

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
COUNTY EXECUTIVE OF LAIKIPIA**

**FOR THE YEAR  
ENDED 30 JUNE 2018**



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**COUNTY GOVERNMENT OF LAIKIPIA**

**EXECUTIVE**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30<sup>TH</sup>, 2018**



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

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The County Government of Laikipia is constituted as per the constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The county has three sub-counties: Laikipia North, Laikipia East and Laikipia West. It is divided into three constituencies and 15 wards.

Laikipia County borders 7 counties namely Samburu to the North, Isiolo to the North East, Meru to the East, Nyeri to the South East, Nyandarua and Nakuru to the South West and Baringo to the West.

Laikipia County covers an area of 9,462 KM<sup>2</sup> (2,338,111 acres).

Main economic activities are tourism and agriculture, chiefly grain crops, ranching and greenhouse horticulture

**(b) Key Management**

The County Government of Laikipia day-to-day management is under the following key organs:

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	The Governor	H. E. - Ndiritu Muriithi
2.	The Deputy Governor	H.E - John Mwaniki
3.	The County Executive Member of County Administration	-----
4.	The County Executive Member of Finance Management	Boniface Ndai Murungi
5.	The County Executive Member of Health.	-----
6.	The County Executive Member of Agriculture.	Dr. Lucy Murugi
7.	The County Executive Member of Infrastructure.	Jalice Shuel
8.	The County Executive Member of Gender, Sports, Culture.	-----
9.	The County Executive Member of Industrialisation and Enterprise Dev	Nicholas Biwot Tirop
10.	The County Executive Member of Water.	Njenga Kahiro

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**(c) Fiduciary Management**

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

<u>No.</u>	<u>Designation</u>	<u>Department</u>	<u>Name</u>
1.	Ag.Chief Officer	Office of the Governor	Samuel Karanja Njora
2.	Ag. Chief Officer	County Administration	Samuel Karanja Njora
3.	Ag. Chief Officer	Finance & Economic Planning	Paul Njenga Waweru
4.	Ag. Chief Officer	Health	Dr. Donald Mogoi
5.	Ag. Chief Officer	Agriculture	Dr. Daniel Ndungu Thuo
6.	Ag. Chief Officer	Infrastructure	Kenneth Njihia Karanja
7.	Ag. Chief Officer	Education, ICT ,Gender& Sports	Annette Wambui Muriuki
8.	Ag. Chief Officer	Industrialisation and Enterprise Dev	Jemimmah K. Mburugu
9.	Ag. Chief Officer	Water	Evans Kamau Nduta

**(d) Fiduciary Oversight Arrangements**

- County Assembly of Laikipia
  - i). County Assembly budget committee
  - ii). County Assembly Public Account Committee and Public Investment Committee
- Senate public account committee.
- Office Controller of Budget.
- Office Auditor-General
- Laikipia County Executive Audit Committee
- County Executive Committee
- Development partner oversight activities

**(e) County Government of Laikipia**

**Headquarters**

P.O. Box 1271 - 10400  
Interim County Headquarter Building  
Kenyatta Avenue  
Nanyuki, KENYA

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**(f) County Government**

**Contacts**

Telephone: (254) 0202352720

E-mail: [treasury@laikipiacounty.go.ke](mailto:treasury@laikipiacounty.go.ke)

Website: [www.laikipia.go.ke](http://www.laikipia.go.ke)

**(g) County Government of Laikipia  
Bankers**

1. Central Bank of Kenya,  
Haile Selassie Avenue,  
P.O. Box 60000 - 00200,  
Nairobi, Kenya.
2. Co-operative Bank of Kenya,  
Nairobi, Kenya
3. Kenya Commercial Bank,  
Nairobi, Kenya.
4. Equity Bank Ltd,  
Nairobi, Kenya.
5. Family Bank Ltd  
Nairobi, Kenya.

**(h) Independent Auditors**

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

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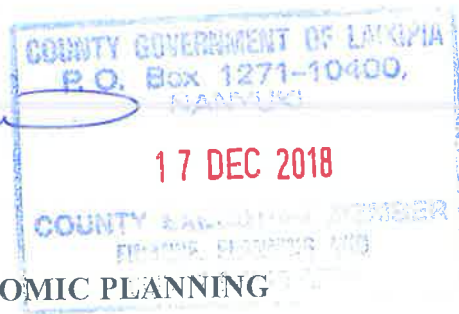
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The link between policy, planning and budgeting continues being a critical as provided for in the Constitution and County Government Act. The financial statements play a critical role in the preparation of budgets and management of public resources. To strengthen the budget preparation process, the County government will continue to embrace programme based budgeting and deepen public financial reforms to increase efficiency and effectiveness in service delivery.

The County is committed in upholding the trend of stable macroeconomic performance and ensure transparency by relaying performance indicators to the public. This will be realized through publications as required by the Constitution and the PFM Act.



**BONIFACE M. NDAI**  
**CECM-FINANCE AND ECONOMIC PLANNING**



## **2. 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, 2018. 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, 2018, 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.



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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 on 17<sup>th</sup> December, 2018.


Chief Officer  
Name: Paul Njenga


Head of Treasury  
Name: Daniel K. Ngumi  
ICPAK Member Number: 8207



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF LAIKIPIA FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Qualified Opinion

I have audited the accompanying financial statements of County Executive of Laikipia set out on pages 12 to 67, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statements 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 County Executive of Laikipia as at 30 June 2018, 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 County Government Act, 2012 and the Public Finance Management Act, 2012.

##### Basis for Qualified Opinion

###### 1. Unbalanced Trial Balance

The trial balance as at 30 June, 2018 provided for audit reflects total debit balances of Kshs.28,995,448,748 and total credit balances of Kshs.28,658,798,165 and thus, resulting in unexplained and unreconciled difference or suspense of Kshs.336,650,583.

###### 2. County Own Generated Receipts

The statement of receipts and payments for the year ended 30 June 2018 reflects county own generated receipts of Kshs.608,463,784 and as disclosed in Note 9 to the financial statements comprising various revenue streams.

However, an analysis of revenue records, revenue collection system (LAIFOM) and receipts disclosed in Note 9 to the financial statements revealed variances in fourteen revenue streams as follows:

S/No.	Items	Revenue Amount as per Financial Statements Kshs.	LAIFOM Report/Revenue Schedules Kshs.	Variance Kshs.
1.	Land Rates	45,349,196	42,903,267	2,445,929
2.	Ground Rents	-	10,222,798	(10,222,798)
3.	Business Permits	85,105,405	67,328,320	17,777,085
4.	Miscellaneous Income	63,164	5,723,104	(5,659,940)
5.	Cess	24,065,534	28,756,576	(4,691,042)
6.	Slaughter Fees	9,614,063	6,110,780	3,503,283
7.	Vehicle Parking Fee	45,478,286	54,656,750	(9,178,464)
8.	Market/Trade Centre Fee	10,440,847	6,963,450	3,477,397
9.	Technical services fees	15,928,117	12,834,168	3,093,949
10.	Housing	25,603,130	19,825,488	5,777,642
11.	Public Health Services	8,923,233	-	8,923,233
12.	Public Health Facilities operations/hospital collections	264,785,040	258,505,504	6,279,536
13	Local Levies	-	205,410,565	(205,410,565)
14.	Various Fees	45,152,279		45,152,279

The above variances were not reconciled or explained satisfactorily by the management.

Consequently, the accuracy and completeness of county own generated receipts figure of Kshs.608,463,784 for the year under review could not be ascertained.

### 3. Variances Between the Financial Statements and Integrated Financial Management Information System (IFMIS)

The financial statements for the year ended 30 June 2018 reflects various amounts and balances which are at variance with IFMIS report as follows:

#### 3.1 Statements of Receipts and Payments

The statement of receipts and payments figures of Kshs.997,724,569 and Kshs.4,337,693,394 are at variance with IFMIS report figures of Kshs.1,924,399,303 and Kshs.4,269,942,778 for receipts and payments respectively, as tabulated below:

Item Category	Amounts as per Financial Statements Kshs.	Amounts as per IFMIS Report Kshs.	Variance Kshs.
<b>Receipts</b>			
Transfers From Other Government Entities	142,704,149	261,408,298	118,704,149
Other Receipts (Own Generated Revenue)	608,463,784	1,221,496,335	613,032,551
CRF Issues	25,809,301		-25,809,301

<b>Item Category</b>	<b>Amounts as per Financial Statements Kshs.</b>	<b>Amounts as per IFMIS Report Kshs.</b>	<b>Variance Kshs.</b>
Proceeds From Domestic and Foreign Grants	220,747,335	441,494,670	220,747,335
<b>Total Receipts</b>	<b>997,724,569</b>	<b>1,924,399,303</b>	<b>926,674,734</b>
<b>Payments</b>			
Compensation of Employees	2,416,274,895	2,416,274,895	0
Use of Goods And Services	807,485,671	787,050,841	-20,434,830
Transfers to Other Government Units	472,199,485	472,199,845	360
Acquisition of Assets	354,274,295	353,189,411	-1,084,884
Other Grants and Transfers	70,592,915		-70,592,915
Other Payments	216,866,133	241,227,786	24,361,653
<b>Total Payments</b>	<b>4,337,693,394</b>	<b>4,269,942,778</b>	<b>-67,750,616</b>

Consequently, the accuracy and completeness of the statement of receipts and payments could not be confirmed.

### 3.2 Statement of Assets and Liabilities

Similarly, the balances reflected in the statement of assets and liabilities as at 30 June 2018 do not agree with IFMIS report balances as summarized below:

<b>Item</b>	<b>Amounts as per Financial Statements Kshs.</b>	<b>Amounts as per IFMIS Report Kshs.</b>	<b>Variance Kshs.</b>
Bank Balances	688,318,913	-15,246,377,929	-15,934,696,842
Cash Balances	0	21,049,870,712	21,049,870,712
Accounts Receivables – Outstanding Imprests	4,206,387	-161,799	-4,368,186
Accounts Payables – Deposits and Retentions	0	4,434,705,065	4,434,705,065
Fund Balance B/Forward	128,037,596	-5,282,814,045	-5,410,851,641
Prior Year Adjustment	-100,981,774	0	100,981,774
Surplus/deficit for the Year	665,469,478	6,651,439,964	5,985,970,486

### 3.3 Summary Statements of Appropriation

Further, a comparison of budget figures posted in the summary statements of appropriation – recurrent, development and combined vary with IFMIS budget report as analyzed below:

<b>Item Category</b>	<b>IFMIS Final Budget Kshs.</b>	<b>Financial Statements Budget Kshs.</b>	<b>Variance Kshs.</b>
Exchequer Releases	7,944,465,754	4,005,438,303	3,939,027,451
Return Issues to CRF	0	13,643,512	-13,643,512
Other Payments	690,686,046	346,843,023	343,843,023
County Own Generated Receipts	1,400,000,000	700,000,000	700,000,000
Transfers From Other Government Entities	1,080,985,840	156,942,874	924,042,966
Proceeds From Domestic and Foreign Grants	677,445,280	349,752,846	327,692,434
Transfers to Other Government Units	819,743,605	688,743,605	131,000,000
Use of Goods and Services	1,035,114,440	930,034,620	105,079,820
Acquisition of Assets	910,824,519	869,386,542	41,437,977

No satisfactory explanations or reconciliations have been provided for the above variances.

#### **4. Misallocation of Expenditure**

The statement of receipts and payments reflects total payments of Kshs.4,337,693,394 for the year ended 30 June 2018. However, examination of records provided for audit revealed misallocation of expenditure amounting to Kshs.22,101,781 to unrelated items as follows:

<b>S. No.</b>	<b>Expenditure Description</b>	<b>Vote/Item Charged</b>	<b>Amount Kshs.</b>
1.	Casual Wages	Domestic Travel and Subsistence	757,101
2.	Domestic travel and subsistence	Foreign Travel and Subsistence	4,985,170
3.	Domestic Travel and Subsistence	Training Expense	10,783,463
4.	Motor Vehicle Fuel	Construction and Civil Works	1,641,472
5.	Gravel haulage	Other Payments	3,934,575
		<b>Total</b>	<b>22,101,781</b>

As a result, the expenditure shown in the financial statements against domestic travel and subsistence of Kshs.152,910,329, foreign travel and subsistence of Kshs.4,985,170, training of Kshs.12,392,503, construction and civil works of Kshs.76,742,776 and other payments of Kshs.214,111,136 are not fairly stated.

#### **5. Use of Goods and Services**

##### **5.1 Domestic Travel and Subsistence Allowances**

##### **5.1.1 Irregular Payment of Domestic Travel and Subsistence Allowances**

Disclosed in Note 12 to the financial statements under use of goods and services is an expenditure of Kshs.152,910,329 relating to domestic travel and subsistence. The

amount includes payments totalling Kshs.1,560,400 made to members of staff while carrying out duties away from the county headquarters. However, a review of records revealed the following anomalies:

- i. An amount of Kshs.498,100 was paid vide imprest warrant number 2832686 for land survey assignment scheduled for twelve days from 2 to 14 October 2017. However, work ticket in respect of the journeys made during the period for the surrender of imprest supported expenditure for four days only, being one day each in Mirango and Gathinji primary schools and two days in Kiamaringa primary school. Consequently, the propriety of payment in respect of the ten extra days could not be confirmed.
- ii. Subsistence allowances totalling Kshs.1,062,300 were paid to staff on two occasions comprising Kshs.529,200 vide payment voucher number 297 of 8 November, 2017 and Kshs.533,100 vide payment voucher number 298 of 8 November 2017. The payments were approved for facilitation of planning, survey and design of water boreholes within Laikipia County for fourteen days starting on 20 November to 7 December 2017 and thirteen days from 10 to 22 November 2017 for the first and second payments, respectively. However, records indicate that two officers namely Mr. Elisha Munene and Mr. Geoffrey Arimi, were both assigned to carry out the same assignment on 20, 21 and 22 November 2017, dates which overlap, thus resulting in double payment of allowances.

Further, evidence of travel such as work tickets and bus fare tickets were not provided for audit review. In the circumstances, the propriety of the expenditure of Kshs.1,560,400 could not be confirmed.

