

# **REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KIRINYAGA FOR THE YEAR ENDED 30 JUNE, 2020**

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## **REPORT ON THE FINANCIAL STATEMENTS**

### **Qualified Opinion**

I have audited the accompanying financial statements of County Executive of Kirinyaga set out on pages 1 to 44, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation; recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Kirinyaga as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Government Act, 2012.

### **Basis for Qualified Opinion**

#### **1.0 Discrepancies in Financial Statements**

##### **1.1 Statement of Receipts and Payments**

The statement of receipts and payments reflects payments for compensation of employees totalling Kshs.2,320,111,647. However, the ledgers presented for audit reflect balances totalling Kshs.2,277,890,682 in respect to the account, resulting to an unexplained variance of Kshs.42,220,965. As a result, the accuracy of compensation of employees expenditure balance has not been confirmed.

##### **1.2 Summary Statement of Appropriation-Recurrent and Development Combined**

The summary statement of appropriation-recurrent and development combined for the year ended 30 June, 2020 reflects actual receipts on returned issues to the County Revenue Fund (CRF) totalling Kshs.571,444,015. However, Note 10 to the financial statements and the statement of receipts and payments reflect a Nil balance in respect to the item.

In the circumstance, the accuracy of the statement of appropriation: recurrent and development combined has not been confirmed.

### **1.3 Statement of Budget Execution by Programs and Sub-Programs**

The statement of budget execution by programs and sub-programs reflects payments totalling Kshs.4,933,714,239, whereas the statement of appropriation recurrent and development combined reflects payments totalling Kshs.4,937,177,741 resulting to an unexplained variance of Kshs.3,463,502. As a result, the accuracy of the statement of budget execution by programs and sub-programs has not been confirmed.

### **1.4 Integrated Financial Management Information System Ledger Balances**

The financial statements reflect balances totalling Kshs.4,161,930,291 in respect to thirty-nine (39) items, whereas records on the items in the Integrated Financial Management Information (IFMIS) System reflect balances totalling Kshs.3,504,483,369 resulting to an unexplained variance of Kshs.657,446,922 between the two sets of records. The items are shown in the attached Appendix I.

In the circumstance, the accuracy of the financial statements for the year under review has not been confirmed.

### **1.5 Summary Statement of Appropriation**

The summary statement of appropriation-development reflects an aggregate development budget of Kshs.1,835,804,621 which, however differs from the budget sum of Kshs.1,348,466,250 reflected in the project implementation status report as at 30 June, 2020. No explanation has been provided by Management for the difference of Kshs.487,338,371 between the two sets of records and as a result, the accuracy of the summary statement of appropriation - development could not be confirmed.

## **2.0 Unaccounted for Expenditures**

Several expenditure balances reflected in the financial statements contain payments that were not sufficiently accounted for, as explained below:

### **2.1 Use of Goods and Services**

The statement of receipts and payments reflects Kshs.737,443,728 in respect to use of goods and services. However, payments for the per diem and specialized materials totalling Kshs.17,038,003 were not accounted for:

#### **2.1.1 Daily Subsistence Allowances**

Expenditure records examined, indicated subsistence allowances totalling Kshs.4,559,965 were paid to officials travelling on duty, as detailed in the attached appendix II.

However, records on the trips, including travel tickets, visas and boarding passes as applicable, were not made available for audit review.

In view of the missing records, the occurrence and validity of the payments totalling Kshs.4,559,965 could not be confirmed.

The records further indicated that payments totalling Kshs.3,419,108 were made to a firm to supply air-tickets for use by officials of the County Executive in the year under review. However, records on the supply and use of the tickets were not provided for audit. As a result, it was not possible to confirm whether the tickets bought were supplied and used for the intended purpose.

### **2.1.2 Purchase of Specialized Materials**

Other goods and services expenditure records examined, indicated that Kshs.251,160,399 was spent on purchase of specialized materials and services. However, payments totalling Kshs.12,478,038 included therein were not supported with relevant records including user requisitions, Local Purchase Orders (LPOs), and other procurement documents as well as delivery notes and goods inspection and acceptance certificates.

In the circumstance, the receipt of specialized equipment costing of Kshs.12,478,038 and the validity of the procurement process followed in their purchase could not be confirmed.

## **2.2 Acquisition of Assets**

The statement of receipts and payments reflects acquisition of assets payments totalling Kshs.641,408,819 as further disclosed in Note 17 to the financial statements. The following issues were noted in respect to the balance:

### **2.2.1 Construction and Civil Works**

The acquisition of assets balance includes Kshs.77,474,485 spent on construction and civil works, out of which payments totalling Kshs.4,781,211 were not supported with payment vouchers and procurement records. As a result, the occurrence and validity of payments could not be confirmed.

### **2.2.2 Purchase of Vehicles**

The balance further includes Kshs.19,745,500 spent on purchase of vehicles and other transport equipment, including a four-wheel-drive vehicle bought at Kshs.14,500,000.

The respective tax invoice dated 14 October, 2019 identified the vehicle as a Toyota Land Cruiser Prado registration number 20CG 054A and chassis JTEBH3FJ90K217341. However, the vehicle was not presented for audit verification. In the circumstance, its receipt and ownership by the County Executive could not be confirmed.

