

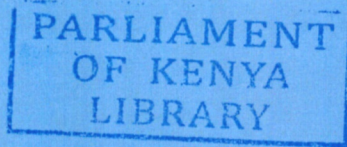
REPUBLIC OF KENYA



Enhancing Accountability

PAPERS LAID	
DATE	11/4/2023
TABLED BY	May. Whip
COMMITTEE	
CLERK AT THE TABLE	Maya S.

REPORT



OF

THE AUDITOR-GENERAL

ON

COUNTY ASSEMBLY OF GARISSA

FOR THE YEAR ENDED

30 JUNE, 2022

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE

31 OCT 2022

RECEIVED
P. O. BOX 88-70100 GARISSA



GARISSA COUNTY ASSEMBLY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2022

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

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

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1. Key Entity Information and Management

(a) Background information

The County is constituted as per the constitution of Kenya is headed by the Speaker of the County Assembly, who is responsible for the general policy and strategic direction of the Assembly. The County Assembly constitutes 50 Members of County Assembly (MCAs) elected to represent members of the public from their respective wards. The MCAs are responsible for making any laws for effective performance of the County Government, approving plans and policies and playing the oversight role over the County Executive.

(b) Key Management

The Garissa County Assembly day-to-day management is under the following key organs:

No.	Designation	Name
1.	Speaker of the County Assembly	Hon. Ahmed Ibrahim Abass
2.	Clerk of the County Assembly	Mohamud Abdirashid Santur
3.	Head of Departments	Mohamed Ahmed Idhifle 2.Mohamed Abdi Birik 3.Issack Ismail Yussuf 4.Abdinoor Duale Ahmed 5.Fatuma Hussein Dagane 6.Mohamed Abdi Ahmed 7.Abdi Mohamed Dagane 8.Mahfudh Abdillahi 9.Omar Ibrahim Koriyow 10.Yussuf Diis Shafat 11.Abdullahi Siyat Kuno 12.Omar Nasteh Noor

(c) Fiduciary Management

The key management personnel who held office during the year ended 30th June, 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Clerk	Mohamud Abdirashid Santur
2.	Director-Finance	Mohamed Ahmed Idhifle
3.	Deputy Director-Accounting Services	Mohamed Abdi Birik
4.	Deputy Director-Procurement Officer	Issack Ismail Yussuf
5.	Deputy Director-Budget	Fatuma Hussein Dagane
6.	Deputy Director-Internal Audit	Abdinoor Duale Ahmed

Key Entity Information and Management (Continued)

(d) Fiduciary Oversight Arrangements

1. Office of the Auditor General
2. Public Accounts and Investment Committee of the Senate
3. Public Accounts and Investment Committee of the assembly
4. Finance Committee of the assembly
5. Budget committee of the assembly
6. Garissa County Assembly Audit Committee

(e) Garissa County Assembly Headquarters

County Assembly Building
P.O. Box 57-70100
Posta Road
Garissa, KENYA

(f) Garissa County Assembly Contacts

Telephone: (254) 702650013
E-mail: clerk@garissaassembly.go.ke
Website: www.garissaassembly.go.ke

(g) Garissa County Assembly Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Other Commercial Banks

First Community Bank
Kenyatta Avenue
P.O Box 642-70100
Garissa, Kenya

Equity Bank
Kenyatta Avenue
P.O Box 700-70100
Garissa, Kenya

(h) Independent Auditor

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

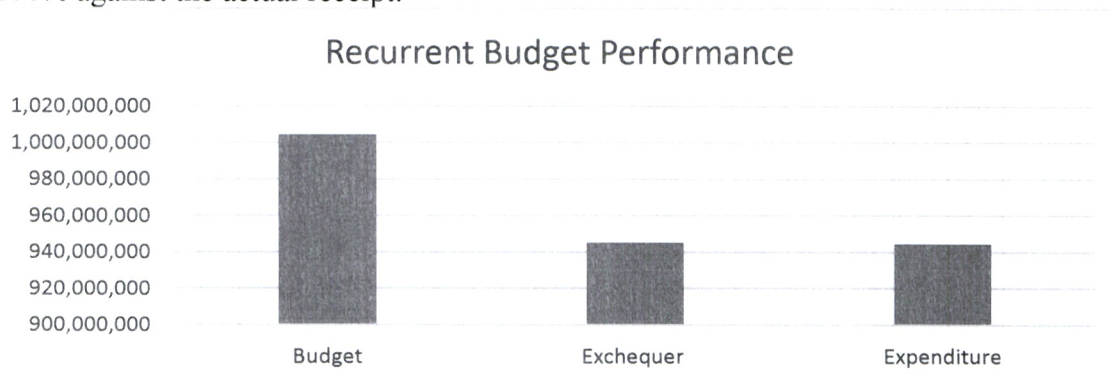
(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. Foreword By the Clerk of The Assembly

2.1 Budget performance

The county assembly budget for the year was Ksh. 1,004,003,881 where we received Ksh. 944,999,912 representing 93%. The actual utilization was Ksh. 944,294,747 representing 100% against the actual receipt.



2.2 Operational Performance

Finance Bill 2021- The Bill was important both for the county government and the people living in the county in that it helped striking a balance between the competing interests of the County Government for improved revenue mobilization and the need to cushion tax payers from over-taxation as well as maintaining low inflation and business competitiveness in the county and protect the traders from any haphazard increment of taxes that could have resulted in macroeconomic instability.

Approval of the Annual development Plan- The Annual Development Plan (ADP) sets out the county strategic priorities, programmes and projects for the medium term that reflects the government’s development agenda for the coming financial year. It contains the programmes to be undertaken in considerations with the green economy, estimated cost, sources of funds, period, performance indicators, targets and the implementing agency.

Approval of the County Fiscal Strategy paper. The CFSP outlines the Macroeconomic parameters affecting the fiscal framework that guides in preparation of the next financial year’s budget and the county spending plans in the medium term. It is expected that this document will create and enhance the understanding of how these parameters affects the County fiscal framework. It also informs and guide public discourse on progress made by that the County, and the development matters the County expect to undertake in the coming financial year and also ensure meaningful participation of the people in the budget process in accordance with article 201 of the constitution.

The County Assembly of Garissa Approved the County Government Programme Based Budget Estimates for the FY 2021/2022 on 8th July 2021. The Committee Conducted Public hearings for the members of Public and other stakeholders to incorporate their views and areas of priority as provided for in Article 196 (1) (b) of the Constitution (2010) which reads “a County Assembly shall facilitate public participation and involvement in the legislative and other business of the Assembly and its committees, and submissions from the assembly sectoral committees.

