



THE COUNTY GOVERNMENT OF KILIFI

EXECUTIVE REPORTS AND FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30TH JUNE, 2019

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

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

b) Key Management

The Kilifi County Executive day-to-day management is under the following key organs:

- Kilifi County Executive
- Kilifi County Assembly

c) Fiduciary Management

The key management personnel who held office during the financial quarter ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEC Member Finance & Economic Planning	Samuel Nzai Kombe
2.	County Secretary	Arnold Jefa Mkare
3.	Chief Officer Finance and Economic Planning	Benjamin Kai Chilumo
4.	Director, Accounting Services	Bonaventure F.M Mwakio

1. Fiduciary Oversight Arrangements

The county government has put in place and strengthened internal audit section which reviews the internal control procedures. In compliance with the PFM Act 2012 Sec 155 (5) the County Government also established the Audit Committee on the 16th January, 2016 which has so far held several meetings.

It has also a budget and audit committees at the county assembly level which reviews budgetary performance reports of the county. The committee reviews the internal controls reports from the internal audit section for the purpose of adoption and implementation in order to strengthen the internal control systems. This ensures efficient and effective service delivery. As a way of being accountable to its Citizens the County Government of Kilifi endeavors to publish and publicise all its financial and non- financial performance reports.

2. Entity Headquarters

County Government of Kilifi
Governor's office Building
Bofa Road
Kilifi, KENYA

3. Entity Contacts

P.O. Box 519-80108, Kilifi
Telephone: (254)
E-mail: info@kilifi.go.ke
Website: www.kilifi.go.ke

4. Entity Bankers

- 1) Central Bank of Kenya Haile Selassie Avenue P.O. Box 60000
City Square 00200 Nairobi, Kenya
- 2) Kenya Commercial Bank Kilifi Branch
- 3) Equity Bank Kilifi Branch
- 4) National Bank Malindi Branch
- 5) Cooperative Bank Kilifi Branch

- 6) Diamond Trust Bank Kilifi Branch
- 7) Chase Bank Malindi Branch

5. Independent Auditors

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

6. Principal Legal Adviser

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

II. FORWARD BY THE COUNTY EXECUTIVE COMMITTEE

Revenue

The 4th quarter ended 30th June, 2019, the County's total revenue was Kshs. 5,318,948,365 which comprised Exchequer release Kshs. 4,339,529,966, Transfers from National Government Entities Kshs. 25,969,864, Proceeds from Foreign Grants / Development Partners Kshs. 94,964,526, Conditional Additional Allocations to County Governments Kshs. 529,143,920 , local revenue 280,755,538 and 2018/2019 Unspent Funds of Kshs. 48,584,552 . In the 4th quarter the previous period the County had a total revenue of Kshs. 4,731,212,190 consisting of Kshs 4,129,623,500 from Exchequer release, Kshs. 334,626,101 from Proceeds From Domestic And Foreign Grants and local revenue collection of kshs. 266,962,590.

Expenditure

In the 4th quarter ended 30th June, 2019, the County had a total expenditure of Kshs. 2,778,488,985 out of which Kshs. 1,629,794,998 was on compensation of employees, Kshs. 348,510,802 for use of goods and services, Kshs 154,282,173 on Social Security Benefits and Kshs. 645,901,012 was spent on Acquisition of Assets. In the previous year's 4th quarter the County had spent Kshs. 4,974,928,478 which comprised of Kshs. 832,026,476 on compensation of employees, Kshs. 1,546,761,905 for use of goods and services, Kshs 535,581,645 for Other grants and transfers and Kshs. 2,060,558,452 was spent on Acquisition of Assets .

Challenges

The biggest challenge the County faced during the quarter was delay in issue of IFMIS rights as well as delay in the release of funds by the National Treasury. This affected the budget implementation and the rate of expenditure.