### **2.2.3 Fixed Assets**

Annex 5 to the financial statements reflects historical cost of assets totalling Kshs.2,506,166,821. However, Management has not indicated whether the balance includes the values of assets inherited from the defunct local authorities in the County. In addition, the costs for eleven (11) items included in the balance differ with balances reflected in respect to the items in Note 17 to the financial statements, as shown in the attached Appendix III.

Further, records provided for audit indicated that the County Executive had ninety-nine (99) motor vehicles. However, log books for twenty four (24) vehicles valued at Kshs.196,791,980 were not provided for audit verification. The vehicles are listed in Appendix IV.

In the circumstance, the valuation, accuracy and completeness of the acquisition of assets balance totalling Kshs.2,506,166,821 reflected in the financial statements could not be confirmed.

### **2.2.4 Unconfirmed Ownership of Land**

Records on land owned by the County Government reflected seventy-two (72) parcels of land of varying sizes. However, the following anomalies were noted in respect to the land:

#### **2.2.5 Unavailable Documents**

Ownership documents for forty (40) of the seventy-two (72) parcels of land were not provided for audit verification. In addition, the land records did not disclose other vital information on all the parcels such as costs and carrying value, dates acquired, nature and use. Further, sixty (60) out of the seventy-two (72) parcels were not reflected in the fixed asset register.

In the circumstances, the ownership, existence, valuation and custody for the forty (40) parcels of land whose records were not presented for audit, and the accuracy and completeness of the fixed asset register as at 30 June, 2020 could not be confirmed.

#### **2.2.6 Disputed Land**

As previously reported, a parcel of land, measuring approximately 250 acres (KIINE/THINGIRICHI/527) reserved as a cattle holding ground was registered on 5 May, 1960 under the Native Trust Land Board and the County Council of Kirinyaga thereafter. However, in the year 2000, a resident of the County filed a suit against the Council seeking to be declared the legal owner of the land. In 2004, the Commissioner of Lands registered the land in the name of the petitioner's widow.

Although the County Government has asserted that the allocation of the land to the petitioner was illegal and that the title deed held by his widow is not valid, the Court is yet to rule on the matter.

In the circumstance, the ownership of the land by the County Executive as at 30 June, 2020 could not be confirmed.

### **3.0 Unconfirmed Pending Bills Balance**

Note 7.10.1 of other important disclosures reflects pending accounts payable totalling Kshs.359,010,501 out of which bills totalling Kshs.150,917,677 were incurred during the year under review. However, a recast of the outstanding commitments in the vote book status report for the year under review revealed development and recurrent commitments totalling Kshs.132,818,256 and Kshs.27,300,812 or Kshs.160,119,068 in aggregate, as shown in Appendix V. The variance of Kshs.9,201,391 in the pending bills reflected in the two sets of records has not been explained.

In addition, review of the financial reporting system in the County Executive indicated that contrary to Regulation 54(2)(c) of the Public Finance Management (County Governments) Regulations, 2015, Management did not submit monthly financial and non-financial budgetary reports to the County Treasury.

Further, the pending bills balance has distorted the financial performance and position of the County Executive as at 30 June, 2020. Had the bills been paid during the year, the County Executive would have incurred a deficit of Kshs.8,903,235 instead of the surplus of Kshs.350,107,266 reported in the financial statements. In addition, the bills may use up the County's budgetary allocations for the 2020/21 financial year from which they are expected to be paid.

### **4.0 Unconfirmed Own-Generated Revenue**

The statement of receipts and payments reflects county own-generated receipts totalling Kshs.374,724,257, as further disclosed in Note 9 to the financial statements. The receipts include rental income totalling Kshs.5,393,300. However, records on the revenue including the inventory of buildings let out, their location expected and actual rental income received and the outstanding balance as at 30 June, 2020, if any, were not presented for audit.

In the circumstance, the completeness and accuracy of the receipts totalling Kshs.5,393,300 could not be confirmed.

### **5.0 Inadequate Presentation and Disclosures in Financial Statements**

The financial statements reflect the following anomalies:

- (i) The statement of appropriation - recurrent and development combined indicates that the total budget for the year under review was reduced by Kshs.207,194,784. However, contrary to the requirements of IPSAS 1.9.23, the Notes to the financial statements have not disclosed the reasons for the adjustments.
- (ii) Annex 6 to the financial statements is signed by officers of the County Executive only, namely, the Chief Officer Finance and the Director of Accounts, contrary to the PSASB guidelines that require inter-entity transfers to be

certified by the issuing and receiving parties.

- (iii) Contrary to the financial reporting requirements set by the Public Sector Accounting Standards Board, the statement of receipts and payments, statement of assets and liabilities, statement of cash flows and statement of appropriation do not indicate the respective accounting period they relate to.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kirinyaga County Executive Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects final receipts budget and actual on comparable basis totalling Kshs.6,131,617,883 and Kshs.5,858,729,022 respectively, resulting to an under-funding of Kshs.272,888,861 or 4% of the budget. Similarly, the County Executive spent Kshs.4,937,177,741 against an approved budget of Kshs.6,131,617,883 resulting to an under-expenditure of Kshs.1,194,440,142 or 19% of the budget. The underfunding and underperformance constrained execution of planned activities and delivery of services to the residents of Kirinyaga County.