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Accordingly, in the same Financial Year the Assembly considered the first supplementary budget to prioritise Government key areas of operations on the 31st May 2022.

The committees of Garissa County Assembly are; Environment and Natural Resources Committee, Finance and Economic planning Committee, Labour Gender Social Services and Sports Committee, Land Housing and Urban Development Committee, Health and Sanitation Services, Trade Enterprise development and Tourism, Roads Transport and Public Works, ECD and Vocational Training, Water and irrigation Committee, Agriculture Livestock and Fisheries Committee, Welfare Committee, Committee on powers and privileges, Committee on Administration and public services, Committee on powers and privileges and Procedure and rules, House Business committee, Committee on Selection, Committee on Appointments, Budget Appropriation and finance Committee, Implementation Committee, Public Investment and Accounts Committee, Liaison Committee.

Approval of the County budget

Approval of the County development plan

Vetting and approval of nominees for the appointment to county public offices as may be provided for in the act or any other law

Conduct public participation in policy making process

2.3 Performance of key development projects

Expansion of Perimeter wall, Modern toilets, Procurement offices, Cafeteria, CCTV control room, Mosque, Renovation of old assembly buildings, Generator room.

The assembly is now constructing modern offices for use by staffs and members.

a) Comment on value-for-money achievements

The assembly considered the whole life cost of the product, manageable risks, meeting the requirements and the quality standards of the goods and services procured with the best use of the available resources. This in turn;

-Improved the working environment for the staff and members of the County Assembly

-It increased the level of oversight in the county

-Enhanced efficiency in the Service delivery in the County

-It increased the number of legislations passed and other approvals in the County Assembly

-Enhanced the staff moral leading to the efficiency in service delivery

2.4 Challenges and Recommended Way Forward

-Delay in fund disbursements- These has made the assembly delay in salary payments and not meet its operations cost.

-In adequacy of planning and monitoring tool of the strategic implantation- we are working closely with institutions like AHADI Kenya to ensure this is done.

The future outlook of the assembly is to seek better collaborations with other government institution and promotion of sustainable development goals.

-The assembly has allowed the staffs to form a union, welfare bodies to agitate for their welfare. At the same time staffs have been allowed to form a Sacco to promote their financial growth.

-The assembly has put in place a policy in respect to employees' skills development and safety at work place. All these, improved employees' output and moral.



Mohamud A. Santur

Clerk of the County Assembly

3. Statement Of Performance Against County Assembly Predetermined Objectives

Guidance

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

The key mandate of the County Assembly of Garissa is legislation, oversight, and representation. To achieve this, the assembly’s program was document in terms of objective, key performance indicators, and output. Below were the expected outputs of the assembly in FY 2021/2022

Program 1	Objective	Outcome	Indicator	Performance
Legislation, oversight and representation	Enhanced professional development of MCAs –	Increased ability of MCA in legislation and review of legislative proposals	Increased in the number of bills passed by the Assembly Increased in the number of private bills and legislative proposals published	In FY 2021/2022 MCA were trained on tools of oversight and parliamentary scrutiny
	Enhanced professional development on budget oversight for the	Better analysing and understanding of the	10% increase in timely analysis approvals of	In the FY 2021/2022 MCAs were trained on

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

	members of the County Assembly	Programme based Budget and timelines	statutory documents	budget making process
Program 2	Capacity Building and continuous professional development of Members of the staff	Increased the efficiency of the staff in executing their responsibilities and support to members	<p>8 % Increase in the technical support to the Hon. Members</p> <p>Increased of the analysis reports provided to the Honourable members for consideration</p> <p>Timely advice to the members on procedural matter</p> <p>Increased in the number of county assembly staff who demonstrated an improved performance due to the</p>	<p>In the FY 2021/2022 staff were trained on Committee mandates, legislative drafting and statutory interpretations, Roles and responsibilities</p>

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

			Capacity building	
	Enhanced public participation and involvement of members of the Public in the legislative activities of the County Assembly	Facilitated public participation in the legislation, planning and budgeting process of the County Assembly Improved on the external communication	Increased in the level of Involvement by the members of the Public in the Legislative and budget making process of the County Assembly through enhancing the level understanding of documents by producing a popular version of them	In the FY 2021/2022 public Participation was conducted on the legislative activities of the assembly.
Infrastructural, ICT and technological Development	Enhanced working Environment for the Members and staff of the Assembly	Increased the level of the staff motivation and moral hence enhanced performance on duties	Increased the level of staff output by effectively carrying out their duties Enhanced the service delivery	In the FY 2021/2022 specialised equipment's were purchased purchase of software, renovation of buildings, purchase of furniture

**Garissa County Assembly
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<p>Collaborations, networking and partnership with other Agencies and institutions to provide training to the staff and members</p>	<p>Enhanced the level of Engagement with county executive to conduct joint training with MCAs</p> <p>Enhanced Collaboration with KSG, KSL, KIPRA and others to provide training to the staff and members of the Assembly</p>	<p>Increased the level of harmonization of programmes and better understanding of the constitutional mandates of each arm of the Government</p>	<p>Increased the Timely consideration of the assembly resolution by the County executive</p>	<p>In the FY 2021/2022 Collaboration with other institutions were strengthened</p>
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4. Corporate Social Responsibility Statement/Sustainability Reporting

Garissa County Assembly exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 5 pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile -

The strategic efforts of the Assemblies are influenced by several developing trends within the global, continental and national contexts, including the effects of evolving democracies, emerging contestations, geo-political tensions, uneven global economic growth, increased expectations and demands, changing forces in global governance, and societal risks such as pandemics.

Global economic activity has slowed down from 2018, and economic growth for 2019 and 2020 has been revised downwards. Global risks are increasingly impacting on growth.

The spread of the Covid-19 virus has the potential to disrupt supply lines, cause lower and negative economic growth, increase unemployment, and impact on healthcare systems.

The adverse impact on finance markets, disruption of global supply chains, tourism sector and other sectors of the economy had an adverse effect on the Kenyan economy. Currently Less money is being channelled to productive spending with the bulk of the funds spent in non-productive recurrent spending. The reduction in development spending has skewed the development-recurrent ratio even further, pushing the country into a position where government spending will have an even more muted impact on economic growth.

In the external analysis the poor economic performance had negative impact on the assembly directly as a result of continued fiscal consolidation that limits nominal budget increases.

