshs.52,690,735 were paid in the name of various water projects. Site visits made indicate that the projects were not undertaken yet the schedule provided by the County Treasury includes these amount. It is therefore not clear how payments could be made in the name of non-existent projects. In the circumstance the expenditure of

Kshs.249,427,814 on overhaul and refurbishment of construction and civil works could not be confirmed as having been properly incurred and fairly stated.

### **9.5 Purchase of ICT Equipment**

Note 16 to the financial statements reflects Kshs.25,820,150 as amount incurred on the purchase of ICT equipment, software and other equipment. However, the payment vouchers presented for audit on the purchased ICT equipment amounts to Kshs.8,162,230 leading to a misstatement of the financial statement by Kshs.17,657,920 during the period under review.

### **9.6 Purchase of Specialized Equipment and Machinery**

According to the supplementary budget for the year 2016/2017, the County Executive allocated Kshs.109,982,000 on purchase of specialized plant, equipment and machinery. The statement of receipt and payments for the year ended 30 June 2017 reflects an amount of Kshs.92,397,527 in respect of purchase of specialized plant and equipment and machinery. No supporting schedules were provided for audit review. In the circumstance, the expenditure could not be confirmed as having been properly incurred.

### **9.7 Acquisition of Land**

The budget for acquisition of land was Kshs.16,000,000 against actual expenditure of Kshs.15,999,400. The lands purchased could not be confirmed as no documentary evidence was provided and no titles were produced for audit review. In the circumstance, it was not possible to confirm if any land was purchased.

### **9.8 Summary of Fixed Assets Register**

Annex 4 to the financial statements reflects summary of fixed assets register with a historical cost carried forward of Kshs.1,076,780,936. The historical cost brought forward was Kshs.905,827,079 indicating that additions during the year were Kshs.170,953,857. Although the register does not reflect additions made during the year, the statement of receipts and payments reflects acquisition of assets expenditure of Kshs.1,114,980,225. The acquisition of assets has not been included and therefore the summary of fixed assets register is understated. Further, no asset register was presented for audit verification.

### **10.0 Other Payments**

The statement of receipts and payments for the year ended 30 June 2017 reflects other payments of Kshs.136,875,391. However, no supporting schedule has been presented for audit review to confirm what comprises the other payments figure of Kshs.136,875,391. In the circumstances, the expenditure of Kshs.136,875,391 cannot be confirmed as a proper charge to public funds.

### **11.0 Pending Bills**

Annex 1 analysis of pending accounts payables reported a figure of Kshs.286,261,927.00 which has not been supported by invoices, fee notes, interim certificates, delivery notes and any other relevant documentation. In addition, the reported figure of



Kshs.286,261,927.00 has not been reconciled to the vote book figure of Kshs.600,512,838 for outstanding commitments. In the circumstance, the accuracy of the reported figure of Kshs.286,261,927,.00 cannot be confirmed.

## 12.0 Reported Expenditure not Matching Budget Codes

Expenditure totaling Kshs.889,589,345 was reported as incurred under various votes in IFMIS payment details and charged to account codes 2990105,6580101 and 6740101 as tabulated below:

Department/Vote	Account Code Charged			Total Amount (Kshs)
	2990105- Expenses (Kshs)	6580101- Cash (Kshs)	6740101- Prepayment (Kshs)	
Office of the Governor and Administration	10,034,295	508,544,067	78,384,855	<b>596,963,217</b>
Department of Education and Vocational Training	7,163,595	140,011,289	31,531,802	<b>178,706,686</b>
Department of Social Services	15,697,375	25,016,931	11,046,235	<b>51,760,541</b>
Department of Agribusiness, Cooperatives and Marketing	19,435,798	21,394,902	21,328,201	<b>62,158,901</b>
<b>Total</b>	<b>52,331,063</b>	<b>694,967,189</b>	<b>142,291,093</b>	<b>889,589,345</b>

However, the expenditure codes charged could not be matched with the budget codes and it therefore appears the expenditure was incurred and charged where there was no budgetary provision. The double entries to confirm how the payments were expensed has not been disclosed and therefore could not be confirmed. Further, payment vouchers have not supported the expenditure. In the circumstance, the expenditure could not be confirmed to have been properly charged and accounted for.