#### **2. Delayed Exchequer Releases**

Note 1A to the financial statements indicates that total Exchequer releases due in the year under review totaled Kshs.4,241,100,000. However, examination of revenue records indicated that, out of this balance, receipts totalling Kshs.1,191,749,100 or 28% of the budget were received by the County Government from the National Treasury between 15 June, 2020 and 5 August, 2020 as shown below:

<b>Date Funds Received in Bank Account</b>	<b>Amount (Kshs.)</b>
15.06.2020	445,315,500
24.06.2020	381,699,000
05.08.2020	364,734,600
<b>Total</b>	<b>1,191,749,100</b>

As a result of the delayed receipt of funds, the County Executive did not have sufficient time to spend its budget for the year.

### **3.0 Unresolved Prior Year Issues**

The report on progress of follow-up of prior year's auditor recommendations in Note 9 of other disclosures highlights only seven (7) of at least eighteen (18) issues raised in the audit report for 2018/2019 financial year. Therefore, the disclosure does not fulfil the reporting requirements set by the Public Sector Accounting Standards Board (PSASB).

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0 Un-utilized Covid-19 Funds**

The statement of receipts and payments reflects transfers from other government entities totalling Kshs.329,731,807 out of which a sum of Kshs.160,096,000 was received from the National Government for use in mitigating the effects of the Covid-19 pandemic. However, records on the payments indicated that the funds had not been utilised as at 30 June, 2020 and therefore the measures needed to protect the County's residents from COVID-19 may not have been executed as planned.

#### **2.0 Delayed Implementation of Projects**

Project implementation records indicate that 96 projects budgeted at Kshs.332,165,893 in aggregate were completed, whereas 30 (thirty) projects budgeted at Kshs.979,842,995 were ongoing as at 30 June, 2020. Implementation of 7 (seven) projects budgeted at Kshs.36,457,362 had not started.

The status of the projects at the time of the audit is summarized in Appendix VI.

In the circumstances, the residents of Kirinyaga County did not enjoy the benefits due from the investments totalling Kshs.1,016,300,357 made in planned projects that were not started and those started but not completed in the year under review.

The project implementation report further indicated that thirty-three (33) key projects with budgetary allocations totalling Kshs.629,800,357 were either not completed or not started as at 30 June, 2020, as outlined in the attached Appendix VII.

As a result, the residents of Kirinyaga County did not enjoy the services expected from the projects.

### **3.0 Stalled Previous Years' Projects**

As reported in the previous year, examination of project records and inspection of civil works revealed that construction of seventy-seven (77) projects budgeted at Kshs.188,085,355 launched in the financial year 2016-2017 had stalled and the works abandoned as outlined in the attached Appendix VIII.

An audit inspection conducted in the month of October, 2020 revealed two more projects contracted at Kshs.23,069,581 in aggregate and expected to be completed during the year under review had also stalled. As a result, no value for money had been obtained from the use of public funds totalling Kshs.211,154,936 invested in stalled projects as at 30 June, 2020.

### **4.0 Irregular Payments to Council of Governors**

Examination of transfers to other government entities during the year indicated that a total of Kshs.5,438,993 was paid to the Council of Governors. However, the expenditure was incurred in disregard to Section 37 of the Inter-Governmental Relations Act, 2012 which provides that the budget of the Council should be provided for in the annual estimates of the revenue and expenditure of the National Government.

In the circumstance, the payment made to the Council was irregular.

### **5.0 Unsupported Procurement of Fuel**

Examination of procurement records indicated that a sum of Kshs.61,092,213 was spent on purchase of fuel, oil and lubricants during the year under review. However, procurement documents such as tender advertisements and evaluation reports and supply contracts were not availed for audit.

In the circumstance, the validity of the procurement of the fuel, oil and lubricants worth Kshs.61,092,213 could not be confirmed.

### **6.0 Excessive Expenditure on Personnel Emoluments.**

Examination of revenue and expenditure records indicated that compensation of employees expenditure for the year under review totaled Kshs.2,320,111,647 equivalent to 44% of the revenue of the County Executive totalling Kshs.5,287,285,007. The expenditure surpassed the threshold of 35% prescribed in Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.

Therefore, Management breached the law on containment of personnel emoluments expenditure. Further, the excessive spending on the item constrained funding for development projects and delivery of services to the residents of the County.



## **7.0 Lack of Approved Staff Establishment**

Employees of the County Executive as at 30 June, 2020 totaled two thousand five hundred and seventy-one (2,571) out of whom three hundred and sixty-one (361) were recruited in the year under review. As in the previous year, the County Executive did not have an approved staff establishment, contrary to Section B 5(2) and Section B 6(3) of the County Public Service Human Resource Manual, 2013. The provision requires the County Government to ensure optimum staffing levels are based on an authorized establishment and organization structure.

Consequently, Management was in breach of the regulations on efficient and effective use of human resources and further, the staffing levels may not be optimal.

In addition, out of the 361 staff recruited during the year, 278(77%) were from the dominant community in the county contrary to Section 65(1)(e) of the County Governments Act, 2012 which requires at least thirty percent of the vacant posts at entry level to be filled by candidates who are not from the dominant ethnic community in the County.