The assembly has found itself that it can buy less with its fewer allocations to support the work of the legislature and its committees.

The additional budget pressure brought about by the impact of the Covid-19 pandemic will necessitate further mitigation to ensure financial viability and sustainability.

Certain constraints had affected the County Assembly ability to implement its selected strategy, including the following:

- a. The impact of Covid-19- The full impact of the Covid-19 virus remains unknown. However, it will certainly have a negative effect on economic growth, unemployment and government revenue. Closer to Parliament the effects have disrupted the work of Parliament, bring about health and security threats, and create process and resource constraints.
 - b. Fire incidence at the assembly that has caused significant shock to the operational budget and strategic implementation of the institutional programmes
 - The current pre-election period in the country have deviated the short-term trajectory of the Assembly to achieve certain strategic objectives.
- c. Budget constraints- Economic growth is now expected to be extremely low over the medium-term, with a slump into negative territory in the short-term.
- d. Aging technological infrastructure in the assembly, the fourth industrial revolution requires institutions to rethink their information technology strategies. However, due to the budget constraint, the assembly finds it difficult to invest in modern technology. Even in instances

where such investments have been made, there is a slow adoption of technology and of new working ways.

e. Ability to execute change initiatives due to the political environments -

f. Various service providers support operation in the assembly; disruption in these services had an impact on the sustainability of the institution.

Key Achievement of the Assembly

- More engagement with stakeholders and suppliers
- Developed better Scheme of service for employees
- Enhanced communication strategy with the public
- Prioritization and improvement of the safety and health of the workers
- Enhanced public involvement in the decision-making process despite post covid shocks prevalence
- Strengthened ethics and Governance in the institution

Failures

- Fire incidence that has caused significant shock to the implementation of strategic plan of the institution
- Uncertainties in the local markets high-cost goods and services
- Delayed disbursement of funds from the national treasury
- High cost of inflation in the Country

b.) Environmental performance

The institution is guided by the national Environmental policy 2013 to promote better quality of life for present and future generations through sustainable management and use of the environment and natural resources. Accordingly, the right to a clean and healthy environment as enshrined in the Bill of Rights of the constitution Kenya 2010. The institution is therefore obliged to promote green economy within the institution improve maintenance of a healthy ecosystem.

The institution has embraced the green environment through protection and restoration of natural resources, support in the development of environmentally friendly laws, Conducting EIA before initiation of projects. Planting of more trees, reducing water wastage and consumption.

Shortcomings

1. Budgetary constraints in conducting environmentally sustainable programmes
2. Lack of support from institutions charged with environmental protection
3. Lack of environmental awareness programmes

Waste management

-In a bid to reduce the impact of organization products from the environment the institution has placed garbage chambers for collection of garbage for solid waste disposal,

-Connection of sewage lines for proper disposal of liquid waste from the organization

c) Employee welfare

Garissa County Assembly hiring process is guided by the Assembly Human resource policy which is in line with Human resource and development Policy 2015 for the public service

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

The policy outlines measures and strategies for ensuring that human resource development and capacity building in the public service is guided by Articles 10, 27, 54, 55, 56, 232 and Chapter six of the Constitution Kenya 2010.

Globally, women continue to participate in labour markets on an unequal basis with men, However Gender being a progressive idea the County Assembly has Committed itself to mainstream gender ratio and facilitate, promote equity and diversity, and eliminate discrimination in the employment of all Kenyans, particularly women, the youth, girls, and persons with disabilities as provided for in the National Employment Act 2007(revised 2012), National Gender Equality Act 2016, National Employment Act 2007 (Revised, 2012)

The Assembly has continually engaged its stake holders both internal and external in decision making as we appreciate the value of these interactions to promote transparency and integrity during the recruitment process. The institution appreciates the consultation with stakeholders in order to promote competency and give an insight of the unique values the candidate is required to bring to the organization. We also give feedback to the unsuccessful candidates and provide an avenue to seek redress in case not certified with the outcome.

On staff training and skill development it is guided by the Annual Human Resource plan where the assembly is committed to ensure continuous upgrading of core competencies, employee knowledge, skills and attitudes including their ability to assimilate technology to enable them create and seize opportunities for social advancement, economic growth and individual fulfilment.

On Career progression the assembly has continued to support and approve training at Masters Level for officers requiring the skills at this level for performance and career progression as prescribed in the respective career progression Guidelines. However, on the issue of performance management and employee reward system it was the work of the Human resource advisory committee to recommend to the Board for promotion on individual performance.

The Assembly has committed itself to comply with the occupational safety and health at work place in line with the Occupational Safety and Health Act (OSHA), 2007 and the Work Injury Benefits Act (WIBA), 2007 to secure the safety, health and welfare of people at work, and to protect those not at work from risks to their safety and health arising from, or in connection with, the activities of people at work. The purpose of WIBA, 2007 is to provide compensation to employees for work-related injuries and diseases contracted in the course of their employment.

However, the assembly is in the process of developing a policy regulating the Health and safety of its employees and has initiated range of measures to safe guard the health and safety of its employees including provisions of PPE, and provision of comprehensive Cover, Collaboration with security agents to provide security in the institution, sensitization of staff on occupational health and safety, information sharing.

d)Market place practices-

While safeguarding environmental sustainability and other stakeholders the assembly is guided by responsible purchasing of goods and services that cause less harm to the Environment.

During the reporting period, the assembly has undertaken a number of efforts to safeguard the consumer rights and interests

- Purchase of ethically sourced products
- Promotion and use of recyclable products
- Proper disposal of waste
- Stakeholder's engagements and proper feedback mechanism

e) Community Engagements-

The county assembly is obligated to its corporate social responsibility which is an integral part of the organization to foster societal advancement. During the reporting period the institution conducted a number of strategies to streamline its sustainability

- Promoting good labour practices within the assembly
- More involvement of the community in the decision-making process
- Promoting diversity within the institution and strengthened the working relationships among staff
- Enhanced community cantered budget making process
- Conducted Training development for the staff

F) Others

There were no CSR activities for the year.

