

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF UASIN GISHU FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Uasin Gishu set out on pages 1 to 35, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of County Executive of Uasin Gishu as at 30 June 2018, and 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.

Basis for Qualified Opinion

1.0 Summary of Fixed Assets Register

1.1 Handing Over of Assets and Liabilities from Defunct Local Authorities

The summary of fixed assets register at Annexure 5 to the financial statements reflects total accumulated assets figure of Kshs.7,362,219,526 as at 30 June 2018. However, as reported in the previous year, the amount of Kshs.7,362,219,526 excludes assets taken over from the defunct authorities and whose details such as land, buildings, motor vehicles, computers and other office equipment were not included in the County's fixed assets register. Although it has been explained that the assets have been verified and validated and forwarded to Intergovernmental Budget and Economic Council (IBEC) for guidance and direction, no further information has been provided as to when the process shall be finalised and the same included in the assets register of the county government. Consequently, the accuracy and completeness of the fixed assets register figure of Kshs.7,362,219,526 as at 30 June 2018 could not be confirmed.

2.0 Pending Bills

Other important disclosures - pending account payables note 4.1.0 reflects supplies of goods and services pending payables amounting to Kshs.199,197,221 and other pending payables amounting to Kshs.119,414,413 all totaling to Kshs.318,611,634 as at 30 June 2018. The accumulation of pending bills is contrary to Treasury Circular Ref AG 3/101/75

requiring Accounting officers to establish effective financial controls and maintain financial discipline in order to achieve efficient utilization of resources and ensure adherence to financial regulations and procedures to curb accumulation of pending bills. The management did not provide reason or justification for the accumulation of pending bills during the year.

The management is therefore in breach of treasury directive.

3.0 Presentation of Financial Statements

Note 22 to the financial statements reflects account receivables – outstanding imprest figure of Kshs.5,413,207 as at 30 June 2018. However, management did not attach a schedule indicating name of imprest holder, amount issued, amount surrendered and balance as 30 June 2018 as required by International Public Sector Accounting standards (IPSAS) template as prescribed by the International Public Sector Accounting standards Board. Further, the financial statements submitted for audit do not include progress on follow up of auditor’s recommendations from previous audits contrary to The Public Sector Accounting Board (PSASB) circular Ref AG/4/16/1/Vol.IV/76 dated 13 July 2017. Under the circumstances, the financial statements are not in line with the International Public Sector Accounting standards (IPSAS) template.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive of Uasin Gishu 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. 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

1.1 Budget Absorption

During the year under review, Uasin Gishu County had an approved budget of Kshs.8,062,144,047 which comprised of recurrent vote budget of Kshs.5,020,834,202 and development vote budget of Kshs.3,041,309,845. At the end of the financial year ended 30 June 2018, the budget performance reflected under absorption on development vote of Kshs.1,532,266,210 or 51% and under absorption on recurrent vote Kshs.120,961,459 or 3% resulting to overall budget under-absorption of Kshs.1,653,277,669 or 21% as summarized below:

Vote	Approved Budget 2017/18 (Kshs)	Actual Expenditure 2017/18 (Kshs)	Under-Absorption (Kshs)	%
Development	3,041,309,845	1,509,043,635	1,532,266,210	51
Recurrent	5,020,834,202	4,899,872,743	120,961,459	3
Total	8,062,144,047	6,408,916,408	1,653,227,669	21

The under-absorption of the approved budget is an indication that activities and projects in the annual plan were not implemented by the County Executive. This is likely to have a negative effect on the delivery of goods and services to the residents of Uasin Gishu County.