## **8.0 Irregular Renewal of Teachers Contract**

Examination of compensation of employees expenditure records indicated that salaries totalling Kshs.29,454,000 were paid to Early Childhood Development Education (ECDE) teachers in May and June, 2020. However, documents presented for audit indicated that the employment contracts signed between the teachers and the County Executive expired on 31 December, 2019 but were extended by Management without approval from the County Public Service Board contrary to Section 59 of the County Governments Act, 2012.

In the circumstance, the extended employment of the ECDE teachers without renewal of contract was irregular.

## **9.0 Officers Earning Less Than a Third Basic Pay**

Audit review of payroll records revealed that several officers earned less than one third of their basic pay contrary to Section 19(3) of the Employment Act, 2007. The provision requires the total amount of deduction of the wages of an employee not to exceed 2/3 of such wages.

Management therefore breached the law and put the officers at the risk of pecuniary embarrassment.

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

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Policy on Use of Information, Communication Technology**

Audit review of the Information Communication Technology (ICT) system confirmed that Management had no documented policy to guide investment in and use of ICT resources. In addition, there were no continuity and disaster management plans to mitigate the effects of unexpected disruptions of the system.

In the circumstances, effective use of public resources invested in the system, and the appropriateness of risk management policies established thereof, could not be confirmed.

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the County Executive's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Kirinyaga County Executive's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**CPA Nancy Gathungu, CBS**  
**AUDITOR GENERAL**

**Nairobi**

**28 October, 2021**

### **Appendix I : Difference Between Financial Statement and IFMIS Balances**

	<b>Items</b>	<b>Financial Statements Balance (Kshs.)</b>	<b>IFMIS Report Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
1	Purchase of Office Furniture & General Equipment	9,311,316	10,161,816	(850,500)

	<b>Items</b>	<b>Financial Statements Balance (Kshs.)</b>	<b>IFMIS Report Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
2	Purchase of Specialized Plant Equipment & Machinery	65,593,118	67,193,118	(1,600,000)
3	Purchase of Certified Seeds Breeding Stock & Live Animals	8,571,599	8,901,554	(329,955)
4	Fuel Oil and Lubricants	61,092,213	68,228,676	(7,136,463)
5	Basic Salaries of Permanent Employees	2,090,548,147	2,312,048,454	(221,500,307)
6	Pension and Other Social Security Contributions	121,995,288	0	121,995,288
7	Compulsory National Social Security Schemes	4,081,024	0	4,081,024
8	Compulsory National Health Insurance Schemes	35,573,950	0	35,573,950
9	Utilities, Supplies and Services	36,971,664	39,471,664	(2,500,000)
10	Communication, Supplies and Services	6,931,264	7,205,264	(274,000)
11	Domestic Travel and Subsistence	46,960,163	50,096,073	(3,135,910)
12	Foreign Travel and Subsistence	10,320,668	7,848,648	2,472,020
13	Printing, Advertising and Information Supplies & Services	31,020,101	43,908,398	(12,888,297)
14	Rentals of Produced Assets	1,205,000	1,333,000	(128,000)
15	Training Expenses	15,089,394	24,053,294	(8,963,900)
16	Hospitality Supplies and Services	18,235,849	21,018,399	(2,782,550)
17	Specialized Materials and Services	251,160,399	178,660,087	72,500,312
18	Office and General Supplies and Services	12,698,209	15,862,129	(3,163,920)
19	Other Operating Expenses	124,058,108	134,958,714	(10,900,606)
20	Routine Maintenance – Vehicles and Other Transport Equipment	22,386,731	11,728,219	10,658,512
21	Routine Maintenance – Other Assets	3,972,387	4,245,157	(272,770)
22	Other Payments	106,968,083	119,478,742	(12,510,659)
23	Scholarships and Other Educational Benefits/Bursary	25,000,000	26,950,000	(1,950,000)
24	Compulsory National Health Insurance Schemes	35,573,950	10,000,000	25,573,950
25	Current Grants to Semi-Autonomous Government Agencies	0	19,931,545	(19,931,545)
26	Capital Grants to Other Levels of Government	0	61,109,147	(61,109,147)
27	Emergency Relief (food, Medicine, Blankets, CGsh grant, Tents and Other Temporary Shelter etc.)	0	200,000	(200,000)
28	Other Current Transfers Grants	50,635,263	258,741,271	(208,106,008)
29	Purchase of Household and Institutional Equipment	17,967,600	1,150,000	16,817,600
30	County Assembly	570,764,950	0	570,764,950
31	Hospital Facility Improvement Fund	89,718,294	0	89,718,294
32	National Agricultural & Rural Inclusive Growth Project(NARIGP)	201,561,354	0	201,561,354
33	Health Centres Danida Fund	12,281,250	0	12,281,250
34	Alcoholic Drinks and Substance Abuse Control Fund	3,084,000	0	3,084,000
35	Health Sector Service Funds/User Fees Forgone	11,282,570	0	11,282,570
36	Agriculture Sector Development Support Project (ASDSP)	15,506,753	0	15,506,753

	<b>Items</b>	<b>Financial Statements Balance (Kshs.)</b>	<b>IFMIS Report Balance (Kshs.)</b>	<b>Variance (Kshs.)</b>
37	Aqua Culture Business Development Programme(ABDP)	3,463,500	0	3,463,500
38	World Bank-Transforming Health Services Universal Care Project (THUSCP)	34,907,139	0	34,907,139
39	Transfer to the Council of Governors	5,438,993	0	5,438,993
	<b>Total</b>	<b>4,161,930,291</b>	<b>3,504,483,369</b>	<b>657,446,922</b>

