MERU COUNTY
ANNUAL CAPACITY & PERFORMANCE ASSESSMENT (ACPA) REPORT

From

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Presented by Lead Consultant

Matengo Githae & Associates
Certified Public Accountants (K)
Head office: 2nd floor, Chaka place,
Chaka Rd. off Argwings Kodhek Rd
Tel: +254 020 2699944

Email: customercare@matengogithae.com
Website: www.matengogithae.com

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ACRONYMS

ACPA - Annual Capacity and Performance Assessment

ADP - Annual Development Plans

CB - Capacity Building

CEC - County Executive Committee

CFAR - County Financial and Accounting Report

CGM - County Government of Meru

CIDP - County Integrated Development Plan

CO - Chief Officer

CPG - County Performance Grants

EA - Environmental Audits

EIA - Environmental Impact Assessment

EMCA - Environmental Management and Coordination Act

FS - Financial Secretary

FY - Financial Year

ICT - Information Communication Technology

IPSAS - International Public-Sector Accounting Standards

KDSP - Kenya Devolution Support Programme

KRA - Key Result Area

M&E - Monitoring and Evaluation

MAC - Minimum Access Conditions

MODP - Ministry of Devolution and Planning

MPC - Minimum Performance Conditions

NEMA - National Environment Management and Coordination Authority

NT - National Treasury

NWCPC - National Water Conservation and Pipeline Corporation

PFM - Public Finance Management (Act)

POM - Programme Operation Manual

ACKNOWLEDGEMENT

We wish to express our appreciation to the Meru County Government & County Assembly and specifically, the officials who participated in the Annual Capacity and Performance Assessment.

We are particularly grateful to the County Chief of staff Mr. Angelo Gitonga who chaired the opening meeting and warmly welcomed the assessors to the county. We wish to make a special mention of Dr. Mugambi KSDP, Focal Point, and Ms. Kanana Kaitiri from the Efficiency Monitoring and Evaluation office who mobilized relevant staff and who were always at hand to respond to our enquiries. We also wish to acknowledge the efforts of Mr. Kencos Mutuma who was key in helping us to locate specific officers when we needed their input,

Finally, we wish to sincerely appreciate all the County officials both in the executive and County Assembly who represented their relevant departments during the assessment and who tried their utmost to facilitate the process.

EXECUTIVE SUMMARY

The Government of Kenya developed a National Capacity Building Framework – NCBF, in 2013 to guide the implementation of its capacity building support for county governments. The program is a key part of the government's Kenya Devolution Support Program - KDSP supported by the World Bank. The NCBF spans PFM, Planning and M & E, Human Resource Management, Devolution and Inter-Governmental Relations and Public Participation.

The Ministry of Devolution and Planning – MoDP, state department of devolution subsequently commissioned Matengo Githae & Associates to carry out an Annual Capacity and Performance Assessment – ACPA in forty-seven counties. The ACPA assessment aims to achieve three complementary roles.

Evaluating the impact of capacity building support provided by national government and development partners under the NCBF will inform the introduction of a performance-based grant (the Capacity & Performance Grant, which will be introduced form FY 2016/17) to fund county executed capacity building and to increase the incentives for counties to proactively invest in their own capacity.

In preparation for the assessment process, MoDP carried out an induction and sensitization training to the consulting team to help them internalize the objectives of the ACPA, size of capacity and performance grants, County Government's eligibility criteria, ACPA tool, and the ACPA assessment criteria.

This report documents the key issues that arose during the final assessment of Meru County Government spanning the methodology used for the assessment, time plan and the overall process, summary of the results, summary of capacity building requirements and the need for follow – up, challenges in the assessment in general and the training methods.

Table 1: The assessment was summed as follows:

ACPA Measures	Outcome
MAC	All have complied with MAC except for item 3 and 4- which has not been implemented
MPC	Have met 7 MPCs, MPC 5 Adherence to Investment Menu are not applicable in this assessment. MPC 3 on Audit Opinion not met

ACPA Measures	Outcome	Score
PM	KRA 1: Public Financial Management	13

	KRA 2: Planning, Monitoring and Evaluation	6
	KRA 3: Human Resources Management	2
	KRA 4: Civic Education and Participation	10
	KRA 5: Investment implementation & Social And environmental performance	0
	TOTAL	31

Achievements

The County performed relatively well in Public Financial Management and Civic Education and Participation as was evidenced by the records availed to the assessors. Under PFM, some of the achievements noted include:

- Compliance with budgetary preparation process in line with PFM Act Art.128,129 and 131
- Preparing financial statements using IPSAS format, and compliance with submissions to CoB in line with PFM Act Art.166
- The county had fully automated revenue collection process.

Weaknesses

Key weakness noted was in:

- Internal audit, which was ineffective as it, was not able to avail any reports to assessors for verification.
- Lack of Audit committee as required under PFM Act Art. 155
- Weak human resource management
- County had not done well in institutionalizing and establishment of various committees, which are needed to oversight key result areas. Specifically, M&E and environment Committees

Challenges

The main challenges faced during the assessment were largely linked to weak record keeping and difficulties in document retrieval. In some instances, the assessors were informed that officers responsible were not available to provide key documents and it was not clear who was responsible for maintaining certain information. The following instances will suffice to illustrate:

- The assessors could not verify the appointment of an M&E Officer and County Secretary as their files were missing from the registry

- Some staff with specific reference to the ones in charge of internal audit was unable to avail most of the documents the assessors asked for.

- The assessment exercise was adversely affected by the ongoing political campaigns since some senior officers were reportedly on the campaign trail and were therefore not available to participate in the assessment process.

Areas of Improvement

A summary of some of the weaknesses and proposed actions noted during the assignment were as follows:-

- Implement the IFMIS Hyperion module Establish and train an audit committee.
- Institute a HR policy and approved staff plans
- Train and sensitize the County Assembly Public Finance and Investment Committee to scrutinize external audit reports in a timely manner
- Implement the Meru County Civic Education and Public Participation Act 2015
- Establish and institutionalize a County Environmental Committee
- Institutionalize a County Monitoring & Evaluation Committee Establish an environmental and social Safeguards System

1.0 METHODOLOGY, ASSESSMENT TEAM AND ACTIVITIES

1.1 Methodology

The consultants relied on the following activities in carrying out the capacity assessments a)

Entrance Meeting

The consultants held an entrance meeting with County Officials. The purpose was to provide the County Management with the opportunity to appreciate the purpose and objective of the exercise and to point out the need to support the exercise since its outcome would assist the County to strengthen its programmes and concurrently avail evidence to demonstrate change.

b) Data Administration

The consultants administered the questionnaire within three (3) working days. The consultants applied experiential learning (EL) to conduct Key group and other interviews, engaged with key Meru County Government officials, senior management and staff who were knowledgeable in areas that related to the ACPA assessment to identify key capacity building issues and areas.

The consultants also used compliance modeling (CM) and organization review (OR) to review whether the County Integrated Development Plan – CIDP, Annual Development Plans – ADP s, Budgets, Financial Reports, key project documents, policy documents and strategies; and departmental reports complied with underlying laws, regulations and were modeled to produce the intended results in compliance with current national government laws, guidelines, policies, regulations and ACPA participation and assessment guidelines; and action planning (AP) to develop capacity building recommendations.

c) Exit Meeting-Debriefing

The consultants held a debriefing session with the Meru County team to share the outcome of the assessment process. This was meant to iron out issues and any differences arising from the assessment process, and agree on the said issues if any, to reduce any potential conflict on the outcome of the results, by explaining the basis for the outcome.

The debriefing meeting agenda comprised of the following:

- Preliminary key findings and outcomes of the assessment.
- The level of information availed vis a vis what was expected.
- Comments from the County team

1.2 Time Plan

The time plan for the assessment and respective activities is as shown below:

Table 2: Activity Work Plan

Activity	10th July 2017	11th July 2017	12th July 2017	13th July 2017	14th July 2017
Inception meeting					
Assessing the Minimum Access Conditions					
Assessing minimum Performance Measures					
Assessing Performance Measures					
Project Visits					
Exit Meeting					
Preparing Report					

2.0 SUMMARY OF RESULTS

The summary of the results of the assessments are provided in the tables 3, 4 and 5 below by MACs, MPCs and PMs respectively.

2.1 Minimum Access Conditions (MAC)

Table 3: Summary of results for Minimum Access Conditions

Minimum Conditions for Capacity and Performance Grants (level 1)	Reason and Explanation	Detailed indicator and Means of Verification (MoV)	Timing	Assessment Met/ Not Met	Detailed Assessment Finding
1. County signed participation agreement	To ensure that there is ownership and interest from the county to be involved in the Program, and to allow access to information for the AC&PA teams.	Signed confirmation letter/expression of interest in being involved in the Program MoV: Review the confirmation letter against the format provided by MoDP/in the Program Operational Manual (POM).	First ACPA.	Met	The Participation agreement was signed by H.E. the Governor on 23rd June 2016 as expression of interest in being involved in AC&PA program

2. CB plan developed	Is needed to guide use of funds and coordination. Shows the capacity of the county to be in driver s seat on CB.	CB plan developed according to the format provided in the Program Operational Manual/Grant Manual (annex). MoV: Review the CB plan, based on the self- assessment of the KDSP indicators: MACs, MPC and PMs, and compared with format in the POM /Grant	At the point of time for the ACPA for the current FY. First year a trigger to be achieved prior to the start of FY.	Met	CB Plan was developed according to POM/Grant Manual and signed on 9th Sept 2016 by County Secretary and KDSP Focal person.
Minimum Conditions for Capacity and Performance Grants (level 1)	Reason and Explanation	Detailed indicator and Means of Verification (MoV)	Timing	Assessment Met/ Not Met	Detailed Assessment Finding
		Manual (annex).			
3. Compliance with investment menu of the grant	Important to ensure quality of the CB support and targeting of the activities.	Compliance with investment menu (eligible expenditure) of the Capacity and Performance Grant) documented in progress reports. MoV: Review of grant and utilization – progress reports. Reporting for the use of CB grants for previous FYs in accordance with the Investment menu		N/A	Funds had not been disbursed for this assignment

4. Implementati on of CB plan	Ensure actual implementation.	Minimum level (70% of FY 16/17 plan, 75% of FY 17/18 plan, 80% of subsequent plans) of implementation of planned CB activities by end of FY. MoV: Review financial statements and use of CB + narrative of activities (quarterly reports and per the Grant Manual).		N/A	There has been a delay in the program implementation and funding is yet to be given.

