

REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KIRINYAGA FOR THE YEAR ENDED 30 JUNE, 2019

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 40, which comprise the statement of assets and liabilities as at 30 June, 2019, 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, 2019, 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 Governments Act, 2012.

Basis for Qualified Opinion

1.0 Accuracy of the Financial Statements

1.1 Variances Between Statement of Receipts and Payments Balances and the Integrated Financial Management Information System (IFMIS) Figures

The statement of receipts and payments for the year ended 30 June, 2019 reflects total expenditure of Kshs.5,241,797,280. However, the IFMIS report reflects a total expenditure of Kshs.4,561,101,048 on the same items resulting to unreconciled variances as shown below:

Components	Statement of Receipts and Payments Amount (Kshs.)	IFMIS Report Amounts (Kshs.)	Variances (Kshs.)
Compensation of Employees	2,508,203,335	2,438,759,239	69,444,096
Use of goods and services	659,319,115	794,869,980	(135,550,865)
Transfers to Other Government Units	1,057,098,193	113,559,525	943,538,668
Other grants and transfers	28,467,401	253,545,040	(225,077,639)
Acquisition of Assets	988,709,236	960,367,264	28,341,972
Total	5,241,797,280	4,561,101,048	

In the circumstances, the accuracy of the balances in respect to the five (5) items in the financial statements for the year ended 30 June, 2019 could not be ascertained.

1.2 Variances Between the Approved Budget and the Statement of Appropriation Budget Balances

The summary statement of appropriation - recurrent reflects Kshs.4,093,312,926 in respect to the final budget while the approved expenditure budget reflects Kshs.3,491,378,117 in respect to the same items resulting to an unexplained variances as shown below:

Payments	Summary Statement of Appropriation Final Budget (Kshs.)	Approved Final Budget (Kshs.)	Variance (Kshs.)
Compensation of Employees	2,507,244,885	2,500,196,975	7,047,910
Use of Goods and Services	642,475,905	739,554,700	(97,078,795)
Subsidies	0	7,546,868	(7,546,868)
Transfers to Other Government Units	896,774,016	180,257,294	716,516,722
Other Grants and Transfers	20,000,000	25,500,000	(5,500,000)
Acquisition of Assets	26,818,120	31,322,280	(4,504,160)
Other Payments	0	7,000,000	(7,000,000)
Total	4,093,312,926	3,491,378,117	

Similarly, the summary statement of appropriation - development reflects an amount of Kshs.1,818,146,046 in respect to final budget while the approved expenditure budget reflects Kshs.1,746,028,604 in respect to the same items resulting to an unexplained and unreconciled variances as shown below:

Payments	Summary Statement of Appropriation Final Budget (Kshs.)	Approved Final Budget (Kshs.)	Variance (Kshs.)
Compensation of Employees	2,000,000	5,000,000	(3,000,000)
Use of Goods and Services	62,124,042	68,549,182	(6,425,140)
Subsidies	0	13,320,000	(13,320,000)
Transfers to Other Government Units	531,301,571	294,411,516	236,890,055
Other Grants and Transfers	35,120,000	0	35,120,000
Acquisition of Assets	1,187,600,433	1,364,747,906	(177,147,473)
Total	1,818,146,046	1,746,028,604	

In addition, the County Executive did not avail the approved individual receipts budget for recurrent and development for audit review. It was therefore, not possible to confirm the accuracy of the final budgeted receipts balances of Kshs.4,093,312,926 and

Kshs.1,818,146,046 as reflected in the summary statements of appropriation for recurrent and development respectively.

In the circumstances, the accuracy of the recurrent and development budgeted receipts of Kshs.4,093,312,926 and Kshs.1,818,146,046 respectively for the year ended 30 June, 2019 could not be confirmed.

1.3 Summary Statement of Appropriation: Recurrent and Development Combined

The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 reflects an amount of Kshs.246,274, and Kshs.146,399,859 in respect to actual receipts on proceeds from domestic and foreign grants and actual receipts on transfers from other government entities respectively. However, Note 2 and Note 3 to the financial statements reflect a balance of Kshs.206,855,539 and Kshs.185,818,409 respectively in respect to the same items in the statement of receipts and payments resulting to an unexplained variance of Kshs.39,418,550.

In the circumstances, the accuracy of the statement of appropriation: recurrent and development combined for the year ended 30 June, 2019 could not be ascertained.