Sign: _____

CPA HON. SAMUEL KOMBE NZAI

CEC MEMBER - FINANCE & ECONOMIC PLANNING

COUNTY GOVERNMENT OF KILIFI

ICPAK MEMBER NO. 12429

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for the County Executive of Kilifi shall prepare financial statements in respect of that county government. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The County Executive Committee (CEC) member for finance of the County Executive of Kilifi is responsible for the preparation and presentation of the County Executive of Kilifi financial statements, which give a true and fair view of the state of affairs of the County government of Kilifi during the quarter ending september30, 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 Executive of Kilifi; (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 of the opinion that the County Government's financial statements give a true and fair view of the state of County Government's transactions during the quarter ended 30th June, 2019, 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 its financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on ____ July, 2019.

SIGN _____

CPA HON. SAMUEL KOMBE NZAI
CEC – MEMBER
FINANCE AND ECONOMIC PLANNING
COUNTY GOVERNMENT OF KILIFI
ICPAK MEMBER NO: 12429

IV. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY (KENAO)

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	Sep	Dec	Mar	June	Cumulative	Comparative
		Q1	Q2	Q3	Q4	Amount	Period 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS							
Equitable Share (Exchequer releases)	1	541,650,000	2,816,580,000	3,135,240,034	4,339,529,966	10,833,000,000	3,234,042,500
Transfers from National Government Entities	2	0	0	0	25,969,864	25,969,864	0
Proceeds from Foreign Grants / Development Partners	3	11,816,404	380,261,999	0	94,964,526	487,042,929	64,060,851
Conditional Additional Allocations to County Governments	4	0	0	0	529,143,920	529,143,920	147,863,364
County Own Generated Revenues	5	119,454,913	146,126,594	285,755,538	280,755,538	832,092,582	162,813,097
Unspent Funds	6	0	0	0	48,584,552	48,584,552	0
TOTAL RECEIPTS		672,921,317	3,342,968,593	3,420,995,572	5,318,948,365	12,755,833,846	3,608,779,812
PAYMENTS							
						0	
						0	
Compensation of Employees	7	675,194,809	902,713,319	178,979,628	1,629,794,998	3,386,682,755	1,506,668,709
Use of goods and services	8	22,709,775	517,167,191	348,510,802	348,510,802	1,236,898,570	384,748,027
Transfers to Other Government Entities	9	107,859,979	183,200,000	0	0	291,059,979	341,820,818
Other grants and transfers	10	0	221,401,114	157,988,723	0	379,389,836	242,791,376
Social Security Benefits	11	0	0	0	154,282,173	154,282,173	0
Acquisition of Assets	12	0	402,391,992	645,901,012	645,901,012	1,694,194,015	1,019,903,133
Finance Costs	13	0	0	0	0	0	343,642
TOTAL PAYMENTS		805,764,563	2,226,873,616	1,331,380,164	2,778,488,985	7,142,507,328	3,496,275,705
SURPLUS/DEFICIT		- 132,843,246.64	1,116,094,976.89	2,089,615,407.37	2,540,459,380.42	5,613,326,518.04	112,504,107.00
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 _____ 2019 and signed by:							
Benjamin K. Chilumo					Bonaventure F.M. Mwakio		
Chief Officer - Finance					Director Accounting Services		
ICPAK Member NO. 4342					ICPAK Member NO. 3346		

VI. STATEMENT OF FINANCIAL POSITION

	Note	Sep	Dec	Mar	June	Comparative
		Q1	Q2	Q3	Q4	Period 2017-2018
FINANCIAL ASSETS		Kshs	Kshs	Kshs	Kshs	Kshs
Cash and Cash Equivalents						
Bank Balances	14A	891,564,826	1,977,961,324	3,732,978,691	114,920,114	956,106,165
Cash Balances	14B	725,050	1,142,419	-		577,731
Total Cash and cash equivalents		892,289,876	1,979,103,743	3,732,978,691	114,920,114	956,683,896
Accounts receivables – Outstanding Imprests & Loss of Cash	15	54,929,776	58,047,265	-	-	52,133,764
TOTAL FINANCIAL ASSETS		947,219,653	2,037,151,008	3,732,978,691	114,920,114	1,008,817,660
FINANCIAL LIABILITIES						
Accounts Payables – Deposits and retentions	16	123,956,734	124,743,322	-	-	314,768,887
NET FINANCIAL ASSETS		823,262,919	1,912,407,686	3,732,978,691	114,920,114	694,048,773
REPRESENTED BY						
Fund balance b/fwd	17	956,106,165.48	892,289,876.49	1,979,103,742.63	3,732,978,690.70	424,791,235.00
Surplus/Deficit for the year		- 132,843,246.64	1,116,094,976.89	2,089,615,407.37	2,540,459,380.42	269,257,538.00
NET FINANCIAL POSITION		823,262,918.84	2,008,384,853.38	4,068,719,150.00	6,273,438,071.12	694,048,773.00
	<i>Control</i>	-	- 95,977,167.00	- 335,740,459.30		-
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 _____ 2019 and signed by:						