2.2 Minimum Performance Conditions

Table 4: Summary of results for Minimum Performance Conditions

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
Minimum Access C onditions complied with					
1. Compliance with minimum access conditions	To ensure minimum capacity and linkage between CB and investments.	Compliance with MACs. MoV: Review of the conditions mentioned above and the MoV of these.	At point of time for the ACPA	Met	As per the signed participation agreement done on 09th Sept 2016 and in compliance with MAC□s
Financial Managem ent					

2. Financial statements submitted	To reduce fiduciary risks	Financial Statements with letter on documentation submitted to the Kenya National Audit Office by 30th September and National Treasury with required signatures (Internal auditor, heads of accounting unit etc.) as per the PFM Act Art.116 and Art. 164 (4). This can be either individual submissions from each department, or consolidated statement for the whole county. If individual statements	3 months after closure of the FY (30th of September). Complied with if the county is submitting individual department statements: 3 months after end of FY for department	Met	The financial statements for the year 2015/ 2016 were forwarded to the KENAO Embu Hub and stamped on 30th September 2016. Number 1561. The County Assembly submitted their own set of financial statements to the KENAO Embu hub and the same were stamped as received on 27th Sept 2016. Consolidated financial statements was submitted to KENAO-Embu
MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

		are submitted for each department, the county must also submit consolidated statements by 31st October. The FS must be in an auditable format. MoV: Annual financial statements (FSs), submission letters to Office of the Auditor General (OAG) + records in OAG.	statements and 4 months after end of FY for consolidated statement. If the council is only submitting consolidated statement: Deadline is 3 months after end of FY.		Hub on 28th Oct 2016 The accounts were signed by the Chief Officer – Finance / Treasury together with Head of Treasury Accounts on 30th September 2016.
3. Audit opinion does not carry an adverse opinion, or a disclaimer on any substantive issue	To reduce fiduciary risks	The opinion in the audit report of the financial statements for county legislature and executive of the previous fiscal year cannot be adverse or carry a disclaimer on any substantive issue. MoV: Audit reports from Office of the Auditor General. Transitional arrangements: Transitional arrangements are in place as audit report may be disclaimed due to balance	Note. This will be last trigger for release as report is not yet there upon time for the ACPA. Transitional arrangements: First ACPA where MPCs are applied i.e. in the 2016 ACPA: Issues are defined	Not Met	ADVERSE OPINION- COUNTY EXECUTIVE The opinion was based on; i) Cash flow statement casting error amounting to Kes.5.386B ii) Receipts in cash book not in bank statements amounting to Kes.64.341M iii) Cashbook and financial statements variance of Kes.270.807M iv) Incomplete and unupdated fixed asset register with variance of Kes.1.181B in terms of additional assets

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

		sheet issues. First year where the Minimum Performance Conditions are applied (i.e. 2nd AC&PA starting in September 2016) the conditions are as follows: Audit report shows that the county has: • Provided documentation of revenue and expenditures (without significant issues leading to adverse opinion); • No cases of substantial mismanagement (which in itself would lead to adverse audit opinion) and fraud; • Spending within budget and revised budget; • Quarterly reports submitted in last FY to Cob; • Books of accounts (cashbooks) posted with bank reconciliations up-todate. • Assets register for new assets in place	for the core issues, which disqualify counties as per audit reports, see previous column.		during the year. v) Variance of pending bills of Kes.6.795M in comparing financial statements vs annex vi) Unsupported payments to the tune of Kes.117.679M COUNTY ASSEMBLY – QUALIFIED OPINION i) Variance between financial statement and cash book amounting to Kes.22.689M ii) Omission of outstanding imprest of Kes.96.551M

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
4. Annual planning documents in place	To demonstrate a minimum level of capacity to plan and manage funds	CIDP, Annual Development Plan and budget approved and published (on-line). (Note: The approved versions must be the version published on county website) (PFM Act, Art 126 (4). MoV: CIDP, ADP, and budget approval documentation, minutes from council meetings and review of county web site.	At the point of time of the ACPA, which will take place in SepNov, the plans for current year are reviewed.	Met	The CIDP was approved by county assembly on 2nd June 2014 and had been published online. The ADP for 2017/18 was received by the County Assembly on August 31, 2016. The assessors were, however, not provided with evidence as to whether the document had been approved. The ADP is not available online. We saw the approved supplementary budget 2016/17.
Use of funds in acc ordance with Investment menu					

5. Adherence with the investment menu	To ensure compliance with the environmental and social safeguards and ensure efficiency in spending.	Adherence with the investment menu (eligible expenditures) as defined in the PG Grant Manual. MoV: Review financial statements against the grant guidelines. Check up on use of funds from the CPG through	In 2016 ACPA (Q3 2016) this MPC will not be measured as the level 2 grant starts only from FY 2017/18.	N/A	The investment menu relates to the actual capacity building grant which is yet to be given
MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		the source of funding in the chart of accounts (if possible through the general reporting system with Source of Funding codes) or special manual system of reporting as defined in the Capacity and Performance Grant Manual) Review budget progress reports submitted to CoB.			
Procurement					

6. Consolidated Procurement plans in place.	To ensure procurement planning is properly coordinated from the central procurement unit instead at departmental, and to ensure sufficient capacity to handle	Up-dated consolidated procurement plan for executive and for assembly (or combined plan for both). MoV: Review procurement plan of each procurement entity and county consolidated procurement plan and check up against the budget whether it encompass the needed projects and adherence with procurement procedures. The procurement plan(s) will have to be up-dated if/and	At point of the ACPA (for current year)	Met	FY2016/17 Up-dated consolidated procurement plan for executive and for assembly was availed for verification to assessors. Consolidation is done through IFMIS system, whereby; 1)Each entity prepares its procurement plan which is signed by Chief officer of the entity, and forwards them to procurement department 2) Procurement department
MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

	discretionary funds.	when there are budget revisions, which require changes in the procurement process. Note that there is need to check both the consolidated procurement plan for 1) the assembly and 2) the executive, and whether it is revised when budget revisions are made.			uploads all departmental plans to IFMIS system where they are consolidated to have county procurement plan. IFMIS places procurement method to be used during execution i.e. either through tendering or quotation process, based on matrix threshold. Procurement for works below 4M, services and goods <2M was done through quotation process, while procurement above the said amounts above was done through tendering process. 3) IFMIS system has control to ensure all the procurements are within the allocated budget; hence at no one time the purchase can exceed the allocated budget. The same was verified by assessors.
Core Staffing in Pla ce					
7. County Core staff in place	To ensure minimum	Core staff in place as per below list (see also County	At the point of time for the	Met	Upon verifying individual files, the following was observed;
MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

	capacity in staffing	Government Act Art. 44). The following staff positions should be in place: • The country secretary • Chief officer of finance, • Planning officer, • Internal auditor, • Procurement officer • Accountant • Focal Environmental and Social Officer designated to oversee environmental and social safeguards for all sub projects • M&E officer <u>MoV</u>: Staff organogram, schemes of service to review the qualifications against requirements (hence the staff needs to be substantive compared to the schemes of service), sample check salary payments, job descriptions, interview and sample checks. Staff acting in positions may	ACPA.		i) The Ag. County Secretary was appointed on 22nd Aug 2017 vide letter No. CGM/OG/GA/Vol 1/2017/(2)Meru County Public service Board has advertised for the County Secretary position on 19th Oct 2017 ii) The rest of the core staff met the qualifications for their current position based on verification of their certificates against schemes of service. iii) From the pay slips filed on personal files, they are in line with grading & Salary structure as per scheme of service and offer letter. iv) Organogram used by the county is in draft form awaiting approval by CEC

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
		also fulfill the conditions if they comply with the qualifications required in the schemes of service.			
Environmental and Social Safeguards					

8. Functional and Operational Environmental and Social Safeguards Systems (i.e. screening/vetting, clearance/ approval, enforcement & compliance monitoring, grievance redress mechanisms, documentation & reporting) in place.	To ensure that there is a mechanism and capacity to screen environmental and social risks of the planning process prior to implementation, and to monitor safeguard during implementation. To avoid significant	1. Counties endorse and ratify the environmental and social management system to guide investments (from the ACPA starting September 2016). 2) All proposed investments screened* against set of environmental and social criteria/checklist, safeguards instruments prepared. (Sample 5-10 projects). (From the second AC&PA, Sept. 2016). 3) Prepare relevant RAP for all investments with any displacement. Project Reports for investments for submission to NEMA. (From the 3nd AC&PA, Sept. 2017). Sample 510 projects.	Note that the first installment of the expanded CPG investment menu covering sectoral investments starts from July 2017 (FY 2017/18). Hence some of the conditions will be reviewed in the ACPA prior to this release to ascertain that capacity is in place at county level, and other MPCs will	Met	1) No evidence of a functional and operational environmental and social safeguards system provided. 2) Of the 10 projects identified for sampling, an EIA was available for only one. The projects were as follows: a. Construction of Akaiga Dispensary- Mikinduri b. Construction of Mbaranga Dispensary-Karama c. Construction of Naikuriu Maternity-Naathu d. Construction of Kathaene-Kibuene Bridge-Kisima e. Construction of Githine Iriri Bridge-Igoji East
MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

	adverse environmental and social impacts To promote environmental and social benefits and ensure sustainability To provide opportunity for public participation and consultation in safeguards process (free, prior and informed consultations – FPIC)	4. Establishment of County Environment Committee. <u>MoV</u>: Review endorsements from NEMA, ratification, screening materials and documentation, and contracts. Evidence that all projects are reviewed, coordinated and screened against checklist in Program Operating Manual. Screening may be conducted by various departments, but there is a need to provide an overview and evidence that all projects are screened. * In cases where the county has clear agreement with NEMA that it does the screening and that all projects are screened, this condition is also seen to be fulfilled.	review performance in the year after start on the utilization of the expanded grant menu (i.e. in the 3rd AC&PA, see the previous column for details).		f. Mikinduri water project g. Construction of Governors residence h. Construction of Nkubu Fire station i. Meru town Sewerage works j. Construction of dams, Mt. Kenya and Nyambene Hills Of the foregoing, a report was available for the Meru Town sewerage works. 3. N/A 4. Focal Environmental officer was appointed on 17th Nov 2017 vide letter No.CGM/PSAC/1/67/59 5. County Technical Environment committee was appointed on 30th Nov 2017 vide letter No. CGM/CONF/ST/2017/42

