



COUNTY GOVERNMENT OF ELGEYO MARAKWET

**COUNTY EXECUTIVE
REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

(b) Key Management

The *County Government of Elgeyo Marakwet* day-to-day management is under the following key organs:

- Governor
- Deputy Governor
- Speaker to County Assembly
- County Secretary
- CEC Member –Finance and Economic planning
- CEC Member -Health
- CEC Member –Agriculture, Livestock, Fisheries & Marketing
- CEC Member –Sports, Gender & Youth affairs
- CEC Member –Industrialization, Commerce & Tourism
- CEC Member –Environment, Water & Natural Resources
- CEC Member –Roads ,Public Works and Transport
- CEC Member – Education and
- CEC Member – ICT and Public Service
- County Public Service Board

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer-Finance	- Jeremiah Changwony
2.	Director of Accounting services	- Philip Seronei
3.	Director of Budget	- JohnKeen Murkeu
4.	Director of Economic planning	- John Maritim
5.	Director of Supply Chain	- Robert Chelagat
6.	Director of Revenue	- Josphine Koech

(d) Fiduciary Oversight Arrangements

- The County has Internal Audit department responsible for ensuring proper recording of all books of Account.

COUNTY GOVERNMENT OF ELGEYO MARAKWET

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- Auditor General is responsible for audit of County's financial statements
- The County Assembly is vested with oversight role of all activities in the County.
- Audit and finance committee activities
- Parliamentary committee activities
- Development partner oversight activities
- Other oversight activities

(e) County Government Headquarters

P.O. Box 220-30700
Elgeyo Marakwet County Building
Iten

(f) County Government Contacts

Telephone: 053-4142277
E-mail: elgeyomarakwet.go.ke
Website: www.elgeyomarakwet.go.ke

(g) County Government Bankers

1. Central Bank of Kenya
Eldoret
P.O. Box 60000-00200
Nairobi.
2. Kenya Commercial Bank
P.O Box 456-30700
Iten
3. Family Bank
P.O.Box 7415-00200
Nairobi
4. Trans National Bank
P.O.Box 34353-00200
Nairobi

(h) Independent Auditors

Auditor General,
Kenya National Audit Office,
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

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(g) Principal Legal Adviser

The County Attorney
P.O. Box 220-30700
Iten, Kenya

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II. FORWARD BY THE CEC

The financial statements for County Government of Elgeyo Marakwet for the FY 2016/17 have been prepared to comply with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya.

The County Government of Elgeyo Marakwet operated on a Revenue Ceiling of Sh.4,739,167,911 during the FY 2016/2017 consisting of the following:

• Allocation from CRA	-Sh.3,528,847,275
• Local Revenue	- Sh.160,021,113
• Balance B/f Roll over funds	- Sh.845,686,228
• HSSF Danida Funds	- Sh.10,400,000
• World Bank HSSF	- Sh.56,932,570
• Free maternity Funds	- Sh.50,228,374
• User fees foregone	- Sh.8,956,070
• Roads Maintenance Levy Funds	- Sh.54,220,715
• World Bank Grants	- Sh.23,875,566

The actual receipts realized by the County Government during the year amounted sh.3,823,457,533 comprising of :

• Exchequer Releases	- Sh. 3,528,847,275
• HSSF Danida Funds	- Sh.10,400,000
• Local Revenue	- Sh.97,323,973
• Free maternity funds	- Sh.43,897,500
• User fees foregone	- Sh.8,956,070
• Roads Maintenance Levy Funds	- Sh.54,220,715
• Doctors & Nurses Emergency call allowance	- Sh.47,490,000
• Clinical & other Health workers workers allow	- Sh.33,322,000

During the year, the total cumulative revenue amounted to Kshs. **3,823,457,533** against an approved budget of Kshs **4,739,167,911**. The actual local revenues amounted to Kshs 97,323,973 against a budgeted target of Kshs **160,021,113**. This shortfall is largely attributed to tax evasion and avoidance and significant fluctuations in major revenue sources due to changes in the economic environment.

The total expenditure amounted to Kshs **3,999,680,848** against an approved budget of Kshs **4,739,167,911**, representing 85% of total expenditure against the total budget. The absorption rate for recurrent and development expenditures stood at 97% and 63% respectively.