Benjamin K. Chilumo				Bonaventure F.M. Mwakio		
Chief Officer - Finance				Director Accounting Services		
ICPAK Member NO. 4342				ICPAK Member NO. 3346		

VII. STATEMENT OF CASH FLOW

	Note	Sep	Dec	Mar	June	Comparative
		Q1	Q2	Q3	Q4	2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts from operating income						
Equitable Share (Exchequer releases)	1	541,650,000	2,816,580,000	3,135,240,034	4,339,529,966	3,234,042,500
Transfers from National Government Entities	2	0	0	0	25,969,864	0
Proceeds from Foreign Grants / Development Partners	3	11,816,404	380,261,999	0	94,964,526	64,060,851
Conditional Additional Allocation to County Governments	4	0	0	0	529,143,920	147,863,364
County Own Generated Revenues	5	119,454,913	146,126,594	285,755,538	280,755,538	162,813,097
Unspent Funds	6	0	0	0	48,584,552	0
Payments for operating expenses						
Compensation of Employees	7	- 675,194,809.08	- 902,713,319.22	- 178,979,628.20	- 1,629,794,998.40	- 1,506,668,709.00
Use of goods and services	8	- 22,709,775.35	- 517,167,191.20	- 348,510,801.63	- 348,510,801.63	- 384,748,027.00
Transfers to Other Government Entities	9	- 107,859,978.83	- 183,200,000.00	-	-	- 341,820,818.00
Other grants and transfers	10	-	- 221,401,113.65	- 157,988,722.70	-	- 242,791,376.00
Social Security Benefits	11	-	-	-	-	-
Finance Costs	13	-	-	-	-	- 343,642.00
Adjusted for:						
Adjustments for Account Receivables During the Period		- 54,929,776.15	3,117,489.20	3,949,673.40	- 13,339,127.00	- 14,893,913.00
Adjustments for Account Payables During the Period		123,956,733.80	- 3,979,032.80	- 39,014,870.90	- 12,851,249.35	46,511,105.00
Net cash flows from operating activities		- 63,816,288.99	1,517,625,424.99	2,700,451,221.60	3,314,452,188.70	1,164,024,432.00
CASHFLOW FROM INVESTING ACTIVITIES						
Acquisition of Assets	12	-	- 402,391,991.70	- 645,901,011.73	- 645,901,011.73	- 1,019,903,133.00
Net cash flows from investing activities		-	- 402,391,991.70	- 645,901,011.73	- 645,901,011.73	- 1,019,903,133.00
NET INCREASE IN CASH AND CASH EQUIVALENT		- 63,816,288.99	1,115,233,433.29	2,054,550,209.87	2,668,551,176.97	144,121,299.00
Cash and cash equivalent at BEGINNING of the quarter	17	956,106,165.48	892,289,876.49	2,007,523,309.78	4,062,073,519.65	606,204,898.00
Cash and cash equivalent at END of the quarter		892,289,876.49	2,007,523,309.78	4,062,073,519.65	6,730,624,696.62	956,683,896.00
As per statement of assets		892,289,876	1,979,103,743	3,732,978,691	114,920,114	956,683,896
<i>Control</i>		-	28,419,567	329,094,829		-
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 2019 and signed by:						
<hr/>		<hr/>		<hr/>		<hr/>
Benjamin K. Chilumo				Bonaventure F.M. Mwakio		
Chief Officer - Finance				Director Accounting Services		
ICPAK Member NO. 4342				ICPAK Member NO. 3346		