1.2 Development Budget

During the year under review, Uasin Gishu County Executive allocated Kshs.3,041,309,845 on development projects but spent Kshs.1,509,043,635 thus resulting to under expenditure of Kshs.1,532,266,210 or approximately 51% of the development budget. The under-expenditure related to acquisition of assets as detailed below:

Component	Approved Budget 2017/2018 (Kshs)	Actual Expenditure 2017/2018 (Kshs)	Under Absorption (Kshs)	Absorption (%)
Transfers to Other Government Entities	281,014,919	281,124,308	890,611	100
Acquisition of Assets	2,760,294,926	1,228,919,327	1,531,375,599	55
Total	3,041,309,845	1,509,043,635	1,532,266,210	51

The under absorption of the approved development budget indicates that activities and projects in the annual work plan were not implemented by the County Executive. Therefore the County Executive did not utilize Kshs.1,532,266,210 of the funds allocated for development and hence the objectives of the budget were not achieved. This may hamper service delivery to the residents of Uasin Gishu County due to lack of requisite infrastructure.

1.3 Project Verification

During the audit, thirty three (33) projects with total contract sum of Kshs.899,442,111 out of which Kshs.333,170,868 had been spent, were verified in October 2018. Seventeen (17) projects involving purchase of equipment and machinery, construction of buildings and civil

works worth Kshs.189,785,266 had been delivered/completed. One (1) project involving electricity connection with contract sum of Kshs.8,934,874 was yet to start. Nine (9) projects with total contract sum of Kshs.306,561,771 out of which Kshs.46,138,784 or approximately 15% had already been expended were found to have stalled and there was no indication of

when the construction would resume. The rest of the projects were at various levels of completion as summarized in Appendix I. The management has not explained how it will ensure the stalled projects are revived and completed for the benefit of the residents of Uasin Gishu.

1.4 Other Miscellaneous Receipts

The statement of receipts and payments for the year ended 30 June 2018 reflects county own generated revenue figure of Kshs.801,540,123 out of which an amount of Kshs.5,284,365 is described as other miscellaneous receipts. However, the other miscellaneous receipts figure of Kshs.5,284,365 comprises of direct bank deposits which had not been identified and therefore not posted to the relevant revenue streams (unidentified direct banking). Under the circumstances, the accuracy and completeness of the total figures reflected in the respect of revenue streams for the year ended 30 June 2018 could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

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 Receipts

1.1 Approved Finance Bill 2017/2018

The statement of receipts and payments reflects total receipts figure of Kshs.6,893,761,389 which include county own generated receipts amount of Kshs.801,540,123 collected from various revenue streams against budgeted amount of Kshs.850,000,000 for the year ended 30 June 2018. However, management has not provided approved County Finance Bill for the financial year 2017/2018. Although information available indicates that the same was discussed in various meetings involving various stakeholders and eventually presented to the Uasin Gishu County Assembly on 19 June 2017 for approval, no documentary evidence has been provided to confirm that the same was approved by the County Assembly contrary to Section 133 of the Public Finance Management Act, 2012 which states that not later than ninety days after passing the Appropriation Bill, the county assembly shall consider and approve the Finance Bill with or without amendments. Consequently, regularity of county own generated receipts amount of Kshs.801,540,123 for the year ended 30 June 2018 could not be confirmed and the management is in breach of the law.

1.2 Proceeds from Domestic and Foreign Grants

The statement of receipts and payments for the year ended 30 June 2018 reflects total receipts figure of Kshs.6,893,761,389 which includes proceeds from domestic and foreign grants figure of Kshs.84,229,189 as disclosed in note 2 to the financial statements comprising of World Bank, Danida and KDSP. Available information revealed that during the year under audit review, an expenditure of Kshs.37,571,355 was incurred out of the proceeds from domestic and foreign grants figure of Kshs.84,229,189 resulting to non-disbursement of Kshs.46,657,874 or approximately 55%. Underfunding and absorption of approved budget indicates that activities in the annual work plan were not implemented by the County Executive and hence the objectives of the budget were not achieved. This may hamper service delivery to the residents of Uasin Gishu County.