5. Statement Of Management Responsibilities

Sections 164 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer of a County Government Entity to prepare financial statements in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

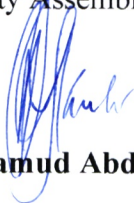
The Clerk of the County Assembly is responsible for the preparation and presentation of the County Assembly's financial statements, which give a true and fair view of the state of affairs of the County Assembly for the year ended June 30, 2022. This responsibility includes: (i) maintaining adequate financial 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 Assembly; (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 Assembly; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Clerk accepts responsibility for the County Assembly'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 Clerk is of the opinion that the County Assembly's financial statements give a true and fair view of the state of the County Assembly's transactions for the year ended June 30, 2022, and of its financial position as at that date. The Clerk further confirms the completeness of the accounting records maintained for the County Assembly which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Clerk confirms that the County Assembly has complied fully with applicable Government Regulations and that the County Assembly'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 Clerk confirms that the County Assembly's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the Clerk of the County Assembly on 13.10.2022.



Mohamud Abdirashid Santur
Clerk of the County Assembly

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT OF THE AUDITOR-GENERAL ON COUNTY ASSEMBLY OF GARISSA FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Assembly of Garissa set out on pages 1 to 24, which comprise of the statement of financial assets and liabilities

Report of the Auditor-General on Garissa County Assembly for the year ended 30 June, 2022

as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts 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 Assembly of Garissa as at 30 June, 2022 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.

Basis for Qualified Opinion

1. Unsupported Domestic Travel and Subsistence

The statements of receipts and payments reflects use of goods and services expenditure of Kshs.221,952,572 which includes domestic travel and subsistence amount of Kshs.112,456,876. However, examination of records and documents provided for audit revealed that an amount totaling Kshs.5,266,200 advanced to twelve (12) officers was not supported with details of the number of days of travel, evidence of travel and documents indicating the purpose for the travel. In addition, an amount of Kshs.8,345,000 paid from the salaries bank account was expensed as domestic travel but no documentation was provided for this expense.

In the circumstances, the accuracy, completeness and validity of domestic travel and subsistence allowances of Kshs.13,611,200 for the year ended 30 June, 2022 could not be confirmed.

2. Unaccounted for Transfers to Other Government Entities

The statement of financial performance reflects transfers to other government entities amount of Kshs.84,000,000 as disclosed in Note 4 to the financial statements. The amount is in respect of transfers to the Assembly's Car Loan and Mortgage Scheme bank account. However, Management has not accounted for the transfers as the scheme did not prepare and submit financial statements for audit. In addition, although Note 4 discloses the transfers as car grants, details of the grants' beneficiaries were not provided for audit.

In the circumstances, the validity, accuracy and completeness of the car grants amount of Kshs.84,000,000 could not be confirmed.

4. Understatement of Imprests and Advances

The statement of financial assets reflects imprests and advances balance of Kshs.697,767. Review of bank reconciliations for the month of June, 2022 revealed that the operation account included payments in cashbook not in bank statement totalling

Kshs.8,099,400 which relate to payments of staff domestic travel allowances. However, the payments have been expensed instead of disclosing them as outstanding imprests in the financial statements. Management has not provided any explanation for the anomaly.

In the circumstances, the validity and completeness of the outstanding imprest and advances balance of Kshs.697,767 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts: recurrent and development reflects final receipts budget and actual receipts on comparable basis of Kshs.1,004,003,881 and Kshs.944,999,912 respectively resulting to an underfunding of Kshs.59,003,969 or 6% of the budget.

The underfunding affected the implementation of planned activities and projects which may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Long Outstanding Imprest

The statement of financial assets and liabilities reflects imprests and advances balance of Kshs.697,767. The balance is in respect to imprest issued to a Member of the County Assembly in September, 2021 which had not been accounted for as at 30 June, 2022. This was in contravention of Regulation 95(5) of the Public Finance Management (County Governments) Regulations, 2015, which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station. Management did not provide a satisfactory explanation for the failure by the Member to account for the imprest.

In the circumstances, Management was in breach of the law.

2. Irregular Payment to County Assemblies Forum and Society of Clerks

Note 3 to the financial statements reflects an expenditure of Kshs.14,565,400 in respect of other operating expenses which includes an amount of Kshs.4,000,000 paid to the County Assemblies Forum and Kshs.750,000 paid as subscription fees to the Society of Clerks at the Table (SOCATT). However, the enabling legislations supporting the contribution to the Forum and the Society were not provided for audit review.

In the circumstances, the validity of payments made to the County Assemblies Forum and the SOCATT could not be confirmed.

3. Unsupported Construction of Office Block

Included in the acquisition of assets amount of Kshs.43,584,817 as disclosed in Note 6 to the financial statements is Kshs.39,386,128 incurred on construction of an office block at Garissa County Assembly. Available records indicate that a contractor was awarded the tender at a contract sum of Kshs.59,533,850 on 24 June, 2021 for a period of one year out of which Kshs.39,386,128 had been paid to the contractor as at the time of audit representing 66% of the contract sum.

Physical verification carried out on 2 August, 2022, revealed that the contractor was on-site and work was on-going. However, the valuation certificates for the works and a report on progress of works indicating the percentage or level of completion as required by Section (151)(2)(a)(b)(d) of the Public Procurement and Asset Disposal (PPAD) Act, 2015 was not provided by the clerk of works or a representative of the assembly.

In the circumstances, value for money on the resources spent on this project could not be confirmed.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls 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 County Assembly's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Assembly or to cease operations.

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

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

Those charged with governance are responsible for overseeing the County Assembly's financial reporting process, reviewing the effectiveness of how Management 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Assembly's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Assembly to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Assembly to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gatundu, CBS
AUDITOR-GENERAL

Nairobi

14 March, 2023

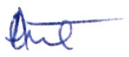
**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

7. Statement of Receipts and Payments for The Year Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
Receipts			
Exchequer releases	1	944,999,912	764,054,678
Total receipts		944,999,912	764,054,678
Payments			
Compensation of employees	2	574,547,649	489,217,420
Use of goods and services	3	221,952,572	221,823,429
Transfers other government entities	4	84,000,000	20,000,000
Social security benefits	5	20,209,709	20,000,000
Acquisition of assets	6	43,584,817	12,643,638
Total payments		944,294,747	763,684,487
Surplus/deficit		705,165	370,191

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13.10.2022 and signed by:


Mohamud Abdirashid Santur
Clerk of the Assembly

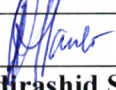


CPA Abdalla Abdi Ali
Assistant Director Accounting Services – County Assembly
ICPAK Member Number:14289