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings
9. Citizens Complaint system in place	To ensure sufficient level of governance and reduce risks for mismanagement.	Established an operational Complaints Handling System, including a: (a) complaints/grievance committee to handle complaints pertaining to fiduciary, environmental and social systems. b) A designated a Focal Point Officer to receive, sort, forward, monitor complaints c) simple complaints form/template designed and available to the public d) Multiple channels for receiving complaints e.g. email, telephone, anti-corruption boxes, websites etc.) e) Up to date and serialized record of complaints coordinate implementation of the Framework and a grievance committee is in place. MoV: Review county policy,	At point of time for the ACPA.	Met	a) Complaints and grievances committee was appointed on 17th Nov 2017, to handle complaints pertaining to fiduciary, environmental and social systems b) County has developed complaints, grievances and compliments procedure manual c) Complaints , grievance and compliments form has been developed d) The County had a Focal Point Officer dealing with Complaint management who was also service as chief of staff in acting capacity. e) The County has put in place structures aimed at

		availability of the focal office			ultimately instituting a citizen's complaint
MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Detailed indicator and Means of Verification	Timing	Assessment Met/ Not Met	Detailed Assessment Findings

		(recruitment files, salary payments, job description for focal point, and evidence for operations, etc. + members of grievance committee, minutes from meetings, various channels for lodging complaints, official and up to date record of complaints etc. See also County Government Act Art. 15 and 88 (1)			system: -web based enquiry -telephone number - Complaint box County has developed complaints, grievances and compliments procedure manual which incorporated Complaints , grievance and compliments form has been developed

2.3 Performance Conditions

Table 5: The summary of results for Performance Conditions

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
	KRA 1: Public Financial Management Max score: M aximum 30 points.						
	Strengthened budget formulation, resource mobilization and allocation						

1.1	Program Based Budget prepared using IFMIS and SCOA	Budget format and quality	The annual budget approved by the County Assembly is: a) Program Based Budget format. b) Budget developed using the IFMIS Hyperion module.	Review county budget document, IFMIS uploads, the CPAR, 2015. Check use of Hyperion Module: all budget submissions include a PBB version printed from Hyperion (submissions may also include line item budgets prepared using other means, but these must match the PBB budget – spot check figures between different versions).	Maximum 2 points. 2 milestones (a & b) met: 2 points 1 of the 2 milestones met: 1 point	a)1 b)0	A) Budget is in program-based format, where it details program strategic objectives, Expenditure vote with program & Economic classification, with targets per program. B) Budget is developed using Excel, and later uploaded in the IFMIS Hyperion module. This is due to limitation of capacity in system usage. The budget items uploaded in Hyperion module matches the PBB budget.
1.2		Budget process follows clear budget calendar	Clear budget calendar with the following key milestones achieved: a) Prior to end of August	PFM Act, art 128, 129, 131. Review budget calendar, minutes from meetings	Max. 3 points If all 5 milestones (a-e) achieved: 3 points	a-e)3	a) The budget circular was issued on 28th August 2015 with clear guidelines to be followed during budget
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			the CEC member for finance has issued a circular to the county government entities with guidelines to be followed; b) County Budget review and outlook paper – submission by county treasury to CEC by 30 September to be submitted to the County assembly 7 days after the CEC has approved it but no later than 15th October. c) County fiscal strategy paper (FSP) – submission (by county treasury) of county strategy paper to county executive committee by 28th Feb, County Treasury to submit to county assembly by 15th of march and county	(also from assembly resolutions) circular submission letters, county outlook paper, minutes from meetings and Financial Statements.	If 3-4 items: 2 points If 2 items: 1 point If 1 or 0 items: 0 points.		preparation for the FY2016/17 b) The county budget review and outlook was forwarded to assembly on 29th September 2016, and was approved by the County Assembly on 6th October 2016 c) Fiscal strategy paper for the year 2016/17 was submitted to CEC by 17th Feb 2016, then discussed and approved by CEC on 24th Feb 2016 and forwarded to County Assembly for discussion on 25th Feb 2016. The assembly discussed and tabled their reports by 8th March 2016, which was within the set timelines.

							d) The budget estimates
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			assembly to discuss within two weeks after mission. d) CEC member for finance submits budget estimates to county assembly by 30th April latest. e) County assembly passes a budget with or without amendments by 30th June latest.				for the FY2016/17 were submitted to County assembly for review and discussion by 3rd April 2016. e) County Assembly passes the budget appropriation bill by 27th June 2016
1.3		Credibility of budget	a) Aggregate expenditure out-turns compared to original approved budget. b) Expenditure composition for each sector matches budget allocations (average across sectors).	Review the original budget and the annual financial statements, budget progress reports, audit reports, etc. Use figures from IFMIS (general ledger report at department (sub-vote) level).	Max. 4 points. Ad a): If expenditure deviation between total budgeted expenditures and total exp. in final account is less than 10 % then 2 points. If 10-20 % then 1 point.	a)1 b)1	A) For the year 2015/16, the approved budget was Kes.8,223,016,883 and actual expenditure was Kes.6,901,829,349 which is 83.93% utilization of the budget.(7101421704/8223016883) being 16.07% positive deviation from the budget

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
					More than 20 %: 0 point. Ad b): If average deviation of expenditures across sectors is less than 10 % then 2 points. If 10-20 % then 1 point. More than 20 %: 0 point.		B) Expenditure composition for each sector deviates from the budget allocations by positive 17.05% as follows; County Assembly ((1-(884.49/906.19))=2.39 % Office of the Governor ((1(263.19/288.22)=8.68% County Treasury ((1-(595.57/708.84))=15.98% Agriculture, Livestock and Fisheries ((1-(402.76/485.68))=17.07% Water Environment and Natural Resources ((1-(437.03/637.51))=31.45%

							Education ((1-(509.60/602.76))=15.
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

							46% Health ((1-(1,984.32/2,169.52))=8.54% Lands, Housing, Physical and Economic Planning ((1-(109.54/220.51))=50.32% Public Service and Administration ((1-(639.52/675.61))=5.34% Transport and Infrastructure ((1-(593.08/902.55))=34.29% Co-operatives, Tourism and Enterprise Development ((1-(255.95/349.37))=26.74% Culture, Gender and Sports ((1-

							(171.57/221.06))=22.
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

							39% Public service Board ((1-(18.19/18.19))=0.00% Town Administration ((1-(37.01/37.01))=0.00 % Totaling to 238.65%/14sectors =17.05%
	Revenue Enha ncement						
1.4	Enhanced revenue management and administratio n	Performance in revenue administrati on	Automation of revenue collection, immediate banking and control system to track collection.	Compare revenues collected through automated processes as % of total own source revenue.	Max: 2 points. Over 80% = 2 points Over 60% = 1 point	2	Automation of revenue collection is fully operationalised. FY2016/17 OSR was Kes.428, 896,704. The county is using POS on all its revenue collection centers. POS are linked with Zizi software where every transaction is monitored real time. Upon daily banking, the revenue personnel forward all receipts to audit department where is confirmed

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							online with the bank and reconciled with Zizi software. All daily revenue is well tracked.
1.5		Increase on a yearly basis in own source revenues (OSR).	% increase in OSR from last fiscal year but one (year before previous FY) to previous FY	Compare annual Financial Statement from two years. (Use of nominal figures including inflation etc.).	Max. 1 point. If increase is more than 10 %: 1 point.	0	2015/16 vs. 2014/15 Own source revenue decreased by Kes. 51,744,502 (Kes. 600,226,215 to Kes. 548,481,713) which is 8.62% FY2016/17 revenue availed to assessors for verification was, as at 31st May 2017 totaling to Kes.104, 515, 331.06, hence could not be used for comparison basis.
	Enhanced cap acity of counties on execution (including procurement), accounting and reporting						
1.6	Reporting and accounting in accordance with PSASB guidelines	Timeliness of in-year budget reports (quarterly to Controller of Budget).	a) Quarterly reports submitted no later than one month after the quarter (consolidated progress and expenditure reports) as per format in CFAR, submitted to the county	Review quarterly reports, date and receipts (from CoB). Check against the PFM Act, Art. 166.	Max. 2 points. (a &b) Submitted on time and published: 2 points. (a only):	a)1	a) Quarterly budget reports is prepared on time and submitted to CoB within the timeline. The report is prepared using CFAR format and includes statement of income

				CFAR, Section 8.			
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			assembly with copies to the controller of budget, National Treasury and CRA. b) Summary revenue, expenditure and progress report is published in the local media/web-page.	Review website and copies of local media for evidence of publication of summary revenue and expenditure outturns.	Submitted on time only: 1 point.	b)0	and expenditure, budget execution report, details of income, schedules for imprest and creditors. The submissions to CoB were done as follows; Q1 on 10/10/16, Q2 on 10/01/17 Q3 on 12/04/17. b) Summary of revenue and expenditure progress reports are not published on web page nor in the local media

1.7		Quality of financial statements.	Formats in PFMA and CFAR, and standard templates issued by the IPSAS board are applied and the FS include cores issues such as trial balance, bank reconciliations linked with closing balances, budget execution report, schedule of outstanding payments, and appendix	Review annual financial statements, bank conciliations and related documents and appendixes to the FS, date and receipts (from CoB and NT). Check against the PFM Act, Art. 166 and the IPSAS format.	Max. 1 point. Quality as defined by APA team or NT assessment (excellent/satisfactory): 1 point	0	Financial statements are prepared using IPSAS formats, but are submitted late to the relevant authorities. For instance, for the year 2016/2017, - 1st quarter financials were submitted to National treasury on 29th May 2017 as evidenced on the
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			with fixed assets register.	CFAR, Section 8. Check against requirements. If possible review ranking of FS by NT (using the County Government checklist for in-year and annual report), and if classified as excellent or satisfactory, conditions are also complied with.			receiving stamp. - 2nd quarter were submitted on 29th May 2017 instead by 30th Jan 2017 Bank reconciliations e.g. for May 2017 were done by 09th June 2017 and approved by Head of treasury and chief officer finance.