## **Appendix II: Unconfirmed Foreign Travel Expenditure**

<b>Officer's Designation</b>	<b>Date of Imprest Issued</b>	<b>Imprest Warrant No.</b>	<b>Amount (Kshs.)</b>	<b>Purpose of the Per Diem as Indicated in the Imprest Warrant</b>
Chief of Staff	08.01.2020	2140299	666,800	Dubai trip
Chief of Staff	27.08.2019	2397829	805,665	United States of America (USA) trip
Governor	08.01.2020	2140298	899,900	Germany trip
Governor	19.08.2019	2397818	1,001,910	USA and France trip
Governor	03.09.2019	2397708	300,000	USA and France trip
Governor	26.08.2019	2397811	91,000	Mombasa trip
Chief of Staff	Imprest warrant not available	Imprest warrant not available	794,690	USA (Data obtained from payment voucher )
<b>Total</b>			<b>4,559,965</b>	

### **Appendix III: Unconfirmed Balances - Fixed Assets**



	<b>Item</b>	<b>Annex 5 (Kshs.)</b>	<b>Note 17 (Kshs.)</b>	<b>Variance (Kshs.)</b>
1	Buildings and Structures	16,814,920	0	16,814,920
2	Office Equipment, Furniture and Fittings	10,651,501	9,311,316	1,340,185
3	Purchase of Household Furniture and Institutional Equipment	0	17,967,600	(17,967,600)
4	ICT Equipment	4,696,470	0	4,696,470
5	Machinery and Equipment	49,635,850	65,593,118	(15,957,268)
6	Purchase of Certified Seeds	0	8,571,599	(8,571,599)
7	Intangible Assets	15,957,328	0	15,957,328
8	Refurbishment of Buildings	0	78,000	(78,000)
9	Construction of Roads	0	120,977,784	(120,977,784)
10	Construction and Civil Works	0	77,474,485	(77,474,485)
11	Infrastructural Assets-roads, Rail	202,217,832	0	202,217,832
	<b>Total</b>	<b>299,973,901</b>	<b>299,973,902</b>	<b>(1)</b>

#### **Appendix IV: Unpresented Motor Vehicle Logbooks**

	<b>Registration No.</b>	<b>Model/Make</b>	<b>Cost (Kshs.)</b>
1	20CG 011A	JCB-3DX Backhoe	9,800,000
2	20CG 012A	Ashock Leyland 1518	4,900,000
3	20CG 013A	Mitsubishi D/Cabin	3,780,000
4	20CG 024A	Isuzu Tipper Truck FVZ	11,609,000
5	20CG 035A	HAMM Drum Roller	10,600,000
6	20CG 037A	Isuzu Tipper Truck Skip Loader	7,800,000
7	20CG 048A	Water Bowser	8,842,000
8	20CG 049A	Prime Mover	9,972,480
9	20CG009A	Iveco/Szczesniak Fire Equipment	48,500,000
10	BL27058	Semi-trailer Low Bed	4,200,000
11	DCH350R5NJE5P1267	Crawler Excavator CX350	29,400,000
12	GK B512L	Yamaha Motorcycle	305,500
13	GK B514L	Yamaha Motorcycle	305,500
14	GK B516L	Yamaha Motorcycle	305,500
15	GK B517L	Yamaha Motorcycle	305,500
16	GK B518L	Yamaha Motorcycle	305,500
17	GK B519L	Yamaha Motorcycle	305,500
18	GK B521L	Yamaha Motorcycle	305,500
19	GKA 639G	Landcruiser VX	3,800,000
20	GKA 739G	Mercedes E200	4,100,000
21	HBZN0885KJAF06815	Motor Grader	26,500,000
22	KCF 279D	Isuzu D Max	4,300,000
23	KCG 694H	Toyota Hilux KUN 25	3,650,000
24	ZB 492A	SPA Pickup	2,900,000
	<b>Total</b>		<b>196,791,980</b>

## **Appendix V: Unconfirmed Pending Bills Balances**

Department		Development Vote			Recurrent Vote			Total Variance (Kshs.)
		Financial Statements (Kshs.)	Vote Book Commitment (Kshs.)	Variance (Kshs.)	Financial Statements (Kshs.)	Vote Book (Kshs.)	Variance (Kshs.)	
		1	Health	0.00	0.00	0.00	0.00	
2	Trade	0.00	7,158,007	7,158,007	0.00	5,412,496	5,412,496	12,570,503
3	Agriculture & Livestock	0.00	0.00	0.00	0.00	1,461,719	1,461,719	1,461,719
4	Youth & Sports	3,488,220	0.00	(3,488,220)	3,913,884	1,514,915	(2,398,969)	(5,887,189)
5	Environment	6,924,706	8,214,150	1,289,444	2,289,347	1,296,110	(993,237)	296,207
6	Transport	7,962,434	5,174,863	(2,787,571)	-	1,110,500	1,110,500	(1,677,071)
7	Physical Planning	-	0.00	0.00	-	499,445	499,445	499,445
8	Culture and Social Services	-	45,732	45,732	-	1,226,300	1,226,300	1,272,032
9	Education	5,969,389	0.00	(5,969,389)	1,584,432	(1,169,400)	(2,753,832)	(8,723,221)
10	Office of Governor	-	104,246,840	104,246,840	111,654,890	10,135,652	(101,519,238)	2,727,602
11	Ministry of Finance and Economic Planning	498,400	7,978,664	7,480,264	6,631,975	4,687,153	(1,944,822)	5,535,442
<b>Total</b>		<b>24,843,149</b>	<b>132,818,256</b>	<b>107,975,107</b>	<b>126,074,528</b>	<b>27,300,812</b>	<b>(98,773,716)</b>	<b>9,201,391</b>