The Retention monies held in Trust amounting to Sh.54,040,451 has been recognized under Accounts payable (Note 23 of the financial statements)

In conclusion, the financial statements for County Government of Elgeyo Marakwet for the year ended 30th June,2017 reflect the true and fair view.

.....
Hon.Isaac Kipchirchor Kamar
CEC –Finance and Economic planning
County Government of Elgeyo Marakwet

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government’s financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government’s financial statements give a true and fair view of the state of the County Government’s transactions during the financial year ended June 30, 2017, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government’s financial statements were approved and signed by the CEC member for finance on _____ 2017.

County Executive Committee member – Finance

IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (specify entity name)

We have audited the accompanying financial statements of *(name of entity) for the year ended June 30, 2017*, which comprise: (i) a statement of receipts and payments; (ii) a statement of financial assets and liabilities; (iii) a statement of comparative budget and actual amounts; (iv) a statement of pending bills as at June 30, 2017; and (v) a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The *County's* Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the *entity's* preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the *entity's* internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2017, and its receipts and payments, as well as cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

(This statement should be removed once a final audit certificate has been received from the Office of the Auditor General and included in these financial statements. The statement of for illustration purposes only)

Auditor General

Date

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Exchequer releases	1	3,528,847,275	3,270,440,729
Proceeds from Domestic and Foreign Grants	2	10,400,000	40,979,116
Transfers from Other Government Entities	3	54,220,715	41,545,474
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	50,604,640
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	97,323,973	128,055,734
Returned CRF issues	10	-	-
TOTAL RECEIPTS		3,823,457,533	3,531,625,693
PAYMENTS			
Compensation of Employees	11	1,786,331,042	1,533,304,733
Use of goods and services	12	366,509,746	288,172,770
Subsidies	13	-	-
Transfers to Other Government Units	14	493,026,873	409,338,988
Other grants and transfers	15	215,083,876	103,113,026
Social Security Benefits	16	-	-
Acquisition of Assets	17	985,018,188	421,120,842
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	153,711,122	244,480,548
TOTAL PAYMENTS		3,999,680,848	2,999,530,907
SURPLUS/DEFICIT		(176,223,315)	532,094,787

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **27th February, 2018** and signed by:

 Chief Officer-Finance & Economic planning
 Name: Jeremiah Changwony

 Head of Treasury
 Name: John Keen M. Jairo
 ICPAK Member Number: 8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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II. STATEMENT OF ASSETS AS AT 30TH JUNE 2017

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	21A	732,518,975	839,781,675
Cash Balances	21B	1,124,480	2,590,000
Total Cash and cash equivalent		<u>733,643,455</u>	<u>842,371,675</u>
Accounts receivables – Outstanding Imprests	22	19,918,670	2,218,940
TOTAL FINANCIAL ASSETS		753,562,125	844,590,616
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	23	54,040,448	22,886,072
NET FINANCIAL ASSETS		<u>699,521,677</u>	<u>821,704,544</u>
REPRESENTED BY			
Fund balance b/fwd	24	875,744,995	289,609,757
Prior year adjustments	25	-	-
Surplus/Deficit for the year		(176,223,315)	532,094,787
NET FINANCIAL POSITION		<u>699,521,677</u>	<u>821,704,544</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 27th February, 2018 and signed by:

Chief Officer-Finance & Economic planning
Name:Jeremiah Changwony

Head of Treasury
Name:JohnKeen M.Jairo
ICPAK Member Number:8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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III. STATEMENT OF CASH FLOWS

		2016-2017	2015 – 2016
		Kshs	Kshs
Receipts from operating income			
Exchequer Releases	1	3,528,847,275	3,270,440,729
Proceeds from Domestic and Foreign Grants	2	132,666,170	40,979,116
Transfers from Other Government Entities	3	10,400,000	41,545,474
Reimbursements and Refunds	7	54,220,715	50,604,640
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	97,323,973	128,055,734
Returned CRF issues	10	-	-
Payments for operating expenses			
Compensation of Employees	11	(1,786,331,042)	(1,533,304,733)
Use of goods and services	12	(366,509,746)	(288,172,770)
Subsidies	13	-	-
Transfers to Other Government Units	14	(493,026,893)	(409,338,988)
Other grants and transfers	15	(215,083,876)	(103,113,026)
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	(153,711,122)	(244,480,548)
		808,794,874	953,215,628
Adjusted for:			
Adjustments during the year	25	31,154,376	22,886,072
Net cash flow from operating activities		839,949,250	976,101,701
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(985,018,188)	(421,120,842)
Net cash flows from Investing Activities		(985,018,188)	(421,120,842)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(145,068,939)	554,980,859
Cash and cash equivalent at BEGINNING of the year	21	844,590,616	289,609,757
Cash and cash equivalent at END of the year	24	699,521,677	844,590,616