1.8		Monthly reporting and up-date of accounts, including:	The monthly reporting shall include: 1. Income and expenditure statements; 2. Budget execution report, 3. Financial statement including: a. Details of income and revenue b. Summary of expenditures c. Schedule of imprest and advances;	Review monthly reports. See also the PFM Manual, p. 82 of which some of the measures are drawn from.	Max. 2 points. If all milestones (1-3): 2 points If 1 or 2: 1 point If none: 0 points.	0	The County has been preparing quarterly reports instead of monthly reports. The report includes; 1) Income and expenditure statements 2) Budget execution report 3) Details of income and revenue 4)Summary of expenditures 5)Annexes of creditors and imprest
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			d. Schedule of debtors and creditors; e. Bank reconciliations and post in general ledger.				6) Bank reconciliations Since they are generating quarterly reports instead of monthly reports, this forms basis of awarding them zero points

1.9		Asset registers upto-date and inventory	Assets registers are up-to date and independent physical inspection and verification of assets should be performed once a year.	Review assets register, and sample a few assets. PFM Act. Art 149. Checkup-dates.	Max. 1 point. Registers are upto-date: 1 point. Transitional arrangements: <u>First year:</u> Assets register need only to contain assets acquired by county governments since their establishment. <u>Second year</u> onwards: register must include all assets, including	1	Fixed asset register is in place, though updated as at 26th June 2016. The register misses; • Date of purchase thus difficult to locate additions for the year. • Also for assets like vehicles it misses the Engine and Chassis Number Basic information contained on the register includes; • Tag number, Asset Class, Department, • User, • Description,
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

					those inherited form Local Authorities and National Ministries		• Model, • Serial No, • Sub-county, • ward, • date, • Condition • Cost Some of the assets sampled for verification like furniture and computers in the office of Director of Public service, Director of M & E were traceable in the asset register
	Audit						
1.10	Internal audit	Effective Internal audit function	Internal audit in place with quarterly IA reports submitted to IA Committee (or if no IA committee, in place, then reports submitted to Governor)	Review audit reports. Check against the PFM Act Art 155	Max. 1 point. 4 quarterly audit reports submitted in previous FY: 1 point.	0	There is no effective Internal audit in place. Despite several meetings with Internal Auditor, he was not able to provide any report to assessors for verification.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							IA did not provide annual audit work plan to assessors for verification
1.11		Effective and efficient internal audit committee.	IA/Audit committee established and review of reports and followup.	Review composition of IA/Audit Committee, minutes etc. for evidence of review of internal audit reports. Review evidence of follow-up, i.e. evidence that there is an ongoing process to address the issues raised from last FY, e.g. control systems in place, etc. (evidence from follow-up meetings in the Committee). PFM Act Art 155.	Max. 1 point. IA/Audit Committee established and reports reviewed by Committee and evidence of follow-up: 1 point.	0	Audit committee is yet to be established as per PFM Act Art 155 (5). IA alleged report prepared are forwarded to H.E the governor, but could not avail any report which has been forwarded to H.E the governor for action.

1.12	External audit	Value of audit queries	The value of audit queries as a % of total expenditure	Review audit report from KENAO. Total expenditure as per reports to CoB.	Max. 2 points Value of queries <1% of total expenditures: 2 points <5% of total expenditure: 1	0	The Value of audit queries for the FY2015/16 amounted to Kes.10.04B which is 128% of total expenditure Kes.7.853B (10.04B/7.853B)
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
					point		
1.13		Reduction of audit queries	The county has reduced the value of the audit queries (fiscal size of the area of which the query is raised).	Review audit reports from KENAO from the last two audits.	Max. 1 point. Audit queries (in terms of value) have reduced from last year but one to last year or if there are no audit queries: 1 point.	0	The value of Audit queries for the FY2015/16 of Kes.10.04B increased by 98% compared to audit queries for the FY2014/15 amounting to Kes.5.07B ((1-(10.04B/5.07B))%
1.14		Legislative scrutiny of audit reports and follow-up	Greater and more timely legislative scrutiny of external audit reports within required period and evidence that audit queries are addressed	Minutes from meetings, review of previous audit reports.	Max. 1 point. Tabling of audit report and evidence of follow-up: 1 point.	0	County Assembly did not scrutinize the audit report of the financial year 2014/15 as they argued the jurisdiction was under senator.
	Procurement						

11.5	Improved procurement procedures	Improved procuremen t procedures including use of IFMIs, record keeping, adherence to procuremen	Note: When PPRA develop a standard assessment tool, APA will switch to using the score from the PPRA assessment as the PM (PfR may incentivize PPRA to do this in DLI 1 or 3). a) 25 steps in the IFMIS	Annual procurement assessment and audit by PPRA and OAG Sample 5 procurements (different size) and review steps complied with in the IFMIS guidelines. Calculate average steps complied with in the	Max. 6 points. a) IFMIS Steps: <15steps=0 points; 15-23=1 point; 24-25=2 points b) Timely submission of quarterly reports	a)0 b)0	a) The county is currently using 11 steps in IFMIS system. This is due to lack of capacity especially on side of suppliers. b) FY2016/17 Quarterly reports are prepared by the county. Submissions to PPRA could not be
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

		t thresholds and tender evaluation.	procurement process adhered with. b) County has submitted required procurement reports to PPRA on time. c) Adherence with procurement thresholds and procurement methods for type/size of procurement in a sample of procurements. d) Secure storage space with adequate filing space designated and utilized – for a sample of 10 procurements, single files containing all relevant documentation in one place are stored in this secure storage space (1 point) e) Completed evaluation reports, including individual evaluator scoring against pre-	sample. Review reports submitted. Check reports from tender committees and procurement units. Check a sample of 5 procurement and review adherence with thresholds and procurement methods and evaluation reports. Check for secure storage space and filing space, and for a random sample of 10 procurements of various sizes, review contents of files.	to PPRA (both annual reports plus all reports for procurements above proscribed thresholds): 1 point c) Adherence with procurement thresholds and procurement methods for type/size of procurement in a sample of procurements: 1 point. d) Storage space and single complete files for sample of procurements: 1 point e) Evaluation reports:	c)1	ascertained as no acknowledgement from nor was forwarding letter to PPRA availed to assessors for verification. Procurement officer alleged they have been sending the reports via courier to PPRA offices in Nairobi. Details to support the same were not availed. The report should include all tenders and quotations issued to reserved groups (Youth , Women and disabled) and procurements above prescribed threshold i.e. Above 4M on works and 2M on goods and services and restricted tenders c) The county is in adherence with procurement thresholds

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			defined documented evaluation criteria and signed by each member of the evaluation team, available for a sample of 5 large procurements (2 points)		1 point	d) 1 e)1	and procurement methods. On sampling 5 tender files and 5 quotation files, following was observed; 1) Works below 4M were procured via quotation and above 4M through tendering process. 2) Goods & Services below 2M were procured through Quotation while above 2M through tendering process d) They have enough and secure storage space. For the sampled files they had all relevant documents i.e., tender advert, opening minutes, Evaluation reports, awarding letter, contract signed, the files were well
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

							stored in the registry which has enhanced security of the files e) Evaluation reports for some of sampled tender files were availed and duly signed by all Evaluation Committee Members .Eg i) Tender No. CGM/ONT/195/2016-17-proposed masonary perimeter wall of Kes.16.8M ii) CGM/ONT/193/2016-17-Proposed mechanical works at Kinoru stadium of Kes.22.8M iii) CGM/ONT/006/2015-16-Construction of Gatuntu-Bwetha water supply of Kes.19.5M iv) QT/MCG/082/2016-17-Grading &

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							Gravelling works in machaka village of Kes.2M v) QT/CGM/096/2016 -17-Drilling of Lairangi Borehole of Kes.2.9M
	Key Result Are a 2: Planning and M&E Max score: (te ntative 20 points)						

2.1	County M&E system and frameworks developed	County M&E/Planning unit and frameworks in place.	a) Planning and M&E units (may be integrated in one) established. b) There are designated planning and M&E officer and each line ministry has a focal point for planning and one for M&E c) Budget is dedicated for both planning and M&E.	Review staffing structure and organogram. Clearly identifiable budget for planning and M&E functions in the budget.	Maximum 3 points The scoring is one point per measure Nos. a-c complied with.	1 1	a) The County had separate monitoring & evaluation and planning units. M&E was headed at directorate level through the Efficiency Monitoring and Evaluation office, under the office of the Governor. Planning also has an M and E component in terms of producing documents such as the ADP. b) There were designated Planning and M & E officers. M and E was headed by a
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

						0	director in the Efficiency Monitoring and Evaluation directorate under the office of the Governor while planning was headed by a Director for Economics and Planning. The County did not have an approved Organogram, providing for the M & E function, however. While an M & E committee purportedly existed, drawing membership from line ministries, it was noted that the Committee had never met and was therefore not functional. c)The 2016/17 supplementary budget provided KES 1 million for monitoring and evaluation, however, the allocation was
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

							under Lands, Housing and Physical Planning rather than in the Office of the Governor where the Efficiency, monitoring and evaluation Unit was domiciled. On the other hand, the budget did not have a specific line item on planning although according to the Director of Economics and Planning, budgetary line items on monitoring and evaluation and those listed as relating to "research and prefeasibility" studies (KES 1.3 million) were for planning related activities.
2.2		County M&E Committee in place and	County M&E Committee meets at least quarterly and reviews the quarterly performance	Review minutes of the quarterly meeting in the County M&E Committee.	Maximum: 1 point Compliance: 1	0	There was an M and E Committee in place as per eight (8) letters of appointment we
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

		functioning	reports. (I.e. it is not sufficient to have hoc meetings).		point.		reviewed. However, the committee was not functional since it had never met. We were told that the intention was to train the Committee first before holding a first meeting. The training had not been conducted due to lack of funds. Comment Committee should be activated even if it had not been trained, at the very least to induct it on its duties.
2.3	County Planning systems and functions established	CIDP formulated and updated according to guidelines	a) CIDP: adheres to guideline structure of CIDP guidelines, b) CIDP has clear objectives, priorities and outcomes, reporting	CIDP submitted in required format (as contained in the CIDP guidelines published by MoDP). See County Act, Art. 108, Art 113 and Art.	Maximum: 3 points 1 point for compliance with each of the issues: a, b and c.	1 0	a) The CIDP met the guidelines structure and had been submitted in the required format. b) The CIDP had clear objectives and priorities. However, in our review of the document we did not

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			mechanism, result matrix, key performance indicators included; and c) Annual financing requirement for full implementation of CIDP does not exceed 200% of the previous FY total county revenue.	149. CIDP guidelines, 2013, chapter 7.		1	see a reporting mechanism or a result matrix or outcomes. Our understanding of a result matrix is that it represents the different levels/hierarchy of results. c) We did not get the confirmed revenue for 2016/17 to enable us review it against the financing requirement for the ADP 2017/18 which was KES 6.1 billion. However, the total revenue for 2015/16 according to the financial statements was KES 7, 506,621, 360. The funding requirements for the ADP for 2016/17 were KES 8, 410,300 that was less than 200% of the total County revenue.