## 13.0 Unsupported Cash Clearings/ Withdrawals

Cash clearing payments totaling Kshs.997,976,562 as detailed below, were made during the year under review in various Departments as reported in IFMIS payment details report.

Department/Vote	Payee	Total Amount (Kshs.)
Office of the Governor and Administration		56,469,514
Department of Education and Vocational Training	Bomet County Government	153,327,515
Department of Water and Irrigation	Bomet County Government, Red Cross and Bomet Water Company	243,084,646

Department of Social Services	Bomet County Government	67,130,317
Department of ICT, Training and Industry	Bomet County Government	21,328,201.50
Department of Medical Services	Bomet County Government	312,803,298
Department of Lands, Urban Planning and Environment	Bomet County Government	143,833,070
<b>Total</b>		<b>997,976,562</b>

However, the cash clearing payments have not been supported by verifiable documentation such as payment vouchers and other supporting documents. In the absence of details, it is difficult to ascertain whether the transactions actually occurred and whether the payments were a proper charge to public funds.

## 14.0 Office of the Governor and Administration

### 14.1 Budget Performance

The office of the Governor was allocated a total of Kshs.1,094,124,767 (Kshs.99,800,000 development vote and Kshs.994,324,767). The actual expenditure incurred as recorded in the payment details report are analyzed as follows:

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	994,324,767	1,202,960,700	121
Development	99,800,000	107,754,551	108
<b>Total</b>	<b>1,094,124,767</b>	<b>1,310,715,251</b>	<b>120</b>

There was over expenditure in the recurrent vote of Kshs.208,635,933 and Kshs.7,954,551 in the development vote. The overall over expenditure was Kshs.216,590,484. The Office of the Governor exceeded the overall budget by twenty (20%) percent. Apparently financial control and budgetary discipline was not exercised well in this department.

### 14.2 Construction of Nyangores Ward Office

Construction of Nyangores ward office was awarded at a contract sum of Kshs.7,042,921. Verification of the works at Nyangores site revealed that there was no contractor on site and only five (5) courses of brick wall laying had been done and floor slab done. The project has been abandoned and it appears that no work will continue in the foreseeable future. There was no title deed presented to confirm ownership of the land and its acreage.

### 14.3 Construction of Kongasis Ward Office

Construction of Kongasis ward office was awarded and a payment of Kshs.2,196,350 was made. Verification of the site on 7 December 2017 revealed that no works were ongoing as the contractor was not on site, the project is abandoned and exhibits poor workmanship. There is no information to indicate the start and completion dates and no title deed to the land was produced to confirm ownership. The land is not fenced and guarded and therefore the works are prone to vandalism and deterioration due to adverse weather conditions especially rain. There are no procurement records to confirm identification, selection and award of the contract.

#### **14.4 Domestic Travel**

During the period under review, amounts totaling Kshs.8,702,777 were paid to Northwood Agencies Ltd and Chaka Ventures for hire of helicopters. However, no procurement records and local service orders were provided for review to confirm how the suppliers of the services were identified, selected and awarded. The journeys and eventual payments could not be presented for audit review.

#### **14.5 Foreign Travel**

The budget for foreign travel was Kshs.23,460,000 against an actual of Kshs.20,555,072. The schedule provided for audit revealed a total of Kshs.28,427,830 resulting to a difference of Kshs.7,872,758. Included in the schedule are payments to Northwood Agencies Ltd, Jambostar Properties and Chaka Ventures Ltd totaling Kshs.7,307,777, Kshs.15,216,188 and Kshs.1,395,000 respectively whose payment vouchers have not been presented for audit verification. In addition, no records of procurement were provided to confirm how these firms were identified, selected and awarded services by the County Executive in relation to foreign travel. In the circumstance, the reported foreign travel expenditure of Kshs.20,555,072 could not be confirmed as fairly stated.

#### **14.6 Public Participation Expenditure**

The budget for public participation under code 2211399 was Kshs.36,700,000 against reported expenditure of Kshs.74,451,930 in the payment details reported as per schedule attached. However, the public participation was not supported by participatory structures as defined in the regulations. The venues and invitations of persons did not adhere to any defined criteria and expenditure on hire of public address systems and tents were done through cash purchases without any adherence to the procurement law. The Kshs.74,451,930 was not supported as only payment vouchers totaling Kshs.15,652,350 were produced for audit review leaving Kshs.58,799,580. In the circumstance, the expenditure of Kshs.74,451,930 could not be confirmed as a proper charge to public funds.