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **27th February, 2018** and signed by:

Chief Officer-Finance & Economic planning
Name: Jeremiah Changwony

Head of Treasury
Name: John Keen M. Jairo
ICPAK Member Number: -8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET

Reports and Financial Statements

For the year ended June 30, 2017

IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,528,847,275	-	3,528,847,275	3,528,847,275	-	100%
Proceeds from Domestic and Foreign Grants	10,400,000	-	10,400,000	10,400,000	-	100%
Transfers from Other Government Entities	78,096,281	-	78,096,281	54,220,715	23,875,566	0%
Proceeds from Domestic Borrowings	56,932,570	-	56,932,570	-	56,932,570	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	
Proceeds from Sale of Assets	-	-	-	-	-	
Reimbursements and Refunds	52,054,640	7,129,804	59,184,444	132,665,570	73,481,126	224%
Returns of Equity Holdings	-	-	-	-	-	-
County Own Generated receipts	160,021,113	-	160,021,113	97,323,973	62,697,140	61%
Roll over funds B/f	-	845,686,228	845,686,228	-	845,686,228	0%
TOTAL	3,886,351,879	852,816,032	4,739,167,911	3,823,457,533	915,710,378	81%
PAYMENTS						
Compensation of Employees	1,799,290,399	604,960	1,799,895,359	1,786,331,042	13,564,317	99%
Use of goods and services	165,359,489	231,971,042	397,330,531	372,231,546	25,098,985	94%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	491,089,372	16,039,829	500,380,485	493,026,873	7,353,612	99%
Other grants and transfers	213,167,050	58,262,769	271,429,819	209,362,076	62,067,743	77%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	974,117,951	557,452,112	1,531,570,063	985,018,188	546,551,875	64%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Other Payments	243,327,618	- 11,514,680	238,561,654	153,711,122	84,850,532	64%
TOTAL	3,886,351,879	852,816,032	4,739,167,911	3,999,680,847	739,487,064	84%
SURPLUS/(DEFICIT)	-	-	-	- 176,223,314	176,223,314	

Note:The utilisation of funds in each category exceeded 50%

-Included in Refunds and Reimbursement of **sh132,665,570** is **sh.79,812,317** being Transfers from National Government for Doctors,Nurses,Clinical and Other Health workers allowance.The funds had not been budgetted in the FY 2016/17.The same was rolled over and budgetted in the FY 2017/18 supplementary budget

The entity financial statements were approved on **27th February,2018** and signed by:

 Chief Officer-Finance & Economic planning
 Name:Jeremiah Changwony

 Head of Treasury Accounts
 Name:JohnKeen M.Jairo
 ICPAK Member Number:-8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,676,438,996	-	1,676,438,996	1,676,438,996	-	100%
Proceeds from Domestic and Foreign Grants	10,400,000	-	10,400,000	10,400,000	-	100%
Transfers from Other Government Entities	23,875,566		23,875,566	-	23,875,566	0%
Proceeds from Domestic Borrowings	56,932,570	-	56,932,570	-	56,932,570	0%
Proceeds from Foreign Borrowings					-	
Proceeds from Sale of Assets					-	
Reimbursements and Refunds	52,054,640	7,129,804	59,184,444	132,665,570	-73,481,126	224%
Doctors & Nurses allowances refunds			-	-	-	-
County Own Generated receipts	160,021,113	-	160,021,113	97,323,973	62,697,140	61%
Return CRF issues	-	845,686,228	845,686,228	-		0%
TOTAL	1,979,722,885	852,816,032	2,832,538,917	1,916,828,539	70,024,150	68%
PAYMENTS						
Compensation of Employees	1,799,290,399	604,960	1,799,895,359	1,786,331,042	13,564,317	99%
Use of goods and services	165,359,489	231,971,042	397,330,531	372,231,546	25,098,985	94%
Subsidies	-	-	-	-	-	
Transfers to Other Government Units	491,089,372	-	484,340,656	484,857,172	-	100%
Other grants and transfers	145,834,480	38,083,653	183,918,133	175,818,744	8,099,389	96%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	15,000,000	- 473,760	14,526,240	13,657,145	869,095	94%
Finance Costs, including Loan Interest	-	-	-	-	-	