2.4		ADP submitted on time and conforms to guidelines	a) Annual development plan submitted to Assembly by September 1st in accordance with required format &	Review version of ADP approved by County Assembly for structure, and approval procedures and timing,	Maximum: 4 points Compliance a): 1 point.	1	a) The ADP for 2017/18 was received by the Assembly on August 31, 2016.
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			contents (Law says that once submitted if they are silent on it then it is assumed to be passed). b) ADP contains issues mentioned in the PFM Act 126,1, number A-H	against the PFM Act, Art 126, 1.	b) All issues from A-H in PFM Act Art 126,1: 3 points 5-7 issues: 2 points 3-4 issues: 1 point, see Annex.	1	b) The ADP 2017/18 only addressed in part s.126(1) and clauses (a)(h) as follows: - s.126(1)(a)-Not adequately addressed - s.126(1)(b)-Not addressed -s.126(1)(c)- Partly addressed i.e. Clauses (ii), (iii) and (iv) - s.126(1)(d)- Addressed - s.126(1)(e)- Not addressed - s.126(1)(g)- Addressed - s.126(1)(h)- Not addressed

2.5		Linkage between CIDP, ADP and Budget	Linkages between the ADP and CIDP and the budget in terms of costing and activities. (costing of ADP is within +/- 10 % of final budget allocation)	Review the three documents: CIDP, ADP and the budget. The budget should be consistent with the CIDP and ADP priorities. The costing of the ADP is within +/- 10% of final budget allocation.	Maximum: 2 points Linkages and within the ceiling: 2 points.	0	The ADP for 2016/17 was costed at KES 8,4 billion. The final budget allocation for 2016/17 as per the supplementary budget was KES 10.1 billion which was over 10% of the final budget allocation.
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
				Sample 10 projects and check that they are consistent between the two documents.			While a linkage could be drawn between the CIDP and the Annual development Plan (2016/17) the budget (2016/17) did not provide for specific line items but instead provided for block figures under general headings, thus making it difficult to make the necessary linkages.

2.6	Monitoring and Evaluation systems in place and used, with feedback to plans	Production of County Annual Progress Report	a) County C-APR produced; b) Produced timely by September 1 and c) C-APR includes clear performance progress against CIDP indicator targets and within result matrix for results and implementation. (Ad b) Compliance if produced within 3	Check contents of C-APR and ensure that it clearly link s with the CIDP indicators. Verify that the indicators have been sent to the CoG.	Maximum: 5 points. a) C-APR produced = 2 points b) C-APR produced by end of September. 1 point. c) C-APR includes performance against CIDP	0	a) The County did not have a C-APR, however, according to the County officials, they had been monitoring progress by providing for a section on departmental achievements in the ADP (based on the planned activities from the previous year) However, a review of the ADPs for 2015/16 and 2016/17
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			months of the closure of a FY and sent to Council of Governors for information. This will be done in reference with the County Integrated M&E System Guidelines.		performance indicators and targets and with result matrix for results and implementation: 2 points. (N.B. if results matrix is published separately, not as part of the CADP, the county still qualifies for these points)		demonstrated that it was difficult to track progress of projects based on the format adopted in the ADPs since they only listed achievements and did not measure the same against targets. It was also noted that the mode of presentation of achievements in the ADP did not also adhere to the format for the C-APR b) There was no C-APR produced c) As noted above.
2.7		Evaluation of CIDP projects	Evaluation of completion of major CIDP projects conducted on an annual basis.	Review completed project and evaluations (sample 5 large projects).	Maximum: 1 point. Evaluation done: 1 point.	0	There was no evidence of an evaluation of projects for 2015/16 or 2016/17. The County, however, had produced an efficiency monitoring and evaluation report for 2014/15, which was, however, more of a
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

							monitoring than an evaluation tool since it did not review outcomes. We were advised that the directorate of efficiency monitoring and evaluation had funding challenges, which militated against the conduct of evaluations.
2.8		Feedback from Annual Progress Report to Annual Developme nt Plan	Evidence that the ADP and budget are informed by the previous C-APR.	Review the two documents for evidence of C-ARP informing ADP and budget	Maximum: 1 point. Compliance: 1 point.	0	The County did not have a C-APR
	Key Result Are a 3: Human Resource Management Max score: 12 points.						
3.1	Staffing plans based on functional and organization assessments	Organizatio nal structures and staffing plans	a) Does the county have an approved staffing plan in place, with annual targets? b) Is there clear evidence	Staffing plan Capacity Building Assessment / CARPS report	Maximum 3 points: First AC&PA: a = 2 points, b = 1 point	a)0	a) Staffing plans with targets for the county are not in place. This is due to lack of capacity in the department.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
			that the staffing plan was informed by a Capacity Building assessment / functional and organizational assessment and approved organizational structure? c) Have the annual targets in the staffing plan been met?	Documentation evidencing hiring, training, promotion, rationalization, etc. In future years (after first AC&PA), there has to be evidence that CB/skills assessments are conducted annually to get points on (b). Targets within (+/- 10 % variations).	c= NA. Future AC&PAs: a=1 point, b = 1 point, c = 1 point	b)0 c) 0	b) Staffing plans are yet to be developed, but the County is in process of developing staffing plans for the FY 2017/18 which shall be informed by CARPS and organizational assessment c) Annual targets have not been met since the staffing plans for the county have not been operationalized.

3.2	Job descriptions, including skills and competence requirements	Job descriptions, specification s and competency framework	a) Job descriptions in place and qualifications met (AC&PA 1: Chief officers / heads of departments; 2nd AC&PA: all heads of units; future AC&PAs: all staff (sample check)) b) Skills and competency frameworks and Job descriptions adhere to these (AC&PA 1: Chief	Job descriptions Skills and competency frameworks. Appointment, recruitment and promotion records	Maximum score: 4 points All a, b and c: 4 points. Two of a-c: 2 points One of a-c: 1 point	a)0 b)0	a) Job descriptions for chief officers are well defined on their offer letters, unlike for head of departments, which were missing on their offer letter. Only Chief officer finance out 10 chief officers and 9 directors out of 23 whom their personal files contained certificates, which
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			officers / heads of departments; 2nd AC&PA: all heads of units; future AC&PAs: all staff (sample check) c) Accurate recruitment, appointment and promotion records available			c)1	proved their qualifications for position, held. For the rest, it was difficult to establish whether they meet qualifications for their current position. Qualifications were being compared with schemes of service in place against academic certificates b) The county has not developed Skills and competency framework. They are currently using schemes of service match the skills and competency for different cadres. c) There are files, which highlight appointment, recruitment and promotion process. The department identifies the need, then sends

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							the request to HR, where they form HR advisory committee, which deliberate on the issues, then forward their recommendations to County HR committee, which then forwards it finding to CPSB. CPSB advertises, interview and appoints in conjunction with technical person of department. Promotion is based on experience and education, qualification, and follows the same process. HR advisory board to County Public service board that approves and mandates the respective departments in conjunction with HR to issue the letters.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
3.3	Staff appraisal and performance management operationalised in counties	Staff appraisals and performance management	a) Staff appraisal and performance management process developed and operationalised. b) Performance contracts developed and operationalised c) service re-engineering undertaken d) RRI undertaken	Review staff appraisals. County Act, Art 47 (1). Country Public Service Board Records. Staff assessment reports. Re-engineering reports covering at least one service RRI Reports for at least one 100-day period	Maximum score:	a) 0 b) 0 c) 1 d) 0	A) Staff appraisal and performance management process has neither been developed nor operationalised. B) Performance contracts for 2015/16 and 2016/17 under Level 1& 2 are developed but not operationalised. The last one signed was for the year 2014/15. Reasons for failure to sign the recent contracts could not be ascertained. C) Under service reengineering, the county has been able to fully automate its revenue collection system. This is expected to have a positive effect on total

					5 points.[1] a) Staff appraisal for all staff in place: 1 point. (If staff appraisal for b) Performance Contracts in place for CEC Members and Chief Officers: 1 point Performance Contracts in place for the level below Chief Officers: 1 point c) Service delivery processes reengineered in counties: 1 point		

[1] Note: higher points only expected in subsequent ACPAs, but PM is kept stable across ACPAs.

					d) Rapid Results Initiatives-RRIs		
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

					launched/upscaled : 1 point		collection for the OSR in the FY2017/18 D) There is no RRI, which has been undertaken by the county.
	Key Result Are a 4: Civic Education and Participation - A citizenry that more activel y participated in county governance af fairs of the society Max score: 18 points						
4.1	Counties establish functional Civic education Units	CEU established	Civic Education Units established and functioning: (a) Formation of CE units (b) Dedicated staffing and (c) Budget, (d) Programs planned, including curriculum, activities etc. and (e) Tools and methods for CE outlined.	County Act, Art 99-100.	Maximum 3 points. CEU fully established with all milestones (a) - (e) complied with: 3 points. 2-4 out of the five milestones (a-e): 2 points Only one: 1 point.	2	a) There existed a CE unit headed by a Director for Public Participation b) The unit had only one member of staff: The Director of Public Participation who was also the Ag. Chief of Staff at the time of the assessment. We were advised that the Unit utilized Ward Administrators to conduct its outreach work. c) We reviewed the County

