

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

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THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MALAVA CONSTITUENCY

FOR THE YEAR ENDED

30 JUNE, 2024

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 MAR 2025

DAY:

Wednesday

TABLED
BY:

Hon. Owen Baya, MP

Deputy leader of majority

CLERK-AT
THE-TABLE:

R. Steven Ngiyo



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MALAVA CONSTITUENCY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2024

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
ARMC	Audit and Risk Management Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMC	Project Management Committee
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2023. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and, in particular, expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

To provide leadership and policy direction for effective and efficient management of the Fund.

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work.
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund.
3. **Timeliness** – we adhere to prompt delivery of service.
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people.
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee are as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Humphrey Sechero
2.	National Sub-County Accountant	Juliet Lubanga
3.	Chairman NGCDFC	Everline Wawire
4.	Member NGCDFC	Patrick Kharinda

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Malava Constituency. The reports and recommendations of ARMC, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Malava Constituency Headquarters

P.O. Box 281, 50103
NGCDF House
Off Kakamega-Webuye Road next to Malava town
Malava, KENYA.

(f) NGCDF Malava Constituency Contacts

Telephone: (254) 711 261 664
E-mail: cdfmalava@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Malava Constituency Bankers

1. Co-operative Bank of Kenya Limited
Kakamega Branch
P.O. Box Kakamega
A/C No. 01141165163100

(h) Independent Auditor

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

(i) Principal Legal Adviser

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

3. NG-CDFC Chairperson's Report



Everline Wawire
Chairperson Malava NGCDFC

Malava Constituency has seven (7) Wards namely East Kabras, West Kabras, South Kabras, Butali Chegulo, Manda Shivanga, Mugai Shirugu and Chemuche. The constituency currently has 155 Primary schools and 55 Secondary schools in the public sector. It is one of the highly populated constituencies within Kakamega County 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

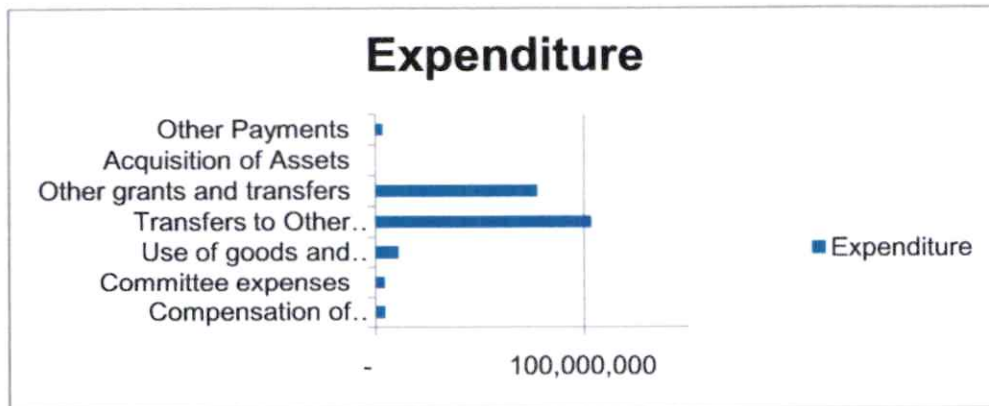
The constituency received Ksh.137, 021,142 out of Ksh.213, 423,625 meant for financial year 2023/2024. There was a balance brought forward of Ksh.12,705,865 and also received Ksh.82,921,624 being part of 2022/2023 Financial year giving us a total of Ksh.232,648,631 as available funds. The total payments for the financial year amounted to Ksh.205, 247,883.

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 NG-CDF representative/ clerk of works. The cheques are only cleared after presentation of the bank payment schedule duly signed by