COUNTY GOVERNMENT OF ELGEYO MARAKWET**Reports and Financial Statements****For the year ended June 30, 2017**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTAL	2,616,573,740	270,185,895	2,880,010,919	2,832,895,649	47,115,270	98%
SURPLUS/(DEFICIT)	- 636,850,855	582,630,137	- 47,472,002	- 916,067,110	22,908,880	

Note: -The utilisation of funds in each category exceeded 50%

-Included in Refunds and Reimbursement of **sh132,665,570** is **sh.79,812,317** being Transfers from National Government for Doctors,Nurses,Clinical and Other Health workers allowance.The funds had not been budgetted in the FY 2016/17.The same was rolled over and budgetted in the FY 2017/18 supplementary budget

The entity financial statements were approved on **27th February,2018** and signed by:

Chief Officer-Finance & Economic planning
Name:Jeremiah Changwony

Head of Treasury Accounts
Name:JohnKeen M.Jairo
ICPAK Member Number:-8112

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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VI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,852,408,279	-	1,852,408,279	1,852,408,279	-	100%
Proceeds from Domestic and Foreign Grants					-	
Transfers from Other Government Entities	54,220,715		54,220,715	54,220,715	-	
Proceeds from Domestic Borrowings					-	
Proceeds from Foreign Borrowings					-	
Proceeds from Sale of Assets					-	
Reimbursements and Refunds	-		-	-	-	
Returns of Equity Holdings					-	
County Own Generated receipts					-	
					-	
TOTAL	1,906,628,994	-	1,906,628,994	1,906,628,994	-	100.00%
PAYMENTS						
Compensation of Employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to Other Government Units	-	16,039,829	16,039,829	8,169,701	7,870,128	51%
Other grants and transfers	67,332,570	20,179,116	87,511,686	33,543,332	53,968,354	38%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	959,117,951	557,925,872	1,517,043,823	971,361,043	545,682,780	64%
Finance Costs, including Loan Interest	-	-	-	-	-	
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	
Other Payments	243,327,618	- 11,514,680	238,561,654	153,711,122	84,850,532	64%

COUNTY GOVERNMENT OF ELGEYO MARAKWET

Reports and Financial Statements

For the year ended June 30, 2017

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
TOTALS	1,269,778,139	582,630,137	1,859,156,992	1,166,785,198	692,371,794	63%
SURPLUS/(DEFICIT)	636,850,855	- 582,630,137	47,472,002	739,843,796	- 692,371,794	0

Note:The utilisation of funds in each category exceeded 50%

The entity financial statements were approved on 27th February, 2018 and signed by:

Chief Officer-Finance & Economic planning
Name:Jeremiah Changwony

Head of Treasury Accounts
Name:JohnKeen M.Jairo
ICPAK Member Number:-8112

VII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	20xx		20xx	Date, 20xx	
	Kshs	Kshs	Kshs	Kshs	Kshs
Programme 1					
Sub-programme 1	See:Annex 2				
Sub-programme 2	Attached				
Sub-programme 3					
Programme 2					
Sub-programme 1					
Sub-programme 2					
Sub-programme 3					

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the County budgets which are programmatic)

VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the County Government of Elgeyo Marakwet. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

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

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the *entity* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *entity* includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

5. Cash and cash equivalents

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

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2016, this amounted to Kshs 54,040,451 compared to Kshs 22,886,072 in prior period as indicated on note 23

There were no other restrictions on cash during the year

6. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Non current assets

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

9. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *entity's* budget was approved as required by Law and as detailed in the County Revenue Allocation Act. **The original budget was approved by the County Assembly on 18th March,2016 for the period 1st July 2016 to 30 June 2017 as required by law. There was one number of supplementary budgets passed in the year.** A high-level assessment of the *entity's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

13. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

14. Related party transactions

Related party transactions involve cash and in kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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IX. NOTES TO THE FINANCIAL STATEMENTS

1 EXCHQUER RELEASES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Total Exchequer Releases for quarter 1	599,904,037	261,635,258
Total Exchequer Releases for quarter 2	582,259,800	833,962,387
Total Exchequer Releases for quarter 3	882,211,819	817,610,182
Total Exchequer Releases for quarter 4	1,464,471,619	1,357,232,902
Total	3,528,847,275	3,270,440,729

2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2016 – 2017	2015 – 2016
			Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)				
(Insert name of donor)				-
HSSF DANIDA FUNDS			10,400,000	20,800,000
Grants Received from Multilateral Donors (International Organisations)				
(Insert name of donor)				-
WORLD BANK			-	20,179,116
Grants Received from other levels of government				
(Insert name of donor)				-
(Insert name of donor)				-
Total			10,400,000	40,979,116

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 – 2016
	Kshs	Kshs
Transfers from Central government entities	-	-
Roads Maintenance Levy Funds(RMLF)	54,220,715	41,545,474
(insert name of budget agency)	-	-
Transfers from Counties	-	-
(insert name of budget agency)	-	-
(insert name of budget agency)	-	-
TOTAL	54,220,715	41,545,474

4 PROCEEDS FROM DOMESTIC BORROWINGS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)	-	-
Other Domestic Depository Corporations (Commercial Banks)	-	-
Borrowing from Other Domestic Financial Institutions	-	-
Borrowing from Other Domestic Creditors	-	-
Domestic Currency and Domestic Deposits	-	-
Total	-	-

(Give a brief description of the nature and sources of borrowings including any assets pledged as security)

5 PROCEEDS FROM FOREIGN BORROWINGS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
Total	-	-

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 PROCEEDS FROM SALE OF ASSETS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Total	-	-

7 REIMBURSEMENTS AND REFUNDS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of User fees foregone	8,956,070	7,194,849
Reimbursement of Free Maternity Fees	43,897,500	43,409,800
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organisations	-	-
Reimbursement within Central Government	-	-
Reimbursement Doctors & Nurses Emergency allowance	47,490,000	-
Reimbursement of Clinical & Other Health workers allowance	32,322,000	-
Total	132,665,570	50,604,640

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 RETURNS OF EQUITY HOLDINGS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
	-	-
Total	-	-

(State briefly from which entities dividends or interest is derived from)

9 COUNTY OWN GENERATED RECEIPTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Interest Received	-	-
Profits and Dividends	-	-
Rents	1,769,735	439,100
Other Property Income	-	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	6,255,298	25,515,840
Receipts from Administrative Fees and Charges - Collected as AIA	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	-	-
Fines Penalties and Forfeitures	432,837	773,318
Receipts from Voluntary transfers other than grants	-	-
Business permits	9,930,050	12,642,375
Cesses	25,684,755	31,585,437
Poll rates	-	-
Plot rents	2,486,912	-
Other local levies	-	-
Administrative services fees	-	-
Various fees	-	-
Council's natural resources	-	-
Exploitation	-	-
Sales of council assets	-	-
Lease / rental of council's	-	-
Infrastructure assets	-	-
Other miscellaneous receipts	3,482,097	-
Other miscellaneous receipts-Stock Auction fees	3,126,180	-
Insurance claims recovery	-	-
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr rpayment)	-	-
Transfers from reserve funds	-	-

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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Donations	-	-
Fund raising events	-	-
Other receipts from financial assets loan	-	-
Market/trade centre fee	5,933,515	3,958,257
Vehicle parking fees	3,610,700	4,401,850
Housing	-	-
Social premises use charges	-	-
School fees	-	-
Other education-related	-	-
Other education receipts	-	-
Public health services	2,373,220	-
Public health facilities operations	29,893,184	44,628,710
Environment & conservancy	177,250	1,514,620
Administration	-	-
Slaughter houses administration	1,465,040	-
Water supply administration	703,200	261,680
Sewerage administration	-	-
Other health & sanitation	-	-
Technical services fees	-	-
External services fees	-	-
	97,323,973	128,055,734

10 RETURNED CRF ISSUES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Recurrent account	-	-
Development account	-	-
	-	-
Total	-	-