1.4 Variance Between the Statement of Budget Execution by Programs and Sub-Programs

The statement of budget execution by programs and sub-programs reflects total actual payments valued at Kshs.4,729,988,418 for twenty-three (23) items. However, the IFMIS report reflects a cumulative value of Kshs.4,693,517,942 in respect to the same items resulting to an unreconciled variances as detailed in the attached **Appendix I**.

Further, the statement of budget execution by programs and sub-programs reflects variances between the approved budget and IFMIS budget report. Under Basic Education-General Administration, the approved budget as per the Statement of Budget Execution by Programmes and Sub-programmes of Kshs.186,405,420 is indicated as Kshs.226,055,280 as the approved budget in the IFMIS Report resulting to an over-estimation of Kshs.39,649,860. Conversely, under the Technical and Vocational Training-Village Polytechnics the approved budget as per Statement of Budget Execution by Programmes and sub-programmes of Kshs.42,439,460 is indicated as Kshs. 2,789,600 as the approved budget in the IFMIS Report resulting to an under-estimation of Kshs.39,649,860 as a compensating error.

In the circumstances, the accuracy of the statement of budget execution by programs and sub-programs for the year ended 30 June, 2019 could not be ascertained.

1.5 Statement of Cashflows

The statement of cashflows reflects a balance of Kshs.797,093,633 in respect of net cashflows from operating activities. However, a re-cast of the balances reflects an amount of Kshs.796,093,633 resulting to unexplained variance of Kshs.1,000,000. The statement also reflects a negative balance of Kshs.989,709,236 in respect to acquisition of assets while Note 17 to the financial statements reflects an amount of

Kshs.988,709,236 resulting to un-reconciled variance of Kshs.1,000,000 as a compensating error.

In the circumstances, the accuracy of the statement of cash flows for the year ended 30 June, 2019 could not be ascertained.

2.0 Cash and Cash Equivalents

As disclosed in Note 21A to the financial statements, the statement of assets and liabilities as at 30 June, 2019 reflects a balance of Kshs.823,688,291 in respect to cash and cash equivalents.

However, bank reconciliation statements for four (4) bank accounts reflect receipts in bank statements not recorded in cash books amounting to Kshs.46,512,617, thereby understating the cash and cash equivalents by the same amount while payments in bank statements not reflected in cashbooks for three (3) bank accounts amounted to Kshs.351,169, thus overstating the cash and cash equivalents by the same amount. No evidence was provided to indicate that such outstanding reconciling amounts were subsequently adjusted in the cashbook.

Further, the bank reconciliation statement for one bank account with a nil closing balance includes unpresented cheques amounting to Kshs.8,429 in respect to stale cheques that had not been reversed in the cashbook thereby understating the cash book balance by Kshs.8,429 as at 30 June, 2019.

In addition, the County Executive had overdrawn one bank account at ABC Bank by Kshs.206 as at 30 June, 2019 but a bank confirmation certificate was not availed for review.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.823,688,291 as at 30 June, 2019 could not be confirmed.

3.0 Pending Accounts Payable

As disclosed in Note 5.10.1 on the other important disclosures, the financial statements reflect an amount of Kshs.362,916,593 in respect of pending accounts payable for the year ended 30 June, 2019. However, supporting documents including approved list of the pending bills, payment vouchers, contract agreements, procurement records, invoices, delivery notes, stores ledgers, LSOs, LPOs and evidence of the existence of a pending bills committee were not availed for audit review.

Further, the County Executive's vote book reflects an amount of the Kshs.362,916,593 comprised of Kshs.159,703,664 and Kshs.203,212,929 in respect to development and recurrent commitments respectively. However, review of the outstanding commitments in the vote book status report for the year ended 30 June, 2019 reflects Kshs.1,936,711 and Kshs.1,714,900 in respect to development and recurrent commitments respectively both totalling to Kshs.3,651,611 only resulting to an unexplained variance of

Kshs.359,264,982, an indication that the commitments may not have been controlled through the vote book.

In the circumstances, it was not possible to confirm the validity of the Kshs.362,916,593 for the year ended 30 June, 2019.