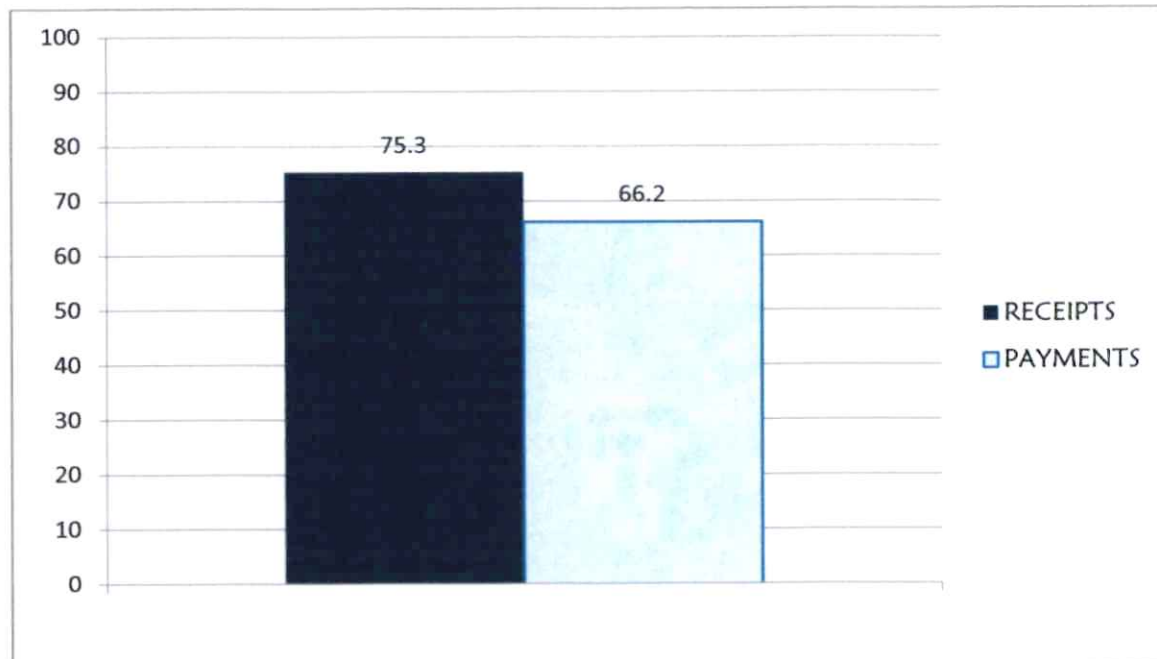
the Fund Account Manager. Owing to some cases of non-adherence by PMCs to the set down guidelines, the NGCDF Committee approved the Fund Account Manager to be a mandatory Signatory on all PMC accounts which has greatly borne positive results.

The committee was able to train the PMCs and contractors once more so as to ensure proper project implementation and accountability. 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.

Graphical Representation of Expenditure in percentage



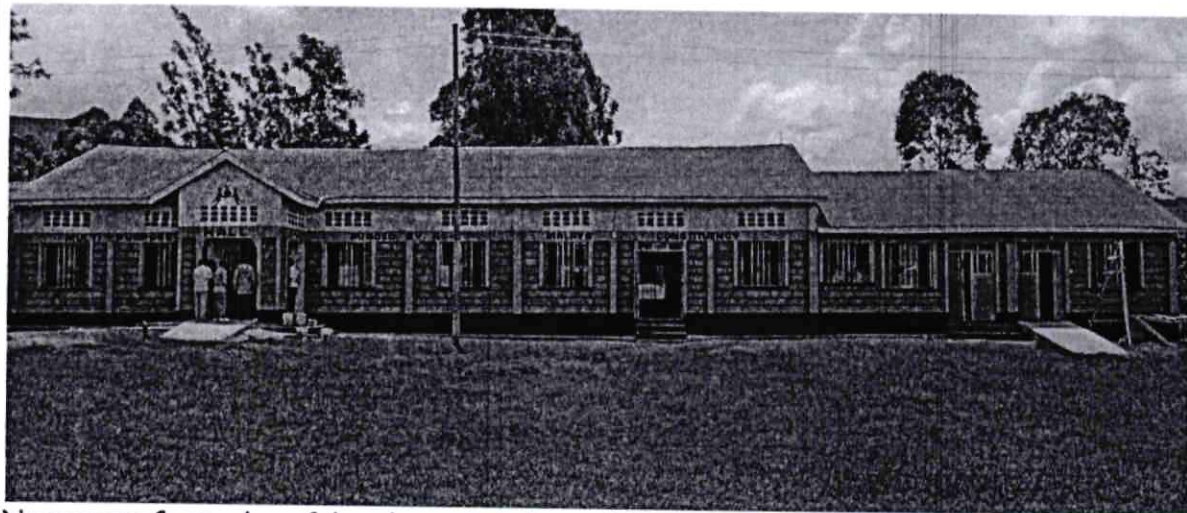
Graphical Representation of Receipts and Expenditure in percentage



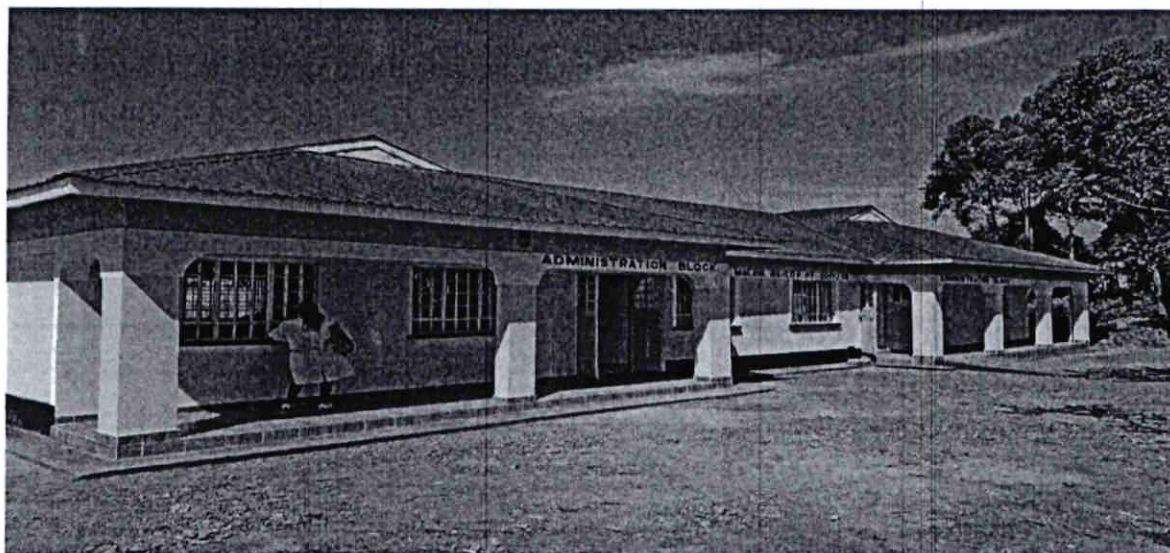
Best projects for the Financial Year 2023/2024