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 COMPENSATION OF EMPLOYEES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Basic salaries of permanent employees	1,722,536,398	1,483,522,502
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions- LAPTRUST	6,181,272	6,155,016
Compulsory national social security schemes –NSSF	4,707,600	3,874,630
LAPFUND	35,267,671	27,552,180
Social benefit schemes outside government	-	-
Other personnel payments- GRATUITY	17,638,101	12,200,405
Total	1,786,331,042	1,533,304,733

12 USE OF GOODS AND SERVICES

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Utilities, supplies and services	9,854,396	10,984,919
Communication, supplies and services	9,667,360	15,453,705
Domestic travel and subsistence	30,782,768	42,501,605
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	11,632,721	21,128,041
Rentals of produced assets	4,058,109	2,503,064
Training expenses	7,097,672	20,502,251
Hospitality supplies and services	12,292,240	23,792,782
Insurance costs	13,565,457	7,087,498
Specialized materials and services	132,787,052	55,567,860
Office and general supplies and services	10,041,164	5,568,608
Other operating expenses	69,619,777	49,246,927
Routine maintenance – vehicles and other transport equipment	10,653,548	10,163,200
Routine maintenance – other assets	19,314,162	9,181,044
Fuel and Lubrications	25,143,320	14,491,266
Total	366,509,746	288,172,770

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 SUBSIDIES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Subsidies to Public Corporations		
<i>See list attached</i>	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
<i>See list attached</i>	-	-
(insert name)	-	-
TOTAL	-	-

(Give explanation of the nature of subsidies and the kind of services that have been subsidised)

14 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Transfers to Central government entities	-	-
See attached list	-	-
Transfers to Other Counties		
Transfer to County Assembly	469,026,873	409,338,988
Transfer to Car and Mortgage fund	24,0000,000	-
TOTAL	493,026,873	409,338,988

(Provide the nature and purpose of transfers and are these transfers to be recovered)

15 OTHER GRANTS AND OTHER PAYMENTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Scholarships and other educational benefits	41,011,141	32,467,413
Emergency relief and refugee assistance	5,721,800	-
Subsidies to small businesses, cooperatives, and self employed	-	-
Free Maternity Funds Disbursements-Health	98,269,060	41,529,409
DANIDA Funds Disbursements-Health		20,800,000
User fees charges foregone-Heath	9,079,641	8,316,204
Donations-Office of governor(Recurrent)	28,358,902	
Other transfers	33,543,332	
Total	215,083,876	103,113,026

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 SOCIAL SECURITY BENEFITS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Total	-	-

(Explain where the benefits are remitted and who the beneficiaries are)

17 ACQUISITION OF ASSETS

Non Financial Assets	2016 – 2017	2015 – 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	258,590,001	114,889,650
Refurbishment of Buildings	-	-
Construction of Roads	-	96,960,508
Construction and Civil Works	623,649,586	-
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	14,191,210	-
Overhaul of Vehicles and Other Transport Equipment	328,048	612,055
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	60,859,471	25,572,187
Purchase of ICT Equipment, Software and other ICT assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	25,418,774	-
Research, Studies, Project Preparation, Design & Supervision	-	-
Rehabilitation of Civil Works	-	150,867,734
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	1,991,098	1,611,508
Acquisition of Intangible Assets	-	-
Purchase of ICT Equipments	-	607,200
Financial Assets	-	-
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Foreign financial Institutions operating Abroad	-	-
Other Foreign Enterprises	-	-
Foreign Payables - From Previous Years	-	-
Total	985,018,188	421,120,842

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

18 FINANCE COSTS, INCLUDING LOAN INTEREST

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Exchange Rate Losses	-	-
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
Total	-	-

19 REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Repayments on Borrowings from Domestic	-	-
Principal Repayments on Guaranteed Debt Taken over by Government	-	-
Repayments on Borrowings from Other Domestic Creditors	-	-
Repayment of Principal from Foreign Lending & On – Lending	-	-
Total	-	-

20 OTHER PAYMENTS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other payments	153,711,122	266,872,005
	153,711,122	266,872,005

(Provide explanation as to what each component of other expenses relate to)