### 5.1.2 Unsupported Domestic Travel Expenditure on Revenue Operations and National Music Festival

Included also in the expenditure of Kshs.152,910,329 on domestic travel and subsistence are payments totalling Kshs.11,018,949 made to various staff and three firms for revenue operation within the county, flights charges, and subsistence during National Music Festival event in Kakamega. However, the payment vouchers were not supported with relevant documentation as detailed below:

Date	PV.No.	Payee	Description	Amount Kshs	Remarks
13/2/2018	395	Brightways Travels and Tours	Flight charges	970,544	Not supported with air tickets and purpose
14/2/2018	445	Tropic Air limited	Flight charges	1,034,905	Not supported with air tickets and purpose
Various	Various	Revenue officers	Revenue operations and tours in various wards	7,661,100	No reports attached to payment vouchers. Payments includes general expenses.

Date	PV.No.	Payee	Description	Amount Kshs	Remarks
Various	Various	Various staff	Subsistence allowances- National music Festival in Kakamega	912,400	Not supported with programme of events and signed schedules
9/5/2018	527	Tropic Air limited	Flight charges for staff to Nanyuki, Wiyumiririe and Nairobi	440,000	Procurement records not provided.
			<b>Total</b>	<b>11,018,949</b>	

In the circumstances, the propriety and validity of the expenditure of Kshs.11,018,949 on domestic travel and subsistence could not be confirmed.

### 5.1.3 Unsupported Expenditure on KICOSCA Games

Further, included in the expenditure of Kshs.152,910,329 on domestic travel and subsistence are payments totalling Kshs.6,307,600 made to some members of staff while attending KICOSCA games in Machakos County from 19 to 26 November, 2017. Records indicate that each staff was paid transport allowance of Kshs.1,500 for which no bus fare tickets as evidence of travel were provided for verification. Further, the payments were not supported by signed attendance list at the events. Consequently, the propriety and validity of the expenditure of Kshs.6,307,600 in respect of KICOSCA games could not be confirmed.

### 5.1.4 Allowances to Members of County Assembly

Included also in the expenditure of Kshs.152,910,329 on domestic travel and subsistence expenses are cash payments totalling Kshs.3,168,100 made to Members of County Assembly (MCAs) while attending various consultative meetings during the year. However, the payments were not supported by the relevant documents such as signed attendance schedules, minutes and reports emanating from the meetings. Consequently, the propriety and validity of the subsistence allowances of Kshs.3,168,100 paid to the MCAs could not be confirmed.

## 5.2 Specialized Materials and Services

### 5.2.1. Purchase of Medical Drugs from KEMSA

Disclosed under Note 12 to the financial statements under use of goods and services is an expenditure of Kshs.133,753,512 in respect of specialized materials and services for the year ended 30 June 2018. Included in the expenditure, is an amount of Kshs.23,923,203 paid to Kenya Medical Supplies Agency (KEMSA) for supply and delivery of drugs to dispensaries and health centers in the county. The payment was made through payment voucher number 15 dated 15 March 2018 and supported by an invoices of 15 and 21 November 2017. However, requisitions, triplicate copies of Local Purchase Orders, goods received notes from health facilities and inspection and acceptance reports of the supplies were not presented for audit review. The validity of the

invoice and payment of Kshs.23,923,203 could not under the circumstances be confirmed.

### 5.3 Insurance Costs

#### 5.3.1. Procurement of Insurance Services

Disclosed under Note 12 to the financial statements is an expenditure of Kshs.155,785,959 in respect of insurance costs for the year ended 30 June 2018. The expenditure includes an amount of Kshs.34,720,345 paid to four insurance providers for the contracts awarded for provision of insurance services during the year under review as follows:

	<b>Insurance Provider</b>	<b>Cover</b>	<b>Contract Sum Kshs.</b>	<b>Amount Paid Kshs</b>	<b>Remarks</b>
1	Monarch Insurance Company Ltd	Motor vehicle Insurance	15,161,860	20,472,070	Amount paid include Kshs.5,310,210 premium for 2016/2017
2	Amaco Insurance Company Ltd	Group Personal Accident	6,181,760	6,181,760	
3	CIC Insurance Company Ltd	Fire, Theft and Burglary	5,626,022	5,626,022	
4	Britam Insurance Company Ltd	Work, Injury Benefit(WIBA) and Employees Benefit	2,440,493	2,440,493	
		<b>Total</b>	<b>29,410,135</b>	<b>34,720,345</b>	

A review of records indicate that the insurance services were procured through open national tendering method. However, tender evaluation minutes and policy documents for the insurance covers were not provided for audit review. Consequently, the propriety and validity of the expenditure of Kshs.34,410,135 could not be confirmed.

### 5.4 Routine Maintenance-Vehicles and Other Transport Equipment

Disclosed under Note 12 to the financial statements is an expenditure of Kshs.24,441,027 in respect of routine maintenance-vehicles and other transport equipment. However, procurement records for the service such as advertisement, tender opening, evaluation and award minutes and contract agreements with various garages were not provided for audit review. Consequently, the validity of the expenditure of Kshs.24,441,027 incurred on routine maintenance-vehicles and other transport equipment could not be confirmed.

### 5.5 Office and General Supplies and Services

Disclosed in Note 12 to the financial statements are office and general supplies and services expenses of Kshs.22,713,889. Included in the expenditure is an amount of Kshs.2,270,302 incurred on procurement of various goods and services and whose



supporting documents were not provided for audit verification. As a result, the propriety and validity of the expenditure of Kshs.2,270,302 could not be confirmed.

## **5.6 Fuel, Oil and Lubricants Expenses**

Included in Note 12 to the financial statements under use of goods and services are fuel, oil and lubricants expenses of Kshs.30,546,913. Records indicate that the fuel cards were issued to county vehicles from M/s VIVO Energy and Total Kenya Ltd service stations. However, the following observations were made on the expenses:

- i. During the year 2017/2018, fuel worth Kshs.11,126,000 was drawn and paid for in cash despite the fact that fuel cards had been issued for use. Further, related payment vouchers were not supported by the required details and records such as receipts, work tickets, requisitions, and fuel consumption statements. There was also no record of reconciliation of the fuel drawn and mileage covered by the vehicles.
- ii. According to records presented for audit, payments described as refund for fuel expenses amounting to Kshs.407,210 were made to the county staff. The payments were processed through voucher number 1063 dated 24 October 2017 for Kshs.320,000 and voucher number 541 dated 28 September 2017 for Kshs.87,210. However, it was not explained why the fuel cards could not be used during the period.

Consequently, the propriety of the payments totalling Kshs.11,533,210 in respect of fuel, oil and lubricants expenses during the year under review could not be confirmed.

## **6. Acquisition of Assets**

### **6.1 Payment for Gravel Haulage**

Included under Note 17 to the financial statements on acquisition of assets is an expenditure of Kshs.42,059,937 relating to construction of roads, out of which an amount of Kshs.17,072,883.70 was in respect of haulage of gravel delivered to various wards in the County. However, evidence of delivery of the gravel including inspection and acceptance committee reports were not provided for audit review hence the validity and propriety of the payment could not be confirmed.

## **7. Account Receivables- Outstanding Imprests**

The statement of assets and liabilities reflects account receivables – outstanding imprests balance of Kshs.4,206,387 as at 30 June, 2018 and as disclosed in Note 22 to the financial statements. However, this amount is at variance with the outstanding balance of Kshs.4,362,087 recorded in the list of imprest holders. The difference of Kshs.155,700 was not reconciled or explained. As a result, the completeness and accuracy of the imprests balance of Kshs.4,206,387 could not be confirmed.

A review of the list of imprest holders revealed that multiple imprests were issued to staff before they had surrendered or accounted for the imprests previously issued to them. The management by approving and issuing multiple imprests, therefore, contravened regulation 93 (3) of the Public Finance Management (County Government) Regulations, 2015.

In addition, the management did not give reasons why the imprests totalling Kshs.4,206,387 that ought to have been surrendered or accounted for on or before 30 June 2018 remained outstanding as at the close of the financial year

## 8. Pending Bills

Included under Other Important Disclosures to the financial statements are pending bills totalling Kshs.675,177,786 which were outstanding as at 30 June ,2018 as summarized below:

Description/Nature	Amount Kshs
Construction of buildings	287,729,757
Construction of civil works	183,140,230
Supply of goods	95,354,894
Supply of services	108,952,905
Grand Total	675,177,786

However, tender documents; contract agreements; local purchase/service orders; invoices/certificates of works; and schedules detailing names of the contractors/suppliers, purchase/service order numbers, invoice/certificate numbers and description of goods supplied, services provided or works done were not provided for audit review. As a result, the validity, completeness and accuracy of the pending bills totalling Kshs.675,177,786 could not be ascertained.

Had the pending bills of Kshs.675,177,786 as at 30 June 2018 been paid and the expenditure charged to the accounts for the year under review, the statement of receipts and payments for the year ended 30 June ,2018 would have reflected a deficit of Kshs.9,708,308 instead of the surplus of Kshs.665,469,478 now shown.

## 9. Summary of Fixed Assets Register

Annex 5 summary of fixed assets register attached to the financial statements reflects assets totalling Kshs.3,106,069,496 as at 30 June 2018. The following observations were made:

- i. The County Executive during the year under review had not put in place adequate controls to safeguard the assets including movement registers, accurate and verifiable registers and regular reconciliation of the physical assets and the records.

- ii. Ownership documents for the land and motor vehicles, title deeds and log books were not provided for audit verification.
- iii. The assets did not have identification numbers and tags for ease of tracing and verification.

As a result, legal ownership, existence and location of various assets as well as completeness and accuracy of the summary of fixed assets register balance of Kshs.3,106,069,496 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive of Laikipia in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Basis for Conclusions on lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance sections, I have determined that there are no key audit matters to communicate in my report.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusions on lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance sections 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. Failure to Prepare Financial Statements for Facility Improvement Fund**

During the year under review, the Laikipia County Executive transferred funds amounting to Kshs.172,159,573 to various health facilities within the County for operational expenses and improvement of the health facilities through Facility Improvement Fund (FIF). However, the County Executive did not prepare and submit for audit financial statements in respect of the fund contrary to Section 167 of the Public Finance

Management Act, 2012. The law requires an administrator of the fund to prepare and submit for audit financial statements in respect of the fund within three (3) months after the end of financial year that is, on or before 30 September of every year. No reason was given for this omission.

## 2. Revenue

### 2.1 County Own Generated Revenue

The County collected locally generated revenue of Kshs.608,463,784 against a budget of Kshs.700,000,000 hence an under-collection of Kshs.91,536,216 or 13% of budget. Further, the locally generated revenue figure of Kshs.608,463,784 differs from the amount of Kshs.352,090,000 reflected in supporting schedules. No explanation or reconciliation was provided for the difference of Kshs.256,373,784.

In addition, a trend analysis on revenue collection for the past four years between 2014/2015 and 2017/2018 revealed persistent failure to meet revenue targets, as shown below:

Year	Budget Amount Kshs.	Actual Collection Kshs.	Under-collection Kshs.	Percentage of Actual Against Budget	Percentage of Revenue Growth
2014/2015	628,014,359	428,777,357	199,237,002	68%	-
2015/2016	710,000,000	457,279,691	252,720,309	64%	7%
2016/2017	670,000,000	543,756,513	126,243,487	81%	19%
2017/2018	700,000,000	608,463,784	91,536,216	87%	12%

### 2.2 Arrears of Revenue

Records maintained by the County Executive indicate that arrears of revenue in relation to property rates and rent were amounting to Kshs.4,142,734,603 as at 30 June 2018 (2016/2017-Kshs. 3,157,444,099). As reported previously, no indication was given of effort being made by the management to recover the amount. In the absence of a clear actionable plan of collection of the arrears, the revenue may never be collected.

## 3. Budget Performance

### 3.1 Overall Budgeted and Actual Expenditure

In 2017/2018 the final budget of the County Executive was Kshs.5,234,284,290 comprising recurrent expenditure - Kshs.3,371,633,222 (64%) and development expenditure - Kshs.1,862,651,068 (36%). Out of the development budget of Kshs.1,862,651,068, the County Executive spent Kshs.1,087,811,159 (or about 58%), while it spent Kshs.3,249,882,235 (or about 96%) of the recurrent budget of Kshs.3,371,633,222, as detailed below:

Item	Budgeted 2017/2018- Kshs.	Actual Amount 2017/2018 Kshs.	Absorption Rate %	Percentage of Total Expenditure
Development Vote	1,862,651,068	1,087,811,159	58%	25%
Recurrent Vote	3,371,633,222	3,249,882,235	96%	75%
<b>Total</b>	<b>5,234,284,290</b>	<b>4,337,693,394</b>	<b>83%</b>	

The above budget performance shows that the County Executive spent Kshs.1,087,811,159 or approximately 25% on development expenditure and Kshs.3,249,882,235 or approximately 75% on recurrent expenditure. The management therefore did not comply with Section 107 (2) of the Public Finance Management Act, 2012 which requires that a minimum of thirty percent of the County Executive budget be allocated to development expenditure.

### 3.2 Over/Under Expenditure

The County Executive over-spent by an amount of Kshs.90,266,297 while it under-spent by a total of Kshs.982,650,806 on five (5) expenditure items, as shown below:

Item	Budget 2017/2018 Kshs	Actual Amount 2017/2018 Kshs	Over- ExpenditureKshs.	Under- Expenditure Kshs.
Compensation of Employees	2,324,750,000	2,415,016,297	90,266,297	-
Use of Goods and Services	930,034,620	812,446,896	-	117,587,724
Transfers to Other Government Entities	688,743,605	472,199,485	-	216,544,120
Other Grants and Transfers	74,526,500	70,592,915	-	3,933,585
Acquisition of Assets	869,386,542	354,494,295	-	514,892,247
Other Payments	346,843,023	217,149,893	-	129,693,130
<b>Total</b>	<b>5,234,284,290</b>	<b>4,341,899,780</b>	<b>90,266,297</b>	<b>982,650,806</b>

No explanation was provided for the failure to adhere to approved budgetary provisions. Further, the overall/net underutilization of budgetary provisions by Kshs.892,384,509 affected planned development programmes impacting negatively on service delivery to the residents of Laikipia.