Tombo Primary School construction of Administration Block funded by Malava NGCDF Financial Year 2023/2024



Namagara Secondary School construction of Multipurpose Hall funded by Malava NGCDF Financial Year 2023/2024



Mangúliro Secondary School construction of Administration Block funded by Malava NGCDF Financial Year 2023/2024

Emerging Issues

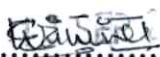
1. Heavy rainfall in the constituency throughout the year making classroom roofs to be blown off by strong winds and pit latrines sinking.
2. Difficulty in accessing the projects due to poor roads as a result of the heavy rainfall and the wide area coverage
3. Very high population hence increased need for infrastructural developments in both the education and security sectors

Implementation challenges

1. Shortage of Public Works Officers in the County
2. Lack of sufficient financial and technical knowledge among the PMCs
3. Hostility of the locals demanding for jobs at the sites

Remedies to the challenges

1. Proper planning by the project implementers to ensure we share the scarce Technical personnel
2. Use of our Clerk of Works who has the relevant expertise to guide the PMCs
3. Conducting capacity building to the PMCs

NGCDF MALAVA
CONSTITUENCY OFFICE

.....
Everline Wawire.....
Chairperson NGCDF Committee

4. Statement of Performance Against Predetermined Objectives for FY2023/24

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *NGCDF Malava Constituency 2022-2027* plan are to:

(Enumerate the key objectives of the constituency as per the Strategic Plan)

Progress on the attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education	To improve infrastructure in learning institutions and increase enrolment in schools	Increased number of classrooms in schools. Increased number of students joining Primary, secondary Schools and colleges	<ul style="list-style-type: none"> - Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels 	In FY 2023/2024, we constructed to completion 32 classrooms in Primary schools and 12 classrooms in Secondary schools, 3 Dormitories in secondary schools, 4 Administration Blocks in Primary Schools, 1 multipurpose hall in secondary school and 1

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Sector	Objective	Outcome	Indicator	Performance
				Laboratory. -The fund disbursed Bursary worth Kshs.29, 026,605 to students in Secondary Schools, Kshs.18,988,000 to students in Tertiary institutions and Kshs.3,630,500 to students in special schools.
Security	To enable constituents access administration and security services	Reduced crime rate in the constituency and increased access to Administration services	- Number of police post and Chiefs/Administration offices	In FY 2023/2024 We constructed Imbiakalo Police Station which is 50% complete
Environment	To improve sanitation in schools and reduce environmental degradation	Improved sanitation in learning institutions	- Number of modern toilets constructed in schools	In FY 2023/2024 We constructed 4 modern toilets in primary schools
Sports	To enable youth in the constituency to be self-reliant	Increased sporting activities	- Sponsor an annual constituency sports tournament	In FY 2023/2024, Sports was not allocated funds.

5. Governance Statement

a. NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

There is established a National Government Constituency Development Fund Committee for every constituency.

1. Constituency Committee Shall comprise of;

- a) the national government official responsible for co-ordination of national government functions.
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
- c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
- d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- g) one member co-opted by the Board in accordance with regulations made by the Board

2. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.

The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board.

The current NGCDFC members were gazetted on 29th November 2022 and the first meeting was held on 15th December, 2022.

The persons appointed are drawn from different groupings as follows:

- Male Adult – Koikoi Kitaa Zakaria - Member
- Male youth – Geofry Juma Murwa - Member
- Female adult – Everline Wawire - Chairperson
- Female youth – Susan Khaselwa Wembe - Member
- PWD REP – Moses Wasike Kenyatta - Member
- Co-opted Member – Patrick Wanjala Kharinda - Secretary
- Nominee of Constituency Office – Thomas Burudi Karakacha - Member
- Nominee of constituency Office – Judith Nafula Mukhwana - Member

b. NG-CDFC Tenure

The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

c. The Role of the Constituency Committee

The CDFC plays a crucial role in managing the NGCDF at the constituency level. It identifies, approves, and monitors projects that align with national priorities and local needs. The committee ensures efficient fund management, timely project implementation, and transparent reporting. Additionally, the CDFC engages with the community to seek input and ensure compliance with relevant laws and regulations.