COUNTY GOVERNMENT OF ELGEYO MARAKWET

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency*	Indicate whether recurrent, Development, deposit, receipts e.t.c	Ex. rate (if in foreign currency)	2016 – 2017	2015 – 2016
				Kshs	Kshs
CBK , Development Account. A/C no.100017391		Development		13,549,528	130,766,331
CBK, Recurrent Account. A/C no. 1000171421		Recurrent		11,536	53,387,279
CBK, County Revenue Fund 100017172		Revenue		535,216,508	565,700,296
KCB, Standing imprest Account 1140794779		Imprest		-	24,426
KCB, County Revenue collection A/C no.1140751360		Collection		172,064	1,915,400
KCB,County Assembly A/C 1144094828		Imprest			48
Paybill a/c -MPESA		Collection		-	4,000
Iten County Refferal Hospital a/c 1147075433		Imprest		-	2,022,160
CBK, Road maint. levy a/c 1000253948		Fund		88,549,350	20,772,737
Marakwet West –a/c 114707096				425	421
Tot Sub-county hospital a/c 114707793				-	221
Chebiemit Sub-county hospital a/c 1147077398				-	898,332
CA CBK, Recurrent a/c 1000240563		Recurrent		-	5,415
CBK Maternal health a/c 1000287748		Fund		40,979,116	40,979,116
Paybill Account-Cash in Transit		Collection		-	378,000
Tambach Sub-county hospital a/c 1147077878		Imprest		-	40,990
MOH Keiyo South a/c 1147077169		Imprest		-	-
CBK Retention monies Deposit a/c		Deposit		54,040,448	22,886,072
Kaptarakwa sub-county Hospital a/c 1147076162		Imprest			428
Total				732,518,975	839,781,675

*Amount should be as per amount in the cash book.

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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21B: CASH IN HAND

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Cash in Hand – Held in domestic currency	1,124,480	2,590,000
Cash in Hand – Held in foreign currency		-
Total	1,124,480	2,590,000

Cash in hand should also be analysed as follows:

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Location 1	1,124,480	2,590,000
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	1,124,480	2,590,000

[Provide cash count certificates for each]

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

22: ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>	2016 – 2017	2015 – 2016
	Kshs	Kshs
Government Imprests	19,918,670	2,218,940
Clearance accounts		-
Total	19,918,670	2,218,940

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	As per list	Attached	
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
Total				

23. ACCOUNTS PAYABLE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Deposits	54,040,448	22,886,072
Total	54,040,448	22,886,072

[Provide short appropriate explanations as necessary]

24. FUND BALANCE BROUGHT FORWARD

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Bank accounts	821,704,544	289,609,757
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	54,040,448	-
Total	875,744,992	289,609,757

[Provide short appropriate explanations as necessary]

COUNTY GOVERNMENT OF ELGEYO MARAKWET
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25: PRIOR YEAR ADJUSTMENTS

Description of the error	2016 – 2017	2015 – 2016
	Kshs	Kshs
Adjustments on bank account balances	-	-
Adjustments on cash in hand	-	-
Adjustments on payables	-	-
Adjustments on receivables	-	-
Others (<i>specify</i>)	-	-
	-	-

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OTHER IMPORTANT DISCLOSURES

26.1: PENDING ACCOUNTS PAYABLE (See Annex 1) DEVELOPMENT EXPENDITURE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Construction of buildings	201,604,441	255,330,945.50
Construction of civil works	319,702,846	338,860,006.00
Supply of goods	72,707,877	25,562,606.75
Supply of services	66,310,645	185,303,131.65
Total	660,325,808	805,056,689.90

26.2: PENDING STAFF PAYABLES (See Annex 2)

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
Total	-	-

26.3: OTHER PENDING PAYABLES (See Annex 3) –RECURRENT EXPENDITURE

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties-Use of goods & Services	29,082,913	-
Others (<i>specify</i>) Salary/Statutory Deductions	95,307,296	-
Total	124,390,209	-

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

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27 RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

	2016/2017	2015/2016
	Kshs	Kshs
Key Management compensation	-	-
	=====	=====
Transfers to the County Assembly	469,026,873	409,338,988
Transfers to other County Government entities	-	-
Transfers to County Ministries and Departments	164,972,735	103,113,026
Transfers to County Executive Car & Mortgage Fund	24,000,000	-
Transfers to County Bursary Fund	40,111,141	-
	=====	=====

28 ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

The PFM Act, 2012 section 182 enables the County Government to establish and resolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government since inception.