## 4. Acquisition of Assets

### 4.1 Construction of Bus Park in Nyahururu Town

Included under Note 17 to the financial statements on acquisition of assets is an expenditure of Kshs.76,742,776 in respect of construction and civil works, which in turn includes an amount of Kshs.8,604,708 paid to M/s Janda Construction (K) Ltd on 4 May 2018 for upgrading of a bus park in Nyahururu town. A review of records indicate that the

contract was awarded to the contractor during the year at a cost of Kshs.13,649,778. However, the following issues were noted:

- i. Engineers estimate for the project was not provided for audit verification. Consequently, the reasonableness of the contract sum could not be ascertained.
- ii. There were some conflicts on the dates of various activities. The evaluation committee concluded evaluation on 06 December 2017 while the professional opinion and notification of award were issued on 05 December 2017, a date before the evaluation process was concluded. No explanation was provided for these anomalies.

#### 4.2 Purchase of Office Furniture and General Equipment

Disclosed also under Note 17 to the financial statements is an expenditure of Kshs.7,720,167 relating to purchase of office furniture and general equipment, which includes an amount of Kshs.3,475,693 for purchase of various furniture and equipment. However, a review of records revealed inconsistencies between the dates when the tender was initiated and awarded as follows:

Date	PV. No.	Supplier	Description	Amount Kshs	Remarks
16/5/2018	751	Salgat Enterprises	Supply of furniture	850,655	Quotations were raised on 22/2/2018 and returned and awarded on 26/2/2018; while evaluation committee was appointed on 6/3/2018, after the award
23/5/2018	852	Sonbattis Agencies Ltd	office furniture	800,156	Quotations were issued on 16/3/2018, but award is dated 4 March 2018
		Samtech Agencies Ltd	supply of fireproof cabinets	297,500	The winning quotation was issued and evaluated same day on 1/3/2018, while the other 2 quotations date 16/1/2018
16/5/2018	758		Supply of 5 laptops and antivirus kits	510,793	Tender was awarded on 7/3/2018 while tender evaluation date 1/3/2018 and yet the committee was appointed on 6/3/2018
		Wilwa Enterprises Limited	Office furniture and general equipment	1,016,589	Dates recorded on quotations and acceptance letter appear tampered with to read 10/11/2017 and 16/3/2017 respectively
			<b>Total</b>	<b>3,475,693</b>	

No satisfactory explanations were provided for the above anomalies.

### **4.3 Purchase of Desk Top Computers**

Included also in the purchase of office furniture and general equipment expenditure of Kshs.7,720,167 is an amount of Kshs.611,496 in respect of purchase of six desktop computers and UPS from M/s Global Remote International. The computers were delivered to the county offices on 9 May 2018 and payment made vide payment voucher number 104 of 21 June 2018. Although the procurement was done through request for quotations and the lowest bidder awarded the contract to supply the computers, no market survey was conducted to establish the prevailing market price of computers of similar specifications. In the circumstances, the reasonableness of the purchase cost of Kshs.107,416 for each computer could not be confirmed.

### **4.4 Procurement of High Density Polythene Dam Liners**

Disclosed under Note 17 to the financial statements is an expenditure of Kshs.26,742,736 in respect of purchase of specialized plant, equipment and machinery, out of which an amount of Kshs.10,747,080 was incurred on purchase of high density geo-membrane dam liners from three firms; M/s Creative Edge Solutions, M/s Mwagi Commercial Services, and Gallant Link Limited at a cost of Kshs.3,582,360, Kshs.3,595,200, and Kshs.3,569,520, respectively. However, the tender was split and awarded to three firms through request for quotation method of procurement instead of the open national tendering process yet the value of the items exceeded Kshs.4,000,000 threshold prescribed under class A of the public procurement where the entity falls. No explanation was provided for the breach of the procurement law.

As a result, the County may not have obtained value for money on the expenditure of Kshs.10,747,080 on high density polythene dam liners during the year under review.

## **5. Transfer to Other Government Entities**

### **5.1 Delayed Implementation of Solio Water Project**

Included in the transfers to other government entities' expenditure of Kshs.472,199,485 shown in Note 14 to the financial statements is an amount of Kshs.23,800,000 paid in respect of Solio Water Project, which was to be undertaken in conjunction with Nanyuki Water and Sewerage Company and Water Sector Trust Fund, at a total cost of Kshs.143,319,302. According to Memorandum of Understanding dated 1 July 2015, the County Government was to contribute Kshs.23,120,000. However, despite the payment of Kshs.23,800,000 in June 2018, the project had not commenced as of November 2018. No satisfactory explanation was provided for the delay in commencing the project.

### **5.2 Casual Employees at the County Health Facilities**

Further, included in the transfers to other government entities' expenditure of Kshs.472,199,485 under Note 14 to the financial statements is an amount of Kshs.26,805,749 in respect of casual employees. Available records revealed that the County Executive, engaged casuals in all health facilities within the county on renewable contracts.

The contracts were being renewed on a continuous basis contrary to the provisions of Employment Act, 2012, which requires that a casual employee whose contract has been converted and who works continuously for two months or more from the date of employment as a casual shall be entitled to the same terms and conditions of service as the other non-casual employees. Although the management explained that the casual employees were providing essential services, the county is at risk of litigation by the aggrieved casual employees if remedial action is not taken.

## **6. Other Payments**

### **6.1 Revenue Automation System**

Included under Note 20 to the financial statements in other payments expenditure of Kshs.216,866,133 is a payment of Kshs.10,047,414 in respect of supply of Revenue Automation (Sense Pay) System. The tender was for supply and commissioning of the system was awarded to M/s Sense Network Consultants at a contract sum of Kshs.38,000,000 through notification LCG/PRC.O.AWL/VOL.1/113 dated 02 May 2016. The firm was paid the first installment of Kshs.19,000,000 or 50% of the contract sum after the roll-out of the system including sensitization and training pursuant to the provisions of the contract agreement. Additional amounts of Kshs.11,767,241 and Kshs.10,047,414 were paid in 2016/2017 and 2017/2018, respectively to the firm bringing the total payments as at 30 June 2018 to Kshs.40,814,655.

However, a review of implementation of the system revealed that despite full payment, several system modules have not been utilized or were not functional after roll-out except parking fee collection. Consequently, it has not been possible to confirm whether the County Executive obtained value-for-money on the expenditure incurred on the revenue automation system.

## **7. Use of Goods and Services**

### **7.1 Procurement of Goods from Non-Prequalified Suppliers**

Disclosed in Note 12 to the financial statements under use of goods and services is an expenditure of Kshs.133,753,512, in respect of specialized materials and services out of which, an amount of Kshs.84,726,717 was incurred on medical drugs and non-pharmaceuticals. Included in the expenditure, is an amount Kshs.9,174,450 spent on procurement of medical drugs and non-pharmaceuticals from non-prequalified suppliers contrary to Section 95(3) of the Public Procurement and Asset Disposal Act, 2015. The Act requires that a Public Procuring entity shall invite tenders from only the approved persons who have been pre-qualified.

Further, included in the expenditure are payments totalling Kshs.2,673,000 relating to refurbishment of buildings of Kshs.1,448,000 and other operating expenses of Kshs.1,225,000 which were irregularly charged to specialized materials and services account.



## **7.2 Airtime Allowances**

Included under Note 12 to the financial statements is an expenditure of Kshs.12,441,189 on communication, supplies and services. A review of records maintained by the County Executive revealed that during the year under review, cash payments amounting to Kshs.12,441,189 were made in respect of airtime allowances to various members of staff and charged to the expenditure item. However, the allowances were not taxed and therefore PAYE due was not paid to KRA. Failure to deduct and remit taxes due on the benefits may attract heavy penalties and interest leading to loss of public funds.

## **7.3 Procurement of Human Resource Consultancy**

Disclosed also in Note 12 to the financial statements under use of goods and services is an expenditure of Kshs.102,619,710 relating to other operating expenses. According to the records, an amount of Kshs.5,581,740 was paid to a consulting firm and charged to the expenditure item. The firm had been engaged to recruit County Executive Committee Members, County Secretary and the Deputy County Secretary after the general elections of August 2017. However, no procurement records were provided to confirm how the firm was identified and awarded the contract as required under the Public Procurement and Asset Disposal Act, 2015. Consequently, the validity of the expenditure of Kshs.5,581,740 on human resource consultancy could not be confirmed.

## **8. Compensation of Employees**

### **8.1 High Wage Bill**

The statement of receipts and payments for the year ended 30 June 2018 reflects compensation of employees' expenditure of Kshs.2,416,274,895 which represents about 48% of the total receipts of Kshs.5,003,162,871 during the year. The expenditure therefore exceeded the set limit of 35% contrary to regulations 25(1)(b) of the Public Finance Management (County Government) Regulations, 2015 which provides that the county government expenditure on wages and benefits for public officers should not exceed 35 percent of the county total revenue. The high wage bill is an indication that most of the county's resources are spent on staff salaries at the expense of development projects and thus impacting negatively on service delivery to the residents of Laikipia.

## **9. Non-Compliance with Ethnic Diversity**

A review of personnel records revealed that out of sixty-seven new employees recruited by the County Public Service Board (CPSB) to fill various vacant positions in the County, about 88% of the recruits were from one dominant community in the County. This is contrary to the provisions of Section 65 (e) of the County Government Act, 2012, which requires that at least 30% of the employees be from other communities. No satisfactory explanation was provided for failing to comply with 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 matters described in the Basis for Qualified Opinion and Basis for Conclusions on lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Risk Management Policy**

During the financial year under review, The County Executive did not have a risk management policy to guide the management in risk assessment and formulation of risk mitigation strategies. In the absence of the policy, the County Executive was not capable of identifying operational areas prone to risks and to come up with mitigation measures against misuse or loss of public resources.

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

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

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

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

management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 County Executive policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Laikipia County Executive's ability 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 sustaining 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 Laikipia 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.



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

**Nairobi**

**18 February 2019**

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

**1. FINANCIAL STATEMENTS**

**1.1. STATEMENT OF CASH RECEIPTS AND PAYMENTS**

	Notes	2017-2018 KShs	2016-2017 KShs
<b>RECEIPTS</b>			
Exchequer releases	1	4,005,438,303	3,406,107,269
Proceeds from Domestic and Foreign Grants	2	220,747,335	65,814,676
Transfers from Other Government Entities	3	142,704,149	153,186,991
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Proceeds from Sale of Assets	6	-	-
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	608,463,784	543,756,513
Returned CRF issues	10	25,809,301	312,007,433
<b>TOTAL RECEIPTS</b>		<b>5,003,162,871</b>	<b>4,480,872,882</b>
<b>PAYMENTS</b>			
Compensation of Employees	11	(2,416,274,895)	(1,807,170,524)
Use of goods and services	12	(807,485,671)	(778,426,422)
Subsidies	13	-	-
Transfers to Other Government Units	14	(472,199,485)	(419,061,406)
Other grants and transfers	15	(70,592,915)	(59,149,480)
Social Security Benefits	16	-	-
Acquisition of Assets	17	(354,274,295)	(1,109,593,303)
Finance Costs, including Loan Interest	18	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
Other Payments	20	(216,866,133)	(179,434,151)
<b>TOTAL PAYMENTS</b>		<b>(4,337,693,394)</b>	<b>(4,352,835,286)</b>
<b>SURPLUS/DEFICIT</b>		<b>665,469,478</b>	<b>128,037,596</b>

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 17<sup>th</sup> Dec 2018 and signed by:

  
 Chief Officer  
 Name: Paul Njenga



  
 Head of Treasury  
 Name: Daniel K. Ngunjiri  
 ICPAK Member Number: 82402





**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

**1.2. STATEMENT OF ASSETS AND LIABILITIES**

		2017-2018	2016-2017
	Notes	KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	21A	688,318,913	120,777,397
Cash Balances	21B	-	7,260,199
<b>Total Cash and cash equivalent</b>		<b>688,318,913</b>	<b>128,037,596</b>
Accounts receivables – Outstanding Imprests	22	4,206,387	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>692,525,300</b>	<b>128,037,596</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	23	-	-
<b>NET FINANCIAL ASSETS</b>		<b>692,525,300</b>	<b>128,037,596</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	24	128,037,596	353,255,887
Prior year adjustments	25	(100,981,774)	(353,255,887)
Surplus/Deficit for the year		665,469,478	128,037,596
<b>NET FINANCIAL POSITION</b>		<b>692,525,300</b>	<b>128,037,596</b>

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 17<sup>th</sup> Dec 2018 and signed by:

  
 Chief Officer  
 Name: Paul Njenga  


  
 Head of Treasury  
 Name: Daniel K. Njoroge  
 ICPAK Member Number: 8601  


**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

**1.3. STATEMENT OF CASH FLOWS**

		2017-2018	2016 - 2017
	Notes	KShs	KShs
<b>Receipts from operating income</b>			
Exchequer Releases	1	4,005,438,303	3,406,107,269
Proceeds from Domestic and Foreign Grants	2	220,747,335	65,814,676
Transfers from Other Government Entities	3	142,704,149	153,186,991
Reimbursements and Refunds	7	-	-
Returns of Equity Holdings	8	-	-
County Own Generated Receipts	9	608,463,784	543,756,513
Returned CRF issues	10	25,809,301	312,007,433
<b>Payments for operating expenses</b>			
Compensation of Employees	11	(2,416,274,895)	(1,807,170,524)
Use of goods and services	12	(807,485,671)	(778,426,422)
Subsidies	13	-	-
Transfers to Other Government Units	14	(472,199,485)	(419,061,406)
Other grants and transfers	15	(70,592,915)	(59,149,480)
Social Security Benefits	16	-	-
Finance Costs, including Loan Interest	18	-	-
Other Payments	20	(216,866,133)	(179,434,151)
<b>Adjusted for:</b>			
Adjustments during the year		(100,981,774)	(353,255,887)
<b>Net cash flow from operating activities</b>			
		<b>918,761,998</b>	<b>884,375,012</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	6	-	-
Acquisition of Assets	17	(354,274,295)	(1,109,593,303)
<b>Net cash flows from Investing Activities</b>			
		<b>(354,274,295)</b>	<b>(1,109,593,303)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings	4	-	-
Proceeds from Foreign Borrowings	5	-	-
Repayment of principal on Domestic and Foreign borrowing	19	-	-
<b>Net cash flow from financing activities</b>			
		<b>-</b>	<b>-</b>





