

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF


THE AUDITOR-GENERAL

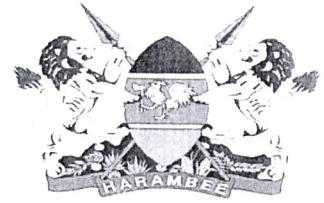
ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MALAVA CONSTITUENCY



FOR THE YEAR ENDED
30 JUNE 2017

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	04 DEC 2018
DAY:	Tuesday
TABLED BY:	Hon. Aden Duale, M.P. Leader of Majority Party
CLERK-AT-THE-TABLE:	Kather Karo - Principal Clerk Assistant 1



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

MALAVA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2017

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 and repealed by the CDF Act, 2013. In the spirit of being aligned with the new constitution of Kenya 2010, the NG-CDF Act 2015 was enacted and came into force on 19th February, 2016. The National Government Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National Government Constituencies Development Fund.

(b) Key Management

The *Malava National Government Constituency's* day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1	Chief Executive Officer	Yusuf Mbuno
2	Fund Account Manager	Mary Gorretti Machuma Wanjala
3	District Accountant	Lencer Akoth Odira

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Malava Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the National Government Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

List the NG-CDFC as gazetted/Co-opted

No.	NAME	MEMBERSHIP CATEGORY	POSITION
1	Sylvan Kaitori Lambala	Man (Youth)	Secretary
2	Festus Newton Mmasi	Man (Adult)	Chairman
3	Roseline Lumbasi	Female (Youth)	Member
4	Ruth Merabu Muchuma	Female (Adult)	Member
5	Moses Kenyatta Wasike	Representative of persons living with disability	Member
6	Henry Barasa Anaswa	Nominee of the Constituency office (Male)	Member
7	Hellen Khasoa Mambuya	Nominee of the Constituency office (Female)	Member
8	Philip Anaswa	NG-CDF Board Coopted Member	Member
9	Deputy County Commissioner	Officer of the National Government	Member

(e) MALAVA NG-CDF Headquarters

P.O. Box 281-50103

Constituency Office Building

Before Malava Market from Kakamega Opp. Sinjila Baleche

Off Kakamega Webuye Road

Malava, KENYA

(f) MALAVA NG-CDF Contacts

Telephone: (254) 0724286473

E-mail: cdmalava@ngcdf.go.ke

Website: www.malavangcdf.go.ke

(g) MALAVA NG-CDF Bankers

Co operative Bank of Kenya

Kakamega Branch

A/C No. 01141165163100

(h) Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

According to the 2009 population census report, the total population of people in Malava Constituency was 205,166 out of which 98,453 (48%) live below the poverty line (KNBS, GOK 2009). The constituency currently has 147 Primary and 54 Secondary schools in the public sector. It is one of the third highly populated constituencies and above all, a purely rural constituency. Owing to this, there is heavy pressure on the available funds in terms of infrastructure development as well as education bursary needs.

Financial report

The constituency received all the financial year's allocation of Kshs. 81,896,551.70 and was able to sale tenders for Kshs. 261,000 which added to the brought forward balance amounted to Kshs. 155,540,576.70 of available funds. The total expenditure in the year was Kshs. 143,477,701 which is 92.24% absorption rate. Grants to Education facilities 75,051,989 and Bursary 42,864,800 being 51% and 29.88% respectively were the highest.

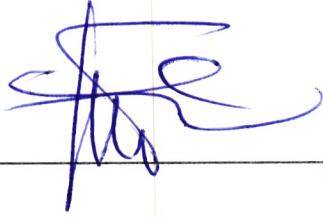
To ensure reduced risks of funds misappropriation by the project implementers, we have strictly adhered to the use of the Inspection and Acceptance certificate which is duly signed by the institution's management and CDF representative/ clerk of works. The cheques are only cleared after presentation of the bank schedule duly signed by the Fund Account Manager. Owing to some cases of non-adherence by PMCs to the set down guidelines, the NGCDF Committee approved for the Fund Account Manager to be a mandatory Signatory on all PMC accounts which has greatly bone positive results.

The committee was able to train the PMCs and contractors once more so as to ensure proper project implementation and accountability. The NGCDF committee members had a capacity building tour to Kisumu in the year where they learnt a lot and were able to adopt some of the strategies especially the use of quarry dust during flooring so as to avoid and limit cracking floors. All projects were implemented under full contract by use of already prequalified contractors by the Malava NG-CDFC or the National Government Sub County Procurement Units. The allocation of funds towards construction of classrooms included furnishing and electrical wiring so as to improve on the quality of the finished product.

Due to the funds constraint in the year, the classrooms were to be roofed and plastered internally and then to completed in the subsequent financial year budget.

The NGCDF Board released all funds for the year to the constituency making it possible to achieve a high percentage of funds absorption. However, challenges were experienced on the projects earmarked for land purchase due to cases of succession and land valuation exercise. The process of using a government property valuer proved a big challenge as the report was not availed after three months have elapsed sighting delay from the headquarters. This made it impossible to pay the lands with some land owners withdrawing their offers to sale.

Sign

A handwritten signature in blue ink, consisting of several loops and a vertical stroke, positioned above a horizontal line.

CHAIRMAN NG-CDFC

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the **Malava Constituency Development Fund** is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

The *constituency's* financial statements were approved and signed on 27th July, 2017.