### **15.0 Ministry of Finance and Economic Planning**

#### **15.1 Budget Performance**

The Department of Finance and Economic Planning was allocated Kshs.319,744,242 in the recurrent vote and Kshs.64,014,737 in the development vote resulting to a budgetary allocation of Kshs.383,758,979. The actual expenditure incurred as recorded in the payment details report is as analyzed in the table below.

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	319,744,242	483,539,238	151
Development	64,014,737	54,200,163	85
<b>Total</b>	<b>383,758,979</b>	<b>537,739,401</b>	<b>140</b>

There was over expenditure in the recurrent vote of Kshs.163,794,996 and Kshs.9,814,574 in the development vote. The Department of Finance and Economic Planning overspent its budget by forty (40%) percent which demonstrates lack of financial control as the custodian of financial resources in the County. No explanation has been given for the excess expenditure.

## 15.2 Unsupported Expenditure

Verification of recurrent appropriation vote against actual payment vouchers produced revealed that the Department incurred an expenditure of Kshs.101,838,796 against verified payment vouchers of Kshs.38,467,263 resulting to unsupported expenditure of Kshs.63,371,533 as tabulated below:

<b>Item</b>	<b>Incurred</b>	<b>Verified Payment Vouchers</b>
	<b>Kshs</b>	<b>Kshs</b>
Electricity	15,255,353	5,829,486
Domestic Travel	3,758,180	777,800
Subsistence Allowance	1,829,500	483,200
Domestic Travel	7,280,325	1,423,250
Catering Services	3,466,160	527,400
Board and Committees	2,077,330	727,320
Insurance Vehicles	22,113,138	14,706,221
Fuel and Lubricants	34,444,110	11,028,436
Other Operating Expenses	4,996,800	913,750
Management of Disaster	6,617,900	2,050,400
<b>Total</b>	<b>101,838,796</b>	<b>38,467,263</b>

## 16.0 Ministry of Roads, Public Works and Transport

### 16.1 Budget Performance

The Department of Roads, Public Works and Transport had a budgetary allocation of Kshs.460,662,571 comprised of Kshs.132,050,763 in the recurrent vote and Kshs.328,611,808 in the development vote. The actual expenditure as recorded in the payment details reports are as indicated in the table below:

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	132,050,763	131,618,726	99
Development	328,611,808	501,892,756	153
<b>Total</b>	<b>460,662,571</b>	<b>633,511,482</b>	<b>138</b>

The overall over expenditure is Kshs.172,848,911 and therefore the Roads Department exceeded its budget by thirty-eight (38%) percent. No explanation has been made by management on the over expenditure and it is therefore apparent that no financial control and discipline was exercised.

## **16.2 Recurrent Appropriation Vote**

Audit examination of the recurrent appropriation vote for Ministry of Roads and Public Works as at 30 June 2017, established that the total expenditure for the vote was Kshs.116,680,322. However, the payment details reflect a total expenditure of Kshs.131,618,725.70 thereby resulting in unauthorized expenditure of Kshs.14,938,403.70 during the period under review.

## **16.3 Development Appropriation Vote**

Audit examination of the development appropriation vote the for Ministry of Roads and Public Works established that the vote reflected total expenditure of Kshs.392,734,186 as at 30 June 2017. However, the payment details for the Department reflects total expenditure of Kshs.501,892,756.40 thereby resulting in unauthorized expenditure of Kshs.109,158,570.40 for the period under review.

## **16.4 Development Appropriation Reallocations**

Audit examination of the Ministry of Roads and Public Works development appropriation vote established that budgetary reallocations of Kshs.101,165,600 were made during the period under review, thereby reducing the department's development vote from Kshs.429,777,408 to Kshs.328,611,408. However, the necessary approvals for these reallocations and the journal vouchers used to make the changes were not availed for audit verification.