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Exchequer releases	10,833,000,000	47,290,952	10,880,290,952	10,833,000,000	(47,290,952)	100%
Transfers from National Government Entities	564,228,319	43,393,738	607,622,057	-		
Proceeds from Domestic and Foreign Grants	1,065,479,644	103,380,479	1,168,860,123	487,042,929	-	42%
County Own Generated Funds	1,345,066,521	-	1,345,066,521	832,092,582	-	62%
Return issues to CRF	-	465,431,659	465,431,659	-	-	0%
Total Receipts	13,807,774,484	659,496,828	14,467,271,312	12,152,135,510	(47,290,952)	84%
PAYMENTS						
Compensation of Employees	3,098,774,484	-	3,098,774,484	3,386,682,755	287,908,271	109%
Use of goods and services	3,336,914,071	568,812,138	3,905,726,209	1,236,898,570	(2,668,827,639)	32%
Transfers to Other Government Units	903,514,171	-	903,514,171	291,059,979	(612,454,192)	
Other grants and transfers	733,920,273	43,393,738	777,314,011	379,389,836	(397,924,174)	49%
Social Security Benefits	-	-	-	154,282,173	154,282,173	
Acquisition of Assets	5,734,651,485	47,290,952	5,781,942,437	357,302,604	(5,424,639,833)	6%
Finance Costs, including Loan interest	-	-	-	-	-	
Total Payments	13,807,774,484	659,496,828	14,467,271,312	5,805,615,917	(8,661,655,395)	40%
SURPLUS/(DEFICIT)	-	-	-	6,346,519,593	8,614,364,443	
<p>(a) Proceeds from foreign grant - the grant of Kshs. expected from UNICEF that was to be utilized for school feeding programme did not materialize</p> <p>(b) Compensation of employees - the recruitment drive that had been put on hold due to staff rationalization undertaken by SRC was finally concluded in July and the appointed staff reported in September</p>						
<p>The entity financial statements were approved on _____ 2019 and signed by:</p>						
<p>_____</p> <p>Benjamin K. Chilumo Chief Officer - Finance ICPAK Member NO. 4342</p>			<p>_____</p> <p>Bonaventure F.M. Mwakio Director Accounting Services ICPAK Member NO. 3346</p>			

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Equitable Share (Exchequer releases)	5,179,895,212		5,179,895,212	10,508,000,000	5,328,104,788.00	203%
Transfers from National Government Entities	564,228,319	43,393,738	607,622,057		- 607,622,057.00	
Proceeds from Foreign Grants / Development Partners	1,065,479,644	103,380,479	1,168,860,123	487,042,929	- 681,817,194.50	42%
County Own Generated Revenues	1,345,066,521	0	1,345,066,521	832,092,582	- 512,973,939.46	62%
Unspent Funds		465,431,659	465,431,659	0	- 465,431,659.00	0%
Total Receipts	8,154,669,696	612,205,876	8,766,875,572	11,827,135,510	3,060,259,938.04	135%
Payments						
Compensation of Employees	3,098,774,484		3,098,774,484	3,386,682,755	287,908,270.57	109%
Use of goods and services	3,336,914,071	568,812,138	3,905,726,209	1,236,898,570	- 2,668,827,639.27	32%
Transfers to Other Government Entities	903,514,171		903,514,171	291,059,979	- 612,454,192.17	32%
Other grants and transfers	733,920,273	43,393,738	777,314,011	379,389,836	- 397,924,174.29	49%
Social Security Benefits			0	154,282,173	154,282,172.90	0%
Acquisition of Assets	81,546,697		81,546,697	35,533,420	- 46,013,276.61	44%
Finance Costs			0	0	-	0%
Total Payments	8,154,669,696	612,205,876	8,766,875,572	5,483,846,733	- 3,283,028,838.86	63%
SURPLUS/(DEFICIT)	0	0	0	6,343,288,777	6,343,288,777	

The entity financial statements were approved on _____, 2019 and signed by:

Benjamin K. Chilumo	Bonaventure F.M. Mwakio
Chief Officer - Finance	Director Accounting Services
ICPAK Member NO. 4342	ICPAK Member NO. 3346