**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>564,487,704</b>	<b>(225,218,291)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>24</b>	<b>128,037,596</b>	<b>353,255,887</b>
<b>Cash and cash equivalent at END of the year</b>		<b>692,525,300</b>	<b>128,037,596</b>

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 17th Dec 2018 and signed by:

  
  
 Chief Officer  
 Name: Paul Njenga

  
  
 Head of Treasury  
 Name: Daniel K. Ngunjiri  
 ICPAK Member Number: 8207

**1.4. 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 %
<b>RECEIPTS</b>						
Exchequer releases	3,518,645,941.00	486,792,362.00	4,005,438,303.00	4,005,438,303.00	-	100.0%
Proceeds from Domestic and Foreign Grants	714,777,093.00	-365,024,247.00	349,752,846.00	220,747,335.00	129,005,511.00	63.1%
Transfers from Other Government Entities	164,438,467.00	-7,495,593.00	156,942,874.00	142,704,149.00	14,238,725.00	90.9%
Proceeds from Domestic Borrowings	-	-	-	-	-	0.0%
Proceeds from Foreign Borrowings	-	-	-	-	-	0.0%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Reimbursements and Refunds	-	-	-	-	-	0.0%
Returns of Equity Holdings	-	-	-	-	-	0.0%
County Own Generated receipts	700,000,000.00	-	700,000,000.00	608,463,784.50	91,536,215.50	86.9%
Return issues to CRF	-	-	13,643,512.00	25,809,300.75	-12,165,788.75	189.2%
<b>TOTAL</b>	<b>5,097,861,501.00</b>	<b>114,272,522.00</b>	<b>5,225,777,535.00</b>	<b>5,003,162,872.25</b>	<b>222,614,662.75</b>	<b>95.7%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,245,000,000.00	79,750,000.00	2,324,750,000.00	2,416,274,895	-91,524,895	103.9%
Use of goods and services	825,819,564.00	104,215,056.00	930,034,620.00	807,485,671	122,548,949	86.8%
Subsidies	-	-	-	-	-	0.0%
Transfers to Other Government Units	634,214,688.00	54,528,917.00	688,743,605.00	472,199,485	216,544,120	68.6%

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
Other grants and transfers	80,000,000.00	-5,473,500.00	74,526,500.00	70,592,915	3,933,585	94.7%
Social Security Benefits	-	-	-	-	-	0.0%
Acquisition of Assets	844,958,877.00	24,427,665.00	869,386,542.00	354,274,295	515,112,248	40.8%
Finance Costs, including Loan Interest	-	-	-	-	-	0.0%
Repayment of principal on borrowings	-	-	-	-	-	0.0%
Other Payments	467,868,372.00	-121,025,349.00	346,843,023.00	216,866,133	129,976,890	62.5%
<b>TOTAL</b>	<b>5,097,861,501.00</b>	<b>136,422,789</b>	<b>5,234,284,290</b>	<b>4,337,693,394</b>	<b>896,590,896</b>	<b>83.0%</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>(22,150,267.00)</b>	<b>(8,506,755.00)</b>	<b>665,469,478.45</b>	<b>(673,976,233.45)</b>	

- (a) Return issues to CRF was 189.2% as actual amount that was returned doubled due to late release of exchequers hindering payments to be made in time.
- (b) In compensation of Employees, in particular nurse's salaries were adjusted upward during the financial year which led to over utilisation by 3.9%
- (c) In acquisition of asset utilisation was 40.8% due to delay in release of exchequers leading to non-payment of suppliers by the close of the financial year. the projects were ongoing at the close of the period and are represented by the cash position at the close of the period as (a) above

The entity financial statements were approved on 17th Dec 2018 and signed by:

  
 Chief Officer  
 Name: Paul Njenga Waweru



  
 Head of Treasury Accounts  
 Name: Daniel K. Ngumi  
 ICPAK Member Number: 8000271-10400



**1.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

<b>Receipt/Expense Item</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilisation Difference</b>	<b>% of Utilisation</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	2,313,205,964	1,186,794,036	3,500,000,000	3,500,000,000	-	100%
Proceeds from Domestic and Foreign Grants	25,000,000	-25,000,000	-	-	-	0%
Transfers from Other Government Entities	-	-	-	12,000,000	-12,000,000	0%
Proceeds from Domestic Borrowings	-	-	-	-	-	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	0%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Reimbursements and Refunds	-	-	-	-	-	0%
Returns of Equity Holdings	-	-	-	-	-	0%
County Own Generated receipts	700,000,000	-525,000,000	175,000,000	108,463,785	66,536,216	62%
Return CRF issues	-	-	13,643,512	25,809,301	-12,165,789	189%
<b>TOTAL</b>	<b>3,038,205,964</b>	<b>636,794,036</b>	<b>3,688,643,512</b>	<b>3,646,273,085</b>	<b>42,370,427</b>	<b>99%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,245,000,000	79,750,000	2,324,750,000	2,416,274,895	-91,524,895	103.94%
Use of goods and services	641,681,564	53,977,056	695,658,620	627,561,891	68,096,730	90.21%
Subsidies	-	-	-	-	-	0%

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

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 %
Transfers to Other Government Units	51,000,000	152,524,452	203,524,452	79,626,197	123,898,255	39.12%
Other grants and transfers	7,500,000	47,026,500	54,526,500	50,592,915	3,933,585	92.79%
Social Security Benefits	-	-	-	-	-	0.00%
Acquisition of Assets	23,024,400	149,250	23,173,650	16,809,402	6,364,248	72.54%
Finance Costs, including Loan Interest	-	-	-	-	-	0.00%
Repayment of principal on borrowings	-	-	-	-	-	0.00%
Other Payments	70,000,000	-	70,000,000	59,016,935	10,983,065	84.31%
<b>TOTAL</b>	<b>3,038,205,964</b>	<b>333,427,258</b>	<b>3,371,633,222</b>	<b>3,249,882,235</b>	<b>121,750,988</b>	<b>96.39%</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>303,366,778</b>	<b>317,010,290</b>	<b>396,390,851</b>	<b>-79,380,561</b>	

[Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- (a) Return issues to CRF was 189% as actual amount that was returned doubled due to late release of exchequers hindering payments to be made in time.
- (b) In compensation of Employees, nurses' salaries were increased during the financial year which led to over utilisation by 3.9%
- (c) Other grants and transfers was 39.1% due to delay in release of exchequer.

The entity financial statements were approved on 17th Dec 2018 and signed by:

  
 Chief Officer  
 Name: Paul Njenga Waweru



  
 Head of Treasury Accounts  
 Name: Daniel K. Ngumi  
 ICPAK Member Number: 1707



1.6. 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 %
<b>RECEIPTS</b>						
Exchequer releases	1,205,439,977	-700,001,674	505,438,303	505,438,303	-	100%
Proceeds from Domestic and Foreign Grants	689,777,093	-340,024,247	349,752,846	220,747,335	129,005,511	63%
Transfers from Other Government Entities	164,438,467	-7,495,593	156,942,874	130,704,149	26,238,725	83%
Proceeds from Domestic Borrowings	-	-	-	-	-	0%
Proceeds from Foreign Borrowings	-	-	-	-	-	0%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Reimbursements and Refunds	-	-	-	-	-	0%
Returns of Equity Holdings	-	-	-	-	-	0%
County Own Generated receipts	-	525,000,000	525,000,000	500,000,000	25,000,000	95%
Refund to CRF	-	-	-	-	-	0%
<b>TOTAL</b>	<b>2,059,655,537</b>	<b>-522,521,514</b>	<b>1,537,134,023</b>	<b>1,356,889,787</b>	<b>180,244,236</b>	<b>88%</b>
<b>PAYMENTS</b>						
Compensation of Employees	-	-	-	-	-	0.00%
Use of goods and services	184,138,000	50,238,000	234,376,000	179,923,781	54,452,220	76.77%
Subsidies	-	-	-	-	-	0.00%

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

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 %
Transfers to Other Government Units	583,214,688	-97,995,535	485,219,153	392,573,288	92,645,865	80.91%
Other grants and transfers	72,500,000	-52,500,000	20,000,000	20,000,000	-	100.00%
Social Security Benefits	-	-	-	-	-	0.00%
Acquisition of Assets	821,934,477	24,278,415	846,212,892	337,464,893	508,748,000	39.88%
Finance Costs, including Loan Interest	-	-	-	-	-	0.00%
Repayment of principal on borrowings	-	-	-	-	-	0.00%
Other Payments	397,868,372	-121,025,349	276,843,023	157,849,198	118,993,825	57.02%
<b>TOTALS</b>	<b>2,059,655,537</b>	<b>-197,004,469</b>	<b>1,862,651,068</b>	<b>1,087,811,159</b>	<b>774,839,909</b>	<b>58.40%</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>-325,517,045.00</b>	<b>-325,517,045.00</b>	<b>269,078,627.7</b>	<b>-594,595,672.7</b>	

(a) In acquisition of asset utilisation was 39.88% due to delay in release of exchequer leading non-payment of suppliers by the close of the financial year.

The entity financial statements were approved on 17th Dec 2018 and signed by:



Chief Officer  
 Name: Paul Njenga Waweru




Head of Treasury Accounts  
 Name: Daniel K. Ngumi  
 ICPAK Member Number: 8207



**1.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
0		<b>Default - Non Programmatic</b>	0	<b>7,712,716.00</b>	<b>-7,712,716.00</b>
	0	Default - Non Programmatic	0	7,712,716.00	-7,712,716.00
<b>101000000</b>		<b>Land Policy and Planning</b>	<b>30,534,000.00</b>	<b>29,021,676.00</b>	<b>1,512,324.00</b>
	101010000	Development Planning and Land Reforms	0	0	0
	101020000	Land Information Management	0	0	0
	101030000	Land Survey	0	0	0
	101040000	Land Use	9,000,000.00	8,855,170.00	144,830.00
	101050000	Land Settlement	0	0	0
	101060000		0	0	0
	101070000		21,534,000.00	20,166,506.00	1,367,494.00
<b>102000000</b>		<b>Housing Development and Human Settlement</b>	<b>21,000,000.00</b>	<b>20,028,460.00</b>	<b>971,540.00</b>
	102010000	Housing Development	21,000,000.00	20,028,460.00	971,540.00
<b>103000000</b>			<b>76,269,750.00</b>	<b>64,266,869.75</b>	<b>12,002,880.25</b>
	103010000	Stalled and new Government buildings	76,269,750.00	64,266,869.75	12,002,880.25
	103020000	Building Standards and Research	0	0	0
<b>104000000</b>			<b>35,884,000.00</b>	<b>12,492,665.00</b>	<b>23,391,335.00</b>
	104010000	Coastline Infrastructure Development	0	0	0
	104020000		14,900,000.00	11,609,311.00	3,290,689.00
	104030000		0	-17,318,486.00	17,318,486.00
	104040000		12,684,000.00	10,063,840.00	2,620,160.00
	104050000		8,300,000.00	8,138,000.00	162,000.00
<b>105000000</b>		<b>Urban and Metropolitan Development</b>	<b>0</b>	<b>0</b>	<b>0</b>
	105010000	Urban Mobility and Transport	0	0	0
<b>106000000</b>		<b>General Administration Planning and Support Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
	106010000	Administration, Planning & Support Services	0	0	0



**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
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<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
<b>107000000</b>		<b>General Administration Planning and Support Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
	107010000	Agricultural Policy, Legal and Regulatory Frameworks	0	0	0
	107020000	Agricultural Planning and Financial Management	0	0	0
	107030000		0	0	0
	107040000		0	0	0
	107050000		0	0	0
	107060000		0	0	0
<b>108000000</b>		<b>Crop Development and Management</b>	<b>0</b>	<b>0</b>	<b>0</b>
	108010000	Land and Crops Development	0	0	0
	108020000	Food Security Initiatives	0	0	0
	108030000	Quality Assurance and Monitoring of Outreach Services	0	0	0
<b>109000000</b>		<b>Agribusiness and Information Management</b>	<b>0</b>	<b>0</b>	<b>0</b>
	109010000	Agribusiness and Market Development	0	0	0
<b>110000000</b>		<b>Irrigation and Drainage Infrastructure</b>	<b>5,040,000.00</b>	<b>-876,563.00</b>	<b>5,916,563.00</b>
	110010000	Promotion of Irrigation and Drainage Development and Management	5,040,000.00	-876,563.00	5,916,563.00
	110020000		0	0	0
<b>111000000</b>		<b>Fisheries Development and Management</b>	<b>0</b>	<b>0</b>	<b>0</b>
	111010000	Fisheries Policy, Strategy and capacity building	0	0	0
<b>112000000</b>		<b>Livestock Resources Management and Development</b>	<b>0</b>	<b>0</b>	<b>0</b>
	112010000	Livestock Policy Development and capacity building Programme	0	0	0
	112020000	Livestock Production and Management	0	0	0
<b>113000000</b>		<b>Land Administration and Management</b>	<b>0</b>	<b>0</b>	<b>0</b>
	113010000	Land Administration and Management	0	0	0
<b>114000000</b>			<b>0</b>	<b>0</b>	<b>0</b>
	114020000		0	0	0