## Appendix VI: Project Implementation Status in October, 2020

Department		Budget (Kshs.)	Disbursement (Kshs.)	No. of Projects	Current Status
1.	Education & Public Service	38,806,936	38,806,936	42	Complete
2.	Environment and water	9,250,000	9,250,000	2	
3.	Gender	14,000,000	13,642,942	3	
4.	Health	46,917,141	46,322,916	5	
5.	Trade and cooperatives	34,785,210	34,785,210	3	
6.	Transport & infrastructure	188,406,606	165,434,201	41	
	<b>Sub Total</b>	<b>332,165,893</b>	<b>308,242,206</b>	<b>96</b>	
7.	Agriculture, Livestock, Veterinary & Fisheries	385,000,000	126,098,252	3	Ongoing
8.	Environment and water	28,900,000	23,500,000	9	
9.	Finance and Economic Planning	30,000,000	15,957,328	2	
10.	Gender	15,700,000	14,871,500	2	
11.	Health	355,992,590	312,065,422	3	
12.	Lands, Physical Planning	71,302,200	62,106,856	1	
13.	Trade and cooperatives	6,268,288	3,942,320	2	
14.	Transport & infrastructure	86,679,917	7,885,846	8	
	<b>Sub Total</b>	<b>979,842,995</b>	<b>566,427,524</b>	<b>30</b>	
15.	Environment and water	4,200,000	4,200,000	1	Not started
16.	Health	1,940,120	-	2	
17.	Sports, Culture and Social Services	12,500,000	-	1	
18.	Trade and Cooperatives	14,497,148	-	2	
19.	Transport & Infrastructure	3,320,094	-	1	
	<b>Sub-Total</b>	<b>36,457,362</b>	<b>4,200,000</b>	<b>7</b>	
	<b>Grand Total</b>	<b>1,348,466,250</b>	<b>878,869,730</b>	<b>133</b>	

## Appendix VII: Delayed Implementation of Projects

Department		Project Name	Budget (Kshs.)	Disbursements (Kshs.)	Current Status
1.	Environment and Water	Purchase and laying of pipes for Kathunguri water project	6,000,000	6,000,000	Ongoing
2.	Environment and Water	Purchase and laying of pipes for Kiandumu water project.	2,000,000	2,000,000	
3.	Environment and Water	Purchase and laying of pipes (new connection) for Kagikiki water project.	4,000,000	4,000,000	
4.	Environment and Water	Purchase and laying of pipes (new connection) for Kirimara water project in Nyangati.	2,000,000	1,600,000	
5.	Environment and Water	Purchase and laying of pipes and fittings (new connection) for Sorothimu water project.	1,100,000	1,100,000	
6.	Environment and Water	Purchase and laying of pipes Kiandegwa water project in Wamumu ward	1,100,000	1,100,000	
7.	Environment and water	Purchase of macadamia seedlings	7,000,000	2,000,000	
8.	Environment and Water	Labour for chicken coops	4,200,000	4,200,000	
9.	Finance and Economic Planning	Design, development and Commissioning of Revenue, Management System	20,000,000	7,978,664	
10.	Finance and Economic Planning	Installation and Commissioning of Revenue Management System with Monitoring functionalities enabled with GIS and executive dashboard	10,000,000	7,978,664	
11.	Gender	Renovation of GBVRC ????????? at Kerugoya Referral Hospital	7,500,000	6,900,000	
12.	Gender	Provision of plastic chairs for women empowerment	8,200,000	7,971,500	
13.	Health	Construction of 220 bed capacity medical Complex	322,000,000	308,932,791	
14.	Health	Design, development and commissioning of an integrated health management system	11,331,381	-	
15.	Health	Erection and completion of a power house and a Kitchen/laundry block	22,661,209	3,132,631	