X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Equitable Share (Exchequer releases)	5,653,104,788	47,290,952	5,700,395,740	325,000,000	5,375,395,740	6%
Proceeds from Foreign Grants / Development Partners			-		-	0%
Conditional Additional Allocations to County Governments			-		-	0%
Unspent Funds		-	-	-	-	0%
Total Receipts	5,653,104,788	47,290,952	5,700,395,740	325,000,000	5,375,395,740	6%
Payments						
Acquisition of Assets	5,653,104,788	47,290,952	5,700,395,740	321,769,184	5,378,626,557	6%
Total Payments	5,653,104,788	47,290,952	5,700,395,740	321,769,184	5,378,626,557	6%
SURPLUS/(DEFICIT)	-	-	-	3,230,816	(3,230,816)	
The entity financial statements were approved on _____ 2019 and signed by:						
Benjamin K. Chilumo					Bonaventure F.M. Mwakio	
Chief Officer - Finance					Director Accounting Services	
ICPAK Member NO. 4342					ICPAK Member NO. 3346	

XII. NOTES TO THE FINANCIAL STATEMENTS

1. EQUITABLE SHARE (EXCHEQUER RELEASES)							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	FY 2018/2019 Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Exchequer Releases		541,650,000	2,816,580,000	3,135,240,034	4,339,529,966	10,833,000,000	3,234,042,500
TOTAL		541,650,000	2,816,580,000	3,135,240,034	4,339,529,966	10,833,000,000	3,234,042,500
2. TRANSFERS FROM NATIONAL GOVERNMENT ENTITIES							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
Description		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
						-	
Transfers from Central government entities						-	
<i>Transfer from Ministry of Health</i>						-	
Leasing of medical equipment						-	
Free maternity healthcare						-	
Financing for level 5 hospitals						-	
Abolishment of user fees in health centers and dispensaries		-	-		25,969,864	25,969,864	
						-	

<i>Transfer from Ministry of Transport and Infrastructure</i>						-	
Rehabilitation of class C roads						-	
Nairobi Missing Link Roads and Non-Motorized Transport Facilities						-	
						-	
TOTAL		-	-		25,969,864	25,969,864	-
3. PROCEEDS FROM FOREIGN GRANTS/ DEVELOPMENT PARTNERS							
Name of Donor		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs		Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)						0	
<i>Government of Italy</i>						-	
Rehabilitation of sub-district hospitals - KIDDP						-	
						-	
Grants Received from Multilateral Donors (International Organizations)						-	
<i>DANIDA</i>						-	
Health Sector Programme Support (HSPS)		11,816,404	16,680,938	-	4,864,533	33,361,875	21,484,371
Health Sector Support Project (HSSP)						-	
						-	
<i>World Bank</i>							

						-	
The Universal Health Care Support		-	33,046,561	-	48,899,993	81,946,554	42,576,480
Kenya Urban Support Programme		-	330,534,500	-	41,200,000	371,734,500	-
<i>European Development Fund</i>						-	
TOTAL		11,816,404	380,261,999	-	94,964,526	487,042,929	64,060,851
4. CONDITIONAL ADDITIONAL ALLOCATION TO COUNTY GOVERNMENTS							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Loans and Grants Supplementary						0	
Conditional Allocations for Free Maternal Healthcare Allocation						-	
Conditional Allocations for Compensation for User Fees Foregone		-	-			-	-
Conditional Allocation for Leasing of Medical Equipment						-	
Conditional Allocation from Road Maintenance Fuel Levy Fund		-	-		285,223,456	285,223,456	147,863,364
Conditional Allocation to County Emergency Fund						-	
Conditional Allocation Village Polytechniques Grant					40,041,425	40,041,425	-

Conditional Allocation Kenya Devolution Support Programme					153,800,563	153,800,563	-
Conditional Allocation National Agricultural Rural Development Programme					50,078,476.00	50,078,476	-
Conditional Allocation Agricultural Sector Development Programme						-	
						-	
						-	
Total		-	-		529,143,920	529,143,920	147,863,364
5. COUNTY OWN GENERATED REVENUE							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						0	
FIF						-	
Land Rates and other Land Revenue						-	
Cess on natural resources						-	
Business Permit						-	
Parking fees						-	
Market fees						-	
Billboards & Signage						-	