d. Removal of a member

The CDFC can remove a member for gross misconduct, incompetence, physical or mental incapacity, conflict of interest, conviction of a criminal offense, or absenteeism. The removal process involves a petition, notification, a hearing, and a decision by two-thirds of the members.

e. NG-CDFC Induction and training

A comprehensive training program for the National Government Constituencies Development Fund Committee (NGCDFC) members from the Western Region was held from 13th May, 2024 to 17th May 2024 at Tom Mboya Labour College in Kisumu. This

training aimed to equip committee members with the necessary knowledge and skills to perform their roles effectively.

Key Aspects of the Training:

- **Overview of the NGCDF Act:** Understanding the legal framework and the evolution of the NGCDF, including the roles and responsibilities of committee members.
- **Project Planning and Public Participation:** Emphasized effective planning, budgeting, and the importance of engaging the public in decision-making processes.
- **Governance and Integrity:** Covered essential aspects of good governance, anti-corruption measures, and adherence to the Public Procurement and Asset Disposal Act 2015 and its regulations.
- **Risk Management and Audit:** Focused on identifying and managing risks within the NGCDF operations, with an emphasis on transparency and accountability.
- **Technical Aspects of Project Management:** Provided insights into the phases of project execution, from initiation to completion, including monitoring and evaluation.

This training was crucial in ensuring that all NGCDFC members are well-prepared to carry out their duties in alignment with national policies and standards.

f. Number of meetings;

NG-CDF Act Section 43(11) stipulates that the Constituency Committee shall meet at least six times in a year but shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

In Malava Constituency, the NG-CDF Committee conducted 12 meetings and 8 sub-committee meetings.

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No.	Name of committee member												
		28/07/23	25/08/23	30/09/23	27/10/23	15/11/23	22/12/23	20/01/24	14/02/24	18/03/24	05/04/24	13/05/24	28/06/24
1.	Koikoi Zakaria Kitaa	√	√	√	√	√	√	√	√	√	√	√	√
2.	Geofry Murwa Juma	√	√	√	√	√	√	√	√	√	√	√	√
3.	Everline Wawire	√	√	√	√	√	√	√	√	√	√	√	√
4.	Susan Wembe Khaselwa	√	√	√	√	√	√	√	√	√	√	√	√
5.	Moses Kenyatta Wasike	√	√	√	√	√	√	√	√	√	√	√	√
6.	Patrick Kharinda Wanjala	√	√	√	√	√	√	√	√	√	√	√	√
7.	Thomas Karakacha Burudi	√	√	√	√	√	√	√	√	√	√	√	√
8.	Judith Mukhwana Nafula	√	√	√	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

As of the latest review on 25th October 2011, the remuneration rates for the National Government Constituencies Development Fund Committee (NGCDFC) were adjusted through a circular issued by the NGCDF Board (REF: CDF BOARD/MOP/Vol. III(30)I(30)), titled "Adjustment of Constituency Development Fund Committee s Sitting Allowance." According to this circular, the sitting allowances for the CDFCs are as follows:

Members: KShs 5,000 per meeting

Chairman: KShs 7,000 per meeting

These rates remain the most current remuneration guidelines for the NGCDFCs.

h. Disclose the policy on conflict of interest

The NGCDFC has a strict conflict of interest policy that requires a member to disclose their interests, abstain from participation, and record conflicts. Non-compliance may

result in disciplinary action, including removal from the committee. This policy ensures the integrity and transparency of the committee's operations.

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the member of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of s.

j. Ethics and code of conduct

The NG-CDFC member shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. A member shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- Implementing the operational risk management framework.
- Conducting regular Risk and Control Self-Assessment.
- Monitoring and reporting operational risks.
- Recording and reporting incidents.
- Collecting, analyzing, and reporting Key Risk Indicators.
- Executing the crisis management plan in case of a crisis.
- Ensuring compliance with risk management policies and procedures.
- Implementing improvements to controls to reduce risks.

6. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

To ensure sustainability of Malava NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Malava NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 23/24 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

The NG-CDF Malava has been carrying out environmental conservation programmes annually in all public facilities within the Constituency

The NG-CDF Malava Constituency has also carried out sensitization and awareness on drug and substance abuse through youth training and engaging them in environmental conservation activities

The NG-CDF Malava Constituency has also engaged youth through various community initiatives and programmes as a way of sensitizing them on the importance of environmental conservation

3. Employee welfare

We invest in providing the best working environment for our employees. Malava constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Malava constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Malava NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Malava NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Malava NG-CDF has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



CPA. Humphrey Sechero
Fund Account Manager.