1.3 Fuel Levy

Included in receipts figure of Kshs.6,893,761,389 is an amount of Kshs.221,167,425 received from the Kenya Roads Board disclosed in note 8 to the financial statements for maintenance of approved road projects in the County. However, these funds were never disbursed to the approved road projects in the County during the year ended 30 June 2018. The County Government submitted roads work plan for 2017/2018 financial year to Kenya Roads Board on 16 February 2018 more than six (6) months after set date of 28 July 2017 against Kenya Roads Board letter Ref:KRB/PP/36.00/VOL.III(35) dated 12 July 2017. Although at the time of audit in October 2018 the funds had not been utilized, available information indicates that the works on various roads was ongoing and at completion levels of between 60% to 70% but the funds had not been transferred to the fuel levy fund account. Consequently, delay in disbursement of funds to development projects denies the County residents from enjoying the services or benefits accruing from completed projects.

2.0 Managed Equipment Services (Leasing of Medical Equipment)

The County Government of Uasin Gishu is allocated conditional grant amounting to Kshs.95,744,681 for year ended 30 June 2018 for leasing of medical equipment in accordance with section 5(1) (d) of the County Allocation Revenue Act, 2017. The funds are

managed by National Government on behalf of the County in accordance with Section 5(4) of the Act. According to the memorandum of understanding between Uasin Gishu County Government and National Government signed on 24 February 2015, Ziwa Sub District Hospital was to receive theatre, theatre instruments/CSSD, renal and radiology equipment while Burnt Forest Sub District Hospital was to receive theatre, theatre instruments/CSSD, and radiology equipment.

A review of delivery records and physical verification of equipment conducted in October 2018 revealed that Ziwa Sub District Hospital did not receive theatre equipment while radiology equipment meant for Burnt Forest Sub District Hospital was not delivered. Although letter Ref.No. MOH/MES/ADMIN/VOL.III (2) dated 17 October 2018 from Ministry of Health indicates that theatre equipment initially allocated to Ziwa in the memorandum of understanding is located at Moi Teaching and Referral Hospital (MTRH), there was no documentary evidence availed to show that the equipment was delivered and acknowledged by MTRH management.

Further, theatre equipment delivered to Burnt Forest Sub District Hospital facility lacks a blood transfusion fridge for storage of blood and therefore theatre operation cases that require blood transfusion are referred to other facilities and therefore affects the effective use of MES equipment.

Consequently, the County residents have not received value for money incurred on the equipment that were not delivered.

3.0 Compensation of Employees

3.1 Expenditure on Salary Emoluments and Benefits

As reported in the previous year, the statement of receipts and payments reflects compensation of employees figure of Kshs.2,987,799,235 which is approximately 43% of the total revenue of Kshs.6,893,761,429 for year ended 30 June 2018 and thus exceeded the recommended ratio of 35% stipulated in Section 25 (1) of the Public Finance Management (County Governments) Regulations 2015. Consequently, the County Government is in breach of the law and the wage bill may not be sustainable unless adequate measures are put in place to contain the rising wage cost.

3.2 Failure to Observe One Third Rule on Staff Establishment

Audit review of personnel record availed for audit revealed that as at 30 June 2018, the County Government of Uasin Gishu had a total of three thousand two hundred and eighty two (3,282) employees out of whom two thousand four hundred and seventy four (2,474) or approximately 75% were from the dominant community contrary to Section 65(e) of the County Government Act, 2012 which states that in selecting candidates for appointment, the County Public Service Board shall consider the need to ensure that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county for promotion of national unity.

4.0 Acquisition of Assets

4.1 Construction of Buildings

The statement of receipts and payments for the year ended 30 June 2018 reflects acquisition assets figure of Kshs.1,228,919,327 which includes expenditure on construction of buildings figure of Kshs.213,354,906 as disclosed in note 17 to the financial statements. The construction of buildings figure of Kshs.213,354,906 includes payments amounting to Kshs.16,217,767 made to various projects during the year in

addition to payments amounting to Kshs.53,417,624 made in the prior year's all totaling to Kshs.69,635,391 as at 30 June 2018 in respect of buildings that had either stalled or whose completion period had elapsed as summarized below:

No	Name of the project	Contract sum (Kshs)	Signing date of the contract	Contract period	level of completion	Amount paid FY 2017/18 (Kshs)	Total amount paid as at 30 June 2018	Re-remarks
1	Proposed Model Sub-county Hospital Phase 1 - Ziwa Health Centre	93,476,582	26 Jun 15	Fifty two (52) weeks	4%	-	3,548,850	Stalled
2	Proposed Model Sub-County Hospital Phase 1 – Moiben Health Centre	98,246,240	25 Jun 15	Fifty two (52) weeks		-	-	Stalled
3	Kapseret Sub-County Office	33,242,000	14 May 15	Fifty two (52) weeks	78%	-	25,874,581	Stalled
4	Construction of Kipkaren River Market	3,949,990	13 May 15	Twelve (12) weeks		-	2,639,425	Stalled
5	Electric Fencing at Chebororwa ATC	15,323,849	13 Apr 15	Twelve (12) weeks	30%	-	5,109,780	Stalled
6	Fire Station at Burnt Forest	5,991,353	13 May 16	Eight (8) weeks	26%	-	1,598,200	Stalled
7	Chagaiya High Altitude training camp	172,310,405	29 Dec16	Eighteen (18) months	35%	9,750,458	24,397,246	Stalled
8	Medical Laboratory at Huruma Sub County Hospital	9,647,930	24 Feb 17	Twenty (20) weeks	30%	2,974,610	2,974,610	Delay in completion
9	Maternity block at Kapteldon Sub-County Hospital	192,564,658	20 Feb17	Thirty-six (36) Weeks	25%	3,492,699	3,492,699	Delay in completion
	Total	624,753,007	381,555			16,217,767	69,635,391	

Consequently, the objective of this projects have not been achieved and no value for money has been obtained on the total expenditure of Kshs.69,635,391 incurred on the above projects.

4.2 Construction and Civil Works

4.2.1 Drilling of Boreholes

Included in the acquisition of assets figure of Kshs.1,228,919,327 is construction and civil works figure of Kshs.270,938,968 as disclosed in note 17 to the financial statements for the year ended 30 June 2018 out of which an amount of Kshs.12,769,760 was paid to National Water Conservation and Pipeline for drilling of boreholes. As reported in the previous year, the National Water Conservation and Pipeline was awarded a tender to drill eighteen (18) boreholes in 2015-2016 at a contract sum of Ksh.30,185,568. Payments totaling to Kshs.28,868,730 had been paid to the parastatal as at 30 June 2018. Available information revealed that one (1) borehole drilled at Cheukta in Segero Barsombe ward yield very low water (0.7 M³/hr) and the Emgoin borehole was dry for which the inspection and acceptance committee recommended that two additional boreholes were to be drilled to replace the one with very low water and that which did not yield water. However, as at the time of audit in November 2018, drilling of two additional boreholes was yet to be done. It was also noted that the performance bond guarantee of 20% of the tender sum provided by the contractor expired on 20 June 2016 while the work was still on. No reason was provided for the delay in completion of the works.

4.2.2 Construction of Kiborokwo-Kepng'etuny Bridge

Available information further revealed that the County Government of Uasin Gishu awarded a tender to a construction company at a contract sum of Kshs.15,300,007 for the construction of Kiborokwo-Kepng'etuny Bridge. The contract agreement was signed on 22 March 2016 and works expected to be completed within six (6) month commencing upon handing over of the site to the contractor and was expected to be completed in January 2017. The contract involved construction of sub-structure, super-structure, earth works and river diversion. Payments amounting to Kshs.8,304,754 or approximately 54 % of the contract sum was paid to the contractor during 2016/2017. Audit inspection during the month of November 2018 revealed that the project had stalled while the bridge is incomplete.

Under the circumstances, the propriety of the expenditure of Kshs.8,304,754 could not be confirmed and no value for money was obtained for this expenditure.