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

8. Statement Of Financial Assets and Liabilities As At 30th June 2022

		2021-2022	2020-2021
Financial assets	Note	Kshs	Kshs
Cash and cash equivalents			
Bank balances	7A	7,398	370,191
Total cash and cash equivalents		7,398	370,191
Imprests and Advances	8	697,767	-
Total financial assets		705,165	370,191
Financial liabilities			
Net financial assets		705,165	-
Represented by			
Fund balance b/fwd	9	370,191	137,548
Prior year adjustment	10	(370,191)	(137,548)
Surplus/(deficit) for the year		705,165	370,191
Total Net Financial Assets and Liabilities		705,165	370,191

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13.10.2022 and signed by:

	
Mohamud Abdirashid Santur	CPA Abdalla Abdi Ali
Clerk of the Assembly	Assistant Director Accounting Services– County Assembly
	ICPAK Member Number:14289


Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

9. Statement Of Cash Flows for The Period Ended 30th June 2022

		2021-2022	2020-2021
	Note	KShs	KShs
Cash flows from operating activities			
Receipts from operating income			
Exchequer releases	1	944,999,912	764,054,678
Payments for operating expenses			
Compensation of employees	2	(574,547,649)	(489,217,420)
Use of goods and services	3	(221,952,572)	(221,823,429)
Transfers other government entities	4	(84,000,000)	(20,000,000)
Social security benefits	5	(20,209,709)	(20,000,000)
Adjusted for:			
Prior year adjustment	10	(370,191)	(137,548)
Decrease/(increase) in accounts receivable:	8	(697,767)	-
Increase/(decrease) in accounts payable:			
Net cash flows from operating activities		43,222,024	12,876,281
Cash flow from investing activities			
Acquisition of assets	6	43,584,817	12,643,638
Net cash flows from investing activities		43,584,817	12,643,638
Net increase in cash and cash equivalents		(362,793)	232,643
Cash & cash equivalent at Start of the year	7	370,191	137,548
Cash & cash equivalent at end of the year	7	7,398	370,191

The explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13.10.2022 and signed by:


Mohamud Abdirashid Santur
Clerk of the Assembly


CPA Abdalla Abdi Ali
Assistant Director Accounting Services–
County Assembly
ICPAK Member Number:14289


10. Statement Of Comparison Of Budget & Actual Amounts: Recurrent and Development

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
Receipts					
Exchequer releases	1,004,003,881	-	1,004,003,881	944,999,912	94%
Total	1,004,003,881	-	1,004,003,881	944,999,912	94%
Payments					
Compensation of employees	585,326,418	-	585,326,418	574,547,649	98%
Use of goods and services	228,545,490	-	228,545,490	221,952,572	97%
Transfers to Other Government Entities	84,000,000	-	84,000,000	84,000,000	100%
Social security benefits	41,131,973	-	41,131,973	20,209,709	49%
Acquisition of assets	65,000,000	-	65,000,000	43,584,817	67%
Total	1,004,003,881	-	1,004,003,881	944,294,747	94%
Surplus/ deficit				705,165	

The difference between the original and final budget has been caused supplementary budget passed by the assembly.

The Garissa County Assembly financial statements were approved on 13.10.2022 and signed


Clerk of the Assembly
Mohamud Abdirashid Santur



Assistant Director Accounting Services – County Assembly
CPA Abdalla Abdi Ali
ICPAK Member Number:14289


Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

11. Statement Of Comparison Of Budget & Actual Amounts: Recurrent

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilisation difference
	A	B	c=a+b	e=d-c	
Receipts					
Exchequer releases	939,003,881	-	939,003,881	901,415,094	96%
Total	939,003,881	-	939,003,881	901,415,094	96%
Payments					
Compensation of employees	585,326,418	-	585,326,418	574,547,649	98%
Use of goods and services	228,545,490	-	228,545,490	221,952,572	97%
Other grants and transfers	84,000,000	-	84,000,000	84,000,000	100%
Social security benefits	41,131,973	-	41,131,973	20,209,709	49%
Total	939,003,881	-	939,003,881	900,709,930	96%
Surplus/ deficit	-	-	-	705,164	-

The difference between the original and final budget has been caused supplementary budget passed by the assembly.
The Garissa County Assembly financial statements were approved on 13.10.2022 and signed by:


Clerk of the Assembly
Mohamud Abdirashid Santur



Assistant Director Accounting Services – County Assembly
CPA Abdalla Abdi Ali
ICPAK Member Number: 14289

12. Statement Of Comparison of Budget & Actual Amounts: Development

Receipt/expense item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	% Utilization difference
	Kshs	Kshs	c=a+b	e=d-c	Kshs
Receipts					
Treasury/ exchequer releases	65,000,000	-	65,000,000	43,584,818	67%
Total	65,000,000	-	65,000,000	43,584,818	67%
Payments					
Compensation of employees	-	-	-	-	-
Use of goods and services	-	-	-	-	-
Other grants and transfers	-	-	-	-	-
Social security benefits	-	-	-	-	-
Acquisition of assets	65,000,000	-	65,000,000	43,584,817	67%
Total	65,000,000	-	65,000,000	43,584,817	67%
Surplus/ deficit	-	-	-	1	-

The Garissa County Assembly financial statements were approved on 13.10.2022 and signed by:


Clerk of the Assembly
Mohamud Abdirashid Santur


Assistant Director Accounting Services – County Assembly
CPA Abdalla Abdi Ali
ICPAK Member Number:14289

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

13. Budget Execution By Programmes And Sub-Programmes

Programme/Sub-Programme	Final Budget	Indicators	Outcomes	Actual on comparable basis	Budget utilization difference
	Kshs	%/ number	%/ number	Kshs	Kshs
P.1- Legislation and Representation	420,827,596		420,827,596	411,282,091	9,545,505
SP.1.1. Legislation and Representation					
P.2 Legislative and Oversight	360,487,910		360,487,910	349,709,858	10,778,052
SP.2.1. Legislative and Oversight					
P.3 General Administration and Planning	222,688,375		222,688,375	183,302,798	39,385,577
SP.3.1. General Administration and Planning					
Total	1,004,003,881		1,004,003,881	944,294,747	59,709,134

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

14. Significant Accounting Policies

The Significant 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 statement of assets and liabilities, although not a requirement of the IPSAS Cash Standard, has been included to disclose information on receivables and payables.

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 Garissa County Assembly. The financial statements encompass the reporting entity as specified in section 164 of PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Significant Accounting Policies (Continued)

i) Transfers from the Exchequer/ County Treasury

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 County Assembly.

ii) Other Receipts

Other receipts relate to receipts such as tender fees among others. These are recognised in the financial statements when the associated cash is received.

b) Recognition of payments

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

i) Compensation of employees

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

ii) 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.

iii) 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.