Department		Project Name	Budget (Kshs.)	Disbursements (Kshs.)	Current Status
16.	Lands, Physical Planning	Cabro works at Kutus town, upgrading of Kerugoya fresh produce market and apparel factory	71,302,200	62,106,856	
17.	Trade and Co-operatives	Purchase of Agricultural Machinery & Equipment (Coffee Roaster)	1,222,778	1,107,320	
18.	Trade and Co-operatives	Upgrade of Kibingoti Market Under Kenya Devolution Support Programme (KDSP)	5,045,510	2,835,000	
19.	Transport & Infrastructure	Construction of Gachuria Moyo Bridge and Approaches Connecting Tebere & Murinduko Wards	5,150,000	-	
20.	Transport & Infrastructure	Improvement of E1652 (Jun C73 Kagio) - Gatarwa - Quarry Jun A2 Road in Mutithi Ward.	324,063	-	
21.	Transport & Infrastructure	Improvement of Kiamwathi-Kiathi-Kirigu-Kianyaga Road in Baragwi ward.	165,561	-	
22.	Transport & Infrastructure	Construction of Kianyaga Matatu Parking and Access Roads - (2017-18 Flagship Roll Over)	209,934	-	
23.	Transport & Infrastructure	Civil Works for Kagio Town Roads	208,785	-	
24.	Transport & Infrastructure	Construction of Kiaritha - Kibingo Box Culvert and gwakarobani Ngari footbridge in Kerugoya ward.	5,999,280	3,477,100	
25.	Transport & Infrastructure	Rehabilitation of Kutus Matatu Stage in Kabare ward.	3,320,094	-	
26.	Transport & Infrastructure	Construction of Kerugoya Town Parking Spaces, Roads, Walkways and Associated Works.	71,302,200	4,408,746	
	<b>Sub-total</b>		<b>593,342,995</b>	<b>438,829,272</b>	
27.	Environment and Water	Construction of Tree Nurseries & Tools for Nurseries	4,200,000	4,200,000	Not started
28.	Health	Construction of a Toilet Block, Chain-link fence and a Burning Chamber at Njegas in Kangai Ward	940,120	-	

<b>Department</b>		<b>Project Name</b>	<b>Budget (Kshs.)</b>	<b>Disbursements (Kshs.)</b>	<b>Current Status</b>
29.	Health	Purchase of Generators for the Executive and Hospitals	1,000,000	-	
30.	Sports, Culture and Social Services	Renovation of Kerugoya Stadium	12,500,000	-	
31.	Trade and Co-operatives	Purchase of Agricultural Machinery & Equipment	14,400,000	-	
32.	Trade and Co-operatives	Purchase of Agricultural Machinery & Equipment (Milk Packaging Machine)	97,148	-	
33.	Transport & Infrastructure	Rehabilitation of Kutus Matatu Stage in Kabare Ward	3,320,094	-	
<b>Sub total</b>			<b>36,457,362</b>	<b>4,200,000</b>	
<b>Total</b>			<b>629,800,357</b>	<b>443,029,272</b>	

## Appendix VIII: Stalled Previous Years' Projects

	Project Description	Area/County Ward	Amount Spent (Kshs.)
	<b>ECDE Classrooms and other projects</b>		
1	Construction of Kirinyaga West offices	Kandogu town	11,275,335
2	Construction of Mwea West offices	Baricho town	19,500,000
3	Completion of a hall at Kanjuu	Njukiini	523,000
4	Construction of one (1) Classroom Kathunguri	Karumandi	700,000
5	Construction of ECDE Toilets-Kiburua girls	Baragwi	1,098,645
6	Construction of ECDE Toilets-Kiamwathi	Baragwi	1,096,863
7	Construction of ECDE Toilets-Kiandai	Baragwi	1,157,282
8	Construction of ECDE Toilets at Mahigaini	Gathigiriri	1,184,660
9	Construction of ECDE Classroom at Tebere sec.	Tebere	788,028
10	Completion of 3 No. ECDE classroom block at Kianjiru Phase 2	Baragwi	300,000
11	Construction of 1 No. ECDE Classroom at Kiriko	Gathigiriri	900,000
12	Construction of 1 No. ECDE Classroom at Gathigiriri	Gathigiriri	1,000,000
13	Construction of an ECDE Class-Mathangauta	Gathigiriri	1,000,000
14	Construction of 1 No. ECDE classroom at Nyamindi	Gathigiriri	973,937
15	Construction of 1 No. ECDE Classroom at Kangai Phase 2	Kangai	500,000
16	Refurbishment of ECDE Class at Gacharu	Kariti	250,000
17	Improving a class at Mathia	Kiine	500,000
18	Construction of 1 No. ECDE Classroom at Kairini	Kiine	800,000
19	Construction of 1 No. Classroom at Nguguini	Kiine	800,000
20	Improvement of an ECDE Class at Gathaka	Kiine	300,000
21	Construction of 1 No. ECDE Classroom at Ikurungu Phase 2	Murinduko	250,000
22	Refurbishment of an ECDE Classroom at Kangaru	Mutithi	500,000
23	Refurbishment of an ECDE Class at Rukanga	Mutithi	500,000
24	Construction of an ECDE Toilet Kaminji	Mutithi	515,585
25	Construction of 1 No. Classroom at Mhuri Christian phase 2	Njukiini	400,000
26	Construction of 1 No. ECDE Classroom at Kiumbu	Tebere	1,000,000