Chairman, NG - CDFC


Fund Account Manager

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MALAVA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENT

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Malava Constituency set out on pages 9 to 26, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Malava Constituency as at 30 June 2017, and of its performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standard (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, except for the matters raised in the Other Matter section of my report, based on the procedures performed, I confirm that nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1.0 Unconfirmed Committee Expenses

The statement of receipts and payments reflects full committee and sub-committee expenses incurred during the year under review amounting to Kshs.5,122,879.

However, the following anomalies were noted in relation to the expenses:

- (i) The CDFC established sub-committees were three (3) in number instead of the two allowed in regulations.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
- Malava Constituency for the year ended 30 June 2017*

- (ii) The schedule of meetings for the year under review was not availed for audit review.
- (iii) Minutes of sub-committee meetings were not availed for audit review.
- (iv) Imprests were issued for traveling and subsistence but were not recorded in the imprest register, hence it was not possible to confirm that all imprests issued were surrendered.

Arising from the aforementioned shortcomings, the occurrence and propriety of expenditure amounting to Kshs.5,122,879 cannot be confirmed.

2.0 Use of Goods and Services

2.1 Unaccounted for General Supplies and Services

Included in the use of goods and services balance of Kshs.9,946,997 reflected in the statement of receipts and payments for the year under review is the sum of Kshs.3,392,918 incurred on procurement of goods and services during the year under review. However, examination of records presented for audit revealed the following anomalies:

- (i) Stores ledger cards did not reflect receipt of the goods purchased.
- (ii) Stores record cards (S11) were not used to account for stores inventories.
- (iii) Similarly, serviced or repaired items were not certified by the users.

In view of these anomalies, it is not possible to confirm the occurrence and validity of expenditure totalling to Kshs.3,392,918 reported to have been incurred on procurement of goods and services during the year under review.

2.2 Unaccounted for Domestic Travel and Subsistence Expenditures

Included in the expenditure of Kshs.9,646,997 incurred on use of goods and services reflected in the statement of receipts and expenditure for the year under review is the sum of Kshs.1,431,200 spent on domestic travel and subsistence allowances. However, imprests issued for traveling and subsistence were not recorded in the imprest register. As a result, it was not possible to confirm that the imprests were spent on the intended purposes and were thereafter surrendered as provided for in public financial regulations.

In the absence of vital documents and records, occurrence and validity of expenditures totalling Kshs.1,431,200 out of the aggregate sum of Kshs.9,946,997 incurred on the use of goods and services during the year under review cannot be confirmed.

3.0 Unconfirmed Bursaries to Needy Students

Included in other grants and transfers balance of Kshs.55,498,879 reflected in the statement of receipts and payments is a sum of Kshs.39,864,800 issued for bursaries to needy students during the year under review. However, bursary application forms were not completed by the bursary sub-committees as required. Further, the amount awarded to each applicant was not indicated on the respective application form.

In the circumstance, it is not possible to confirm the accuracy and propriety of the expenditure of Kshs.39,864,800 out of the sum of Kshs.55,498,879 reported to have been incurred on other grants and transfers during the year under review.

4.0 Unsupported Payable Balance

The statement of assets as at 30 June 2017 reflects a net liabilities balance of Kshs.12,062,875 which is explained under Note 15.3 to the financial statements as other pending payables on the said date.

However, details on the payables including names of suppliers of the goods and services, work done and certified, invoices and demand notes issued, goods receipts and delivery notes to support the balances have not been disclosed. In the absence of the said documents and information, the accuracy, occurrence and existence of NGCDF - Malava payables balance of Kshs.12,062,875 as at 30 June 2017 cannot be confirmed

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

Key Audit Matter

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budget Performance-Low Absorption of Expenditure

The budget analysis of the entity revealed the variances as tabulated below:

Audit Components	Current year Final Budget Figures	Actual Expenditure/ Receipts	Variance	Difference %
	Kshs.	Kshs.	Kshs.	%
Transfers from CDF Board	155,270,577	82,396,552	72,874,025	47%
Proceeds from Sale of Assets	-	-		
Other Receipts	270,000	261,000	9,000	
Totals	155,540,577	82,657,552	72,883,025	47%
Payments				
Compensation of Employees	2,808,070	2,244,534	563,536	20%
Use of goods and services	11,003,222	9,946,997	1,056,225	9.6%
Transfers to Other Government Units	79,930,824	75,542,631	4,388,193	5.5%
Other grants and transfers	57,305,930	55,498,879	1,807,051	3.2%
Acquisition of Assets	4,222,531	244,660	3,977,871	94%
Other Payments – AIA	270,000	0	270,000	100%
Total	155,270,577	143,477,701	11,792,876	7.6%

The statement of appropriation reflects a budget of Kshs.4,222,531 for acquisition of assets during the year under review. However, only Kshs.244,660 was spent on acquisition of assets, resulting in a very low budget absorption rate of 6%.

Other items whose expenditures fell below the budget were: compensation of employees Kshs.2,808,070 and actual expenditure of Kshs.2,244,534 (80%), use of goods and services Kshs.9,296,341 and actual expenditure of Kshs.9,946,997 (90%).

No plausible explanation has been provided by management for the under-expenditures.