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

Significant Accounting Policies (Continued)

4. In-kind contributions

In-kind contributions are donations that are made to the Garissa County assembly 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 Garissa County assembly 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. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. 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.

7. 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.

Significant Accounting Policies (Continued)

8. Imprests and Advances

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.

9. Third party deposits and retention

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.

10. 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 Garissa County assembly fixed asset register a summary of which is provided as a memorandum to these financial statements.

11. 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 Garissa County assembly 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.

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

Significant Accounting Policies (Continued)

12. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Garissa County assembly; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships. The Garissa County assembly does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

13. Contingent Assets

The Garissa County assembly does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Garissa County assembly in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

14. Budget

The budget is prepared on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Garissa County assembly budget was approved as required by Law. The original budget was approved by the Garissa County Assembly on 8th July, 2021 for the period 1st July 2021 to 30 June 2022 as required by law. There was one number of supplementary budgets passed in the year. The supplementary budgets were approved on 31st May, 2022. A high-level assessment of the Garissa County assembly actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison between actual and budgeted amounts included in these financial statements.

15. Comparative figures

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

16. Subsequent events

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

17. Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 10 explaining the nature and amounts.

18. Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

15. Notes to the Financial Statements

1. Exchequer Releases

	2021-2022	2020-2021
	Kshs	Kshs
Transfers from the county treasury for Q1	153,999,911	40,000,000
Transfers from the county treasury for Q2	273,000,000	226,000,000
Transfers from the county treasury for Q3	217,000,000	153,054,678
Transfers from the county treasury for Q4	301,000,001	345,000,000
Cumulative amount	944,999,912	764,054,678

A detailed annex showing the reconciliation of transfers between the County Treasury and County Assembly is included in Annex 5

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements

2. Compensation Of Employees

	2021- 2022	2020- 2021
	Kshs	Kshs
Basic salaries of permanent employees	341,329,968	320,270,719
Personal allowances paid as part of salary	213,224,811	149,842,396
Pension and other social security contributions	19,992,870	19,104,305
Total	574,547,649	489,217,420

3. Use Of Goods And Services

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	1,002,000	1,119,474
Domestic travel and subsistence	112,456,876	119,947,925
Foreign travel and subsistence	2,773,750	927,400
Printing, advertising and information supplies & services	1,422,120	2,942,806
Rentals of produced assets	4,860,000	3,630,000
Training expenses	26,893,000	38,196,568
Hospitality supplies and services	3,920,446	4,916,369
Insurance costs	41,088,088	26,514,570
Purchase of Specialized materials and services	5,758,557	-
Office and general supplies and services	1,834,036	2,724,078
Fuel, oil and lubricants	2,020,081	3,419,821
Other operating expenses	14,565,400	12,311,926
Routine maintenance – vehicles and other transport equipment	931,668	449,115
Routine maintenance – other assets	2,426,550	4,723,377
Total	221,952,572	221,823,429

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

4. Transfers other government entities

	2021-2022	2020-2021
	Kshs	Kshs
Others, MCAs Car Grant	84,000,000	20,000,000
Total	84,000,000	20,000,000

5. Social Security Benefits

	2021 - 2022	2020-2021
	Kshs	Kshs
Social security benefits (Gratuity)	20,209,709	20,000,000
Total	20,209,709	20,000,000

6. Acquisition Of Assets

Non- financial assets	2021 - 2022	2020-2021
	Kshs	Kshs
Construction of buildings	39,386,128	-
Overhaul and refurbishment of construction and civil works	4,198,689	12,643,638
Purchase of household furniture and institutional equipment	-	-
Purchase of office furniture and general equipment	-	-
Purchase of specialized plant, equipment and machinery	-	-
Total acquisition of non- financial assets	43,584,817	12,643,638
Total acquisition of assets	43,584,817	12,643,638

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

7. Cash And Bank Balances

13A. Bank Balances

Name of Bank, Account Name & currency	Account Number	Indicate whether Rec, Dev, Dep e.t.c	2021 - 2022	2020 - 2021
			KShs	KShs
Central Bank, Garissa County Assembly Recurrent, Kenya Shilling	1000238992	Recurrent	0	217
Central Bank, Garissa County Assembly Development, Kenya Shilling	1000323868	Development	1	356,362
First Community Bank, Garissa County Assembly Salary, Kenya Shilling	2977778702	Commercial Bank	3,141	0
Equity Bank, Garissa County Assembly Imprest, Kenya Shilling	0580266155162	Commercial Bank	4,256	13,612
Equity Bank, Garissa County Assembly Car Loan and Mortgage Scheme Fund, Kenya Shilling	0580280935880	Commercial Bank	0	0
Total			7,398	370,191

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Notes to the Financial Statements (Continued)

8. Imprests and Advances

<i>Description</i>	2021 - 2022	2020 - 2021
	Kshs	Kshs
Government Imprests	697,767	-
Total	697,767	-

<i>Breakdown Of Imprest And Salary Advance Per Department</i>	2021 - 2022	2020 - 2021
<i>Imprests</i>	Kshs	Kshs
MCA's Department	697,767	-
Sub-Total	697,767	-
Grand Total	697,767	-

See Annex 4 for a detailed analysis of the outstanding imprests.

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Notes To The Financial Statements (Continued)

9. Fund Balance Brought Forward

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank Accounts	-	370,191
Accounts Receivables		-
Accounts Payables		-
Total	-	370,191

10. Prior Year Adjustments

	Balance b/f FY 2020-2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020-2021
Description Of The Error	Kshs	Kshs	Kshs
Bank Account Balances	370,191	(370,191)	-
	370,191	(370,191)	-

11. Changes In Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Account Receivables As At 1 st July 2021	-	-
Closing Account Receivables As At 30 th June 2022	697,767	-
Change In Account Receivables	697,767	-

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes To The Financial Statements (Continued)

Other Disclosures

1. Pending Accounts Payable (See Annex 1)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Construction Of Buildings	59,533,850	-	(39,386,128)	20,147,722
Supply Of Goods	-	19,472,960	(16,111,120)	3,361,840
Supply Of Services	-	48,221,549	(45,698,494)	2,523,055
Total	59,533,850	67,694,509	(101,195,742)	26,032,617

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

Notes To the Financial Statements (Continued)

2. Other Pending Payables (See Annex 2)

	Balance b/f FY 2020-2021	Additions for the period	Paid during the year	Balance c/f FY 2021-2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to third parties	22,106,356	51,519,451	(41,927,914)	31,697,893
Total	22,106,356	51,519,451	(41,927,914)	31,697,893

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

3. 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 Assembly:

- i) Members of County Assembly.
- ii) Key management personnel that include the Clerk of the Assembly and heads of departments.
- iii) The County Executive.
- iv) County Ministries and Departments.
- v) Other County Government entities including corporations, funds and boards.
- vi) The National Government.
- vii) Other County Governments; and
- viii) State Corporations and Semi-Autonomous Government Agencies.