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Building Plan approval and Inspection						-	
Rent/Stall rents						-	
Survey fees and plot rents						-	
Sale of Tender Documents						-	
Plot ground rent						-	
House rent						-	
Refuse Collection						-	
Food Hygiene Fees						-	
Slaughter House and Livestock sale Yards						-	
Others						-	
Other Receipts Not Classified Elsewhere		119,454,913	146,126,594	285,755,538	280,755,538	832,092,582	162,813,097
TOTAL		119,454,913	146,126,594	285,755,538	280,755,538	832,092,582	162,813,097
6. REFUNDS TO CRF ACCOUNT							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Equitable Share	REC	-	-		2,836,408	2,836,408	-
	DEV				45,748,144	45,748,144	
Total		-	-	-	48,584,552	48,584,552	-

7. COMPENSATION OF EMPLOYEES							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees		321,056,340	436,303,991	110,939,002	1,276,885,933	2,145,185,266	1,303,411,359
Basic wages of temporary employees		45,009,579	52,802,261	35,338,418	36,550,415	169,700,673	101,480,061
Personal allowances paid as part of salary		309,035,890	413,340,217	32,609,209	310,265,100	1,065,250,416	16,534,000
Personal allowances paid as reimbursements		93,000	93,000	93,000		279,000	14,974,932
Employer Contributions to Compulsory National Social Security Schemes		-	173,850	-	6,093,550.00	6,267,400	70,268,357
Employer Contributions to Compulsory Health Insurance Schemes		-	-	-		-	
Total		675,194,809	902,713,319	178,979,628	1,629,794,998	3,386,682,755	1,506,668,709
8. USE OF GOODS AND SERVICES							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services		9,592,216	14,618,715	1,404,186	1,404,186	27,019,302	10,856,186
Communication, supplies and services		536,000	1,971,589	530,652	530,652	3,568,893	1,175,153
Domestic travel and subsistence		2,690,140	39,369,762	28,444,827	28,444,827	98,949,556	26,268,305
Foreign travel and subsistence		3,899,927	11,655,668	14,596,497	14,596,497	44,748,590	5,131,246

Printing, advertising and information supplies & services	295,400	5,436,831	13,997,765	13,997,765	33,727,761	7,541,147	
Rentals of produced assets	1,722,753	6,851,139	5,414,441	5,414,441	19,402,774	5,524,640	
Training expenses	772,950	12,550,836	8,008,234	8,008,234	29,340,254	12,837,750	
Hospitality supplies and services	2,409,800	33,192,179	32,638,567	32,638,567	100,879,113	35,001,001	
Insurance costs	292,380	30,372,319	19,975,549	19,975,549	70,615,797	43,002,800	
Specialized materials and services	-	117,111,060	2,039,643	2,039,643	121,190,346	60,324,592	
Office and general supplies and services	415,100	22,968,571	20,757,706	20,757,706	64,899,083	12,673,060	
Fuel Oil and Lubricants	30,000	43,319,770	20,226,304	20,226,304	83,802,378	16,584,173	
Other operating expenses	3,200	60,210,356	105,641,457	105,641,457	271,496,470	111,230,892	
Routine maintenance – vehicles and other transport equipment	4,910	13,941,942	24,266,844	24,266,844	62,480,540	14,139,435	
Routine maintenance – other assets	45,000	103,596,453	50,568,130	50,568,130	204,777,712	22,457,647	
Total	22,709,775	517,167,191	348,510,802	348,510,802	1,236,898,570	384,748,027	
9. TRANSFERS TO OTHER GOVERNMENT ENTITIES							
Description	FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers to County Assembly							
County Assembly of Kilifi	107,859,979	183,200,000	-		291,059,979	341,820,818	

TOTAL		107,859,979	183,200,000	-		291,059,979	341,820,818
10. OTHER GRANTS AND TRANSFERS							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Scholarships and other educational benefits		-	87,500,000	-		87,500,000	87,500,000
Emergency relief and refugee assistance		-	86,564,480	137,977,723		224,542,203	93,277,160
Other current transfers, grants		-	32,336,634	5,011,000		37,347,634	450,000
Other capital grants and transfers		-	15,000,000	15,000,000		30,000,000	61,564,216
Total		-	221,401,114	157,988,723		379,389,836	242,791,376
11. SOCIAL SECURITY BENEFITS							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits		-	-		154,282,172.90	154,282,173	
Total		-	-		154,282,173	154,282,173	-