2.0 Status of Projects Under Implementation

The status of projects under implementation by NGCDF - Malava as at the time of audit was as follows:

Sector	Not Started		Ongoing		Complete	
	No.	Value Kshs.	No.	Value Kshs.	No.	Value Kshs
Administration	2	3,169,257	4	14,183,619	5	20,732,564
Education			85	133,667,985	215	303,473,297
Sports				0	3	3,762,818
Security			4	1,510,000	19	11,540,450
Roads				0	1	4,736,858
Health				0	9	10,877,002
Environment				0	3	2,350,261
Emergency			2	4,649,056		0
Total	2	3,169,257	95	154,010,660	255	357,473,250

Between 2013/14 and the , end of the year under review on 30 June 2017, and 255 projects worth Kshs.357,473,250 had been completed, 95 projects worth Kshs.154,010,660 were on-going while implementation of two planned projects worth Kshs.3,169,257 had started.

3.0 Lack of Public Participation in Decision-making

Contrary to the regulations on management of the Fund, there was no evidence of public participation in conceptualization of projects implemented during the financial year.

In the absence of public participation, it is not possible to confirm that the projects implemented resonated with public needs and thus attained optimal value for the funds invested.

4.0 Compensation of Employees

4.1 Irregular Remuneration of Staff

Examination of the NGCDF - Malava Constituency payroll records revealed that members of staff were only paid basic salary without allowances such as; house, commuter and leave allowances as envisaged by Sections C.8(1), C.9(1) and C.11(1) of the Public Service Commission Human Resource Policies and Procedures Manual for the Public Service, 2016.

The practice may amount to violation of basic constitutional rights of the workers under article 41(2)(a) of the Constitution of Kenya, 2010 which states that every worker has the right to fair remuneration.

4.2 Irregular Payment of Gratuity

During the year under review, Kshs.534,378 was paid as gratuity to various employees.

The payments were made as shown in the table below:

Name of Officer	Duration of Service	PV No./Cheque No.	Designation	Date of First Appointment	Amount Kshs.	Due Date
Felistus I. Mukoyi	May, 2016-May, 2017	401760/6633	Accounts Assistant/JG `J`	1st May, 2013	124,124	30th April, 2019
Jane Chisika Mutili	``	401760/6634	Office Secretary/JG `G`	2nd May, 2013	90,272	30th April, 2019
Michael Mulupi Sayia	``	401760/6635	Driver/JG `G`	1st May, 2013	84,630	30th April, 2019
Ian Lavusa Madaga	``	401760/6636	Clerk of Works/JG `G`	1st September, 2013	84,630	31st August, 2019
Miriam Nechesa Shinachi	``	401760/6637	Office Messenger/JG `D`	1st May, 2013	45,136	30th April, 2019
Nathan Lumbasi Lumuli	``	401760/6638	Compound Cleaner/JG `D`	2nd May, 2013	45,136	30th April, 2019
Shadrack Lusala Mukwe	``	401760/6639	Receptionist/JG `H`	1st November, 2015	60,450	31st October, 2018
				Total	534,378	

However, the respective three-year contract periods had not lapsed by the time the payments were made. Therefore, the payments were irregular.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management intends to liquidate the Fund or cease its operations or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor-General's Responsibility for the Audit of the Financial Statements

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

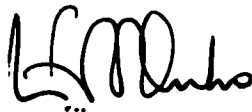
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

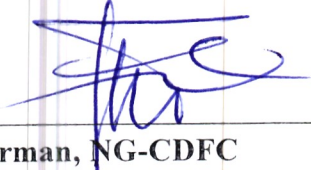
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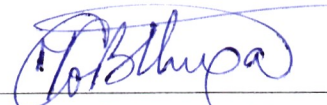
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	82,396,551.70	198,862,768.40
Other Receipts	2	261,000.00	-
TOTAL RECEIPTS		82,657,551.70	198,862,768.40
PAYMENTS			
Compensation of employees	3	2,244,534.00	2,201,650.00
Use of goods and services	4	9,946,997.00	9,296,341.07
Transfers to Other Government Units	5	75,542,631.00	84,661,300.00
Other grants and transfers	6	55,498,879.00	38,293,717.00
Acquisition of Assets	7	244,660.00	1,085,345.00
TOTAL PAYMENTS		143,477,701.00	135,538,353.07
SURPLUS/DEFICIT		(60,820,149.30)	63,324,415.33

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MALAVA NG-CDF financial statements were approved on 27th July, 2017 and signed by:



Chairman, NG-CDFC

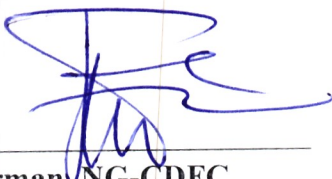


Fund Account Manager

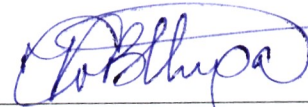
V. STATEMENT OF ASSETS

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	12,062,875.70	72,883,025.00
TOTAL FINANCIAL ASSETS		12,062,875.70	72,883,025.00
REPRESENTED BY			
Fund balance b/fwd 1st July, 2016	9	72,883,025.00	9,558,609.67
Surplus/Deficit for the year		(60,820,149.30)	63,324,415.33
NET LIABILITIES		12,062,875.70	72,883,025.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MALAVA NG-CDF financial statements were approved on 27th July, 2017 and signed by:



Chairman, NG-CDFC



Fund Account Manager

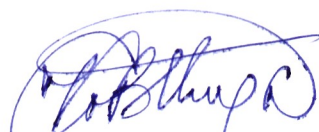
VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 – 2017	2015 - 2016
Transfers from CDF Board	1	82,396,552.00	198,862,768.40
Other Receipts	2	261,000.00	-
Total Receipts		82,657,552.00	198,862,768.40
Payments for operating expenses			
Compensation of Employees	3	2,244,534.00	2,201,650.00
Use of goods and services	4	9,946,997.00	9,296,341.07
Transfers to Other Government Units	5	75,542,631.00	84,661,300.00
Other grants and transfers	6	55,498,879.00	38,293,717.00
Total operating expenses		143,233,041.00	134,453,008.07
Net cash flow from operating expenses		(60,575,489.00)	64,409,759.33
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(244,660.00)	1,085,345.00
Net cash flows from Investing Activities		(244,660.00)	1,085,345.00
NET INCREASE IN CASH AND CASH EQUIVALENT		(60,820,149.00)	63,324,415.33
Cash and cash equivalent at BEGINNING of the year	9	72,883,025.00	9,558,609.67
Cash and cash equivalent at END of the year	8	12,062,875.00	72,883,025.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MALAVA NG-CDF financial statements were approved on **27th July, 2017** and signed by:



Chairman, NG-CDFC



Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.70	73,374,025.00	155,270,576.70	155,270,576.70	-	100.00
Other Receipts	-	270,000.00	270,000.00	270,000.00	-	100.00
TOTALS	81,896,551.70	73,644,025.00	155,540,576.70	155,540,576.70	-	100.00
PAYMENTS						
Compensation of Employees	2,090,000.00	718,070.00	2,808,070.00	2,244,534.00	563,536.00	79.93
Use of goods and services	5,280,689.00	5,722,533.00	11,003,222.00	9,946,997.00	1,056,225.00	90.40
Transfers to Other Government Units	35,695,000.00	44,235,824.00	79,930,824.00	75,542,631.00	4,388,193.00	94.51
Other grants and transfers	38,830,862.70	18,475,067.00	57,305,929.70	55,498,879.00	1,807,050.70	96.85

Acquisition of Assets	-	4,222,531.00	4,222,531.00	244,660.00	3,977,871.00	5.79
Other Payments – AIA	-	270,000.00	270,000.00	-	270,000.00	-
TOTALS	81,896,551.70	73,644,025.00	155,540,576.70	143,477,701.00	12,062,875.70	92.24


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

- i. *Acquisition of Assets was underutilized to 5.79% as the refurbishment of the NG- CDF office was not done in the year.*

The MALAVA NG-CDF financial statements were approved on **27th July, 2017** and signed by:



 Chairman, NG-CDFC



 Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognizes transactions and events only when cash is received or paid by the *NG-CDF*.

2. Recognition of revenue and expenses

The *NG-CDF* recognizes all revenues from the various sources when the event occurs and the related cash has actually been received by the *NG-CDF*. In addition, the *NG-CDF* recognizes all expenses when the event occurs and the related cash has actually been paid out by the *NG-CDF*.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *NG-CDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *NG-CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
NGCDF BOARD			
AIE NO	2015/2016/1017	500,000.00	31,928,201.00
AIE NO	2016/2017/161	4,094,827.60	31,928,201.40
AIE NO	2016/2017/401	36,853,449.00	10,000,000.00
AIE NO	2016/2017/491	40,948,275.10	10,000,000.00
		-	10,000,000.00
		-	20,000,000.00
		-	17,000,000.00
		-	68,006,366.00
TOTAL		82,396,551.70	198,862,768.40

2. OTHER RECEIPTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Receipts from Sale of tender documents	261,000.00	9,000.00
Total	261,000.00	9,000.00

3.COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,553,800.00	1,456,320.00
Basic wages of casual labour	78,500.00	41,300.00
Leave allowance	1,500.00	2,300.00
Gratuity	543,378.00	545,400.00
Other personnel payments		
Employer contribution to NSSF	76,356.00	156,330.00
Total	2,244,534.00	2,201,650.00

4. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	75,025.00	15,636.00
Office rent		
Communication, supplies and services	360,238.00	443,559.00
Domestic travel and subsistence	1,431,200.00	1,182,200.00
Printing, advertising and information supplies & services	54,677.00	109,242.00
Training expenses	843,300.00	733,500.00
Hospitality supplies and services	931,357.00	790,841.00
Specialized materials and services		500,000.00
Office and general supplies and services	518,958.00	869,862.00
Fuel ,oil & lubricants	261,405.00	204,000.00
Other operating expenses	150,805.00	30,485.07
Routine maintenance – vehicles and other transport equipment	76,273.00	176,836.00
Routine maintenance – other assets	120,880.00	103,040.00
Other committee expenses	4,132,679.00	3,218,140.00
Committee allowance	990,200.00	919,000.00
Total	9,946,997.00	9,296,341.07

5. Transfers to Other Government Entities

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	62,995,361	40,036,989
Transfers to secondary schools	11,998,128	41,464,953
Transfers to tertiary institutions	58,500	-
Transfers to health institutions	490,642	3,159,358
TOTAL	75,542,631.00	84,661,300.00

6. OTHER GRANTS AND OTHER PAYMENT

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary Schools	23,848,000	12,432,000
Bursary -Tertiary Institutions	15,215,800	17,534,830
Bursary-Special schools	801,000	637,000
Mocks & CAT	3,000,000	-
Security projects	5,548,650	5,600,000
Sports projects	1,637,931	2,089,887
Environment projects	1,432,761	-
Emergency Projects	4,014,737.00	-
Total	55,498,879.00	38,293,717.00

7. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2016-2017	2015-2016
	Kshs	Kshs
Refurbishment of Buildings	244,660.00	-
Purchase of computers ,printers and other IT equipment	-	1,049,000
Purchase of other office equipment	-	36,345
Total	244,660.00	1,085,345.00

8: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs (30/6/2017)	Kshs (30/6/2016)
<i>Cooperative Bank, Kakamega Branch</i>	12,062,875.70	72,883,025.00
Total	12,062,875.70	72,883,025.00

9. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts	72,883,025.00	9,558,609.67
Total	72,883,025.00	9,558,609.67

11. OTHER IMPORTANT DISCLOSURES

11.1: PENDING STAFF PAYABLES (See Annex 1)

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Others - gratuity for contractual employees	-	82,212.00
	-	82,212.00

11.2: UNFUNDED PROJECTS (See Annex 2)

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	3,388,193.00	45,617,733.00
Amounts due to other grants and other transfers (see attached list)	1,726,960.10	21,324,689.00
Others (see attached list)	6,947,722.60	6,440,603.00
TOTAL	12,062,875.70	73,383,025.00

11.3: PMC account balances (See Annex 3)

	2016 - 2017	2015 - 2016
	Kshs	Kshs
PMC account Balances (see attached list)	23,978,703.24	12,588,073.00
TOTAL	23,978,703.24	12,588,073.00

ANNEX 1 - ANALYSIS OF PENDING STAFF PAYABLES

	Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
			A	B	C	d=a-c		
	Others – gratuity for contractual employees							
1	Felistus Inyanji Mukonyi	J	124,124	May 2016	124,124	0	19,096	
2	Jane Mutili	H	90,272	May 2016	90,272	0	13,888	
3	Ian Lavusa Madaga	H	84,630	May 2016	84,630	0	13,020	
4	Micheal Sayia Mulupi	G	84,630	May 2016	84,630	0	13,020	
5	Shadrack L. Mukwe	F	60,450	May 2016	60,450	0	9,300	
6	Nathan Lumuli Lumbasi	E	45,136	May 2016	45,136	0	6,944	
7	Miriam N. Shinachi	E	45,136	May 2016	45,136	0	6,944	

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		534,378		534,378	0	82,212	
		534,378		534,378	0	82,212	

ANNEX 2 - ANALYSIS OF UNFUNDED PROJECTS AS AT 30 JUNE 2017

	Name	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
				2017	2016	
		B	c	d	a	
	Amounts due to other Government entities					
1	Primary Schools		62,995,361	4,216,152	32,516,513	
2	Secondary Schools		11,998,128	172,041	12,170,169	
3	Tertiary Institutions		58,500	0	58,500	
4	Health Institutions		490,642	0	490,642	
	Sub-Total		75,542,631	4,388,193	45,235,824	
	Amounts due to other grants and other transfers					
5	Bursary – Secondary		23,848,000	227,078	11,111,285	
6	Bursary – Tertiary		15,215,800	712,982	3,128,782	
7	Bursary - Special institutions		801,000	334,000	435,000	
8	Bursary - Mocks & Cats		3,000,000	0	3,000,000	

9	Security Projects			5,548,650	452,900	0
10	Environment Activities		1,432,761	0	800,000	
	Sub-Total		49,846,211	1,726,960	18,475,067	
	Others (specify)					
11	Administration/Recurrent		8,321,531	1,354,882	4,762,620	
12	Monitoring & Evaluation		3,870,000	264,879	1,677,983	
13	Sports Activities		1,637,931	0	0	
14	Emergency Projects		4,014,737	80,091	0	
15	CDF Motor Vehicle		0	541,247	541,247	
16	Constituency Office		244,660	3,436,624	2,681,284	
17	AIA - Sell of Tender Documents		0	270,000	9,000	
	Sub-Total		18,088,859	5,947,723	9,672,134	
	Grand Total		143,477,701	12,062,876	73,383,025	

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	
	(Kshs)	(Kshs)
	2016-2017	2015-2016
Land	400,000	400,000
Buildings and structures	19,244,660	19,000,000
Transport equipment	10,627,703	10,627,703
Office equipment, furniture and fittings	407,840	407,840
ICT Equipment, Software and Other ICT Assets	1,672,048	1,672,048
Other Machinery and Equipment	518,838	518,338
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	32,871,089	32,625,929

NO.	PMC	Bank	Account number	Bank Balance	
				2016 - 2017	2015 - 2016
1	Lukume Secondary School	Cooperative - Kakamega	01139098227602	31,373.25	2,408,597.25
2	Makale Primary School	Cooperative - Kakamega	01109098495701	636,285.50	-
3	Namushiya Secondary School	Cooperative - Kakamega	01129098232400	32,000.00	-
4	Shilongo Primary School	Cooperative - Kakamega	01139033778901	1,381.75	-
5	Malava Girls Secondary School	Cooperative - Kakamega	01139098138302	2,670.00	194,110.00
6	Lugusi Secondary School	Cooperative - Kakamega	01139098141302	2,673.95	1,486,281.45
7	Kuvasali Secondary School	Cooperative - Kakamega	01139098227002	91,242.00	1,457.00
8	Samitsi Boys Secondary School	Cooperative - Kakamega	01139098254003	1,558,572.50	-
9	Mavusi Secondary School	Cooperative - Kakamega	01139098255101	201,648.50	1,648.50
10	Sharambatsa Primary School	Cooperative - Kakamega	01139098487701	43,851.50	404,551.50
11	Luyeshe Primary School	Cooperative - Kakamega	01139098486801	413,572.50	1,550.00
12	Namanja Primary School	Cooperative - Kakamega	01139098487901	226,689.00	2,830.00
13	Chesero Primary School	Cooperative - Kakamega	01139098488400	166,974.50	1,000.00
14	Chiveli Primary School	Cooperative - Kakamega	01139098488400	13,904.00	3,000.00
15	Kuvasali Primary School	Cooperative - Kakamega	01139098488904	262,499.50	-
16	St.Antony Kakoi Primary School	Cooperative - Kakamega	01139098489101	2,940.00	2,109.00