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							Supplementary budget 2016/17 and noted an item titled: "Citizen sensitization forums" (KES 3 million) which we were advised covered civic education. d) We did not see evidence of developed progammes. The County we were told, intended to use the civic education curriculum developed by the Ministry of Devolution, which has not been rolled out at the time of the assessment. e) We saw evidence of CE activities conducted mainly through training workshops and discussion sessions with communities

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
4.2		Counties roll out civic education activities	Evidence of roll-out of civic education activities – (minimum 5 activities).	County Act, art. 100. Examples are engagements with NGOs to enhance CE activities/joint initiatives on training of citizens etc. Needs to be clearly described and documented in report(s) as a condition for availing points on this.	Maximum 2 points. Roll out of minimum 5 civic education activities: 2 points.	1	We reviewed evidence of civic education activities as follows: 1. Attendance lists of forums titled: Promotion of Democracy held in four Sub Counties. There were, however, no reports on the forums. 2. Reviewed a PowerPoint presentation on devolution presented to citizens in Buuri Sub County COMMENT: Need to produce reports on CE/PP events. Other than one report that was available, what was tabled were lists of participants with little or no information on the nature and content

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							of the forums and if there was citizen□s feedback arising from the same
4.3	Counties set up institutional structures systems & process for Public Participation	Communication framework and engagement.	a) System for Access to information/ Communication framework in place, operationalised and public notices and userfriendly documents shared In advance of public forums (plans, budgets, etc.) b) Counties have designated officer in place, and officer is operational.	County Act, Art. 96. Review approved (final) policy / procedure documents describing access to information system and communication framework in addition, review evidence of public notices and sharing of documents. Review job descriptions, pay-sheets and / or other relevant records to ascertain whether designated officer is in place; review documents evidencing activities of the designated officer (e.g. reports written, minutes of meetings attended etc.)	Maximum 2 points. a) Compliance: 1 point. b) Compliance: 1 point.	1 1	a) The County has a Meru County Public Participation Act 2014, which addressed public participation. The Act at s.19, s.20, s.21 s.22, s.23 deals with issues of access to information and communication. b) The County had a Director of Public Participation and we were provided with details of the officer□s activities including correspondences and reports.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
4.4		Participatory planning and budget forums held	a) Participatory planning and budget forums held in previous FY before the plans were completed for on-going FY. b) Mandatory citizen engagement /consultations held beyond the budget forum, (i.e. additional consultations) c) Representation: meets requirements of PFMA (section 137) and stakeholder mapping in public participation guidelines issued by MoDP. d) Evidence that forums are structured (not just unstructured discussions)	PFM Act, Art. 137. County Act, 91, 106 (4), Art. 115. Invitations Minutes from meetings in the forums. List of attendances, Meetings at ward levels, Link between minutes and actual plans. List of suggestions from citizens, e.g. use of templates for this and reporting. Feedback reports / minutes of meetings where feedback provided to citizens	Maximum 3 points. All issues met (af): 3 points. 4-5 met: 2 points. 1-3 met: 1 point.	1	a) There was evidence of attendance by citizens in planning forums, however, there were no reports to support the attendance lists that were adduced as evidence and as such, we could not establish the actual issues discussed and thereby link them to the actual plans. We were provided with only one newspaper advert inviting citizens to participate. It was therefore largely difficult to establish by way of the available evidence how invitations were made for the forums whose attendance lists we saw. b) We did not see evidence of additional mandatory citizens participation outside

			e) Evidence of input from the citizens to the				
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			plans, e.g. through minutes or other documentation f) Feed-back to citizens on how proposals have been handled.				the budget forums c) There was no evidence of stakeholder mapping. We were provided with minutes dated April 26, 2016 purportedly for the County Budget and Economic Forum. However, the minutes were not signed. There was no other evidence provided relating to the forum. d) There were no reports provided according to the County citizens concerns and emerging issues were directly fed into the final documents, which meant there were no actual records of what transpired at such forums. e) As stated above there was no evidence
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

							provided of citizen s inputs f) There was no evidence provided of how citizen s proposals were handled.
4.5.		Citizens feed back	Citizen s feedback on the findings from the CAPR/implementation status report.	Records of citizens engagement meetings on the findings of the CAPR. Review evidence from how the inputs have been noted and adhered with and whether there is feedback mechanism in place.	Maximum points: 1 Compliance: 1 point.	0	The County did not have a C-APR. We, however, noted that the County had been holding a series of „devolution meetings" at Sub County level where the various departments provided feedback to the public on projects implemented. We, however, noted that the forums and feedback provided was not specifically based on the ADP.
4.6		County core financial materials, budgets, plans,	Publication (on county web-page, in addition to any other publication) of: i) County Budget	PFM Act Art 131. County Act, Art. 91. Review county webpage.	Maximum points: 5 points 9 issues: 5 points	2	The following documents had not been published on the website: i) Financial statements

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
		accounts, audit reports and performance assessments published and shared	Review and Outlook Paper ii) Fiscal Strategy Paper iii) Financial statements or annual budget execution report iv) Audit reports of financial statements v) Quarterly budget progress reports or other report documenting project implementation and budget execution during each quarter vi) Annual progress reports (C-APR) with core county indicators vii) Procurement plans and rewards of contracts viii) Annual Capacity & Performance Assessment results ix) County citizens budget	(N.B.) Publication of Budgets, County Integrated Development Plan and Annual Development Plan is covered in Minimum Performance Conditions)	7-8 issues: 4 points 5-6 issues: 3 points 3-4 issues: 2 points 1-2 issues: 1 point 0 issues: 0 point.		or annual budget execution report ii) Audit reports of financial statements iii) Quarterly budget progress reports or other report documenting project implementation and budget execution during each quarter iv) Annual progress reports (C-APR) with core county indicators v) Procurement plans and rewards of contracts vi) Annual Capacity & Performance Assessment results vii) County citizens budget

4.7		Publication	All bills introduced by	County Act, Art. 23.	Maximum 2	2	We were given a list of
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
		of bills	the county assembly have been published in the national and in county gazettes or county web-site, and similarly for the legislation passed.	Review gazetted bills and Acts, etc. Review county web-site.	points Compliance: 2 points.		38 laws that have been passed by the House. However, only eight (8) of the laws were available on the County Assembly website. Laws gazetted and in the website
	Result Area 5. Investment implementation & social and environmental performance Max score: 20 points.						
5.1	Output against plan – measures of levels of implementation	Physical targets as included in the annual development plan implemented	The % of planned projects (in the ADP) implemented in last FY according to completion register of projects Note: Assessment is done for projects planned in the Annual Development Plan for that FY and the final contract prices should be used in the calculation. Weighted measure where the size of the projects is factored in. If	Sample min 10 larger projects from minimum 3 departments/sectors. Points are only provided with 100 % completion against the plan for each project. If a project is multi-year, the progress is reviewed against the expected level of completion by end of last FY.	Maximum 4 points (6 points in the first two AC&PAs).[2] More than 90 % implemented: 4 points (6 points in the first two AC&PAs). 85-90 %: 3 points 75-84%: 2 points	0	We reviewed 10 projects provided for in the ADP 2015/16 from Health, Public Service, Infrastructure and water. Out of this, 5 or 50% had not taken off. Three or 30% had been completed. While two or 20% were ongoing. We could not establish at whether the ongoing projects had met the expected level of completion since they were not provided

				Use all available			

As VFM is only introduced from the third ACPA, the 5 points for this are allocated across indicator 5.1 to 5.4 in the first two ACPA on the top scores in each PM, e.g. from 4 points to 6 points in the Performance Measure No. 5.1

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

			there are more than 10 projects a sample of 10 larger projects is made, and weighted according to the size.	documents in assessment, including: CoB reports, procurement progress reports, quarterly reports on projects, M&E reports etc.	65-74%: 1 point Less than 65 %: 0 point. If no information is available on completion of projects: 0 point will be awarded. An extra point will be awarded if the county maintains a comprehensive, accurate register of completed projects and status of all ongoing projects (within the total max points available, i.e. the overall max is 4 points/6 respectively in the first two AC&PA).		for in the CIDP. The projects reviewed were: 1. Construction of Akaiga Dispensary-Mikinduri 2. Construction of Mbaranga Dispensary-Karama 3. Construction of Naikuriu Maternity-Naathu 4. Construction of Kathaene-Kibuene Bridge-Kisima 5. Construction of Githine Iriri Bridge-Igoji East 6. Mikinduri water project 7. Construction of Governors residence 8. Construction of Nkubu Fire station 9. Meru town Sewerage works 10. Construction of dams, Mt. Kenya and Nyambene Hill

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
							We did not see evidence of a comprehensive register of completed projects. We were advised that a register was maintained by the CS for Infrastructure who was not available at the time of the assessment.
5.2	Projects implemented according to cost estimates	Implementation of projects and in accordance with the cost estimates	Percentage (%) of projects implemented within budget estimates (i.e. +/- 10 % of estimates).	Sample of projects: a sample of 10 larger projects of various size from a minimum of 3 departments/ sectors. Review budget, procurement plans, contract, plans and costing against actual funding. If there is no information available, no points will be provided. If the information is available in the budget this is used. (In case there are conflicts between	Maximum 4 points. (5 points in the first two AC&PAs). More than 90 % of the projects are executed within +/5 of budgeted costs: 4 points (5 points in the first two AC&PAs) 80-90%: 3 points 70-79%: 2 points	0	The Budget estimates did not provide for specific projects but were stated in block figures making it difficult to track projects. Nonetheless, of the 10 projects selected for sampling, final expenditure records were only available for one project. This was in relation to the Gakumu-Gitiine Bridge, which had been budgeted for at KES 10 million in the CIDP.