FUND ACCOUNT MANAGER
NG-CDF, MALAVA

7. Statement of 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 Entity shall prepare financial statements in respect of that entity. 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 NGCDF-Malava Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2024. 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

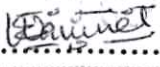
The Accounting Officer in charge of the NGCDF-Malava Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Malava Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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The Accounting Officer in charge of the NGCDF Malava Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity'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 *constituency'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 NGCDF- Malava Constituency financial statements were approved and signed by the Accounting Officer on 13th SEP, 2024.

NG - C.D.F MALAVA
CONSTITUENCY OFFICE

.....
Sign:
A. W. WAWIRE, MALAVA

Everline Wawire
Chairperson – NGCDF Committee


.....
CPA. Humphrey Sechero
Fund Account Manager

FUND ACCOUNT MANAGER
NG - CDF, MALAVA

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MALAVA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Malava Constituency set out on pages 1 to 49, which comprise of the statement of assets and liabilities as at 30 June, 2024, and the statement

Report of the Auditor-General on National Government Constituencies Development Fund – Malava Constituency for the year ended 30 June, 2024

of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Malava Constituency as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Project Management Committee Account Balances

Note 12.3 and Annex 4 to the financial statements reflect Project Management Committee (PMC) account balances amounting to Kshs.1,537,746 as at 30 June, 2024 in respect to seventy (70) bank accounts. However, the bank reconciliation statements, bank statements, cash books and bank confirmation certificates were not provided for audit review.

Further, PMC bank balances amounting to Kshs.1,140,513 as at 30 June, 2024 in respect to thirty-four (34) bank accounts whose respective projects were completed have remained in respective bank accounts without being transferred to the Constituency main account, contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

In the circumstances, the accuracy and completeness of the PMC bank balances totaling Kshs.1,537,746 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments and Note 6 to the financial statements reflect other grants and transfers amount of Kshs.77,744,033, which includes Kshs.29,026,605 and Kshs.18,988,000 in respect to bursary payments to secondary schools and tertiary institutions respectively. However, bursary payments to various learning institutions amounting to Kshs.3,802,400 were not supported by acknowledgment slips from beneficiary institutions.

In the circumstances, the accuracy and completeness of the bursary disbursements amount of Kshs.3,802,400 could not be confirmed.

3. Unsupported Gratuity Balance

The statement of assets and liabilities reflects gratuity balance of Kshs.1,625,640 and as disclosed in Note 9 to the financial statements. However, supporting documents including deductions summary were not provided for audit review.

In the circumstances, the accuracy and completeness of the gratuity balance of Kshs.1,625,640 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Malava Constituency Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.309,051,113 and Kshs.232,648,631 respectively, resulting in under-funding of Kshs.76,402,482 or 25% of the approved budget. Further, the Fund expended an amount of Kshs.204,745,683 against the budget of Kshs.309,051,113 resulting in under-expenditure of Kshs.104,305,430 or 34% of the approved budget.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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 other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were reported under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given reasons for the delay in resolving the issues.

Other Information

Management is responsible for the Other Information set out on pages iii to xxiii which comprise of Key Constituency Information and Management, NG-CDFC Chairman's Report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and, accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Project Implementation Status

During the year under review, the Fund had planned to implement thirty-one (31) projects at a total cost of Kshs.194,250,000. However, out of these projects, fifteen (15) or 48% costing Kshs.63,250,000 had not started, five (5) or 16% costing Kshs.85,900,000 were on-going while only eleven (11) or 36 % of the projects costing Kshs.45,100,000 had been completed.

In the circumstances, value for money was not obtained from the fifteen (15) projects that had not started and five (5) projects that were on-going.

2. Delayed Implementation of Projects

2.1 Completion of Malava Kenya Medical Training College (KMTC) Administration Block Project

During the year under review, Management awarded a contract to a local contractor for construction of Malava KMTC administration block at a contract sum of Kshs.26,396,650, with expected works completion date of 26 May, 2024. As at the time of audit in November, 2024, an amount of Kshs.18,000,000 or 68% had already been paid to the contractor, while certified works was at 80% complete.

However, field inspection conducted on 15 November, 2024, revealed incomplete works including ramp and staircases, ceiling, outer side plastering, window panes, doors not fixed, protection services, cold room, elevated steel water tank and fencing works as required in the bill of quantities despite lapse of the contract period.

In the circumstances, value for money was not obtained from the project.

2.2. Completion of Administration Block at Imbiakalo Police Station Project

During the year under review, Management awarded a contract to a local contractor for construction of an administration block at Imbiakalo Police Station on 13 October, 2023 at a contract sum of Kshs.15,999,250 with an amount of Kshs.9,000,000 or 56% already paid to the contractor. The project was to take 30 weeks from the contract date.

However, a field inspection conducted on 15 November, 2024 revealed that the project had not been completed and the contractor was not on site, over one year after the lapse of the contract period. The incomplete works included ceiling, outer side plastering, window panes, doors and painting all not done as required by the bill of quantities.

In the circumstances, value for money realized from the project.