4.0 Compensation of Employees

As disclosed in Note 11 to the financial statements, the statement of receipts and expenditure reflects an amount of Kshs.2,508,203,335 under compensation of employees which constitutes an amount of Kshs.2,227,048,446 comprising of Kshs.2,161,751,232 and Kshs.65,297,214 in respect of basic salary of permanent employees and basic wages of temporary employees respectively. However, supporting schedules availed for audit review reflect an amount of Kshs.2,144,497,420 and Kshs.69,427,777 respectively, resulting to a total variance of Kshs.13,123,249 which has not been explained or reconciled.

Further, a review of the payroll for the year under review revealed that out of the Kshs.2,508,203,335 paid as compensation of employees, an amount of Kshs.2,161,751,232 paid as basic salaries of permanent employees includes Kshs.86,169,972 which was processed manually outside the IPPD system. The manual system requires calculation of deductions and net pay by the human resource officers and constant monthly and/or annual updates which is prone to human error. It was not clear why Management did not pay all its employees using the IPPD.

In the circumstances, the accuracy of Kshs.2,508,203,335 in respect of compensation of employees for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Kirinyaga 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. I have determined that there are no other key audit matters to report during the year under review.

Other Matter

1. Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.5,911,458,972 and Kshs.5,711,705,011 respectively, resulting to an under-funding of Kshs.199,753,961 or 3.3% of the budget.

Similarly, the County Executive expended Kshs.5,241,797,280 against an approved budget of Kshs.5,911,458,972 resulting to an under-expenditure of Kshs.669,661,692 or 11% of the budget. The underfunding mostly occurred under proceeds from domestic and foreign travel where an amount of Kshs.304,694,304 was not received while the under-expenditure mainly occurred under transfers to other Governments of Kshs.370,977,394. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate and the County Assembly have not deliberated on the issues.

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 matter 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. Lack of an Approved Staff Establishment

During the year under review, the County Executive had a total staff of two thousand six hundred and forty-four (2,644) out of which thirty-eight (38) were recruited within the year. As reported in the previous year, the County Executive did not have an approved staff establishment in the financial year under review contrary to Section B 5(2) and Section B 6(3) of the County Public Service Human Resource Manual 2013 which requires the County Government to ensure optimum staffing level are based on the authorized establishment and organization structure.

Consequently, the County Executive was in breach of the Human Resource Manual and therefore it has not been possible to establish if the County Government operated at optimum staffing levels.

2. Project Implementation Status Report

During the year under review, the project implementation status report availed for audit review indicates that one hundred and ninety-five (195) projects with an approved budget of Kshs.1,597,447,692 were rolled out across the county departments and regions. Out of these, 110 projects with a budget of Kshs.697,183,085 were fully completed, 37 projects with a budget of Kshs.771,728,258 were partially complete while 48 projects with a budget of Kshs.128,536,350 had not started as detailed in **Appendix II**:

Further, and as reported in the previous year, verification of project records and inspection of projects revealed that construction of seventy-seven (77) projects with a total contract sum of Kshs.188,085,355, which had commenced in the financial year 2016-2017 had stalled and had been abandoned. In addition, project verification conducted in the month of September, 2019 revealed four (4) additional projects with a contract sum of Kshs.119,050,684 and which were expected to be completed during the year under review, had also stalled resulting to a total of Kshs.307,136,039 in respect to stalled projects.

In the circumstances, the residents of Kirinyaga County therefore failed to get the expected goods and services equivalent to Kshs.128,536,350 and Kshs.771,728,258 totalling to Kshs.900,264,608, being the budgeted projects that had not been started or projects that were started but not completed during the year under review respectively. This is an indication of a weak project implementation mechanism. There is therefore, need for the Management to review its project planning mechanism with a view to prioritizing projects which will be implemented during the financial year resulting to higher positive impact, in order to improve service delivery to the citizens of Kirinyaga County.

3. Ethnic Composition

A review of the personnel records and the payroll availed for audit review indicated that the Executive had a total staff of two thousand six hundred and forty-four (2,644) as at 30 June, 2019 out of which 38 were recruited during the year. Out of the 38 personnel recruited during the year, 34 (89%) are from the dominant community contrary to Section 65 1(e) of the County Government 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.

In the circumstances, the County Executive is in breach of law.

4. Non-Compliance with the Public Finance Management Act, 2012

As disclosed in Note 11 to the financial statements, the statement of receipts and expenditure reflects an amount of Kshs.2,508,203,335 under compensation of employees compared to the County actual total revenue of Kshs.5,711,705,011. The expenditure represents 44% of the total receipts thereby exceeding the 35% threshold contrary to Section 25 (1)(b) of the Public Finance Management (County Governments) Regulations, 2015 which provides that the county governments expenditure on wages and benefits for public officers should not exceed 35% of the county total revenue.