**LAKIPAN COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
<b>115000000</b>			<b>264,501,666.00</b>	<b>109,729,127.00</b>	<b>154,772,539.00</b>
	115010000		60,000,000.00	56,697,071.00	3,302,929.00
	115020000		51,527,000.00	25,075,575.00	26,451,425.00
	115030000		152,974,666.00	27,956,481.00	125,018,185.00
	115040000		0	0	0
	115050000		0	0	0
<b>116000000</b>			<b>35,000,000.00</b>	<b>6,958,597.00</b>	<b>28,041,403.00</b>
	116010000		35,000,000.00	6,958,597.00	28,041,403.00
<b>117000000</b>			<b>111,500,000.00</b>	<b>35,785,403.00</b>	<b>75,714,597.00</b>
	117020000		20,700,000.00	19,193,565.00	1,506,435.00
	117030000		16,700,000.00	17,122,080.00	-422,080.00
	117040000		74,100,000.00	-530,242.00	74,630,242.00
<b>201000000</b>		<b>General Administration, Planning and Support Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
	201010000	General Administration, Planning and Support Services	0	0	0
<b>202000000</b>		<b>Road Transport</b>	<b>0</b>	<b>0</b>	<b>0</b>
	202010000	Construction of Roads and Bridges	0	0	0
<b>301000000</b>		<b>General Administration Planning and Support Services</b>	<b>41,273,700.00</b>	<b>34,363,023.00</b>	<b>6,910,677.00</b>
	301010000		14,324,000.00	14,357,361.00	-33,361.00
	301020000		0	0	0
	301030000		16,949,900.00	11,589,880.00	5,360,020.00
	301040000		9,999,800.00	8,415,782.00	1,584,018.00
<b>302000000</b>		<b>Industrial Development and Investments</b>	<b>26,060,500.00</b>	<b>15,240,681.00</b>	<b>10,819,819.00</b>
	302010000	Promotion of Industrial Development and Investments	6,060,500.00	5,327,335.00	733,165.00
	302020000	Promotion of Industrial Property Rights and arbitration	20,000,000.00	9,913,346.00	10,086,654.00
	302030000	Promotion of Industrial Training	0	0	0
<b>303000000</b>		<b>Standards and Business Incubation</b>	<b>0</b>	<b>0</b>	<b>0</b>
	303010000	Standardization, Metrology and conformity assessment	0	0	0

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
<b>304000000</b>		<b>Cooperative Development and Management</b>	<b>91,186,952.00</b>	<b>69,467,825.00</b>	<b>21,719,127.00</b>
	304010000	Governance and Accountability	44,089,500.00	23,228,481.00	20,861,019.00
	304020000	Co-operative Advisory Services	42,524,452.00	42,524,452.00	0
	304030000	Marketing, value addition and research	0	0	0
	304040000		0	0	0
	304050000		4,573,000.00	3,714,892.00	858,108.00
<b>305000000</b>		<b>East African Affairs and Regional Integration</b>	<b>3,000,000.00</b>	<b>-2,754,244.00</b>	<b>5,754,244.00</b>
	305010000	East African Customs Union	3,000,000.00	-2,754,244.00	5,754,244.00
	305020000	East African Common Market	0	0	0
<b>401000000</b>		<b>Preventive &amp; Promotive Health Services</b>	<b>643,950,472.00</b>	<b>477,074,839.50</b>	<b>166,875,632.50</b>
	401010000	Communicable Disease Control	178,191,937.00	128,687,184.00	49,504,753.00
	401020000	Health Promotion	0	0	0
	401030000	Non-communicable Disease Prevention & Control	332,600,000.00	237,065,586.50	95,534,413.50
	401050000	Radiation Protection	25,968,208.00	22,005,200.00	3,963,008.00
	401060000		66,000,000.00	42,137,551.00	23,862,449.00
	401070000		41,190,327.00	47,179,318.00	-5,988,991.00
<b>402000000</b>		<b>Curative Health Services</b>	<b>26,579,000.00</b>	<b>22,264,727.00</b>	<b>4,314,273.00</b>
	402010000	National Referral Services	26,579,000.00	22,403,791.00	4,175,209.00
	402020000	Mental Health	0	0	0
	402030000	Specialized services (Spinal Injury)	0	0	0
	402040000	Forensic and Diagnostics	0	-139,064.00	139,064.00
<b>403000000</b>		<b>Health Research and Development</b>	<b>0</b>	<b>0</b>	<b>0</b>
	403010000	Capacity Building & Training	0	0	0
	403020000	Research & Innovations	0	0	0
	403030000	Research Ethics, Standards & Regulation	0	0	0
<b>404000000</b>		<b>General Administration, Planning &amp; Support Services</b>	<b>95,744,681.00</b>	<b>0</b>	<b>95,744,681.00</b>
	404010000	Health Policy, Planning & Financing	95,744,681.00	0	95,744,681.00

**BAKIPUL COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
<b>501000000</b>		<b>Primary Education</b>	<b>51,500,000.00</b>	<b>50,701,042.00</b>	<b>798,958.00</b>
	501010000	Free Primary Education	0	0	0
	501020000	Special Needs Education	0	0	0
	501030000	Alternative provision of Basic Education	0	0	0
	501040000	Early Child Development and Education	0	0	0
	501050000	Primary Teachers Training and In-servicing	0	0	0
	501060000	Alternative Basic Adult & Continuing Education	0	0	0
	501090000	ICT Capacity Development	50,000,000.00	50,000,000.00	0
	501100000		1,500,000.00	701,042.00	798,958.00
<b>502000000</b>		<b>Secondary Education</b>	<b>17,700,000.00</b>	<b>14,811,621.00</b>	<b>2,888,379.00</b>
	502010000	Secondary Bursary Management Services	0	0	0
	502020000	Free Day Secondary Education	17,700,000.00	14,811,621.00	2,888,379.00
<b>504000000</b>		<b>University Education</b>	<b>41,858,878.00</b>	<b>0</b>	<b>41,858,878.00</b>
	504010000	University Education	41,858,878.00	0	41,858,878.00
	504020000	Quality Assurance and Standards	0	0	0
	504030000	Higher Education Support Services	0	0	0
<b>505000000</b>		<b>Technical Vocational Education and Training</b>	<b>5,430,000.00</b>	<b>1,494,850.00</b>	<b>3,935,150.00</b>
	505010000	Technical Accreditation and Quality Assurance	5,430,000.00	1,494,850.00	3,935,150.00
	505020000	Technical Trainers and Instructor Services	0	0	0
<b>506000000</b>		<b>Research, Science, Technology and Innovation</b>	<b>41,500,000.00</b>	<b>9,462,742.50</b>	<b>32,037,257.50</b>
	506010000	Research Management and Development	36,000,000.00	5,487,153.50	30,512,846.50
	506020000	Knowledge and Innovation Development and Commercialization	5,500,000.00	3,975,589.00	1,524,411.00
	506030000	Science and Technology Development and Promotion	0	0	0
<b>507000000</b>		<b>Youth Training and Development</b>	<b>13,545,000.00</b>	<b>13,231,366.00</b>	<b>313,634.00</b>
	507020000	Curriculum Development	13,545,000.00	13,231,366.00	313,634.00
	507030000	Quality Assurance and Standards	0	0	0
	507040000	ICT Integration in Youth Polytechnics	0	0	0

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
<b>508000000</b>		<b>General Administration, Planning and Support Services</b>	<b>13,631,000.00</b>	<b>5,200,169.00</b>	<b>8,430,831.00</b>
	508010000	Headquarters Administrative Services	13,631,000.00	5,200,169.00	8,430,831.00
	508020000	County Administrative Services	0	0	0
	508030000		0	0	0
<b>509000000</b>		<b>Teacher Resource Management</b>	<b>3,552,000.00</b>	<b>3,427,747.95</b>	<b>124,252.05</b>
	509010000	Teacher Management- Primary	3,552,000.00	3,427,747.95	124,252.05
<b>701000000</b>		<b>General Administration Planning and Support Services</b>	<b>10,241,000.00</b>	<b>-13,126,938.00</b>	<b>23,367,938.00</b>
	701010000		10,241,000.00	8,252,207.00	1,988,793.00
	701020000		0	0	0
	701030000		0	0	0
	701040000		0	-21,379,145.00	21,379,145.00
	701050000		0	0	0
	701060000		0	0	0
<b>702000000</b>		<b>Cabinet Affairs</b>	<b>95,470,871.00</b>	<b>72,062,866.00</b>	<b>23,408,005.00</b>
	702010000		77,807,871.00	56,101,472.00	21,706,399.00
	702020000		17,663,000.00	15,961,394.00	1,701,606.00
	702030000		0	0	0
<b>703000000</b>		<b>Government Advisory Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
	703010000	State Corporations Advisory Services	0	0	0
<b>704000000</b>		<b>State House Affairs</b>	<b>0</b>	<b>0</b>	<b>0</b>
	704010000	Coordination of State House Functions	0	0	0
	704020000	Administration of Statutory benefits for the retired Presidents	0	0	0
	704030000		0	0	0
<b>705000000</b>		<b>Leadership and Coordination of MDAs</b>	<b>22,500,000.00</b>	<b>8,613,878.00</b>	<b>13,886,122.00</b>
	705010000	Coordination and Supervision	0	0	0
	705020000		0	0	0

**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
	705030000		17,020,000.00	4,557,828.00	12,462,172.00
	705040000		5,480,000.00	4,056,050.00	1,423,950.00
<b>706000000</b>		<b>Economic Policy and National Planning</b>	<b>63,119,797.00</b>	<b>54,621,703.50</b>	<b>8,498,093.50</b>
	706010000	Economic Planning Coordination services	7,000,000.00	6,057,775.00	942,225.00
	706020000	Community Development	14,719,797.00	7,002,146.00	7,717,651.00
	706030000	Macro Economic policy planning and regional integration	7,000,000.00	7,037,871.50	-37,871.50
	706040000	Policy Research	31,550,000.00	31,810,091.00	-260,091.00
	706050000	Coordination of Vision 2030	2,850,000.00	2,713,820.00	136,180.00
<b>707000000</b>		<b>National Statistical Information Services</b>	<b>490,443,023.00</b>	<b>374,081,387.00</b>	<b>116,361,636.00</b>
	707010000	Census and Surveys	0	0	0
	707060000		480,443,023.00	370,303,734.00	110,139,289.00
	707070000		0	0	0
	707080000		10,000,000.00	3,777,653.00	6,222,347.00
<b>708000000</b>		<b>Monitoring and Evaluation Services</b>	<b>20,000,000.00</b>	<b>17,779,332.00</b>	<b>2,220,668.00</b>
	708010000	National Integrated Monitoring and Evaluation	0	-23,564.00	23,564.00
	708020000	Corporate Governance	20,000,000.00	17,802,896.00	2,197,104.00
<b>709000000</b>		<b>General Administration Planning and Support Services</b>	<b>20,000,000.00</b>	<b>19,953,863.00</b>	<b>46,137.00</b>
	709010000	Human Resources and Support Services	0	0	0
	709020000	Financial Management Services	0	0	0
	709030000	Information Communications Services	20,000,000.00	19,953,863.00	46,137.00
<b>710000000</b>		<b>Public Service Transformation</b>	<b>0</b>	<b>0</b>	<b>0</b>
	710010000	Human Resource Management	0	0	0
<b>712000000</b>		<b>Devolution Services</b>	<b>0</b>	<b>-1,054,322.00</b>	<b>1,054,322.00</b>
	712010000	Management of devolution affairs	0	-1,054,322.00	1,054,322.00
<b>713000000</b>		<b>Special Initiatives</b>	<b>0</b>	<b>0</b>	<b>0</b>
	713010000	Relief & Rehabilitation	0	0	0

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
714000000		<b>General Administration Planning and Support Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
	714010000	Administration services	0	0	0
715000000			<b>0</b>	<b>0</b>	<b>0</b>
	715010000	Management of Kenya missions abroad	0	0	0
716000000			<b>0</b>	<b>0</b>	<b>0</b>
	716010000	International Trade	0	0	0
717000000			<b>5,000,000.00</b>	<b>2,718,140.30</b>	<b>2,281,859.70</b>
	717010000	Administration Services	5,000,000.00	2,718,140.30	2,281,859.70
718000000		<b>Public Financial Management</b>	<b>0</b>	<b>0</b>	<b>0</b>
	718020000	Budget Formulation Coordination and Management	0	0	0
719000000		<b>Economic and Financial Policy Formulation and Management</b>	<b>94,281,000.00</b>	<b>86,510,069.00</b>	<b>7,770,931.00</b>
	719010000	Fiscal Policy Formulation, Development and Management	94,281,000.00	86,510,069.00	7,770,931.00
721000000		<b>Legislation and Representation</b>	<b>42,798,000.00</b>	<b>13,242,568.00</b>	<b>29,555,432.00</b>
	721010000	Legislation and Representation	6,798,000.00	5,191,000.00	1,607,000.00
	721020000		8,000,000.00	2,447,200.00	5,552,800.00
	721030000		4,000,000.00	0	4,000,000.00
	721040000		0	0	0
	721050000		7,000,000.00	0	7,000,000.00
	721060000		0	0	0
	721070000		0	0	0
	721080000		11,000,000.00	0	11,000,000.00
	721090000		6,000,000.00	5,604,368.00	395,632.00
722000000		<b>Legislative Oversight</b>	<b>2,490,192,000.00</b>	<b>2,571,979,600.00</b>	<b>-81,787,600.00</b>
	722010000	Legislative Oversight	2,490,192,000.00	2,573,056,620.00	-82,864,620.00
	722020000		0	-1,077,020.00	1,077,020.00
723000000		<b>General Administration, Planning and Support Services</b>	<b>10,616,000.00</b>	<b>8,335,539.00</b>	<b>2,280,461.00</b>

**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
	723010000	General Administration, Planning and support services	0	-1,932,126.00	1,932,126.00
	723020000		10,616,000.00	10,267,665.00	348,335.00
<b>724000000</b>		<b>Inter-Governmental Revenue and Financial Matters</b>	<b>480,718,180.00</b>	<b>473,616,737.10</b>	<b>7,101,442.90</b>
	724010000		480,718,180.00	473,616,737.10	7,101,442.90
<b>901000000</b>		<b>Sports</b>	<b>0</b>	<b>0</b>	<b>0</b>
	901010000	Sports Training and competitions	0	0	0
<b>902000000</b>		<b>Culture</b>	<b>0</b>	<b>0</b>	<b>0</b>
	902010000	Conservation of Heritage	0	0	0
	902020000	Public Records and Archives Management	0	0	0
	902030000	Development And Promotion of Culture	0	0	0
	902040000	Promotion of Kenyan Music and Dance	0	0	0
	902050000	General Administration, Planning and Support Services	0	0	0
<b>903000000</b>		<b>The Arts</b>	<b>0</b>	<b>0</b>	<b>0</b>
	903010000	Film Services	0	0	0
	903020000		0	0	0
	903030000		0	0	0
	903040000		0	0	0
<b>904000000</b>		<b>Library Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
	904010000	Library Services	0	0	0
<b>1001000000</b>		<b>General Administration, Planning and Support Services</b>	<b>149,000,000.00</b>	<b>108,668,911.10</b>	<b>40,331,088.90</b>
	1001010000	Environmental Policy Management	110,000,000.00	71,975,773.10	38,024,226.90
	1001020000	Water policy Management	39,000,000.00	36,693,138.00	2,306,862.00
	1001030000		0	0	0
<b>1002000000</b>		<b>Environment Management and Protection</b>	<b>6,874,250.00</b>	<b>5,782,388.00</b>	<b>1,091,862.00</b>
	1002020000	Catchment Rehabilitation and Conservation	0	0	0
	1002030000		0	0	0
	1002040000		6,874,250.00	5,782,388.00	1,091,862.00



**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

<b>Program</b>	<b>Sub Program</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual Payments</b>	<b>Variance</b>
1003000000		<b>Natural Resources Conservation and Management</b>	0	0	0
	1003010000	Forests Conservation and Management	0	0	0
1004000000		<b>Water Resources Management</b>	9,000,000.00	7,308,277.90	1,691,722.10
	1004010000	Water Resources conservation and Protection	9,000,000.00	7,308,277.90	1,691,722.10
1005000000		<b>Integrated Regional Development</b>	0	0	0
	1005020000	Land Reclamation	0	0	0
		<b>Grand Total</b>	<b>5,706,495,720.00</b>	<b>4,810,199,340.60</b>	<b>896,296,379.40</b>

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

**4. 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 Laikipia County Government. 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 and transferred to CRF by the County 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 and recurrent 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.