3. Failure to Maintain Deposit Bank Account

During the year under review, the Fund did not maintain a deposit bank account. This was contrary to Section 12(1)(a) of the National Government Constituencies Development Fund Act, 2015 (Amendment 2022) which states that each Constituency shall maintain one deposit bank account for holding third party monies which shall be designated and such and be known by the name of the Constituency for which it is opened.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Report

During the year under review, the Fund did not produce any internal audit report contrary to Section 73(1) of the Public Finance Management Act, 2012.

In the circumstances, the Constituency risks having weak internal controls which may result in loss of public funds.

2. Lack of Policy on Issuance of Bursaries

The statement of receipts and payments and Note 6 to the financial statements reflect other grants and transfers balance of Kshs.77,744,033, which includes bursary payments totaling Ksh.51,645,105. However, Management does not maintain a documented policy and guidelines on issuance of bursaries.

In the circumstances, the effectiveness of bursary awards management could not be confirmed.

3. Lack of Updated Fixed Asset Register

Annex 3 to the financial statements on summary of fixed asset register reflects historical cost of the Fund's assets totaling Kshs.33,759,527 as at 30 June, 2024. However, Management did not maintain an updated fixed assets register showing details relating to date of purchase, cost, supplier, location, unique identification number, accumulated depreciation and net book value of the assets. Further, Management did not provide ownership documents in relation to land and two motor vehicles all valued at Kshs.11,027,703.

In the circumstances, the effectiveness of the Fund's fixed assets management could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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 applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

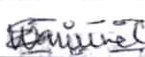
National Government Constituencies Development Fund (NGCDF)
Malava Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

9. Statement of Receipts and Payments for the Year Ended 30th June 2024


	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	219,942,766	88,000,000
Total Receipts		219,942,766	88,000,000
Payments			
Compensation of Employees	2	4,590,240	3,445,960
Committee expenses	3	4,418,000	1,507,295
Use of Goods and Services	4	11,050,210	6,670,125
Transfers to Other Government Units	5	103,443,201	26,800,797
Other Grants and Transfers	6	77,744,033	39,023,990
Other Payments	7	3,499,999	-
Total Payments		204,745,683	77,448,167
Surplus/(Deficit)		15,197,083	10,551,833

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 13th SEP, 2024 and signed by:

NG-CDF MALAVA
 CONSTITUENCY OFFICE

 Chairman NG-CDF
 Committee
 Everline Wawire


 Fund Accountant Manager
 CPA. Humphrey Sechero
 ICPAK M/No: 29767

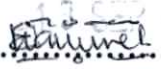

 National Sub-County
 Accountant
 Juliet Lubanga
 ICPAK M/No: 20580

National Government Constituencies Development Fund (NGCDF)
Malava Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

10. Statement of Assets and Liabilities as at 30th June, 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	8	29,026,388	12,705,865
Total Cash and Cash Equivalents		29,026,388	12,705,865
Total Financial Assets (A)		29,026,388	12,705,865
Financial Liabilities			
Accounts Payable			
Gratuity	9	1,625,640	502,200
Total Financial Liabilities (B)		1,625,640	502,200
Net Financial Assets (A-B)		27,400,748	12,203,665
Represented By			
Fund Balance B/Fwd	10	12,203,665	2,154,031
Surplus/(Deficit)for The Year		15,197,083	10,049,633
Net Financial Position		27,400,748	12,203,664


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 13th SEP, 2024 and signed by:



 Chairman NG-CDF
 Committee
 Everline Wawire



 Fund Accountant Manager
 CPA. Humphrey Sechero
 ICPAK M/No: 29767

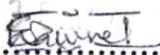


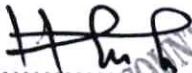
 National Sub-County
 Accountant
 Juliet Lubanga
 ICPAK M/No: 20580


National Government Constituencies Development Fund (NGCDF)
Malava Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

11. Statement Of Cash Flows for the Year Ended 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	219,942,766	88,000,000
Total Receipts		219,942,766	88,000,000
Payments			
Compensation of Employees	2	4,590,240	3,445,960
Committee Expenses	3	4,418,000	1,507,295
Use of Goods and Services	4	11,050,210	6,670,125
Transfers to Other Government Units	5	103,443,201	26,800,797
Other Grants and Transfers	6	77,744,033	39,023,990
Other Payments	7	3,499,999	-
Total Payments		204,745,683	77,448,167
Total Receipts Less Total Payments		15,197,083	10,551,833
Adjusted For:			
Increase/(Decrease) in Accounts Payable	11	1,123,440	-
Net Cash Flow from Operating Activities		16,320,523	10,551,833
Net Increase in Cash & Cash Equivalents		16,320,523	10,551,833
Cash & Cash Equivalent at Start of the Year	10	12,705,864	2,154,031
Cash & Cash Equivalent at End of the Year	8	29,026,387	12,705,864