5. Failure to Submit Financial and Non- Financial Reports

The County Executive did not submit monthly financial and non-financial budgetary reports to the County Treasury with copies to the Controller of Budget and the Auditor-General contrary to Section 54(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer of a county government entity shall submit a monthly financial and non-financial budgetary report in the format to be issued by the Cabinet Secretary relating to the activities of his or her county government entity for the preceding month to the County Treasury with copies to the Controller of Budget and the Auditor-General not later than the 10th day of each month.

6. Irregular Expenditure to Council of Governors

Note 14 to the financial statements reflects Kshs.1,057,098,193 in respect to transfers to other government entities for the year ended 30 June, 2019 which includes Kshs.15,287,678 relating to transfer to the Council of Governors. However, the expenditure was incurred in contravention of Section 37 of the Intergovernmental Relations Act, 2012 which stipulates that the Council's budget shall be provided for in the annual estimates of the revenue and expenditure of the National Government.

In the circumstances, the County Executive was in breach of the law

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk management and Governance section of my report, I confirm that, nothing 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. Fixed Asset Register

Annex 5 to the financial statements reflects an asset value brought forward of Kshs.1,245,972,362 and additions during the year of Kshs.618,785,641 all totalling

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Kshs.1,864,758,003 as the balance carried forward. However, the financial statements for 2017/2018 reflect a balance brought forward of Kshs.796,630,081 resulting to an unexplained variance of Kshs.449,342,281.

Further, Annex 5 reflects an amount of Kshs.618,785,641 in respect to additions during the year while Note 17 on acquisition of assets reflects a balance of Kshs.988,709,236 on the same item resulting to an unreconciled variance of Kshs.369,923,595.

In addition, the County Executive's assets are not coded or tagged for ease of identification and tracking as required by Section 132(b) of the Public Finance Management (County Governments) regulations, 2015 which require accounting officer to ensure that movement and conditions of assets can be tracked. There is no evidence availed for audit review indicating that assets inherited from the defunct authorities in the County were included in the summary of fixed assets.

In the circumstance, the Management has not instituted proper mechanism to safeguard the custody and ownership of public lands.

2. Land - Land Ownership Documents

As previously reported, a list of parcels of land owned by Kirinyaga County Executive's availed for audit review indicates the existence of forty-eight (48) parcels of land. However, land ownership documents for forty-five (45) parcels of land were not availed for audit verification. The schedule also lacked other vital information among them the date of acquisition, purpose of the land and its value in the list of parcels of land provided.

Further, of the forty-eight (48) parcels of land, only twelve (12) parcels with an estimated value of Kshs.2,250,000 were reflected in the fixed asset register. Management availed ownership documents for only three (3) parcels of land while ownership documents for the other nine (9) land parcels were not availed for audit verification.

In addition, and as previously reported, the County Executive is in a dispute over a parcel of land registration number KIINE/THINGIRICHI/527. The parcel of land, measuring approximately 250 acres, was registered on 5 May, 1960 as Native Trust Land Board/County Council of Kirinyaga. The land was reserved as cattle holding ground under the Veterinary Department. A civil suit No. 245 of 2000 was however filed by a petitioner against the defunct County Council of Kirinyaga claiming legal ownership of the parcel of land. On 25 November, 2004, the land was registered in the name of the petitioner's widow. Although the County Government claims that the allocation by the Commissioner of Lands to the petitioner was done illegally and that the title held by the widow is not valid, the matter is still pending in court and awaiting determination.

In the circumstances, I am unable to determine whether the County Executive has put in place policies and procedures to ensure safety and custody of its assets and public lands under its jurisdiction.

3. Weak Information, Communication Technology (ICT) Environment

During the year under review, the County Executive did not have an approved ICT policy

to enable it manage business processes for the delivery of services to the public in an effective and efficient manner. The Executive also lacked an IT continuity plan and a disaster recovery plan.

Further, the data confidentiality, accuracy, reliability, integrity and availability could not be ascertained in the absence of ICT policy, IT continuity plan and a disaster recovery plan for the year ended 30 June, 2019.