Entity	Date Established	Location	Accounting Officer responsible
County Executive Car & Mortgage Fund	-	H/Qtrs	Jeremiah Changwony
County Bursary Fund	-	H/Qtrs	Boaz Changach
Alcoholic Drinks Control Fund	-	H/Qtrs	Ishmael Chelan'ga

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X. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

CEC, County Treasury

Sign.....

Date.....

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE FOR DEVELOPMENT EXPENDITURE AS AT 30TH JUNE 2017

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	A	B	c	d=a-c		
Construction of buildings						
1. As per Pending bills Schedule	502,502,860		300,898,420	201,604,441	-	To be re-budgetted
2.						
3.						
Sub-Total	502,502,860		300,898,420	201,604,441	-	
Construction of civil works						
4. As per Pending bills Schedule	426,868,973		106,740,932	319,792,846	574,805	To be re-budgetted
5.						
6.						
Sub-Total	426,868,973		106,740,932	319,792,846	574,805	
Supply of goods						
7. As per Pending bills Schedule	87,209,898		14,502,020	72,707,877	-	To be re-budgetted
8.						
9.						
Sub-Total	87,209,898		14,502,020	72,707,877		
Supply of services						
10. As per pending bills schedule	75,420,709		6,087,150	66,310,645	-	To be re-budgetted
11.						
12.						
Sub-Total	75,420,709		6,087,150	66,310,645	-	
Grand Total	1,091,002,440		428,338,521	660,325,808	-	

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	B	c	d=a-c		
Senior Management							
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Middle Management							
4.	-	-	-	-	-	-	-
5.	-	-	-	-	-	-	-
6.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Unionisable Employees							
7.	-	-	-	-	-	-	-
8.	-	-	-	-	-	-	-
9.							
Sub-Total							
Others (specify)							
10.	-	-	-	-	-	-	-
11.	-	-	-	-	-	-	-
12.							
Sub-Total							
Grand Total	-	-	-	-	-	-	-

Note: There are no pending payables relating to staff as at 30th June, 2017.

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES –RECURRENT EXPENDITURE AS AT 30TH JUNE,2017

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	B	C	d=a-c		
Amounts due to National Govt Entities							
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
Amounts due to County Govt Entities							
4.	-	-	-	-	-	-	-
5.	-	-	-	-	-	-	-
6.	-	-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
Amounts due to Third Parties							
7. Use of goods & Services	-	-	-	-	29,082,913	-	-
8.	-	-	-	-	-	-	-
9.	-	-	-	-	-	-	-
Sub-Total		-	-	-	29,082,913	-	-
Others (specify)							
10. Salary deductions/Statutory	-	-	-	-	95,307,298	-	-
11.	-	-	-	-	-	-	-
12.							
Sub-Total					95,307,298		
Grand Total					124,390,209		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2015/2016	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 2016/2017
Land	127,486,508	-	-	127,486,508
Buildings and structures	324,939,007	266,757,702	-	591,696,709
Transport equipment	100,785,750	14,191,210	-	114,976,960
Office equipment, furniture and fittings	108,349,405	61,943,686	-	170,293,091
ICT Equipment, Software and Other ICT Assets	17,953,591	495,000	-	18,448,591
Other Machinery and Equipment	275,920,700	-	-	275,920,700
Heritage and cultural assets	-	-	-	-
Intangible assets	100,000	-	-	100,000
Total	955,534,961	343,387,598	-	1,298,922,559

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government. Additions during the year should tie to note 18 on acquisition of assets during the year.

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ANNEX 5: INTER- ENTITY TRANSFERS

Ref	Entity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Amount transferred Kshs	Amount Confirmed as received Kshs	difference	explanation
1	County Assembly								
2	Xxx fund								
3	Xxx project								
4	Xxx board								
5	Xxx corporation								
6	Xxx								
7	Xxx								
8	Xxx								
9	Total								

Director of Finance
County Executive

Director of Finance
County Assembly/fund/project

(NB: This appendix must be agreed and signed by the issuing and receiving party)

COUNTY GOVERNMENT OF ELGEYO MARAKWET

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ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

(Attach FO 30 Report from IFMIS)