17	Lwanda K' Primary School	Cooperative - Kakamega	01139098489303	32,932.00	-
18	Malichi Primary School	Cooperative - Kakamega	01139098489602	3,832.30	-
19	Manyonje Primary School	Cooperative - Kakamega	01139632072100	182,610.00	4,220.60
20	Muting'ong'o Primary School	Cooperative - Kakamega	01139098492702	39,572.50	-
21	Matende Primary School	Cooperative - Kakamega	01139098493403	44,970.50	600.00
22	Mayuge Primary School	Cooperative - Kakamega	01139098494101	78,268.50	2,124.00
23	Lunyinya Primary School	Cooperative - Kakamega	01139098494501	862,496.60	302,905.60
24	Shihome Primary School	Cooperative - Kakamega	01139098494601	5,930.00	1,242.00
25	Shamoni Primary School	Cooperative - Kakamega	01139098494901	487,027.00	6,711.00

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

NO.	PMC	Bank	Account number	Bank Balance 2016 - 2017	Bank Balance 2015 - 2016
26	Mahira Primary School	Cooperative – Kakamega	01139098495001	453,830.50	2,000.00
27	Ingavira Primary School	Cooperative – Kakamega	01139098495102	74,581.75	-
28	Wavoka Primary School	Cooperative – Kakamega	01139098495200	76,440.25	1,455.00
29	Lukala Primary School	Cooperative – Kakamega	01139098495601	400,271.00	3,803.00
30	Munanga Primary School	Cooperative – Kakamega	01139165154700	82,057.00	1,032.00
31	Isanjiro Primary School	Cooperative – Kakamega	01139166058301	94,694.50	614,515.50
32	Chombeli Primary School	Cooperative – Kakamega	01139166704300	30,579.50	1,680.00
33	Ifweteri Primary School	Cooperative – Kakamega	01139166902900	4,195.25	4,195.25
34	Shamberere Primary School	Cooperative – Kakamega	01139167222100	148,230.00	1,270.00
35	Chevosu Primary School	Cooperative – Kakamega	01139167309400	399,731.00	1,276.00
36	Mache Primary School	Cooperative – Kakamega	01139545948400	598,020.50	-
37	St. Monica Namatala Secondary School	Cooperative – Kakamega	01139631104304	8,506.70	214,264.70
38	Shivanga Primary School	Cooperative – Kakamega	01139631815700	4,312.50	113,999.50
39	Kamuchisu Primary School	Cooperative – Kakamega	01139632083300	996,784.50	449,572.50
40	Mukangu Primary School	Cooperative – Kakamega	01139632114700	357,346.50	3,928.50
41	Mwikhupo Primary School	Cooperative – Kakamega	01139632389100	77,161.50	-

42	Mukoko Primary School	Cooperative – Kakamega	01139632431400	1,462.50	-
43	Namagara Primary School	Cooperative – Kakamega	01139632444800	481,910.50	-
44	Musidi Primary School	Cooperative – Kakamega	01139632663500	636,969.50	-
45	Muriola Primary School	Cooperative – Kakamega	01139632796400	1,333,141.50	-
46	Burundu Primary School	Cooperative – Kakamega	01139632842400	231,562.00	-
47	Shitirira Primary School	Cooperative – Kakamega	01141098492101	193,502.50	2,001,282.50
48	Ingwe Primary School	Cooperative - Kakamega	01141098494400	371,053.00	-
49	Kimang'eti Girls Secondary School	Cooperative - Kakamega	01141545713600	6,438.00	427,620.00
50	Shihome Dispensary	Cooperative - Kakamega	01141631327900	899,525.00	1,118,831.00

NO.	PMC	Bank	Account number	Bank Balance 2016 - 2017	Bank Balance 2015 - 2016
	Kakamega North Chiefs Development Committee: Chegulo, Chesero, East Kabras, Silungai, Mugai, Lukume & Mahira Location Chiefs Offices	Cooperative - Kakamega	01141632206000	2,081,266.00	2,375,877.00
51		Cooperative - Kakamega	011416322486400	150,305.00	-
52	Chiliva Primary School	Cooperative - Kakamega	01139165050100	1,002,150.25	2,150.25
53	Tombo Secondary School	Cooperative - Webuye	01139411546800	93,840.00	5,012.00
54	Friends Secondary School Vashele	Cooperative - Webuye	01139411975100	1,225,378.00	1,750.00
55	Hamutua Primary School	Cooperative - Webuye	01139435276000	600,896.00	3,050.00
56	St. Martin Primary School	Cooperative - Webuye	01139610765200	1,504,443.30	412,565.30
57	Tombo Primary School	Cooperative - Webuye	01139744038400	121,280.50	-
58	Shirugu Primary School	Cooperative - Webuye	01139744470000	634,098.50	-
59	Matsakha Primary School	Cooperative - Webuye	0500199578696	392.19	2,005.10
60	Kimang'eti Secondary School	Equity - Kakamega			