In the circumstances, I am unable to determine the effectiveness of the internal controls and risk management processes.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to continue to sustain its 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 County Executive 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 overall 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 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

12 April, 2021

Appendix I

Variance of Statement of Budget Execution by Programs and Sub-programs

	Sub-Programme	Description	Actual Payments as per the F/S (Kshs.)	Actual Payments as per IFMIS Report (Kshs.)	Variance (Kshs.)
1	106013960	General Administration & Planning	396,399,340	398,338,340	(1,939,000)
2	106043960	County Spatial Planning	71,824,108	71,891,708	(67,600)
3	106073960	Survey and Mapping	592,135	609,735	(17,600)
4	111003960	Estate Management	301,375	401,375	(100,000)
5	202023960	ICT Governance	8,678,391	8,752,631	(74,240)
6	206013960	Construction and Maintenance of Roads and Bridges	424,717,396	425,372,587	(655,191)
7	303023960	Tourism Promotion and Marketing	2,100,099	2,200,099	(100,000)
8	303043960	International Tourism Promotion & Marketing	1,405,572	1,805,572	(400,000)
9	303053960	Promotion of Industrial Training	818,297	957,028	(138,731)
10	304013960	General Administration & Planning for County & Sub-county Office	29,138,987	29,655,592	(516,605)
11	403013960	Curative & Rehabilitative Services	2,149,478,618	2,101,373,089	48,105,529
12	501013960	General Administration	162,522,193	162,700,193	(178,000)
13	501023960	Sub county Education Operations	12,285,170	13,354,830	(1,069,660)
14	503013960	Village Polytechnic	42,439,460	42,467,460	(28,000)
15	702013960	Legislation & Oversight	629,333,009	625,916,568	3,416,441
16	704013960	Finance Services	297,153,815	297,155,816	(2,001)
17	704083960	Budget Formulation, Coordination and Management	8,643,626.00	8,686,626.00	(43,000)
18	704093960	Accounting Services	6,524,857	6,559,457	(34,600)
19	705013960	Economic Planning Services	6,654,624	6,750,524	(95,900)
20	706013960	County Executive Services	284,797,477	287,505,609	(2,708,132)
21	708013960	Coordination of County Functions	131,584,602	136,261,667	(4,677,065)
22	709013960	Organization of County Business	3,387,260.00	5,493,029	(2,105,769)
23	907013960	General Administration	59,208,007	59,308,407	(100,400)
	Total		4,729,988,418	4,693,517,942	

Appendix II

Project Implementation Status Report

Department	Budget (Kshs.)	Disbursements (Kshs.)	Number of Projects	Current Status
Agriculture	26,240,000	20,391,750	4	Completed
Health	29,047,732	19,442,739	11	
Gender, Culture, Social Services	5,000,000	4,912,000	1	
Environment and Water	48,105,102	44,368,326	7	
Youth and Sports	11,491,400	11,438,201	2	
Trade, Cooperatives and Enterprise Development	51,783,326	50,034,411	7	
Transport and Infrastructure	440,167,815	306,709,575	74	
Lands and Physical Planning	71,302,200	71,302,200	1	
Finance, Economic Planning	14,045,510	8,540,019	3	
Sub - Total	697,183,085	537,139,221	110	
Agriculture	157,981,945	52,883,013	4	Ongoing
Health	319,832,985	245,337,277	17	
Gender, Culture, Social services	21,000,000	0	1	
Youth and Sports	28,000,000	21,842,219	1	
Trade, Cooperatives and Enterprise Development	36,324,148	14,890,342	3	
Transport and Infrastructure	120,350,684	112,102,417	5	
Education	61,544,821	48,753,371	1	
Lands and Physical Planning	8,000,000	0	4	
Finance, Economic Planning	18,693,675	11,738,200	1	
Sub-Total	771,728,258	507,546,839	37	
Agriculture	1,000,000	0	1	Not started
Gender, Culture, Social services	5,605,350	997,600.00	6	
Environment and Water	59,334,000	3,487,733.00	23	
Youth and Sports	4,000,000	0	6	
Trade, Cooperatives and Enterprise Development	31,397,000	0	4	
Transport and Infrastructure	6,100,000	0	2	
Education	11,100,000	0	5	

Department	Budget (Kshs.)	Disbursements (Kshs.)	Number of Projects	Current Status
Executive	10,000,000	4,318,408	1	
Sub-Total	128,536,350	8,803,741	48	
Grand Total	1,597,447,693	1,053,489,801	195	