					60-69%: 1 point		
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

				figures, the original budgeted project figure will be applied). Review completion reports, quarterly reports, payment records, quarterly progress reports, etc. Review M&E reports. Compare actual costs of completed project with original budgeted costs in the ADP/budget.	Below 60%: 0 points.		The final amount expended on the project was KES 4,068.444.
5.3	Maintenance	Maintenanc e budget to ensure sustainability	Maintenance cost in the last FY (actuals) was minimum 5 % of the total capital budgeted evidence in selected larger projects (projects which have been completed 2-3 years ago) have been sustained with actual maintenance budget allocations (sample of min. 5 larger projects).	Review budget and quarterly budget execution reports as well as financial statements. Randomly sample 5 larger projects, which have been completed 23 years ago. Review if maintenance is above 5 % of the capital budget and evidence that budget allocations	Maximum 3 points (4 points in the first two AC&PAs). Maintenance budget is more than 5 % of capital budget and sample projects catered for in terms of maintenance allocations for 2-3	0	It was not possible to determine the maintenance budget for selected projects since the budget only provided for maintenance generally in block figures and not for specific projects.

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
				have been made for projects completed 2-3 years ago and evidence that funds have been provided for maintenance of these investments.	years after: 3 points (4 in the first two AC&PA). More than 5 % but only 3-4 of the projects are catered for: 2 points. More than 5 % but only 1-2 of the specific sampled projects are catered for: 1 point.		
5.4	Screening of environment al social safeguards	Mitigation measures on ESSA through audit reports	Annual Environmental and Social Audits/reports for EIA /EMP related investments.	Sample 10 projects and ascertain whether environmental/social audit reports have been produced.	Maximum points: 2 points (3 points in the first two AC&PAs) All 100 % of sample done in accordance with framework for all projects: 2 points (3 points in the first two AC&PAs)	0	10 projects were sampled out of which an EIA report was produced for only one project. The sampled projects be provided

No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings
					80-99 % of projects: 1 points		

5.5	EIA /EMP procedures	EIA/EMP procedures from the Act followed.	Relevant safeguards instruments Prepared: Environmental and Social Management Plans, Environmental Impact Assessment, RAP, etc. consulted upon, cleared/approved by NEMA and disclosed prior to commencement of civil works in case where screening has indicated that this is required. All building & civil works investments contracts contain ESMP implementation provisions (counties are expected to ensure their works contracts for which ESIAs /ESMPs have been prepared and approved safeguards provisions from part of the contract.	Sample 5-10 projects	All 100 % of sample done in accordance with framework for all projects: 2 points 80-99 % of projects: 1 points	0	Out of 10 projects sampled only one, the Meru Sewerage Project (Makutano) had an EIA report. While it was indicated ESMP, EIAs were consulted prior to commencement of civil works, we were not provided with evidence of on the same. Name the projects
5.6	Value for the	Value for	Percentage (%) of	To be included from the	Maximum 5	N/A	Funds are yet to be
No.	Priority Outputs	Performance Area	Performance Measure (Detailed Indicators)	Means of Verification and Issues to Check	Scoring /level of importance	Result (Score)	Detailed Assessment Findings

	Money (from the 3rd AC&PA).	the money.	projects implemented with a satisfactory level of value for the money, calibrated in the value for the money assessment tool.	3rd AC&PA only. A sample of minimum 5 projects will be reviewed. The methodology will be developed at a later date, prior to the 3rd AC&PA. Note that a sample will be taken of all projects, not only the ones, which are funded by the CPG. The % of projects (weighted by the size of the projects) with a satisfactory level of value for the money will be reflected in the score i.e. 80 % satisfactory projects= XX points, 70 % = XX points.	points. To be developed during implementation based on the TOR for the VfM. Points: maximum 5, calibration between 0-5 points. E.g. more than 90 % of projects Satisfactory: 5 points, more than 85 % 4 points, etc.		released for projects implementation
					Total Maximum Score: 100 points.	31	

3.0 SUMMARY OF CAPACITY BUILDING REQUIREMENTS

3.1 Summary of Results

Table 6: Summary of Results for Minimum Access Conditions

Minimum Conditions for Capacity and Performance Grants (level 1)	Assessment Met/ Not Met
1. County signed participation agreement	Assessment Met
2. Capacity Building plan developed	Assessment Met
3. Compliance with investment menu of the grant	Not applicable
4. Implementation of CB plan	Not applicable

Table 7: Summary of Results Minimum Performance Conditions

MPCs for Capacity & Performance Grants (level 2)	Reason and Explanation	Assessment Met/ Not Met
Minimum Access Conditions Complied with Compliance with Minimum access conditions	To ensure minimum capacity and linkage between CB and Investments	Assessment Met
Financial Management Financial statements submitted	To reduce fiduciary risks	Assessment Met
Audit Opinion does not carry an adverse opinion or a disclaimer on any substantive issue	To reduce Fiduciary risks	Assessment Not Met

Planning Annual planning documents	To demonstrate a minimum level of capacity to plan and manage funds	Assessment Met
in place		
Adherence with the investment menu	To ensure compliance with environmental and social safeguards and ensure efficiency in spending	Not Applicable
Procurement Consolidated procurement plans in place	To ensure procurement planning is properly coordinated from the central procurement unit	Assessment Met
County Core staff in place	Core staff in place as per County Government Act	Assessment Met
Environmental and social safeguards	To ensure that there is a mechanism and capacity to screen environmental and social risks	Assessment Met
Citizens Complaint System in place	To ensure sufficient level of governance and reduce risks for mismanagement	Assessment Met

Table 8: Summary of Results for Performance Measures

Key Result Areas	Result/Score
KRA 1: Public Financial Management	13
KRA 2: Planning and monitoring and evaluation	6
KRA 3: Human Resources Management	2
KRA 4: Civic Education and Participation	10

KRA 5: Investment implementation & Social and environmental performance	0
TOTAL SCORE	31

The following is a summary of findings on capacity building requirements of the county based on the assessment (overall indicative areas) listed by Key Result Areas.

a) Public Finance management

- Capacity building required procurement department to enhance usage of IFMIS system in the procurement process (25 steps)
- Capacity building for the Internal Audit department for it to understand its roles and responsibilities and the reports required. Recruit audit committee members as per the regulations and train them on their roles and responsibilities
- Train and sensitize the County Assembly Public Finance and Investment Committee to enable them to scrutinize the external audit reports in a timely manner.
- Procurement department to urgently comply with PPRA regulations of submitting quarterly reports on time.
- There is need for finance department to fully use IPSAS format in their quarterly reporting by including budget execution report and schedule of imprest as annex. Comply with submission timelines of quarterly financial statements to National Treasury.

b) Human Resources

- Put in place staff plans with annual targets. The need to develop performance and staff appraisals for all staff. Capacity to be developed in service re-engineering.
- Urgent need to update all staff files to include job descriptions, academic certificates and curriculum vitae
- Training of staff on computer literacy and use of computers once the proposed ICT based Human Resource Information Systems (HRIS) is installed and digitization of HR records (e-records);
- Induction training for staff once proposed Performance Management Systems are developed and installed;
- Support performance improvement through training, short courses, workshops, conferences.

c) Environment and Social Safeguards

- Institutionalizes EIA/EMP and in projects
- Gazette and institutionalize a County Environmental Committee
- Conduct induction training for County Environmental Committee once appointed

- Get approval for the County Environmental Action Plan
- Gazette the Meru County Environment and Control Act to enable commencement.

d) Monitoring and Evaluation

- Provide funding for M and E activities
- institutionalize the County Monitoring & Evaluation Committee
- Develop County Annual Progress Reports
- Provide sufficient data to enable tracking and establishment of linkages of projects across the CIDP, ADP and the Budget.
- Build capacity to help Institutionalize monitoring and evaluation systems that assist in developing monitoring plans and generates progress reports and give feedback on the status of the implementation of the CIDP.
- Conduct evaluation of completed projects
- Provide adequate funding for M and E

e) Civic Education and Public Participation

- Develop reports for public participation forums
- Institutionalize public feedback forums
- Appoint an officer to deal with citizens complaint management
- Institutionalize a citizens complaint management system
- Institutionalize publication of relevant County documents for public consumption on the website as well as any other appropriate media.
- Review and develop public participation and information dissemination methodologies that respond to the specific circumstances and socio-cultural context of Meru. Fully implement the Meru County Public Participation Act 2014

4.0 CHALLENGES IN THE ASSESSMENT

The following were some of the key challenges encountered during the process of undertaking the assignment.

- Inadequate information on the implementation status of activities due to unavailability of certain officials for instance, the Director for procurement was on leave and the officer we met could not ascertain whether an annual assessment had been done.
- Weak documentation and record keeping meant that certain information could not be traced for instance the assessors could not verify the appointment of an M&E Officer and a County Secretary as their files were missing from the registry. In some instances, we were informed that officers responsible were not available to provide key documents while in others, it was not clear who was responsible for maintaining certain information
- Some departments/sections for instance, Internal Audit, were unable to provide most of the documents the assessors asked for.
- The assessment exercise appeared to have been adversely affected by the political campaigns which are ongoing since some senior officers who had vital information where apparently involved in the same and consequently out of their offices.

5.0 SPECIFIC AND GENERAL COMMENTS TO INDIVIDUAL ASPECTS OF THE ASSESSMENT PROCESS

Issues raised and respective recommendations made by individual aspect of assessment, i.e. MACs, MPCs and PMs are provided in the following sections 5.1 to 5.3.

5.1 MAC s

The documents were availed

5.2 MPC s Issues

- Audited accounts were not available for the financial year 2015/16 as the office of the Auditor General was still to release the same.
- Planning requirements are met with minimal gaps identified in the assessment
- Procurement indicators are met with Consolidated Procurement Plan for the current Financial Year in place.
- Only one of the sampled projects had been subjected to an EIAs

- The County Environmental Action Plan had not been approved
- The County Environmental Regulation and Control Act had not been gazetted for commencement
- The County Environmental Committee had not been gazetted
- The Complaints Handling System was not operational since there was no staff in place to deal with complaints,
- The complaints system while having components such as mechanisms for lodging complaints (telephone, website) was not complete since there was no structured recording, analysis, and feedback.
- There was no evidence of a complains/grievance forum

5.3 PMs

KRA 1: Public Finance Management

The following observations were made:

- IFMIS was not fully adopted and there is a need to automate the system end to end
- The County had 96% automated revenue collection. They are in progress to have all sectors of revenue collection fully automated
- The County was not preparing monthly reports, but they wad generating quarterly reports though not complying with submission timelines.
- An Assets Register was in place, though last updated on 26th June 2016. The register still lacked basic information like date of purchase, supplier name, and engine and chassis number.
- Internal Audit plans and reports were not availed despite having internal auditor in place. Also audit committee is yet to be established
- Procurement: County had not yet fully operationalised the IFMIS system as currently they are undertaking only 11 steps. There is still need for capacity building on fully implementation of the system.