	<b>Project Description</b>	<b>Area/County Ward</b>	<b>Amount Spent (Kshs.)</b>
27	Construction of an ECDE Classroom at Marurumo	Wamumu	690,476
28	Renovition of an ECDE Class at Ciagiini	Wamumu	238,095
29	Construction of an ECDE class at Nganga	Wamumu	674,000
30	Construction of ECDE Classroom at Mbui Njeru primary	Thiba	1,000,000
31	Completion of ECDE Classroom at Ndorome primary	Thiba	300,000
32	Construction of ECDE Classroom at Karira pri	Thiba	1,000,000
33	Construction of an Exhaustible Ablution Block at Kiranja Secondary	Inoi	1,500,000
34	Construction of an ECDE Toilet at Kiamiciri	Kabare	599,315
35	Construction of an ECDE Toilet at Ngungu	Kabare	599,315
36	Construction of an ECDE Toilet at Nyagithuci	Kabare	599,514
37	Construction of pit latrine (Mukui, Githuaini & Karima)	Kariti	850,000
38	Construction of 1 No. ECDE Toilet at Gathuthini	Kiine	1,000,000
39	Construction of 1 No. Toilet at Ndindiruku	Tebere	800,000
40	Construction of 1 No. ECDE Toilet at Mukou	Thiba	750,000
41	Construction of an ECDE Toilet at Thiba	Thiba	1,000,000
42	Construction of an ECDE Toilet at Thome	Wamumu	634,921
43	Construction of pit latrine at Karimaini	Mukure	300,000
44	Construction of pit latrine at Kiburu	Mukure	300,000
45	Construction of 1 No.Toilet at Gathigiini	Murinduko	800,000
46	Construction of 1 No. Toilet at Karuangi	Murinduko	800,000
47	Construction of ECDE Toilets at Kaminji	Mutithi	515,585
48	Construction of a stone Wall Toilet at Mutithi Primary	Mutithi	515,585
49	Construction of ECDE Toilet at Karira pri	Thiba	750,000
50	Completion of ECDE Toilet at Ndorome Primary	Thiba	200,000
	<b>Sub Total - ECDE Classrooms and Other Projects</b>		<b>64,230,141</b>
	<b>Dispensaries and Health Centers</b>	<b>Area/County Ward</b>	<b>Amount Spent (Kshs.)</b>
1	Ciagini dispensary - Construction and equipping 2 inpatient Wards (expansion of a Maternity Ward and cConstruction of MCH)	Wamumu Ward	4,466,302

	<b>Project Description</b>	<b>Area/County Ward</b>	<b>Amount Spent (Kshs.)</b>
2	Ciagini dispensary - Construction of Staff Quarter	Wamumu Ward	1,994,647
3	Joshua Mbai dispensary - Construction and Equipping the laboratory	Ngariama Ward	2,888,450
4	Kiandangae dispensary - Construction of Kiandangae Dispensary	Kiini Ward	1,763,282
5	Kamwana dispensary - Construction of Dispensary	Ngariama Ward	2,357,256
6	Kariko dispensary - Completion of Laboratory	Inoi Ward	1,760,856
7	Kavote dispensary - Construction of Dispensary	Karumande Ward	6,696,950
8	Kiamanyeki dispensary - Construction of Dispensary	Tebere Ward	7,705,580
9	Kiandai location - Construction of dispensary	Baragwi Ward	6,227,900
10	Kianjiru dispensary - Construction of Dispensary	Baragwi Ward	6,977,835
11	Kianyaga SDH - Conversion of a Morgue to an MCH Block	Baragwi Ward	10,999,971
12	Kianyaga SDH - Construction and Equipping an X-ray Department in Phases	Baragwi Ward	6,605,420
13	Kimweas Dispensary - Construction of Dispensary	Njukini Ward	2,780,206
14	Kinyaga dispensary - Construction of Dispensary	Mutithi	6,422,296
15	Kirwara dispensary - Construction of Dispensary Phase 1	Mutithi	1,214,679
16	Kutus dispensary - Expanding Maternity Ward at Kutus Dispensary	Nyangati	1,448,046
17	Matandara Dispensary - Purchase of Land and Construction	Gathigiriri Ward	2,877,686
18	Mathia dispensary - Construction of Dispensary	Kiini Ward	9,803,343
19	Mucagara Dispensary - Construction of Dispensary	Karumande Ward	3,449,730
20	Mukangu health Centre - Construction of a Staff Quarter	Kariti Ward	832,628
21	Ndaba dispensary - Construction of Dispensary	Kangai Ward	3,283,450
22	Ndindiruku dispensary - Construction of Dispensary	Tebere Ward	6,952,018
23	Ngang'a dispensary - Construction of Dispensary	Wamumu Ward	6,498,447

	<b>Project Description</b>	<b>Area/County Ward</b>	<b>Amount Spent (Kshs.)</b>
24	Njukini location - Construction of Dispensary	Njukini Ward	8,474,118
25	Riakithiga dispensary - Construction and Equipping the Laboratory	Kabare Ward	1,901,370
26	Ririi Dispensary - Laboratory Construction and Fencing	Wamumu Ward	3,394,993
27	Thigirichi Mukui dispensary - Construction and Equipping the Laboratory	Kariti Ward	4,077,755
	<b>Sub-Total - Dispensaries and Health Centers</b>		<b>123,855,214</b>
	<b>Grand total on Previous Years Stalled Projects</b>		<b>188,085,355</b>
	<b>Stalled Projects in the Year Under Review 2019-2020</b>		
1	Design, Development, Installation and Commissioning of an Integrated Hospital Information Management System	Kerugoya Hospital	11,331,381
2	Design, Development and Commissioning of Integrated Performance Management Systems	Kutus	11,738,200
	<b>Grand Total for Stalled Project During the year Under Review</b>		<b>23,069,581</b>
	<b>Grand Total for all Stalled Projects</b>		<b>211,154,936</b>