5.0 Cash and Cash Equivalents

5.1 Bank Reconciliation Statements

The County Executive of Uasin Gishu did not prepare bank reconciliation statements using the IFMIS cash management (CM) module as required by the Treasury Circular Ref: AG/16/1/VOL.IV/76 dated 13 July 2017 and the revised reporting template by the Public Sector Accounting Standards Board. The management is therefore in breach of the law.

5.2 Outstanding Imprest

The statement of assets and liabilities reflects accounts receivable- outstanding imprest figure of Kshs.5,413,207 issued to staff for purposes of local travel and was due for surrender on or before 30 June 2018. Information available indicates that an amount of Kshs.2,627,648 was surrendered between August and October 2018. At the time of audit in November, 2018 the balance of Kshs.2,785,459 had not been surrendered contrary to regulation 93(5) Public Finance and Management (County Government) Regulations 2015 which requires the holder of a temporary imprest to account for or surrender the imprest within seven working days after returning to the duty station. The management is in breach of the law.

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

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

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

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Conclusion on 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

1.0 Housing Estate Rent

The county own generated revenue amount of Kshs.801,540,123 also includes house rent amounting to Kshs.31,060,822 for the year ended 30 June 2018. As reported in the previous year the County Government has 1,359 rental houses and 2,946 kiosks and toilets all with expected monthly rent of Kshs.6,173,769 and annual rent of Kshs.74,085,228. However, only Kshs.31,060,822 was realized to leave Kshs.43,024,406 uncollected. In addition, the updated register of housing, contracts for public toilets were not availed for audit review.

Further, record of rent arrears availed revealed that the county government is owed rent arrears amounting to Kshs.254,362,629 as at 30 June 2018 due from tenants.

Consequently, the recoverability of rent arrears amounting to Kshs.254,362,629 is in doubt and the management may not be able to deliver on its mandate due to lack of funds arising

from the inability to collect the projected revenue.

2.0 Lack of an Independent Internal Audit Function

The Uasin Gishu County Executive has established an internal audit unit. However, the internal audit function reports both administratively and functionally to the Chief Officer Finance instead of an Audit Committee contrary to Regulation 155(1) of the Public Finance Management (County Government) Regulations 2015, which states that the head of internal audit unit in a County Government entity shall enjoy operational independence through the reporting structure by reporting administratively to the Accounting Officer and functionally to the audit committee. Further, the internal audit function operated without an approved internal audit charter detailing the scope, responsibilities and purpose of internal audit function.

Consequently, the unit lacks the operational independence to execute its mandate of overseeing governance mechanisms and promoting transparency and accountability in management of the resources of the County Executive.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement,

whether due to fraud or error and for its assessment of the effectiveness of internal control. In preparing the financial statements, management is responsible for assessing the County Executive of Uasin Gishu ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the County Executive of Uasin Gishu or to cease operations, or have no realistic alternative but to do so.

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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the County Executive of Uasin Gishu 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance

with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Uasin Gishu County Executive 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 going concern 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 Uasin Gishu County Executive ability to continue as a going concern or 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 Uasin Gishu County Executive to cease to continue as a going concern or 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 Uasin Gishu County Executive of to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

18 February 2019

Appendix I Project Verification

Project/Item procured	Contract Sum (Kshs)	Method of Procurement	Date of Advert	Amount Paid (Kshs)	Delivery Status
Maternity Bloc at Kapteldon Sub County Hospital	19,256,658	Open National Tender	22-Dec-16	3,492,699	Stalled
Construction of laboratory at Huruma Sub County Hospital	9,647,930	Open National Tender	22-Dec-16	1,193,610	Stalled
Ziwa Sub County Hospital	93,476,582	Open National Tender	10-Apr-15	3,584,850	Stalled
Moiben Sub County Hospital	98,246,241	Open National Tender	10-Apr-15	-	Stalled
Construction of Kapseret Sub County office	33,242,000	Open National Tender	29-Jan-15	25,874,581	Stalled
Construction of Turbo Hospital	26,220,610	Open National Tender	10-Apr-15	19,640,427	95%
Construction of Kesses Sub County Hospital	98,731,665	Open National Tender	10-Apr-15	66,354,044	80%
Electric Fencing at Chebororwa ATC	15,323,849	Open National Tender	19-Jan-15	1,153,620	Stalled
Construction of Chagaiya High Altitude Training Camp	172,310,405	Open National Tender	14-Oct-16	24,397,246	35%
Construction of Perimeter Wall and Security House at Kuinet	6,590,070	Open National Tender	12-Jan-17	2,618,400	65%
Construction of Fire Station at Burnt Forest	5,991,353	Open National Tender	18-Mar-16	1,598,200	40%
Construction of Kipkaren River Market	3,949,990	Open National Tender	29-Jan-15	2,639,425	Stalled
Maternity Ward at West Health Centre	63,005,156	Open National Tender	24-Jan-17	10,504,445	On-going project-
Supply, delivery, installation and commissioning of medical X-Ray machine	13,000,000	Open National Tender	12-Oct-16	13,000,000	Delivered