 Chairman NG-CDF
 Committee
 Everline Wawire


 Fund Accountant Manager
 CPA. Humphrey Sechero
 ICPAK M/No: 29767


 National Sub-County
 Accountant
 Juliet Lubanga
 ICPAK M/No: 20580

National Government Constituencies Development Fund (NGCDF)
Malava Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

12. Summary Statement of Appropriation for The Year Ended 30th June 2024

Receipts/Payments	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 %
	2023-2024	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2023-2024	2023-2024		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	213,423,624	12,705,865	82,921,624	309,051,113	232,648,631	76,402,482	75.3%
Proceeds From Sale of Assets				-	-	-	-
Other Receipts				-	-	-	-
Totals	213,423,624	12,705,865	82,921,624	309,051,113	232,648,631	76,402,482	75.3%
Payments							
Compensation of Employees	5,099,759	1,433,464	254,840	6,788,063	4,590,240	2,197,823	67.6%
Committee Expenses	2,314,939	2,205,015	-	4,519,954	4,418,000	101,954	97.7%
Use of Goods and Services	9,946,119	406,850	797,905	11,150,874	11,050,210	100,664	99.1%
Transfers to Other Government Units	122,470,634	5,049,203	68,038,879	195,558,716	103,443,201	92,115,515	52.9%
Other Grants and Transfers	72,592,173	3,611,333	10,330,000	86,533,506	77,744,033	8,789,473	89.8%
Acquisition of Assets	-	-	-	-	-	-	-
Other Payments	1,000,000	-	3,500,000	4,500,000	3,499,999	1,000,001	77.8%
Funds Pending Approval**	-	-	-	-	-	-	-
Totals	213,423,624	12,705,865	82,921,624	309,051,113	204,745,683	104,305,430	66.2%

National Government Constituencies Development Fund (NGCDF)

Malava Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2024

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes.

- i. The under-absorption of 32.4% in Compensation of Employees is due to the pending salary review for the staff.*
- ii. The under-absorption of 47.1% in Transfers to Other Government Units is due to delay in procurement process.*
- iii. The under-absorption of 10.2% in other grants and transfers is due to pending payment of Bursary fund.*
- iv. The under-absorption of 22.2% in other payments is due to delay in approval of the Digital ICT Hub.*

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	104,305,430
Less undisbursed funds receivable from the Board as at 30 th June 2024	(76,402,482)
	27,902,948
Increase/(decrease)Accounts payable	1,123,440
(Decrease)/Increase Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the30 th June 2024	29,026,388

National Government Constituencies Development Fund (NGCDF)
Malava Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2024

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,099,759	1,433,464	254,840	6,788,063	4,590,240	2,197,823
1.2 Committee allowances	1,128,000	985,015		2,113,015	2,018,000	95,015
1.3 Use of goods and services	5,346,119	406,850	106,405	5,859,374	5,800,000	59,374
Sub-total	11,573,878	2,825,329	361,245	14,760,452	12,408,240	2,352,212
2.0 Monitoring and evaluation						
2.1 Capacity building	400,000		50,000	450,000	450,000	-
2.2 Committee allowances	1,186,939	1,220,000		2,406,939	2,400,000	6,939
2.3 Use of goods and services	4,200,000		641,500	4,841,500	4,800,210	41,290
Sub-total	5,786,939	1,220,000	691,500	7,698,439	7,650,210	48,229
3.0 Emergency						
4.1 Primary Schools	10,152,526	1,060,820	6,838,690	18,052,036	16,598,928	1,453,108
4.2 Secondary schools				-		-
4.3 Tertiary institutions				-		-
4.4 Security projects				-		-
Sub-total	10,152,526	1,060,820	6,838,690	18,052,036	16,598,928	1,453,108

National Government Constituencies Development Fund (NGCDF)
Malava Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
4.0 Bursary and Social Security						
5.1 Primary Schools	2,294,737	1,263,281	162,559	3,720,577	3,630,500	90,077
5.2 Secondary Schools	35,000,000			35,000,000	29,026,605	5,973,395
5.3 Tertiary Institutions	10,000,000	776,722	28,751	10,805,473	10,750,000	55,473
5.4 Universities	8,000,000	-	300,000	8,300,000	8,238,000	62,000
Sub-total	55,294,737	2,040,003	491,310	57,826,050	51,645,105	6,180,945
5.0 Sports						
Sports activities		500,000	-	500,000	500,000	-
Sub-total		500,000	-	500,000	500,000	-
6.0 Environment						
Lunyelelia Primary School		10,510	-	10,510	-	10,510
Lunyinya Primary School	222,455		-	222,455		222,455
Misimo Primary School	222,455			222,455		222,455
Sub-total	444,910	10,510	-	455,420	-	455,420
7.0 Primary Schools Projects						
Chiveli Primary School		1,000,000	-	1,000,000	1,000,000	-
Fuvale Primary School		45,005		45,005	45,005	-
Kalenda Primary School		1,000,000	-	1,000,000	1,000,000	-
Luhokho Primary School		286,420		286,420	286,420	-