## **16.5 Construction of Roads**

Audit examination of the Ministry of Roads and Public Works vote book established that expenditure amounting to Kshs.250,740,738 was incurred on roads construction as at 30 June 2017. However, payment vouchers availed for audit in support of the expenditure, reflect an amount of Kshs.164,892,020 thereby resulting in unsupported expenditure of Kshs.85,848,718. In addition, no information was produced to confirm budget as per road and actuals. In the circumstance, the expenditure could not be confirmed as properly incurred.

## **16.6 Overhaul of Roads and Bridges**

Audit examination of Ministry of Roads and Public Works vote book established that expenditure of Kshs.83,830,347 was incurred on overhaul of roads and bridges as at 30 June 2017. However, payment vouchers supporting the expenditure reflect an amount of Kshs.59,191,950 thereby resulting in unsupported expenditure of Kshs.24,638,397 as at 30 June 2017. In addition, no information was produced to confirm budget as per bridge and actuals. In the circumstance, the expenditure could not be confirmed as properly incurred.

## **16.7 Excess Vote on Construction of Bridges**

Audit examination for the Ministry of Roads and Public Works development appropriation vote revealed that a negative budget estimate of Kshs.(40,139,076) was made for construction of bridges during the financial year 2016-2017. Further, additional payments and commitments amounting to Kshs.57,342,898 were incurred on construction of bridges thereby resulting in an excess vote of Kshs.(97,481,973) as at 30 June 2017. However, no supporting documentation for these expenditures or a listing of the bridges constructed were availed for audit confirmation. In the circumstance, the expenditure could not be confirmed as properly incurred.

### **16.8 Motor Vehicle Maintenance**

Audit examination of recurrent appropriation vote for Ministry of Roads and Public Works established that maintenance expenses in respect of motor vehicles amounted to Kshs.42,374,254 as at 30 June 2017. However, payment vouchers availed for audit confirmation reflects an amount of Kshs.20,211,746.04 in respect of motor vehicle maintenance expenses as at 30 June 2017, thereby resulting in unsupported expenditure of Kshs.22,162,507.96.

### **16.9 Quarry Payments without Certificate of Goods Received**

Examination of the payment vouchers established that contractors were engaged to excavate murram or gravel on quarry sites and deliver to specific roads on behalf of the County Government of Bomet. The contractors were paid Kshs.48,147,520 in respect of five thousand sixty-eight hours (5,068.16) applied in the exercise. However, supporting documentation approved by the inspection and acceptance committee were not presented for audit review to indicate the tonnage of murram or gravel produced at the various quarry sites and specific roads where it was applied.

### **16.10 Delay in Construction of Kirimose Embomos Bridge**

Records presented for audit review revealed that tender for construction of Kirimose Embomos bridge was awarded at a cost of Kshs.5,989,920. However, although a payment of Kshs.3,524, 474.40 was made during the year, no status report was provided to indicate the current position of the project and how long it shall take before completion. In the circumstance, the date of completion of the bridge remains unknown and value for money may not be achieved.

## **17.0 Education and Vocational Training**

### **17.1 Budget Performance**

The Department was allocated Kshs.432,029,409 against an actual expenditure of Kshs.552,816,320 resulting to over expenditure of Kshs.120,786,911 or twenty-eight (28%) percent. The over expenditure has not been explained by management and it is therefore apparent that financial control was not exercised.

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>

Recurrent	202,926,272	319,053,160	157
Development	229,103,137	233,763,160	102
<b>Total</b>	<b>432,029,409</b>	<b>552,816,320</b>	<b>128</b>

## **17.2 Construction of Classrooms and Other Educational Facilities**

During the year, the Department of Education and Vocational Training incurred Kshs.76,888,000 on construction of classrooms and other educational facilities in primary and secondary schools which is a function of the National Government in accordance with the Fourth Schedule to the Constitution of Kenya. The construction was not planned for in the annual development plan and the Department's annual activities for the year and therefore it is not clear on what basis and authority the construction was carried out. Verification at the respective schools revealed that no requests for funding were raised from the schools and the amounts allocated to the schools were not sufficient to complete the projects leading to stalled projects. No expenditure returns were made and provided for audit review and no monitoring and evaluation was done by the Department and therefore the current status of these projects remains unknown.