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

Related party transactions:

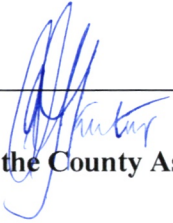
	2021- 2022	2020- 2021
	Kshs	Kshs
Compensation to Key Management		
Compensation to the Speaker, Deputy Speaker and the MCAs	265,000,000	215,000,000
Key Management Compensation (Clerk and Heads of departments)	146,000,000	145,000,000
Total Compensation to Key Management	411,000,000	360,000,000
<u>Transfers from related parties</u>		
Transfers from the County Executive- Exchequer	944,999,912	764,054,678
Total Transfers from related parties	944,999,912	764,054,678

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

16. Progress On Follow On Prior Year Auditor’s 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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
GCA/2020/2021(30)	Unsupported Mileage Allowance	Adequate Supporting for the expenditure is done	Not resolved	Waiting for senate invitation
	Unsupported Domestic Allowance	Adequate Supporting for the expenditure is done	Not resolved	Waiting for senate invitation
	Unsupported Expenditure on Training	Adequate Supporting for the expenditure is done	Not resolved	Waiting for senate invitation
	Unsupported Contribution to the Society of Clerks-at-the Table	Adequate Supporting for the expenditure is done	Not resolved	Waiting for senate invitation
	Unsupported Overhaul and Refurbishment of Construction and Civil Works	Adequate Supporting for the expenditure is done	Not resolved	Waiting for senate invitation


Clerk of the County Assembly

Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022

17. Annexes

Annex 1 – Analysis Of Pending Accounts Payable

Supplier of Goods or Services	Date Contracted	Original Amount	balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
			a	b	c	d=a+b-c	
1.Construction Of Buildings							
1.Nomad Construction Co. Ltd	25.06.2021	59,533,850	-	-	(39,386,128)	20,147,722	
Sub-Total		59,533,850			(39,386,128)	20,147,722	
2.Supply Of Goods							
1.Malyeel Holdings Ltd	7.09.2021	3,710,840	-	-	(2,156,000)	1,554,840	
2.Quadcore Technology Solutions Ltd	30.12.2021	1,807,000	-	-	-	1,807,000	
Sub-Total		5,517,840			(2,156,000)	3,361,840	
3.Supply Of Services							
1.Warsan Toyota Garissa	13.5.2022	312,991	-	-	-	312,991	
2.Standard Group	8.06.2022	201,840	-	-	-	201,840	
3.Wamo Kenya Agencies	11.04.2022	973,224	-	-	-	973,224	
4.Laghatogweine Investment Ltd	16.12.2021	300,000	-	-	-	300,000	
5.Demsa General Supplies Ltd	1.03.2022	735,000	-	-	-	735,000	
Sub-Total		2,523,055				2,523,055	
Grand Total		67,580,745			(41,542,128)	26,032,617	
Note: Pending bills comprise goods and services rendered and invoiced but not yet settled and does not include commitments							

Garissa County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2022

Annex 2 – Analysis Of Other Pending Payables

Name	Brief Transaction Description	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020-2021	Comments
			a	b	c=a-b		
1.Amounts Due To Third Parties							
1.Lapfund			41,131,973	20,209,709	20,922,264	22,106,356	
2.Laptrust			32,493,834	21,718,205	10,775,629	-	
Sub-Total			73,625,807	(41,927,914)	31,697,893	22,106,356	
Grand Total			73,625,807	(41,927,914)	31,697,893	22,106,356	

Garissa County Assembly
 Annual Report and Financial Statements For the year ended 30th June 2022
 Annex 3 – Summary Of Non-Current Asset Register

Asset class	Historical Cost b/f (KShs) 2020-2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out)	Historical Cost c/f (KShs) 2021-2022
Land	60,000,000				60,000,000
Buildings and structures	24,122,604	43,584,817			67,707,421
Transport equipment	31,808,000				31,808,000
Office equipment, furniture and fittings	26,803,436				26,803,436
ICT equipment	37,854,083	5,758,557			43,612,640
Machinery and equipment	16,920,000				16,920,000
Work in progress					20,147,722
Total	197,508,123	49,343,374			266,999,219

Garissa County Assembly
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Annex 4 – Analysis Of Accounts Receivables
(a) Government Imprest

Name Of Officer	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		KShs	KShs	KShs
Katra Iman Sigat	27.09.21	697,767	-	697,767
Total				697,767

**Garissa County Assembly
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**ANNEX 5 – ANALYSIS OF EXCHEQUER RECEIPTS
COUNTY TREASUREY RELESES/EXCHEQUER
(RECURRENT & DEVELOPMENT)**