## **LAIKIPIA COUNTY GOVERNMENT**

### **Reports and Financial Statements**

**For the year ended June 30<sup>th</sup>, 2018**

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#### **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **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.

##### **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 Laikipia County Government 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 Laikipia County Government 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 2,048,781.00 compared to Kshs75,000, 000 in prior period as indicated on note 26.4.

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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 Laikipia County Government 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 Laikipia County Government 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 30<sup>th</sup> June 2016 for the period 1<sup>st</sup> July 2016 to 30 June 2017 as required by law. There was one 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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**LAIKIPIA COUNTY GOVERNMENT**  
**Reports and Financial Statements**  
**For the year ended June 30<sup>th</sup>, 2018**

**1.8. NOTES TO THE FINANCIAL STATEMENTS**

**1. EXCHEQUER RELEASES**

	2017 - 2018	2016 - 2017
	KShs	KShs
Total Exchequer Releases for quarter 1	582,823,785	592,758,236
Total Exchequer Releases for quarter 2	1,156,243,000	1,170,905,937
Total Exchequer Releases for quarter 3	1,009,450,000	532,768,236
Total Exchequer Releases for quarter 4	1,256,921,518	1,109,684,860
<b>Total</b>	<b>4,005,438,303</b>	<b>3,406,107,269</b>

The total amount received is Ksh, 4,499,800,000 as per the CARA but the amount in this report is what County Executive received while the difference of ksh. 494,361,697 was exchequered by County Assembly.

**2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor	Date received	Amount in foreign currency	2017 - 2018	2016 - 2017
			KShs	KShs
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>				
DANIDA - UHDSP	-	-	15,437,348	5,765,000
	-	-	-	-
<b>Grants Received from Multilateral Donors (International Organisations)</b>				
World Bank - THUSCP	-	-	20,961,790	60,049,676
World Bank - KDSP	-	-	149,544,069	-
World Bank - Youth Polytechnics Dev. Support Grant	-	-	33,358,878	-
World Bank - UNICEF	-	-	1,445,250	-
<b>Grants Received from other levels of government</b>				
(Insert name of donor)	-	-	-	-
(Insert name of donor)	-	-	-	-
<b>Total</b>			<b>220,747,335</b>	<b>65,814,676</b>

1. DANIDA – Supporting Health Facilities
2. World Bank – Transforming Universal Health Access
3. World Bank - Kenya Devolution Support Programme
4. The National Treasury – Youth Polytechnic Dev. Support fund
5. World Bank - UNICEF

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**3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Transfers from Central government entities		
MINISTRY OF ROADS - RMLF	120,831,610	57,271,971
MINISTRY OF HEALTH – FREE MATERNAL	-	86,042,500
MINISTRY OF HEALTH - USER FEE FORGONE	9,872,539	9,872,520
<b>Transfers from Counties:</b>		
Car and Mortgage Fund - Unison A/C -	10,000,000	-
Laikipia County Deposit A/C -	2,000,000	-
<b>TOTAL</b>	<b>142,704,149</b>	<b>153,186,991</b>

1. Ministry of Roads – Road Maintenance Levy Fund – Receivable was ksh. 146,974,666 but County received ksh. 120, 831,610 leaving a balance of Ksh. 26,143,056.
2. Ministry of Health – Free Maternal
3. Ministry of Health – Compensation to hospital for User Fee Forgone
4. Car and Mortgage Fund – Unison A/c – Withdrawal of unapplied fund to County operation account
5. L. County Deposit A/C – Outstanding previously transferred Deposits now transferred to County Operation A/C

**4. PROCEEDS FROM DOMESTIC BORROWINGS**

	2017 - 2018	2016 - 2017
	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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

There was no receipts under this note.

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



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**5. PROCEEDS FROM FOREIGN BORROWINGS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Foreign Borrowing – Draw-downs Through Exchequer	-	-
Foreign Borrowing - Direct Payments	-	-
Foreign Currency and Foreign Deposits	-	-
<b>Total</b>	-	-

There was no receipts under this note.

*(Give a brief explanation relating to sources of funds, interest charged and terms of repayment)*

**6. PROCEEDS FROM SALE OF ASSETS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Receipts from the Sale of Buildings	-	-
Receipts from Sale of Vehicles and Transport Equipment	-	-
Receipts from Sale of Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from Sale of Strategic Reserves Stocks	-	-
Receipts from Sale of Inventories, Stocks and Commodities	-	-
Disposal and Sales of Non-Produced Assets	-	-
<b>Total</b>	-	-

There was no receipts under this note.

**7. REIMBURSEMENTS AND REFUNDS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals & Private Organisations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement Using Bonds	-	-
<b>Total</b>	-	-

There was no receipts under this note.

*(Give a brief description on what the refunds relate to)*

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**8. RETURNS OF EQUITY HOLDINGS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Returns of Equity Holdings in Domestic Organisations	-	-
Returns of Equity Holdings in International Organisations	-	-
	-	-
<b>Total</b>	-	-

There was no receipts under this note.

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

**9. COUNTY OWN GENERATED RECEIPTS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Interest Received	-	-
Profits and Dividends	-	-
Plot Rents	9,075,808	-
Other Property Income – Land Rates	45,349,196	-
Sales of Market Establishments	-	-
Receipts from Administrative Fees and Charges	5,172,598	-
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	-	-
Receipts from Voluntary transfers other than grants	-	-
Business permits	85,105,405	-
Cess	24,065,534	-
Poll rates	-	-
Plot rents	-	-
Other local levies	-	212,911,331
Administrative services fees	-	-
Various fees	4,213,904	-
Council's natural resources	45,152,279	-
Exploitation	-	-
Sales of council assets	-	-
Lease / rental of council's	-	-

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Infrastructure assets	-	-
Other miscellaneous receipts	63,164	6,092,330
Other miscellaneous receipts	-	74,831,697
Insurance claims recovery	-	-
Medium term loans (1-3 yr repayment)	-	-
Long term loans (over 3 yr repayment)	-	-
Transfers from reserve funds	-	-
Donations	-	-
Fund raising events	-	-
Other receipts from financial assets loan	-	-
Market/trade centre fee	10,440,847	59,367,200
Vehicle parking fees	54,656,750	-
Housing	25,603,130	20,242,249
Social premises use charges	190,695	-
School fees	124,022	-
Other education-related	-	261,000
Other education receipts	-	-
Public health services	8,923,233	-
Public health facilities operations	264,785,040	155,504,956
Environment & conservancy	-	-
Administration	-	-
Slaughter houses administration	9,614,063	-
Water supply administration	-	-
Sewerage administration	-	-
Other health & sanitation	-	-
Technical services fees	12,790,019	14,545,750
External services fees	3,138,098	-
	<b>608,463,785</b>	<b>543,756,513</b>

1. *While comparing the two periods, there is a considerable improvement in revenue collected during FY2017/2018.*
2. *Kshs. 74,831,697 relates to provisions held from the previous FY 2015/2016 and do not constitute part of local actual collections but transfer from deposit and closure of commercial banks accounts.*
3. *2017/2018 revenue has been disaggregated into their specific items and an attachment has been annexed for the purpose comparison with earlier reported lines.*

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**10. RETURNED CRF ISSUES**

	2017 - 2018	2016 - 2017
	KShs	KShs
LAIKIPIA COUNTY REVENUE FUND BALANCE	11,347,008	297,884,887
LAIKIPIA COUNTY RECURRENT ACCOUNT	205,088	7,723,683
LAIKIPIA COUNTY DEVELOPMENT ACCOUNT	5,543	20,149
LAIKIPIA COUNTY HEALTH AND SANITATION	-	614,151
LAIKIPIA COUNTY EDUCATION AND GENDER	-	8,000
LAIKIPIA COUNTY OFFICE OF THE GOVERNOR	-	9,144
LAIKIPIA COUNTY WATER, ENVIRONMENT AND NATURAL RESOURCES	-	3,652
LAIKIPIA COUNTY PUBLIC SERVICE AND COUNTY ADMINISTRATION	-	301
LAIKIPIA COUNTY WASTE MANAGEMENT	--	235
LAIKIPIA COUNTY AGRICULTURE	-	5,947
LAIKIPIA COUNTY NORTH SUB-COUNTY	-	1,500
LAIKIPIA COUNTY EAST SUB-COUNTY	-	900
LAIKIPIA COUNTY REVENUE BOARD	-	7,523
LAIKIPIA COUNTY ROADS AND INFRASTRUCTURE	-	3,157
LAIKIPIA COUNTY FINANCE AND ECONOMIC PLANNING	-	99,684
LAIKIPIA COUNTY MISS TOURISM DONATION COLLECTION ACCOUNT	-	126,450
LAIKIPIA COUNTY INVESTMENT DONATION COLLECTION ACCOUNT	-	5,498,070
LAIKIPIA COUNTY ASSEMBLY OPERATION ACCOUNT	14,251,662	-
<b>Total</b>	<b>25,809,301</b>	<b>312,007,433</b>

*The above referred note relates to funds appropriated in financial year 2017/2018 but remained unapplied by the close of the financial year.*



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. COMPENSATION OF EMPLOYEES**

	2017 - 2018	2016 - 2017
	KShs	KShs
Basic salaries of permanent employees	2,279,461,110	1,777,259,978
Basic wages of temporary employees	136,017,485	29,795,546
Personal allowances paid as part of salary	796,300	115,000
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
<b>Total</b>	<b>2,416,274,895</b>	<b>1,807,170,524</b>

*The number of employees was 1830 at the period close against 1790 at the close of the previous period*

**12. USE OF GOODS AND SERVICES**

	2017 - 2018	2016 - 2017
	KShs	KShs
Utilities, supplies and services	16,153,539	5,123,763
Communication, supplies and services	12,441,189	13,203,372
Domestic travel and subsistence	152,910,329	173,232,508
Foreign travel and subsistence	4,985,170	4,359,000
Printing, advertising and information supplies & services	23,147,401	24,571,335
Rentals of produced assets	-	-
Training expenses	12,392,503	5,579,348
Hospitality supplies and services	97,992,660	150,472,168
Insurance costs	155,785,959	156,734,818
Specialized materials and services	133,753,512	82,325,625
Office and general supplies and services	22,713,889	20,185,469
Other operating expenses	102,619,710	27,528,270
Routine maintenance -- vehicles and other transport equipment	24,441,027	9,965,758
Routine maintenance -- other assets	17,601,869	73,435,174
Fuel, oils and lubricants	30,546,913	31,709,814
<b>Total</b>	<b>807,485,670</b>	<b>778,426,422</b>

*This entails expenditure outlaid primarily for the operation and maintenance of the county*

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. SUBSIDIES**

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Subsidies to Public Corporations		
<i>See list attached</i>	-	-
(insert name)	-	-
Subsidies to Private Enterprises		
<i>See list attached</i>	-	-
(insert name)	-	-
<b>TOTAL</b>	-	-

**14. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2017 - 2018	2016 - 2017
	KShs	KShs
Current Grants to Government Agencies and other Levels of Government	419,952,592	310,141,311
Other Current Transfers, Grants and Subsidies	-	220,000
Other Capital Grants and Trans	10,444,781	2,700,100
<b>Transfers to Other Counties Entities:</b>		
COUNTY ASSEMBLY OF LAIKIPIA	-	104,000,000
LAIKIPIA COUNTY CO-OPERATIVE DEVELO	-	1,000,000
LAIKIPIA COUNTY ENTERPRISE FUND	41,802,112	999,995
<b>TOTAL</b>	<b>472,199,485</b>	<b>419,061,406</b>

*Cooperative fund which was reported under this note in FY2016/2017 has been moved to note No. 15 where under Subsidies to small businesses, cooperatives and self-employed.*

**15. OTHER GRANTS AND OTHER PAYMENTS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Scholarships and other educational benefits	48,399,115	50,564,521
Emergency relief and refugee assistance	-	5,879,559
Subsidies to small businesses, cooperatives, and self employed	2,193,800	2,705,400
LAIKIPIA COUNTY CO-OPERATIVE DEVELO	20,000,000	-
<b>Total</b>	<b>70,592,915</b>	<b>59,149,480</b>

*Cooperative fund which was reported under note No.14 in FY2016/2017 has been shifted to note No. 15 where its expenditure is better suited.*

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16. SOCIAL SECURITY BENEFITS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
<b>Total</b>	-	-