61	Shivikhwa Primary School	KCB Kakamega	1133685110	1,160,239.50	-
62	Friends School Mang'uliro Secondary	KCB Kakamega	1168578094	4,436.50	-
63	Fuvale Primary School	KCB Kakamega	1182043380	396.00	-
64	Lukume Primary School	KCB Kakamega	1204314535	200,202.00	-
65	Shirulo Primary School	KCB Kakamega	1204663912	200,424.00	-
66	Bunuku Primary School	KCB Kakamega	1208129090	1,000,000.00	-
67	Lwandeti Secondary School	KCB Webuye	1130220559	539,284.70	-
68	Mutoto Primary School	KCB Webuye	1131176154	71,445.50	-
	TOTAL			23,978,703.24	12,588,073.00

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
None					

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

ANNEX 2 - ANALYSIS OF UNFUNDED PROJECTS AS AT 30 JUNE 2017

Name	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
			2017	2016	
	B	c	d	a	
Amounts due to other Government entities					
1 Primary Schools		62,995,361	4,216,152	32,516,513	
2 Secondary Schools		11,998,128	172,041	12,170,169	
3 Tertiary Institutions		58,500	0	58,500	
4 Health Institutions		490,642	0	490,642	
		75,542,631	4,388,193	45,235,824	
Sub-Total					
Amounts due to other grants and other transfers					
5 Bursary – Secondary		23,848,000	227,078	11,111,285	
6 Bursary – Tertiary		15,215,800	712,982	3,128,782	
7 Bursary - Special institutions		801,000	334,000	435,000	
8 Bursary - Mocks & Cats		3,000,000	0	3,000,000	
9 Security Projects		5,548,650	452,900	0	

10	Environment Activities		1,432,761	0	800,000
	Sub-Total		49,846,211	1,726,960	18,475,067
	Others (specify)				
11	Administration/Recurrent		8,321,531	1,354,882	4,762,620
12	Monitoring & Evaluation		3,870,000	264,879	1,677,983
13	Sports Activities		1,637,931	0	0
14	Emergency Projects		4,014,737	80,091	0
15	CDF Motor Vehicle		0	541,247	541,247
16	Constituency Office		244,660	3,436,624	2,681,284
17	AIA - Sell of Tender Documents		0	270,000	9,000
	Sub-Total		18,088,859	5,947,723	9,672,134
	Grand Total		143,477,701	12,062,876	73,383,025

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	
	(Kshs)	(Kshs)
	2016-2017	2015-2016
Land	400,000	400,000
Buildings and structures	19,244,660	19,000,000
Transport equipment	10,627,703	10,627,703
Office equipment, furniture and fittings	407,840	407,840
ICT Equipment, Software and Other ICT Assets	1,672,048	1,672,048
Other Machinery and Equipment	518,838	518,338
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	32,871,089	32,625,929

NO.	PMC	Bank	Account number	Bank Balance 2016 - 2017	Bank Balance 2015 - 2016
1	Lukume Secondary School	Cooperative - Kakamega	01139098227602	31,373.25	2,408,597.25
2	Makale Primary School	Cooperative - Kakamega	01109098495701	636,285.50	-
3	Namushiya Secondary School	Cooperative - Kakamega	01129098232400	32,000.00	-
4	Shilongo Primary School	Cooperative - Kakamega	01139033778901	1,381.75	-
5	Malava Girls Secondary School	Cooperative - Kakamega	01139098138302	2,670.00	194,110.00
6	Lugusi Secondary School	Cooperative - Kakamega	01139098141302	2,673.95	1,486,281.45
7	Kuvasali Secondary School	Cooperative - Kakamega	01139098227002	91,242.00	1,457.00
8	Samitsi Boys Secondary School	Cooperative - Kakamega	01139098254003	1,558,572.50	-
9	Mavusi Secondary School	Cooperative - Kakamega	01139098255101	201,648.50	1,648.50
10	Sharambatsa Primary School	Cooperative - Kakamega	01139098487701	43,851.50	404,551.50
11	Luyeshe Primary School	Cooperative - Kakamega	01139098486801	413,572.50	1,550.00
12	Namanja Primary School	Cooperative - Kakamega	01139098487901	226,689.00	2,830.00
13	Chesero Primary School	Cooperative - Kakamega	01139098488400	166,974.50	1,000.00
14	Chiveli Primary School	Cooperative - Kakamega	01139098488400	13,904.00	3,000.00
15	Kuvasali Primary School	Cooperative - Kakamega	01139098488904	262,499.50	-
16	St.Antony Kakoi Primary School	Cooperative - Kakamega	01139098489101	2,940.00	2,109.00