## **17.3 Sigor High School**

Examination of expenditure records revealed that the Department of Education spent Kshs.36,807,929 on purchase of materials and hire of casuals. The funds used were reallocated from ECD funds without authority and therefore there was no budgetary provision. Audit verification on 22 December 2017 revealed that materials amounting to Kshs.14,520,975 that included tiles, paints, plumbing items and doors were lying unused in the store and it is not clear when they will be utilized. Although the materials were recorded in the stores cards, the cards were poorly maintained and it was difficult to confirm actual balances. There were no records to confirm hire of casuals and the duties they were assigned. It was therefore difficult to confirm the expenditure of Kshs.22,286,954 spent on payments on casual wages. In the circumstance, the propriety of the expenditure could not be confirmed.

## **17.4 Incomplete ECD Projects**

During the period under review the Department also incurred Kshs.10,600,000 on construction of ECD schools in the County. As at the time of audit, it was confirmed that most of the schools were not completed and in some cases work had not commenced while the status report indicated stalled projects. In the circumstance, the propriety of the expenditure could not be confirmed.

## **17.5 Non-implementation of Bursary Fund Account**

The Department of Education did not operationalize the Bursary Fund despite the existence of a legal framework. During the period under review, Kshs 30,476,433 was paid as bursary without any criterion being followed. It is, therefore, not clear how the need students were identified, selected and whether the funds were actually received in the intended institutions in the absence of acknowledgements.

## **18.0 Water and Irrigation**

### **18.1 Budget Performance**

During the year under review, the Water and Irrigation Department had a budgetary allocation of Kshs.364,423,961 with the recurrent vote having Kshs.149,263,077 and the development vote Kshs.215,160,884. The overall actual expenditure was Kshs.221,304,341 for recurrent and Kshs.234,741,584 for development. The overall over expenditure was therefore Kshs.91,621,964.

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	149,263,077	221,304,341	148
Development	215,160,884	234,741,584	109
<b>Total</b>	<b>364,423,961</b>	<b>456,045,925</b>	<b>125</b>

The Department exceeded its budget by twenty-five (25%) percent which management has been unable to explain.

### **18.2 Expenditure Incurred Without Budgetary Provision**

The budget for development of water supply was Kshs.118,500,000 for account code 2640399. Records presented for audit review revealed that expenditure totaling Kshs.100,646,776 was incurred with an amount of Kshs.87,734,221 being charged to account code 2640399 and the balance of Kshs.12,912,555 charged to account codes 3110602 and 311502 for Kshs.9,007,037 and Kshs.3,905,518 respectively. However, the expenditure of Kshs.12,912,555 under account codes 3110602 and 3110502 had no budgetary provision. The inclusion of the expenditure of Kshs.12,912,555 is unauthorized reallocation.

### **18.3 Unsupported Expenditure on Development of Water Supplies**

The budget for development of water supply was Kshs.118,500,000 against actual expenditure of Kshs.100,646,776. The budget of Kshs.118,500,000 did not specify which activities were to be undertaken. Payment vouchers provided in support of this expenditure totaled Kshs.29,292,521 resulting to unsupported expenditure of Kshs.71,354,255. In the circumstance, the expenditure of Kshs.100,646,776 on development of water supplies could not be confirmed as a proper charge to public funds.

### **18.4 Incomplete Projects Included in the List of Pending Bills**

In the financial year 2016-2017, Bomet Executive had a budget of Kshs. 215,160,884. Included in the pending bills as at 30 June 2017 is an amount of Kshs.6,774,739 pertaining to National Water Conservation and Pipeline for drilling, testing and installing eight bore holes. The pending bills belong to the financial 2015-2016. Field inspection on 18 December 2017 revealed that these projects have remained incomplete until now and therefore the public is not getting value for money. Moreover, no reports were made available to confirm certificate of payment.

### **19.0 Social Services**

#### **19.1 Budget Performance**



The Social Services Department had a budgetary allocation of Kshs. 235,674,176 against actual expenditure of Kshs.269,884,296. The excess expenditure represented fifteen (15%) percent.