KRA 2: Planning and Monitoring & Evaluation

- The monitoring function was not adequately funded to discharge its mandate
- The County M and E Committee was not functional
- It was not possible to establish linkages between the CIDP, ADP and Budget due to inadequate information and further because many projects implemented were not in the CIDP
- Completed projects were not evaluated supposedly due to lack of funds
- There was no evidence of the C-ARP informing the ADP since the C-ARP was not developed.

KRA 3: Human Resource

- Organizational structures and staffing plans and systems were not in place
- There was no consolidated staff plan with targets. There was need for capacity building for the HR staff to understand the process and essence of staff plans with targets.
- Some files were missing in registry i.e. for the County Secretary and M&E officer. Largely the staff files were not updated with academic certificates, CV and Job description on offer letter.
- Performance contracts for level 1&2 were lastly signed in FY2014/15. For the year 2015/16 and 2016/17 have been developed but not operationalised
- Performance appraisals for senior staff as well as staff appraisals were not done yearly as required.
- Staff rationalization for all these categories in accordance with the new scheme of service developed by SRC for the counties has been done

KRA 4: Civic Educations and Participation

- The County did not produce reports on mandatory citizen participation forums
- Sufficient information was not published to facilitate citizen's participation in county governance since not all key documents were on either the county executive or County Assembly website.
- There were no feedback mechanisms for citizens on their input to key county documents

KRA 5 Investments and Social Environment Performance

- The legislative framework for environment regulation in the County had not been gazetted although it had been passed by the County Assembly.
- There was no evidence provided on whether EIAs, ESMPs etc. were consulted before commencement of civil works.
- It was difficult to track performance of county investments either due to the inadequate format in which information was presented or lack of information altogether.

6.0 NOTIFICATION OF DISAGREEMENT WITH THE OUTCOME OF THE ASSESSMENT ALREADY NOTED DURING THE FIELD-TRIP

- No notice of disagreement was noted as the assessors gave an overview of their experience during the exercise and a highlighted the weak areas that needed improvement. Indeed, the County staff acknowledged the accuracy of the findings.

- No Quality assurance variation issues have arisen so far.

7.0 OVERVIEW OF THE 5 WEAKEST PERFORMANCES

Table 9: Areas of the county of weakest performance during the field visit.

KRA	Performance Measure	Issues
KRA 1	Public Finance Management	• Lacks Capacity in IFMIS procurement process • Audit Committee to be constituted urgently • Compliance issues on quarterly financial reports to National Treasury
KRA 2	Planning &M&E	• Linkages between the CIDP, ADP and Budget could not be established • Evaluation of completed projects not done • County Annual Progress report not produced
KRA 3	Human Resource Management	• No staffing plans and annual targets • Personal files not updated with required information • Training of staff is not regular • Lack of annual performance and staff appraisals • No approved organogram
KRA 4	Civic Education and Participation	• Reports not produced for mandatory civic participation forums • System not in place for complaints management • Insufficient information made available for citizens to participate in County Governance
KRA 5	Investment implementation & social and environmental performance	▪ EIAs/EMPs were not conducted for sampled projects ▪ Insufficient information to track investment performance

ANNEX 1: MINUTES OF THE ENTRANCE MEETING HELD AT THE OFFICE OF THE DIRECTOR OF EFFICIENCY MONITORING AND EVALUATION, MERU COUNTY

Date: 10th July 2017

Time: 11.00 AM to 12.10 PM

Venue: Director of M&E Office

In attendance

1) Gitonga Angelo – Chief of Staff
2) Dr. Paul Mugambi – Director M&E
3) Kenneth Ruteere – Director Economic planning
4) Francis Mungai – Director Revenue
5) Crispus Mutoni – Internal Auditor
6) Mary Kimaita – Director Human resource
7) Pius Ng□ang□a – Consultant 8) Henry Ochido – Consultant

Agenda:

1) Introductions
2) Brief on impact of the ACPA
3) Documents required for assessment
4) AOB

Preliminary

The meeting was called to order at 11.00Am by Dr. Paul Mugambi (KDSP focal person), who invited the Chief of Staff Mr. Gitonga Angelo to preside over the meeting.

Min 1 /10/07/17: Introductions

The Chair gave an opportunity for every member to introduce him/herself and state which department they work for.

Min 2/10/07/17: Brief of Impact of ACPA

The Chair briefed the members present on the essence of the annual capacity and performance assessment, and why the members needed to take the exercise seriously. He noted that the County was committed to the ACPA right from the Governor who would have loved to participate if it were not for the ongoing campaigns. He assured the assessors of the County□s cooperation in the process.

Min 3/10/07/17: Documents / Information required

The assessors called on those present to cooperate in delivering the information required noting that the process was objective and evidence based. They also assured County staff present that the assessment was not a fault-finding mission but rather an appreciative inquiry, thus urging them to give as much relevant information as possible. They noted that the aim of the assessment was to help build capacity and enhance the performance of the County Government.

Min 4/10/07/17: AOB

1. The chair asked that all representatives in different key result areas should ensure all documents requested are availed, since the assessment was important for the County.
2. It was also agreed on exit meeting be scheduled to take place at the same venue on 12th July 2017.

There being no other business the chair adjourned the meeting at 12.45pm.

ANNEX 2: MINUTES OF THE EXIT MEETING HELD AT MERU COUNTY

Date: 12th July 2017

Time: 4.00 PM to 5.30 PM

Venue: Director of M&E office

In attendance

1. Kinoti Ken – Director Business Development
2. Elias Marete – Principal HR County Assembly
3. Gitonga K Angelo – Chief of Staff
4. Dr. Paul Mugambi – Director M&E (KDSP focal person)
5. Kanana Kaitiri – Snr.Admin M&E
6. Kenneth Ruteere – Director Economic planning
7. Crispus Mutoni – Internal Auditor
8. Francis Mungai – Director Revenue
9. Ketty Gakii – IFMIS officer
10. Kencos Mutuma – Researcher
11. Fredrick Mutembei – Fiscal Analyst
12. Henry Ochido- Consultant
13. Pius Ng□ang□a -Consultant

Agenda

1. Presentation of Preliminary Findings
2. Comments from the County
3. AOB

Opening Remarks

The meeting started with a word of prayer from Ms. Kanana.

Dr. Mugambi called meeting to order and welcomed the Chief of staff to officially open the meeting. Mr. Gitonga (COS) welcomed everyone to the meeting, and thanked them for the support they had given to the assessors in ensuring the successful completion of the assessment. He then welcomed the assessors to give their preliminary findings.

Preliminary Findings

The assessors presented their findings as follows:

Generally, it was noted that County officials both executive and assembly were relatively well prepared for the exercise and were largely cooperative though there had been had few challenges mostly in establishing the location of some key document. It was noted that not all documents that had been requested were provided.

1. Public Finance Management

1.1 Finance

- There had been a reduction in the collection of revenue in 2015/2016 compared to the previous financial year 2014/15
- The asset register was provided but lacked some basic information like date of purchase, supplier name, chassis and engine number
- County was not compliance with timelines for submitting quarterly financial statements to National Treasury. Report for 1st Quarter 2016/17 was submitted on 29th May 2017. There was also omission of budget execution report on the financial statements which is against IPSAS format

1.2 Procurement

- The County had not been submitting quarterly reports to the PPOA as required by law despite this issue having been noted during a visit by the PPOA to the County.
- Procurement plan not provided

1.3 Internal Audit

- There were no quarterly reviews reports submitted for verification
- Audit plan for the department was not availed
- The department lacks independence since it is under finance and treasury one of the department subjected to audit reviews
- There is lack of audit committee

1.4 Human Resources

- No staff plans and appraisals in place
- Organogram not approved
- Some personal files which had been requested were missing (County Secretary, Director of Monitoring & Evaluation)

- Staff files require urgent update as they were missing CV, Academic certificates, Jobs description, thus difficult to ascertain qualification for different positions held.
- Performance contracts for the year 2015/16 & 2016/17 are developed but not operationalised

2.0 Planning, Monitoring and Evaluation

- Approved CIDP not provided
- C-APR not provided
- Evaluation reports not provided
- The County M & E Committee had not been institutionalized.
- The linkages between the CIDP, ADP and the budget was difficult to establish due to the manner of presentation of the budget which did not have information on specific projects and further, because some projects which had been implemented were not in the CIDP.
- The ADP for 2016/17 did not have approval documents
- Need to clearly delineate the budget for planning and M and E in the budget.

3.0 Civic Education and Public Participation

- The County did not produce reports on mandatory public participation forums
- Not all laws which had been passed as well as some key documents were published online thus denying the public the opportunity to effectively participate in County governance.
- A complaints management system had not been fully implemented

4.0 Investments and Social Environment Performance

- The County Environmental Committee had not been gazetted and neither had the legal framework for environmental regulation
- The County had not institutionalized EIAs and an environmental safeguards mechanism. Of 10 projects sampled only one had been subjected to EIAs
- The County Environmental Action Plan had not been approved
- It was difficult to track investment performance due to inadequate information and weak documentation. For instance, a project completion register was not availed.

5.0 Comments from the County Officials The County officials responded as follows:

- The findings were accurate

- Several the weaknesses identified by the assessors had already been identified by the County and had been provided for in the Capacity Building Plan for instance the inability to produce a C-APR.
- Meru County was among the first Counties to develop a CIDP and at the time they were not sure of the procedures for approval, which could have led to the document not being presented to the County Assembly for approval. they now have capacity to develop implementable CIDP
- There were limitations with IFMIS system since the chart of accounts in place did not favour the capturing of specific projects in the various budget lines, hence the reason of consolidated/block amounts in the budget.

AOB

The Chief of staff appreciated the way the entire process had been conducted and acknowledged the usefulness of the preliminary findings. He and assured the assessors that the County took the feedback positively and would endeavouor to address the identified shortcomings.

There being no other business the meeting ended 5.30 PM with a word of pray from Mr. Francis Mungai