17	Lwanda K' Primary School	Cooperative - Kakamega	01139098489303	32,932.00	-
18	Malichi Primary School	Cooperative - Kakamega	01139098489602	3,832.30	-
19	Manyonje Primary School	Cooperative - Kakamega	01139632072100	182,610.00	4,220.60
20	Muting'ong'o Primary School	Cooperative - Kakamega	01139098492702	39,572.50	-
21	Matende Primary School	Cooperative - Kakamega	01139098493403	44,970.50	600.00
22	Mayuge Primary School	Cooperative - Kakamega	01139098494101	78,268.50	2,124.00
23	Lunyinya Primary School	Cooperative - Kakamega	01139098494501	862,496.60	302,905.60
24	Shihome Primary School	Cooperative - Kakamega	01139098494601	5,930.00	1,242.00
25	Shamoni Primary School	Cooperative - Kakamega	01139098494901	487,027.00	6,711.00

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

NO.	PMC	Bank	Account number	Bank Balance 2016 - 2017	Bank Balance 2015 - 2016
26	Mahira Primary School	Cooperative – Kakamega	01139098495001	453,830.50	2,000.00
27	Ingavira Primary School	Cooperative – Kakamega	01139098495102	74,581.75	-
28	Wavoka Primary School	Cooperative – Kakamega	01139098495200	76,440.25	1,455.00
29	Lukala Primary School	Cooperative – Kakamega	01139098495601	400,271.00	3,803.00
30	Munanga Primary School	Cooperative – Kakamega	01139165154700	82,057.00	1,032.00
31	Isanjiro Primary School	Cooperative – Kakamega	01139166058301	94,694.50	614,515.50
32	Chombeli Primary School	Cooperative – Kakamega	01139166704300	30,579.50	1,680.00
33	Ifweterere Primary School	Cooperative – Kakamega	01139166902900	4,195.25	4,195.25
34	Shamberere Primary School	Cooperative – Kakamega	01139167222100	148,230.00	1,270.00
35	Chevosu Primary School	Cooperative – Kakamega	01139167309400	399,731.00	1,276.00
36	Mache Primary School	Cooperative – Kakamega	01139545948400	598,020.50	-
37	St. Monica Namatala Secondary School	Cooperative – Kakamega	01139631104304	8,506.70	214,264.70
38	Shivanga Primary School	Cooperative – Kakamega	01139631815700	4,312.50	113,999.50
39	Kamuchisu Primary School	Cooperative – Kakamega	01139632083300	996,784.50	449,572.50
40	Mukangu Primary School	Cooperative – Kakamega	01139632114700	357,346.50	3,928.50
41	Mwikhupo Primary School	Cooperative – Kakamega	01139632389100	77,161.50	-

42	Mukoko Primary School	Cooperative – Kakamega	01139632431400	1,462.50	-
43	Namagara Primary School	Cooperative – Kakamega	01139632444800	481,910.50	-
44	Musidi Primary School	Cooperative – Kakamega	01139632663500	636,969.50	-
45	Muriola Primary School	Cooperative – Kakamega	01139632796400	1,333,141.50	-
46	Burundu Primary School	Cooperative – Kakamega	01139632842400	231,562.00	-
47	Shitirira Primary School	Cooperative – Kakamega	01141098492101	193,502.50	2,001,282.50
48	Ingwe Primary School	Cooperative - Kakamega	01141098494400	371,053.00	-
49	Kimang'eti Girls Secondary School	Cooperative - Kakamega	01141545713600	6,438.00	427,620.00
50	Shihome Dispensary	Cooperative - Kakamega	01141631327900	899,525.00	1,118,831.00

NO.	PMC	Bank	Account number	Bank Balance 2016 - 2017	Bank Balance 2015 - 2016
	Kakamega North Chief's Development Committee: Chegulo, Chesero, East Kabras, Silungai, Mugai, Lukume & Mahira Location Chiefs Offices	Cooperative - Kakamega	01141632206000	2,081,266.00	2,375,877.00
51	Chiliva Primary School	Cooperative - Kakamega	01141632486400	150,305.00	-
52	Tombo Secondary School	Cooperative - Webuye	01139165050100	1,002,150.25	2,150.25
53	Friends Secondary School Vashele	Cooperative - Webuye	01139411546800	93,840.00	5,012.00
54	Hamutua Primary School	Cooperative - Webuye	01139411975100	1,225,378.00	1,750.00
55	St. Martin Primary School	Cooperative - Webuye	01139435276000	600,896.00	3,050.00
56	Tombo Primary School	Cooperative - Webuye	01139610765200	1,504,443.30	412,565.30
57	Shirugu Primary School	Cooperative - Webuye	01139744038400	121,280.50	-
58	Matsakha Primary School	Cooperative - Webuye	01139744470000	634,098.50	-
59	Kimang'eti Secondary School	Equity - Kakamega	0500199578696	392.19	2,005.10

61	Shivikhwa Primary School	KCB Kakamega	1133685110	1,160,239.50	-
62	Friends School Mang'uliro Secondary	KCB Kakamega	1168578094	4,436.50	-
63	Fuvale Primary School	KCB Kakamega	1182043380	396.00	-
64	Lukume Primary School	KCB Kakamega	1204314535	200,202.00	-
65	Shirulo Primary School	KCB Kakamega	1204663912	200,424.00	-
66	Bunuku Primary School	KCB Kakamega	1208129090	1,000,000.00	-
67	Lwandeti Secondary School	KCB Webuye	1130220559	539,284.70	-
68	Mutoto Primary School	KCB Webuye	1131176154	71,445.50	-
	TOTAL			23,978,703.24	12,588,073.00

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Time frame: (<i>Put a date when you expect the issue to be resolved</i>)
None					

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