12. ACQUISITION OF ASSETS							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
Non Financial Assets		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of Buildings		-	103,802,136	14,437,596	14,437,596	118,239,732	104,045,178
Refurbishment of Buildings		-	-	3,933,600	3,933,600	3,933,600	7,775,240
Construction of Roads		-	151,412,831	491,190,950	491,190,950	642,603,780	726,936,548
Construction and Civil Works		-	74,320,845	66,444,099	66,444,099	140,764,944	120,657,454
Overhaul and Refurbishment of Construction and Civil Works		-	-	-	-	-	-
Purchase of Vehicles and Other Transport Equipment		-	-	29,520,000	29,520,000	29,520,000	-
Overhaul of Vehicles and Other Transport Equipment		-	-	-	-	-	-
Purchase of Household Furniture and Institutional Equipment		-	-	-	-	-	26,055,890
Purchase of Office Furniture and General Equipment		-	22,897,217	12,462,467	12,462,467	35,359,685	11,329,398
Purchase of Specialised Plant, Equipment and Machinery		-	409,750	-	-	409,750	16,090,455
Rehabilitation and Renovation of Plant, Machinery and Equip.		-	-	-	-	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals		-	526,960	12,912,300	12,912,300	13,439,260	7,012,970
Research, Studies, Project Preparation, Design & Supervision		-	-	15,000,000	15,000,000	15,000,000	-
Rehabilitation of Civil Works		-	-	-	-	-	-

Acquisition of Strategic Stocks and commodities		-	49,022,253	-	-	49,022,253	
Acquisition of Land		-	-	-	-	-	
Acquisition of Intangible Assets						-	
Financial Assets							
Domestic Public Non-Financial Enterprises		-	-	-		-	-
Total		-	402,391,992	645,901,012	645,901,012	1,048,293,003	1,019,903,133
13. FINANCE COSTS							
		FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount	Comparative Amount 2017-2018
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Bank Charges						-	3,938
Exchange Rate Losses						-	-
Other expenses						-	339,704
						-	
Total		-	-			-	343,642
14A. BANK ACCOUNTS							

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		Indicated whether recurrent or development	FY 2018/2019 QTR 1	FY 2018/2019 QTR 2	FY 2018/2019 QTR 3	FY 2018/2019 QTR 4	Cumulative amount
Name of Bank, Account No. & Currency			Kshs	Kshs	Kshs	Kshs	Kshs
<i>County Revenue Fund Account</i>		CRF	43,285,670	1,140,743,196	443,393,417	916,088.06	1,628,338,371
<i>Recurrent Bank A/C</i>		Recurrent	32,972,934	- 26,376,466	1,112,201,054	2,836,407.60	1,121,633,930
<i>Development Bank A</i>		Development	-	- 41,858,571	634,865,529	45,748,144.35	638,755,102
<i>Support Programme Kenya Devolution Support Programme</i>		Programme	-	14,933,564	14,933,564	4,095,410.90	33,962,539
<i>DANIDA A/C</i>		Programme	25,012,702	22,403,237	39,084,174		86,500,114
<i>The Universal Health Care Services A/C</i>		Programme	1,727,818	34,774,379	34,774,379	39,176,980.70	110,453,556
<i>Roads Maintenance Fuel Levy Fund A/c</i>		Programme	-	-	151,041,609	22,147,082.00	173,188,691
<i>Kenya Urban Support Programme A/C</i>		Programme	-	-	330,534,500		330,534,500
<i>NAGRIP A/C</i>		Programme	-	-	-		-
<i>Agricultural Support Development Programme</i>		Programme	-	5,000,000	13,611,847		18,611,847
<i>Kilifi County Village Polytechnic Grant A/C</i>		Programme	17,884,536	17,884,536	48,980,585		84,749,657
							-
<i>Retention Bank A/C</i>		Deposit	42,898,549	16,734,927	43,685,137		103,318,613
<i>Commercial Bank Accounts (Various)</i>		Various	727,782,617	793,722,521	865,872,896		2,387,378,034
							-
Total			891,564,826	1,977,961,324	3,732,978,691	114,920,114	
14B. CASH IN HAND							