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	154,731,029	128,764,390	<b>83</b>
Development	80,943,147	141,119,906	<b>174</b>
<b>Total</b>	<b>235,674,176</b>	<b>269,884,296</b>	<b>115</b>

## 19.2 Bomet IAAF Stadium

Records produced revealed Kshs.24,224,618 was used for purchase of materials and Kshs.26,763,718 on payment of casual wages for Bomet IAAF stadium during the year under review. An amount of Kshs.332,018,410 has been spent on this stadium since the year 2013/2014 as tabulated below.

<b>Financial Year</b>	<b>Amount (Kshs)</b>
2013/2014	30,454,799
2014/2015	166,075,277
2015/2016	84,499,998
2016/2017	50,988,336
<b>Total</b>	<b>332,018,410</b>

Verification done revealed that the mortar mixing was poorly done as the walls exhibit cracks and poor workmanship. The structural works were not smoothed by applying mortar to beautify the surfaces for painting. The metal bars used in the beams and columns were not concreted and are therefore exposed to rain, sunshine, wind, theft, deterioration, vandalism and any adverse weather condition and will weaken in due time. The timber used has been exposed to adverse weather conditions and will not be reused leading to escalation of costs. Arising from poor workmanship, a section of the Bomet East stand of the wall is completely bent and may collapse anytime. The Department of Social Services did not avail specifications of the work carried out, site reports from the technical department for audit inspection and confirmation. Stores records were poorly maintained and therefore it was not possible to confirm receipt, storage and issue of materials which could be matched with work done as metal bars were observed to be lying unused.

As previously stated, the construction works were to commence on 4 March 2014 and the expected completion date was 22 October 2014, however, as at the time of audit in December, 2017 construction works were still ongoing at the IAAF Bomet Stadium. It's not possible to state the percentage of completion and the duration required to complete because on the physical appearance the project is not near completion. In the circumstance, the project is likely to exceed the initial estimated cost.

## 19.3 Doubtful Payments

The Social Protection Programme for Bomet County is managed through the Bomet County Support Fund for the Needy Act, 2014. The Act created a fund to be administered

by an administrator and opened a bank account at Cooperative Bank of Kenya account number 01141358136900. Although, the program was stopped by the National Government through a letter from the Controller of Budget, payment vouchers amounting to Kshs.83,269,963 were paid during the year. However, only Kshs.4,206,900 was credited to the account leaving a balance of Kshs.79,063,963 which could not be confirmed whether it was paid and received by the intended beneficiaries in the absence of verifiable documentation.

#### 19.4 Reallocation of Funds

During the year under review, the budgeted amount for other current transfers under item 2640499 was Kshs.88,000,000 as per the budget analysis. Examination of payments vouchers produced for audit review during the year revealed that actual expenditure was Kshs.93,188,182 on the budget line item. It was confirmed that Kshs.5,188,182 was reallocated from other votes and utilized in purchase of materials for Bomet IAAF stadium without approval.

#### 19.5 Double Payments

The Department of Social Services made payments of similar nature totaling Kshs.8,392,800 that appear to be double payments as the same documents were used to process the transactions in the month of August 2016 as tabulated below.

P.V No	Date	Payee	Details	Amount (Kshs)
10004623	6/12/16	Bomet County Safety net	Old Persons Health Programme-August 2016	4,196,400
476	9/2/16	Bomet County Safety net	Old Persons Health Programme-August 2016	4,196,400

### 20.0 Agribusiness, Cooperatives and Marketing

#### 20.1 Budget Performance

The Department of Agribusiness, Cooperatives and Marketing had a budgetary allocation of Kshs.485,688,256 with the actual expenditure of Kshs.357,772,338. This resulted to under spending of Kshs.127,915,918. The overall absorption of funds was seventy-four (74%) percent. The under absorption has not been explained:

Vote	Approved Budget	Actual Expenditure	Absorption Rate
	Kshs	Kshs	%
Recurrent	185,586,400	206,005,163	111
Development	300,101,856	151,767,175	51
<b>Total</b>	<b>485,688,256</b>	<b>357,772,338</b>	<b>74</b>

#### 20.2 Irregular Payment to a Sacco

Kshs.30,000,000 was paid to a Sacco being financial support to assist in payment of bonuses to its members on 1 November 2016. However, no expenditure returns were submitted to the County Treasury to indicate the details or amounts paid to the society

members. In the circumstance, the payment could not be confirmed a proper charge to public funds.