Project/Item procured	Contract Sum (Kshs)	Method of Procurement	Date of Advert	Amount Paid (Kshs)	Delivery Status
Installation works of 3 phase electricity to 24 milk coolers	8,934,874	N/A	N/A	8,934,874	Not yet started
Supply and delivery of 3 crawler excavators	58,950,000	Open National Tender	26-Apr-18	58,950,000	Delivered
Construction of milk coolants in Kuinet, Merwet, Chagaiya and Sugutek	3,468,362	Open National Tender	FY 2015/2016	3,468,362	Complete
Supply and delivery of 6 double cabin 4x4 Foton make	25,350,000	Open National Tender	1-Nov-16	21,125,000	Delivered
Construction of Chepkongony-Kiburur Bridge	17,980,716	Open Tender	2015/2016	8,303,860	Completed and in use
Construction of Kipketingwet bridge	17,001,211	Open Tender	2015/2016		Completed and in use
Construction of Kong'nyalil (B) Bridge	17,163,665	Open Tender	2015/2016	17,060,318	Completed and in use
Construction of Kapkei-Kimoning Box Culvert	12,824,119	Open Tender	2015/2016	1,039,940	Completed and in use
Construction of Kiborokwo-Kepng'etuny Bridge	15,300,007	Open Tender	2015/2016	0	Stalled project-54%
Construction of Kileges-Kongasis bridge	18,118,514	Open Tender	2015/2016	8,199,999	Stalled project-54%
Construction of Chemalal-Kipkenyo bridge	21,310,941	Open Tender	2015/2016	5,989,776	On-going project-95%
Water					
Drilling and Test pumping of Mafuta and Milimani Boreholes	3,424,300	Quotation	25-Jun-18	3,424,300	Borehole drilled and equipped-100%
Drilling of Saniak and Nukiat borehole water project	3,297,129	Quotation	17-Jan-17	3,297,129	Borehole drilled and equipped-100%
Construction of foot path ,Nandi park and renovation of county hall	3,163,165	Quotation	18-Sep-17	3,163,165	Completed and in use
Drilling and test pumping of 1 no. borehole at Illula	1,781,000	Quotation	26-Jun-17	1,781,000	Borehole drilled

Report of the Auditor-General on the Financial Statements of County Executive of Uasin Gishu for the year ended 30 June 2018

Project/Item procured	Contract Sum (Kshs)	Method of Procurement	Date of Advert	Amount Paid (Kshs)	Delivery Status
water project					
Chepterwai Water Pan	2,738,200	Quotation	24-Feb-17	2,738,200	Complete
Ngenyilel Water Pan	2,542,840	Quotation	24-Feb-17	2,542,840	Complete
Routine maintenance and spot improvement of (D328)Kuinet(C50)Kapka rio (C51) Chepkanga road	3,306,098	Quotation	2-Nov-17	3,306,098	Complete and in use
Routine maintenance and spot improvement of Chepkumia-Tairi mbili road	3,794,461	Quotation	14-03-18	3,794,461	Complete and in use
Total	899,442,111			333,170,868	