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			Q1	Q2	Q3	Q4	Cumulative amount
			Kshs	Kshs	Kshs	Kshs	Kshs
Cash in Hand			725,050	1,142,419	1,142,419		3,009,888
Total			725,050	1,142,419	1,142,419	-	
Cash in hand should be analysed as follows:							
			Q1	Q2	Q3	Q4	Cumulative amount
			Kshs	Kshs	Kshs	Kshs	Kshs
Location 1							0
Location 2							0
Location 3							0
Total			-	-			
15. ACCOUNTS RECEIVABLE							
			Q1	Q2	Q3	Q4	Cumulative amount
			Kshs	Kshs	Kshs	Kshs	Kshs
Government Imprests			11,689,036	14,673,235	30,913,090		57,275,361
Prepayment			-	-	4,166,434		4,166,434
R/D Cheques			-	133,290	133,290		266,580
Loss of Cash			43,240,740	43,240,740	43,240,740	43,240,740	172,962,961
							-
							-
Total			54,929,776	58,047,265	78,453,555	43,240,740	

Government Imprest Holders							
Name of Officer or Institution	Date Imprest Taken	Imprest Warrant No.	Bal B/fwd	Amount Issued	Amount Surrendered	Balance	
				Kshs	Kshs	Kshs	
Standing Imprests			-	900,000	-	900,000	
Temporary Imprests			8,893,024	18,307,638	13,427,427	13,773,235	
Total			8,893,024	19,207,638	13,427,427	14,673,235	
16. ACCOUNTS PAYABLE							
			Q1	Q2	Q3	Q4	Cumulative amount
			Kshs	Kshs	Kshs	Kshs	Kshs
Contractors Retention Money			123,956,734	124,743,322	- 3,342,968,593		- 3,094,268,537
General Withholding Tax			-	-			-
VAT Withholding			-	-			-
AP Liabilities			-	-			-
Gratuity							-
Salaries							-
Scholarship							-
KCG Elders Cash Transfer							-
Health Programme							-

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Bank accounts							
							-
							-
							-
							-
Total			123,956,734	124,743,322		-	
17. FUND BALANCE BROUGHT FORWARD							
			Q1	Q2	Q3	Q4	Cumulative amount
			Kshs	Kshs	Kshs	Kshs	Kshs
Bank Accounts			903,394,670	891,564,826	1,977,961,324		3,772,920,820
Cash In Hand			577,731	725,050	1,142,419		2,445,200
Account Receivables Government Imprest			8,893,024	11,689,036	14,673,235		35,255,295
Account Receivables Lost Cash			43,240,740	43,240,740	43,374,030	43,240,740	173,096,251
Account Liabilities			0	0	0		0
							0
Total			956,106,165	947,219,653	2,037,151,008	43,240,740	

XIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set as

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 report in 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 Kilifi County Government - Executive. The financial state encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

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

Tax receipts

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

Transfers from the Exchequer

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

External Assistance

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

Donations and grants

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

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 which 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..

County Own Generated Receipts

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

Returns to CRF Issues

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

b) Recognition of payments

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

Compensation of employees

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

Use of goods and services

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

Interest on borrowing

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

Repayment of borrowing (principal amount)

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

Acquisition of fixed assets

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

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

4. In-kind contributions

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

5. Cash and cash equivalents

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

Restriction on cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits.

6. Accounts Receivable

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

Other accounts receivables are disclosed in the financial statements.

7. Accounts Payable

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

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

10. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The entity’s budget was approved as required by Law and as detailed in the County Revenue Allocation Act.

The original budget was approved by the County Assembly on 30 August, 2018 for the period 1st July, 2018 to 30 June 2019 as required by law. There was . A high-level assessment of the entity’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

11. Comparative figures

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

12. Subsequent events

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

13. Errors

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

14. Related party transactions

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