**17. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	2017 - 2018	2016 - 2017
	KShs	KShs
Purchase of Buildings	-	4,332,339
Construction of Buildings	17,598,613	268,856,100
Refurbishment of Buildings	25,338,927	17,490,318
Construction of Roads	42,059,738	163,908,588
Construction and Civil Works	76,742,776	456,502,824
Overhaul and Refurbishment of Construction and Civil Works	6,139,850	-
Purchase of Vehicles and Other Transport Equipment	43,386,344	67,443,611
Overhaul of Vehicles and Other Transport Equipment	-	2,596,280
Purchase of Household Furniture and Institutional Equipment	-	1,352,999
Purchase of Office Furniture and General Equipment	7,720,167	3,240,871
Purchase of ICT Equipment	-	16,273,099
Purchase of Specialized Plant, Equipment and Machinery	26,742,736	61,561,632
Rehabilitation and Renovation of Plant, Machinery and Equip.	32,332,140	82,467
Purchase of Certified Seeds, Breeding Stock and Live Animals	11,125,375	6,363,500
Research, Studies, Project Preparation, Design & Supervision	8,551,406	23,787,107
Rehabilitation of Civil Works	45,122,728	-
Acquisition of Strategic Stocks and commodities	6,683,439	3,153,689
Acquisition of Land	-	-
Acquisition of Intangible Assets	4,730,056	12,647,879
<b>Financial Assets</b>		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
<b>Total</b>	<b>354,274,295</b>	<b>1,109,593,303</b>

*This entails expenditure outlaid for acquisition of assets for the County.*

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18. FINANCE COSTS, INCLUDING LOAN INTEREST**

	2017 - 2018	2016 - 2017
	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	-	-
<b>Total</b>	-	-

*The County had not borrowed and hence had no finance cost.*

**19. REPAYMENT OF PRINCIPAL ON DOMESTIC LENDING AND ON-LENDING**

	2017 - 2018	2016 - 2017
	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	-	-
<b>Total</b>	-	-

*The County had not borrowed and hence had no loan to pay.*

**20. OTHER PAYMENTS**

	2017 - 2018	2016 - 2017
	KShs	KShs
Budget Reserves	-	-
Civil Contingency Reserves	2,754,997	-
Other payments	214,111,136	179,972,342
	<b>216,866,133</b>	<b>179,434,151</b>

*(The other payments represent pending bills and other bills originating from a previous period unclassified items that are settled in the current period)*



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**20. CASH AND BANK BALANCES**

**21A. BANK BALANCES (BALANCES FORMING NET FINANCIAL ASSETS)**

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 curren cy)	2017 – 2018	2016 – 2017
				KShs	KShs
LAIKIPIA COUNTY REVENUE FUND - 1000171262	KES	CRF	-	554,755,646	11,347,008
LAIKIPIA COUNTY RECURRENT A/C - 1000171208	KES	RECURRENT	-	2,184	205,088
LAIKIPIA COUNTY DEV A/C - 1000171162	KES	DEVELOPME NT	-	2,586,718	5,543
URBAN SUPPORT PROGRAMME A/C 1000372141	KES	REC/DEV	-	-	-
AGRICULTURE SECTOR DEVELOPMENT A/C 1000372087	KES	REC/DEV	-	-	-
VILLAGE POLYTECNIC PROJECT 1000368896	KES	REC/DEV	-	-	-
KENYA CLIMATE SMART AGRICULTURE PROJECT A/C 1000367717	KES	REC/DEV	-	-	-
AGRICULTURE SPECIAL PURPOSE A/C 1000363312	KES	REC/DEV	-	-	-
REVENUE BOARD ACCOUNT A/C 1000376503	KES	RECURRENT	-	-	-
LAIKIPIA EAST COLLECTION A/C 01141366378700	KES	COLLETION A/C	-	-	2,300,827
LAIKIPIA WEST COLLECTION A/C 01141501762300	KES	COLLETION A/C	-	-	-
NYAHURURU DIST HOSPITAL FIF A/C 023000027049	KES	COLLETION A/C	-	-	18,838,172
NYAHURURU COUNTY HOSUPITAL FIF COLLECTION A/C.160277369204	KES	COLLETION A/C	-	-	-

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LAIKIPIA COUNTY DEPOSIT A/C 1000285834	KES	DEPOSIT	-	-	-
DOL DOLSUB COUNTY HOSP FIF A/C 064000064783	KES	COLLETION A/C	-	-	1,485,780
RUMURUTI SUB COUNTY HOSP FIF A/C 023000027937	KES	COLLETION A/C	-	-	3,256,370
NANYUKI TEACHING & REF HOSP FIF A/C 064000063932	KES	COLLETION A/C	-	-	30,593,090
LAIKIPIA C. ROADS MAINT LEVY FUND A/C-1000285842	KES	DEVELOPME NT	-	95,229,559	2,532,740
LAIKIPIA COUNTY HEALTH SERVICES A/C-1000285858	KES	DEVELOPME NT	-	35,744,806	24,523,082
LAIKIPIA COUNTY IMPREST ACCOUNT A/C 01141366378701	KES	RECURRENT	-	-	421,405
NYAHURURU DIST HOSPITAL FIF IMPREST A/C 023000027214	KES	REC/DEV	-	-	10,258,902
LAIKIPIA COUNTY HEALTH SERVICES FUND A/C.270277186808	KES	REC/DEV	-	-	3,908,262
LAIKIPIA - FAO CA PROJECT A/C 01141367861300	KES	REC/DEV	-	-	-
LAIKIPIA COUNTY AMAYA TRIANGLE A/C.1227284470	KES	REC	-	-	-
LAIKIPIA AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAM A/C.270277391768	KES	DEV	-	-	-
LAIKIPIA COUNTY HEALTH SERVICES A/C-064000063891	KES	REC/DEV	-	-	35,000
DOL DOL SUB COUNTY HOSP IMPREST - 064000064784	KES	REC/DEV	-	-	2,683,221
RUMURUTI SUB COUNTY HOSP IMPREST A/C 023000027935	KES	REC/DEV	-	-	125,478
NANYUKI TEACHING & REF HOSP IMPREST A/C 064000064087	KES	REC/DEV	-	-	8,220,979
LAIKIPIA COUNTY ALCOHOLIC DRINK A/C 01141366233700	COLLETIO N A/C	COLLETION A/C	-	-	36,450
<b>Total</b>		-	-	<b>688,318,913</b>	<b>120,777,397</b>

NB: REC = RECURRENT, DEV. = DEVELOPMENT

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See Note No. 21A-1 on other Banks details

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

**21A-1. BANK BALANCES FOR ACCOUNTS NOT AFFECTING THE FUND**  
**BALANCES i.e. Revenue Collection accounts, Deposits and Established Funds' accounts.**

**(The balance is indicated for the purpose of disclosure only)**

No.	Name of Bank, Account No. & Currency	Indicated whether recurrent or development	2017/2018	2016/2017
			Kshs	Kshs
1	LAIKIPIA COUNTY DEPOSIT A/C 1000285834	DEPOSIT	110,420,694	-
2	URBAN SUPPORT PROGRAMME A/C 1000372141	REC/DEV	-	-
3	AGRICULTURE SECTOR DEVELOPMENT A/C 1000372087	REC/DEV	-	-
4	VILLAGE POLYTECHNIC PROJECT 1000368896	REC/DEV	-	-
5	KENYA CLIMATE SMART AGRICULTURE PROJECT A/C 1000367717	REC/DEV	-	-
6	AGRICULTURE SPECIAL PURPOSE A/C 1000363312	REC/DEV	-	-
7	REVENUE BOARD ACCOUNT A/C 1000376503	RECURRENT	-	-
8	LAIKIPIA EAST COLLECTION A/C 01141366378700	COLLECTION A/C	1,098,905	2,300,827
9	LAIKIPIA WEST COLLECTION A/C 01141501762300	COLLECTION A/C	83,842	-
10	NYAHURURU DIST HOSPITAL FIF A/C 023000027049	COLLECTION A/C	388	18,838,172
11	DOL DOLSUB COUNTY HOSP FIF A/C 064000064783	COLLECTION A/C	22,360	1,485,780
12	RUMURUTI SUB COUNTY HOSP FIF A/C 023000027937	COLLECTION A/C	238,092	3,256,370
13	NANYUKI TEACHING & REF HOSP FIF A/C 064000063932	COLLECTION A/C	-	30,593,090
14	LAIKIPIA COUNTY ENTERPRISE FUND A/C. No. 1176375156	REC/DEV	990,879	-
15	LAIKIPIA COUNTY COOP DEV A/C 01141366165000	REC/DEV	319,895	-
16	LAIKIPIA COUNTY BURSARY FUND A/C No.064000065823	RECURRENT	5,616,380	-
17	LAIKIPIA COUNTY ALCOHOLIC DRINK A/C 01141366233700	COLLECTION A/C	126,900	36,450
18	LAIKIPIA COUNTY HEALTH SERVICES A/C-064000063891	REC/DEV	191,328.70	35,000

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19	DOL DOL SUB COUNTY HOSP IMPREST - 064000064784	REC/DEV	411,015.6	2,683,221
20	RUMURUTI SUB COUNTY HOSP IMPREST A/C 023000027935	REC/DEV	-	125,478
21	NANYUKI TEACHING & REF HOSP IMPREST A/C 064000064087	REC/DEV	10,975,046.95	8,220,979
22	LAIKIPIA COUNTY CAR AND MORTGAGE A/C.01141369432600	DEV.	35,425,800	-
23	LAIKIPIA COUNTY AMAYA TRIANGLE A/C.1227284470	REC	(10)	-
24	LAIKIPIA AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAM A/C.270277391768	DEV.	-	-
25	NANYUKI TEACHING AND REFERRAL FIF COLLECTION A/C.220277366573	COLLETION A/C	-	-
26	NYAHURURU COUNTY HOSUPITAL FIF COLLECTION A/C.160277369204	COLLETION A/C	-	-
27	NYAHURURU COUNTY HOSUPITAL FIF COLLECTION A/C.1198224266	COLLETION A/C	154,090	-
28	DOLDOLSUBCOUNTY HOSPITAL FIF COLLECTION A/C.270277366538	COLLETION A/C	-	-
29	LAIKIPIA HEALTH SECTOR SEVICE FUND A/C.270277186808	COLLETION A/C	-	3,908,262
30	RUMURUTI SUBCOUITY HOSPITAL FIF COLLECTION A/C.160277369169	COLLETION A/C	-	-
31	LAIKIPIA COUNTY DEBT COLLECTION A/C.01141369499600	COLLETION A/C	9,998	-
32	LAIKIPIA - FAO CA PROJECT A/C 01141367861300	REC/DEV	-	-
33	LAIKIPIA COUNTY IMPREST ACCOUNT A/C 01141366378701	REC/DEV	332,905.78	421,405
34	NYAHURURU DIST HOSPITAL FIF IMPREST A/C 023000027214	REC/DEV	23,344,141.40	10,258,902.00
	<b>Total</b>		<b>189,762,651.43</b>	<b>82,163,936.00</b>

**NB: Items not included in this note:**

- ACTUAL FUND BALANCE 2016/2017; 2,532,740+24,523,082	= 27,055,822.
- CRF REFUNDS (NOTE10) 2016/2017; 11,347,008 + 205,088 + 5,543	=11,557,639.
- CASH IN HAND 2016/2017	= 7,260,199.

**21B. CASH IN HAND -**

	2017 – 2018	2016 – 2017
	KShs	KShs
Cash in Hand – Held in domestic currency	524,497	7,260,199
Cash in Hand – Held in foreign currency	-	-
<b>Total</b>	<b>524,497</b>	<b>7,260,199</b>

(This amount is part of receipts and hence does not form part of fund balance and hence included only as a disclosure.)

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Cash in hand should also be analysed as follows:

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
LAIKIPIA NORTH - DOLDOL HOSPITAL	1,230	-
LAIKIPIA WEST - SALAMA	58,230	-
LAIKIPIA WEST - GITHIGA	1,645	-
LAIKIPIA WEST - RUMURUTI SUB COUNTY HOSPITAL	11,340	447,265
LAIKIPIA WEST - NYAHURURU SUB COUNTY HQ	-	-
LAIKIPIA WEST - NYAHURURU SUB COUNTY HOSP	18,470	43,598
LAIKIPIA NORTH -	16,050	-
LAIKIPIA EAST - BANKING HALL	417,532	6,601,978
LAIKIPIA EAST - NANYUKI REFERRAL HOSP	-	167,333
IGWAMITI OFFICE	-	25
<b>Total</b>	<b>524,497</b>	<b>7,260,199</b>

[As provided]

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

<i>Description</i>	2017 – 2018	2016 – 2017
	KShs	KShs
Government Imprests	4,206,387	-
Clearance accounts	-	-
<b>Total</b>	<b>4,206,387</b>	<b>-</b>

[Below is the breakdown of the imprest.]