### 20.3 Procurement of Idle Generators

Audit examination of payment vouchers for Department found that two (2) generators were procured in respect to Merigi Farmers Society and Longisa Farmers Society at a cost of Kshs.1,700,000 and Kshs.1, 649,984 respectively. However, an audit inspection carried out at the two sites established that generators were not in use due to lack of a generator house and low horse power and as such the procurements amounted to wasteful expenditure as the generators are idle.

### 20.4 Overpriced Procurements of Heavy Duty Wire Mesh

Examination of payment vouchers revealed that the department purchased one hundred heavy duty wire mesh at a unit cost of Kshs.16,495 amounting to Kshs.1,649,500. Market survey conducted revealed a cost of Kshs.5,000 per unit resulting to total cost of Kshs.500,000. It therefore appears that the heavy duty wire mesh was overpriced by Kshs.1,149,500. In the circumstance, the expenditure could not be confirmed a proper charge to public funds.

### 20.5 Unauthorized Expenditure

Examination revealed that payment vouchers totaling Kshs.89,906,195 failed to comply with the basic accounting requirement as the expenditure vouchers were authorized by the accounting officer. The details of the vote, head, subhead, item account number and cash book details were not indicated on the vouchers. In the absence of the above the County Executive failed to comply with Section 149 (1) of the Public Finance Management Act, 2012.

### 20.6 Under Expenditure in Recurrent Appropriation

Audit examination of the Ministry of Agriculture and Cooperatives recurrent appropriation vote reflects an expenditure of Kshs.225,228,367 as at 30 June 2017. However, the actual expenditure as per Integrated Financial Management Information Systems (IFMIS) cash book is Kshs.206,005,163.05 thereby resulting in an under expenditure of Kshs.19,223,203.95.

## 21.0 ICT, Training and Industry

### 21.0 Budget Performance

The Department under absorbed its allocated funds with the overall absorption being fifty-two (52%) percent. The budget was Kshs.170,321,297 against an actual of Kshs.88,243,415. Low budget utilization meant the requisite services were not rendered to county citizens.

Vote	Approved Budget	Actual Expenditure	Absorption Rate
	Kshs	Kshs	%
Recurrent	110,735,585	64,138,839	58
Development	59,585,712	24,104,576	40

<b>Total</b>	<b>170,321,297</b>	<b>88,243,415</b>	<b>52</b>
--------------	--------------------	-------------------	-----------

## 22.0 Unauthorized Voted Expenditure Trade

Audit examination of payment vouchers for Ministry of Trade and Tourism reflected Kshs.4,313,202 was paid out without the authority of the AIE holder. The payment vouchers were not examined and had no vote book certificate. The vote book certificate had no commitment dates, entry numbers and date of transaction. The expenditure of Kshs.4,313,202 could therefore not be confirmed as a proper charge to public funds.

## 22.0 Medical Services

### 22.1 Budget Performance

The Medical Services Department had a budgetary allocation of Kshs.978,146,447 with actual expenditure of Kshs.1,121,538,641. The resulting over expenditure of Kshs.143,392,194 represents fifteen (15%) percent. Apparently financial control was not exercised during the period under review leading to the over expenditure.

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	898,164,447	1,044,932,532	116
Development	79,982,000	76,606,109	96
<b>Total</b>	<b>978,146,447</b>	<b>1,121,538,641</b>	<b>115</b>

### 22.2 Demurrage on Medical Equipment

The budget for demurrage on medical equipment was Kshs.30,000,000 against an actual of Kshs.50,636,000 resulting to an over expenditure of Kshs.20,636,000. The payment of demurrage costs was not supported by the necessary import documents from the country of origin and reasons for delay in clearing at the port of Mombasa. In the circumstance, it is not possible to confirm that the value for money was achieved.

### 22.3 Hire of Ambulances

The budget for hire of transport under item code 2210604 was Kshs.55,000,000. Examination of records revealed that Kshs.70,521,735 was paid to Red Cross for hire of ambulances. Out of the Kshs.70,521,735.45, only expenditure totaling Kshs.33,048,558 was supported by payment vouchers leaving a balance of Kshs.37,473,177 unsupported. Evidently a sum of Kshs.37,473,177 could not be accounted for. In the circumstance, the expenditure could not be confirmed as properly incurred.