DATE	REFERENCE NUMBER	AMOUNT	QUARTER
20-Aug-21	FT21232C46QR	11,229,900.00	
20-Aug-21	FT212329V43Q	31,668,967.00	
31-Aug-21	FT21243V9877	20,101,044.00	
22-Sep-21	FT21265LKFF8	15,020,102.00	
23-Sep-21	FT212668TQ9K	5,000,000.00	
23-Sep-21	FT2126649S71	16,384,052.00	
23-Sep-21	FT21266Y0FQ0	34,595,846.00	
28-Sep-21	FT21271HGWBG	20,000,000.00	
TOTAL		153,999,911.00	Q1
6-Oct-21	FT2127909QDT	20,000,000.00	
15-Oct-21	FT21288CQSYV	8,719,350.00	
15-Oct-21	FT212883BJ9S	14,580,604.00	
15-Oct-21	FT21288SGN2G	37,543,534.00	
18-Oct-21	FT2129IDXMYD	10,156,512.00	
9-Nov-21	FT21313PDG28	17,590,190.00	
9-Nov-21	FT213132X24H	34,362,727.00	
10-Nov-21	FT21314RRBLG	19,047,083.00	
11-Nov-21	FT21315BTXVT	20,000,000.00	
14-Dec-21	FT21348KVRG1	17,246,390.00	
14-Dec-21	FT21348VX67Q	19,390,883.00	
14-Dec-21	FT21348DTGHC	20,000,000.00	
14-Dec-21	FT21348MKVYV	34,362,727.00	
TOTAL		273,000,000.00	Q2
18-Jan-22	FT22018LWCMV	4,000,000.00	
18-Jan-22	FT22018Q0718	17,741,010.00	
18-Jan-22	FT220188C72S	19,584,359.00	
19-Jan-22	FT22019T8C9T	33,674,631.00	
9-Feb-22	FT22040JQKTL	7,229,616.00	
9-Feb-22	FT22040SMYMQ	10,662,368.00	
9-Feb-22	FT2204077WRX	17,940,707.00	
9-Feb-22	FT220403RW2L	35,167,309.00	
11-Mar-22	FT22070C8NG9	12,861,062.00	
11-Mar-22	FT22070GGNRT	18,777,123.00	
11-Mar-22	FT220706MK8N	39,361,815.00	
TOTAL		217,000,000.00	Q3
5-Apr-22	FT22095LCJN3	5,000,000.00	

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5-Apr-22	FT22095P2DHN	15,252,517.00	
5-Apr-22	FT220958JWZB	19,932,245.00	
5-Apr-22	FT22095ZF9YM	35,815,238.00	
9-May-22	FT22129D81JP	5,000,000.00	
9-May-22	FT22129YQHGB	16,062,144.00	
9-May-22	FT22129BLSCJ	19,504,591.00	
9-May-22	FT22129DRPJG	35,433,265.00	
15-Jun-22	FT22166V8WSV	13,670,321.00	
15-Jun-22	FT22166JD44J	22,710,780.00	
15-Jun-22	FT22166W1B9K	34,618,900.00	
15-Jun-22	FT22166YH08W	7,000,000.00	
29-Jun-22	FT221802WK W5	12,818,078.00	
29-Jun-22	FT22180ZFNHV	18,907,211.00	
29-Jun-22	FT22180QDNHD	35,076,021.00	
29-Jun-22	FT22180BX0Z7	4,198,690.00	
TOTAL		301,000,001.00	Q4
GRAND TOTAL		944,999,912.00	

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Annual Report and Financial Statements For the year ended 30th June 2022**

ANNEX 6 – BANK RECONCILIATION/FO 30 REPORT

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BANK RECONCILIATION
GARISSA COUNTY ASSEMBLY
 From Date: 01-JUL-21 To: 30-JUN-22 GARISSA COUNTY ASSEMBLY DEVELOPMENT ACCOUNT
 Bank: Central Bank of Kenya, Branch: Haile Selassie, Account Number: 1000323868

Balance as per bank certificate	10,868,000.35
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	10,868,000.35
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	1.00

Reconciled by: ARDIAZIZ BILLOW Signature: [Signature] Date: 30/06/2022
 Reviewed by: M.A. BIRIK Signature: [Signature] Date: 30/06/2022
 Approved by: M.A. IDHIFIE Signature: [Signature] Date: 30/06/2022

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Annual Report and Financial Statements For the year ended 30th June 2022**

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REPUBLIC OF KENYA

**BANK RECONCILIATION
GARISSA COUNTY ASSEMBLY**

From Date: 01-JUL-21 To: 30-JUN-22 GARISSA COUNTY ASSEMBLY RECURRENT ACCOUNT
Bank: Central Bank of Kenya, Branch: Haile Selassie, Account Number: 1000238992

Balance as per bank certificate	14,817,003
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	14,817,003

Reconciled by: ARDIACH BILLO Signature: [Signature] Date: 30/06/2022
 Reviewed by: M.A. BIRIK Signature: [Signature] Date: 30/06/2022
 Approved by: M.A. IDHILE Signature: [Signature] Date: 30/06/2022

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

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REPUBLIC OF KENYA

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**BANK RECONCILIATION
GARISSA COUNTY ASSEMBLY**

From Date: 01-JUL-21 To: 30-JUN-22

GARISSA COUNTY ASSEMBLY OPERATION ACCOUNT

Bank: EQUITY BANK, Branch: GARISSA,

Account Number: 0580266155162

Balance as per bank certificate	76,663.25
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	8,099,400
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	8,026,993.10
Bank Balance as per Cash Book	4,256.35

Reconciled by: ABDIAZIZ BILLOW Signature: [Signature] Date: 30/06/2022
 Reviewed by: M.A. BUDIK Signature: [Signature] Date: 30/06/2022
 Approved by: M.A. IDHIFLE Signature: [Signature] Date: 30/06/2022

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

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REPUBLIC OF KENYA

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BANK RECONCILIATION

GARISSA COUNTY ASSEMBLY

From Date: 01-JUL-21 To: 30-JUN-22 GARISSA COUNTY ASSEMBLY CAR LOAN AND MORTGAGE SCHEME FUND ACCOUNT

Bank: EQUITY BANK, Branch: GARISSA,

Account Number: 0580280935880

Balance as per bank certificate	0.00
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	0.00

Reconciled by: Abdullahi Bilal Signature: [Signature] Date: 30/06/2022
 Reviewed by: M.A. BIRIK Signature: [Signature] Date: 30/06/2022
 Approved by: M.A. IDHIFE Signature: [Signature] Date: 30/06/2022

**Garissa County Assembly
Annual Report and Financial Statements For the year ended 30th June 2022**

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REPUBLIC OF KENYA

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**BANK RECONCILIATION
GARISSA COUNTY ASSEMBLY**

From Date: 01-JUL-21 To: 30-JUN-22

GARISSA COUNTY ASSEMBLY SALARY ACCOUNT

Bank: FIRST COMMUNITY BANK, Branch: GARISSA, Account Number: 2977778702

Balance as per bank certificate	3,141.30
Less --	
1. Payment in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	
2. Receipts in Bank Statement not yet recorded in Cash Book	
Add --	
3. Payment in Bank Statement not yet recorded in Cash Book	
4. Receipts in Cash Book not yet recorded in Bank Statement	
Bank Balance as per Cash Book	3,141.30

Reconciled by: ABDIAZIZ BILLOW Signature: [Signature] Date: 30/6/2022
 Reviewed by: M.A. BARIK Signature: [Signature] Date: 30/6/22
 Approved by: M.A. IDHATE Signature: [Signature] Date: 30/6/22