<i>No.</i>	<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
			KShs	KShs	KShs
1	ALEXANDER MUCHEMI	03-01-18	400,000.00	-	400,000.00
2	ALEXANDER MUCHEMI	20-06-18	950,000.00	-	950,000.00
3	ALEXANDER MUCHEMI	27-03-18	70,000.00	-	70,000.00
4	ALEXANDER MUCHEMI	15-05-18	283,760.00	-	283,760.00
5	BARTON MWAI	15-11-17	140,000.00	-	140,000.00
6	BARTON MWAI	31-10-17	109,500.00	-	109,500.00
7	CHRISPINE JAMBA	17-10-17	850,000.00	-	850,000.00
8	ISSAC MALAKWEN	14-06-18	175,300.00	-	175,300.00
9	JAMES GICHINI NGUNU	05-09-17	51,027.00	-	51,027.00
10	JOHN NGUMBA	10-07-17	238,300.00	-	238,300.00
11	LAYANTA KIMIRI	14-06-18	220,000.00	-	220,000.00
12	SAMMY LINUS	19-02-18	395,000.00	-	395,000.00
13	SAMMY LINUS	19-02-18	323,500.00	-	323,500.00
	<b>Total</b>				<b>4,362,087.00</b>

**23. ACCOUNTS PAYABLE**

	2017 – 2018	2016 – 2017
	KShs	KShs
Deposits	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**24. FUND BALANCE BROUGHT FORWARD**

	2017 – 2018	2016 – 2017
	KShs	KShs
Bank accounts	120,777,397	357,115,334
Cash in hand	7,260,199	108,108
Accounts Receivables	-	-3,967,555
Accounts Payables	-	-
<b>Total</b>	<b>128,037,596</b>	<b>353,255,887</b>

1. The fund balance constitutes ksh 27,055,822 which is cumulative of funds held at the RMLF and HSSF and not refundable to the CRF at the beginning of the period

2. The difference of ksh 100,981,774 has been adjusted as per note 24

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25. PRIOR YEAR ADJUSTMENTS**

Description of the error	2017 – 2018	2016 – 2017
	KShs	KShs
Adjustments on bank account balances	-93,721,575	-357,115,334
Adjustments on cash in hand	-7,260,199	-108,108
Adjustments on payables	-	-
Adjustments on receivables	-	-3,967,555
Others ( <i>specify</i> )	-	-
	<b>-100,981,774</b>	<b>-353,255,887</b>

*The prior year adjustment includes;*

*a) Closing balances in CRF, Recurrent and Development accounts which are recognised as revenue under note 10 hence eliminated from the financial position to so as to remove double recognition of the same( in note 10 and in statement of financial position).*

*b) All the bank balances that are CRF withdrawals THAT are recognised as expenditures yet are still held by hospitals in imprest accounts at the close of the year.*

*c) Revenue Collection account balances that are held at the collection accounts at the close of the financial year before they are swept to the CRF.*

*d) Cash in hand before banking at the close of the financial year.*



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**1.9. OTHER IMPORTANT DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2017 – 2018	2016 – 2017
	KShs	KShs
Construction of buildings	287,729,757	322,862,565
Construction of civil works	183,140,230	276,431,141
Supply of goods	95,354,894	309,899,095
Supply of services	108,952,905	131,949,201
	<b>675,177,786</b>	<b>1,041,142,002</b>

*Pending bills emanating from Audit Verified Report though included in the annex are not included in this summary pending confirmation of actual amount paid and the actual amount that is outstanding.*

**2. PENDING STAFF PAYABLES (See Annex 2)**

	2017 – 2018	2016 – 2017
	KShs	KShs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	-	-

**3. OTHER PENDING PAYABLES (See Annex 3)**

	2017 – 2018	2016 – 2017
	KShs	KShs
Amounts due to National Government entities	-	-
Amounts due to County Government entities	-	-
Amounts due to third parties	-	-
Others ( <i>specify</i> )	-	-
	-	-

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**4. 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**

	2017- 2018	2016- 2017
	Kshs	Kshs
Key Management Compensation(Governors, CEC Members and C.Os)	-	-
<b>Transfers to related parties</b>		
Transfer to the County Assembly	-	104,000,000
<b>Transfers to other County Government Entities:</b>	-	-
-L. C. HSSF	272,190,379	-
-L.C. Enterprise Fund	41,802,112	-
-L. C. Coop Dev Fund	20,000,000	-
Transfers to Development Projects	-	-
Transfers to non-reporting entities e.g. schools and welfare	-	-
Transfers to County Water Service Providers	-	-
Expenses paid on behalf of County Water Service Providers	-	-
<b>Total Transfers to related parties</b>	-	-
<b>Transfers from related parties</b>		
-L. C. Car and Mortgage Fund - Unison	10,000,000	
Transfers from the Exchequer	-	-
Transfers from MDAs	-	-
Transfers from SCs and SAGAs- National Government		
(Insert any other transfers received)	-	-
<b>Total Transfers from related parties</b>	<b>343,992,491</b>	<b>104,000,000</b>

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**5. 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.

<b>Entity</b>	<b>Date Established (Gazettement / Incorporation date)</b>	<b>Location</b>	<b>Accounting Officer responsible</b>
NYAHURURU WATER AND SANITATION CO.	18/02/2002	NYAHURURU	BERNARD MWAURA
NANYUKI WATER AND SANITATION CO.	14/12/2005	NANYUKI	KENNETH KARIA GITONGA
LAIKIPIA COUNTY BURSARY FUND	19/06/2014	NANYUKI	ANNETTE W. MURIUKI
LAIKIPIA COUNTY ENTERPRISE FUND	19-06-2014	NANYUKI	CECILIA W. MAINA
LAIKIPIA COUNTY COOPERATIVE FUND	06/01/2015	NANYUKI	RICHARD W. MWANGI
LAIKIPIA COUNTY EXECUTIVE CAR AND MORTGAGE FUND	15/12/ 2014	NANYUKI	KARANJA NJORA

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**6. DEBTORS**

DETAILS	BALANCE - 30/6/18	BALANCE - 30/6/17	INCREASE / DECREASE	AMOUNT (KSHS)
<b>Balance b/d</b>				<b>3,157,444,099</b>
<b>Property Debtors:</b>				
1. 331 - County Government of Laikipia	3,187,209,411	2,411,421,302	775,788,109	
2. 596 - County Government of Laikipia	517,768,829	404,467,289	113,301,540	
3. 616 - County Government of Laikipia	406,367,392	308,737,438	97,629,954	
<b>Increase/Decrease in Properties Debtors</b>				<b>986,719,603</b>
<b>House Rent Debtors:</b>				
1. 331 - County Government of Laikipia	8,053,000	6,845,209	1,207,791	
2. 596 - County Government of Laikipia	14,317,540	16,762,670	-2,445,130	
3. 616 - County Government of Laikipia	6,489,931	6,681,691	-191,760	
<b>Decrease/Increase in House Rent Debtors</b>				<b>-1,429,099</b>
<b>Total</b>				<b>4,142,734,603</b>

**7. DEPOSIT ACCOUNT BALANCE**

Account Description	2017 – 2018	2016 – 2017	2015-2016
	KShs	KShs	KShs
Laikipia County Deposit A/C 1000285834	110,420,694	2,048,781	75,000,000
<b>Total</b>	<b>110,420,694</b>	<b>2,048,781</b>	<b>75,000,000</b>

*(110,000,000 of deposit amounts is held in trust as escrow for the leasing of specialised equipment and motor vehicle for the county government pending contract execution)*

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**2. 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)
1.0	ACCURACY OF THE FINACIAL STATEMENT		HEAD OF TREASURY ACCOUNTING	RESOLVED	20.NOV.2018
2.0	ACQUISITION OF ASSETS		HEAD OF TREASURY ACCOUNTING	NOT RESOLVED	20.NOV.2018
3.1	BANK RECONCILIATION		CHIEF OFFICER HEALTH	RESOLVED	20.NOV.2018
3.2	REVENUE NOT REMITTED TO EXCHEQUER		CHIEF OFFICER FINANCE	NOT RESOLVED	20.NOV.2018
3.3	CASH ON HAND		CHIEF OFFICER FINANCE	RESOLVED	20.NOV.2018
4.0	RENT AND RATES ARREARS		CEO RVENUE BOARD	NOT RESOLVED	20.NOV.2018
5.0	UNSUPPORTED PAYMENTS FOR WARD DEVELOPMENT FUND PROJECTS		CEO WARD DEVELOPMENT FUND /HEAD OF SUPPLY CHAIN MANAGEMENT/CE C FINANCE	NOT RESOLVED	20.NOV.2018
6.0	ESTABLISHMENT OF COUNTY PUBLIC FUNDS		CEC FINANCE	NOT RESOLVED	20.NOV.2018
7.0	PENDING BILLS		HEAD OF TREASURY ACCOUNTING	NOT RESOLVED	20.NOV.2018
8.0	IFMIS FINANCIAL REPORT		HEAD OF TREASURY ACCOUNTING	NOT RESOLVED	20.NOV.2018
<b>OTHER MATTERS</b>					
1.1	OVERALL BUDGET ANALYSIS		ALL CHIEF OFFICERS /HEAD OF HUMAN	NOT RESOLVED	20.NOV.2018

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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)
			REESOURCE MANAGEMENT		
1.1	OVER/UNDER EXPENDITURE		ALL CHIEF OFFICERS	NOT RESOLVED	20.NOV.2018
2.0	IMPLEMENTATION OF PROJECTS		CEO REVENUE BOARD	NOT RESOLVED	20.NOV.2018
3.0	LOCAL RTIONEVENUE COLLEC		HEAD OF LEGAL SERVICES /LEGAL ADVISOR	NOT RESOLVED	20.NOV.2018
4.0	CONTIGENT LIABILITIES -COURT CASES		COUNTY PUBLIC SERVICE BOARD	NOT RESOLVED	20.NOV.2018
5.1	FAILURE TO OBSERVE 30% ETHNIC DIVERSITY IN STAFF RECRUITMENT		HUMAN RESOURCE MANAGER	NOT RESOLVED	20.NOV.2018
5.2	LACK OF APPROVED STAFF ESTABLISHMENT		COUNTY PUBLIC SERVICE BOARD	NOT RESOLVED	20.NOV.2018
5.3	IRREGULARITIES IN STAFF RECRUITMENT		HUMAN RESOURCE MANAGER /CEC FINANCE	NOT RESOLVED	20.NOV.2018
6.0	FAILURE TO REMIT STATUTORY DEDUCTIONS		COUNTY SECRETARY	NOT RESOLVED	20.NOV.2018
7.0	WEAKNESSES IN IMPLEMENTATION OF COUNTY EXECUTIVE CAR LOAN AND MORTGAGE SCHEME		CHIEF OFFICER WATER	NOT RESOLVED	20.NOV.2018
8.0	LACK OF AUDIT COMMITTEE		CHIEF OFFICER WATER	RESOLVED	20.NOV.2018
9.1	REHABILITATION OF RUMURUTI WATER SUPPLY SYSTEM		CHIEF OFFICER WATER	NOT RESOLVED	20.NOV.2018

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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)
9.2	ELECTRIC FENCE MATERIALS		CHIEF OFFICER WATER	NOT RESOLVED	20.NOV.2018
9.3	TANDARE WATER PROJECT		CHIEF OFFICER INFRASTRUCTURE	NOT RESOLVED	20.NOV.2018
9.4	REHABILITATION OF LUSIWA EARTH DAM		CHIEF OFFICER INFRASTRUCTURE/ CHIEF OFFICER ADMINISTRATION	NOT RESOLVED	20.NOV.2018
10.1	CONSTRUCTION OF MOI ESTATE ROAD		CHIEF OFFICER INFRASTRUCTURE	NOT RESOLVED	20.NOV.2018
10.2	STREET LIGHTING IN NANYUKI TOWN		CHIEF OFFICER INFRASTRUCTURE	NOT RESOLVED	20.NOV.2018
10.3	CABRO PAVING OF THE SOUTHERN FRONTAGE ALONG KENYATTA HIGHWAY		CHIEF OFFICER INFRASTRUCTURE	NOT RESOLVED	20.NOV.2018
10.4	PURCHASE OF MOTOR GRADER		CHIEF OFFICER TRADE	NOT RESOLVED	20.NOV.2018
10.5	CONSTRUCTION OF EWASO NGIRO RIVER BRIDGE		CHIEF OFFICER INFRASTRUCTURE	NOT RESOLVED	20.NOV.2018
11.0	CONSTRUCTION OF NANYUKI OPEN AIR MARKET SHED		CHIEF OFFICER TRADE	NOT RESOLVED	20.NOV.2018
12.0	UNDELIVERED MOTOR CYCLES TOYOTA KENYA		CHIEF OFFICER AGRICULTURE	NOT RESOLVED	20.NOV.2018
13.0	PROPOSED CONSTRUCTION OF OFFICE BLOCK		CHIEF OFFICER HEALTH	NOT RESOLVED	20.NOV.2018

**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;

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- (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.



**LAIKIPIA COUNTY GOVERNMENT****Reports and Financial Statements****For the year ended June 30<sup>th</sup>, 2018****ANNEXES****ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER**

Period	Equitable Share	DANIDA	WORLD BANK HSSF	POLYTE CHNIC	KDSP	USER	RMLF	Total Transfers from the National Treasury
Exchequer Releases for quarter 1	582,823,785	-	-	-	-	-	68,545,498	
Exchequer Releases for quarter 2	1,156,243,000	9,959,579	20,961,790	-	-	-	-	
Exchequer Releases for quarter 3	1,009,450,000	-	-	-	24,361,320	4,936,270	-	
Exchequer Releases for quarter 4	1,256,921,518	5,477,769	1,445,250	33,358,878	125,182,749	4,936,270	52,286,112	
<b>Total</b>	<b>4,005,438,303</b>	<b>15,437,348</b>	<b>22,407,040</b>	<b>33,358,878</b>	<b>149,544,069</b>	<b>9,872,540</b>	<b>120,831,610</b>	<b>4,356,889,788</b>

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**ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
	A	B	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**ANNEX 3 – ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**ANNEX 4 – ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	b	c	d=a-c		
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Amounts due to County Govt Entities</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Amounts due to Third Parties</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

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**ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (KShs ) 2016/2017	Additions during the year (KShs )	Disposals during the year (KShs )	Historical Cost c/f (KShs ) 2017/2018
Land	4,332,339	-	-	4,332,339
Buildings and structures	555,596,800	42,937,253	-	598,534,053
Roads Infrastructure	596,479,892	42,059,738	-	638,539,630
Civil Works	851,163,230	128,005,354	-	979,168,584
Motor Vehicles	217,934,112	43,386,344	-	261,320,456
House hold Furniture and Institutional Equipment	17,989,970	-	-	17,989,970
Office furniture and Equipment	26,616,627	7,720,167	-	34,336,794
ICT Equipment, Software and Other ICT Assets	55,764,652	-	-	55,764,652
Specialised Plants, Machinery and Equipment	226,537,449	59,075,164	-	285,612,613
Heritage and cultural assets	-	-	-	-
Intangible assets	199,160,129	4,730,056	-	203,890,185
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	11,125,375	-	11,125,375
Research, Studies, Project Preparation, Design & Supervision	-	8,771,406	-	8,771,406
Acquisition of Strategic Stocks and commodities	-	6,683,439	-	6,683,439
<b>Total</b>	<b>2,751,575,200</b>	<b>354,494,296</b>	<b>-</b>	<b>3,106,069,496</b>

1. The assets are disclosed in accordance with the acquisition of assets note no 17 and the valuation is as at the time of purchase. It forms assets procured during county government era.
2. Assets acquired from non-exchange transaction are not captured in the table.