### 22.4 Incomplete Projects

The budget for non-residential buildings (hospitals) was Kshs.41,000,000 under item code 3110202. During the year a sum of Kshs.20,180,000 was paid out for construction of dispensaries which are not incomplete and the percent of completion has not been determined. No documents were presented for audit examination to confirm how the contractors were identified, selected, awarded and notified of the works. Physical verification of the projects on 19 December 2017 revealed that the projects were not complete. Its therefore evident the Bomet County did not get value for money.

## 22.5 Transfers to KEMSA

The budget for transfers to KEMSA for purchase of medical drugs under item code number 2211001 was Kshs.134,683,955. Examination of payment vouchers and payments schedules provided for audit revealed that a total of Kshs.134,683,955 was transferred to KEMSA. Out of the allocation of Kshs.134,683,955 only expenditure totaling Kshs,100,000,000 was supported by payment vouchers and bank statements while a balance of Kshs.34,683,955 was not supported. It is therefore evident that Kshs.34,683,955 could not be accounted for. In the circumstance, the expenditure could not be confirmed as properly incurred.

## 22.6 Recurrent Appropriation Vote Ministry of Health and Sanitation

Examination of recurrent appropriation vote book for Ministry of Health and Sanitation established that total expenditure for the vote was Kshs.812,462,412,70 as at 30 June 2017. However, payments details reflect a total expenditure of Kshs.1,044,932,531 thereby resulting in unauthorized expenditure of Kshs.232,470,029.70 during the year under review.

## 22.7 Development Appropriation Vote Ministry of Health and Sanitation

Examination of development appropriation vote book for Ministry of Health and Sanitation established that total expenditure for the vote was Kshs.12,860,156 as at 30 June 2017. However, payments details reflect a total expenditure of Kshs.76,605,109.45 thereby resulting in unauthorized expenditure of Kshs.63,744,963.45 during the year under review.

## 23.0 Lands, Urban Planning and Environment

### 23.1 Budget Performance

The Department was allocated Kshs.324,399,021 with the recurrent vote having Kshs.231,158,101 and development vote Kshs.93,240,920. There was over expenditure of Kshs.63,060,052. The over expenditure was nineteen (19%) percent.

<b>Vote</b>	<b>Approved Budget</b>	<b>Actual Expenditure</b>	<b>Absorption Rate</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Recurrent	231,158,101	338,127,943	146
Development	93,240,920	49,331,130	53
<b>Total</b>	<b>324,399,021</b>	<b>387,459,073</b>	<b>119</b>

### 23.2 Payments of Wages for Casuals

The budget for the year reflects Kshs14,000,000 as the budgetary provision for item code number 2110202 casual's wages with an actual of Kshs11,050,040. However, the authority to hire casuals, the muster rolls and contract documents were not presented for audit review. In the circumstance the expenditure could not be confirmed as a proper charge to public funds.

### 23.3 Pending Bills

Audit examination of the development appropriation vote for the Ministry of Lands revealed that the Ministry had commitments amounting to Kshs 21,301,555.04 as at 30 June 2017. However, the list of pending bills and supporting documentation were not provided for audit. The authenticity of these bills could therefore not be confirmed.

#### **23.4 Recurrent Appropriation Vote**

The examination of recurrent appropriation vote book for Ministry of Lands and Urban Planning established that total expenditure for the vote was Kshs184,983,430 as at 30 June 2017. However, payments details reflect total expenditure of Kshs332,181,563.95 thereby resulting in unauthorized expenditure of Kshs147,198,127 during the year under review. The expenditure could not be confirmed as properly chargeable to public funds.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis Cash Basis) and for such 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.

In preparing the financial statements, management is responsible for assessing the County Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting.

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.

Those charged with governance are responsible for overseeing the County Executive's financial reporting process.

#### **Auditor-General's Responsibilities for the Audit of the Financial Statements**

My responsibility is to conduct an audit of the Bomet County Executive financial statements in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

I am independent of Bomet County Executive in accordance with ISSAI 30 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**16 July 2018**