*National Government Constituencies Development Fund (NGCDF)
Malava Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Lusumu Primary School			900,000	900,000	900,000	-
Makuche Primary School			900,000	900,000	900,000	-
Misimo Primary School			2,400,000	2,400,000	2,400,000	-
Mutingóngó Primary School			900,000	900,000	900,000	-
Namanja Primary School			900,000	900,000	900,000	-
Sawawa Primary School			900,000	900,000	900,000	-
Sharambatsa Primary School			1,000,000	1,000,000	1,000,000	-
Tande Primary School			1,000,000	1,000,000	1,000,000	-
Lugusi Primary School	2,500,000		6,900,000	9,400,000	9,400,000	-
Lukhokho Primary School	245,000			245,000	245,000	-
Teresia Primary School	1,500,000		3,000,000	4,500,000	4,500,000	-
Tombo Primary School	1,500,000		3,000,000	4,500,000	4,500,000	-
Malichi Primary School	2,000,000			2,000,000		2,000,000
Musungu Primary School	1,100,000			1,100,000		1,100,000
Vashele Primary School	2,300,000			2,300,000		2,300,000
Fubuye Primary School	2,200,000			2,200,000		2,200,000
Kamuchisu Primary School	950,000			950,000		950,000
Kuvasali Primary School	1,500,000			1,500,000		1,500,000
Luhokho Primary School	2,400,000			2,400,000		2,400,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Lunyelelia Primary School	2,400,000			2,400,000		2,400,000
Lusumu Primary School	1,200,000			1,200,000		1,200,000
Makuche Primary School	550,000			550,000		550,000
Mukhonje Primary School	4,000,000			4,000,000	932,818	3,067,182
Namanja Primary School	2,100,000			2,100,000		2,100,000
Nguvuli Primary School	1,800,000			1,800,000		1,800,000
Samitsi Primary School	1,500,000			1,500,000		1,500,000
Sawawa Primary School	1,600,000			1,600,000		1,600,000
Shirugu Primary School	1,800,000			1,800,000		1,800,000
Shitirira Primary School	1,600,000			1,600,000		1,600,000
Kakoyi Junior Secondary School	9,600,000			9,600,000		9,600,000
Matete Junior Secondary School	9,600,000			9,600,000		9,600,000
Mutingóngó Junior Secondary School	2,700,000			2,700,000		2,700,000
Kokoyo Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Lunyinya Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Matioli Junior Secondary School	1,207,390.25			1,207,390		1,207,390

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Mukangu Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Mukoko Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Muriola Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Mwikhupo Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Namagara Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Shikokhwe Junior Secondary School	2,414,780.50			2,414,781		2,414,781
Sub-total	79,170,634	2,331,425	21,800,000	103,302,059	30,809,243	72,492,816
8.0 Secondary Schools Projects						
Kimangéti Boys Secondary School		1,000,000	-	1,000,000	1,000,000	-
Lunyinya Mixed Secondary School		1,000,000	-	1,000,000	1,000,000	-
Mache Secondary School		205,778	2,200,000	2,405,778	2,285,192	120,586
Namanja Secondary School		500,000		500,000	500,000	-
Shamberere Boys Secondary School			1,550,000	1,550,000	1,550,000	-
Kakunga Girls Secondary School			1,000,000	1,000,000	1,000,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kimang'eti Girls Secondary School.	8,500,000		8,000,000	16,500,000	16,500,000	-
Lugusi Boys Secondary School.	7,000,000		8,500,000	15,500,000	15,500,000	-
Mang'uliro Secondary School	1,200,000		4,300,000	5,500,000	5,500,000	-
Mavusi Secondary School.	1,500,000		3,500,000	5,000,000	5,000,000	-
Namagara Secondary School.	3,000,000		6,000,000	9,000,000	9,000,000	-
Samitsi Girls Secondary School	200,000		2,000,000	2,200,000	2,000,000	200,000
Chimoroni Secondary School	9,500,000			9,500,000		9,500,000
Malava Girls Secondary School	700,000			700,000	700,000	-
Shamoni Secondary School	1,200,000			1,200,000	1,200,000	-
Sub-total	32,800,000	2,705,778	37,050,000	72,555,778	62,735,192	9,820,586
9.0 Tertiary institutions Projects						
KMTC Malava	10,500,000	-	7,500,000	18,000,000	8,500,000	9,500,000
KMTC Malava		12,000	1,688,879	1,700,879	1,398,766	302,113
10.3		-		-		-
Sub-total	10,500,000	12,000	9,188,879	19,700,879	9,898,766	9,802,113
10.0 Security Projects						
Imbiakalo Police Station	6,000,000	-	3,000,000	9,000,000	9,000,000	-
Kakamega North DCC's office	500,000			500,000		500,000

**National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget Kshs	Adjustments		Final Budget Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
Kabras Police Station	200,000			200,000		200,000
Sub-total	6,700,000	-	3,000,000	9,700,000	9,000,000	700,000
11.0 Others						
13.1 Strategic Plan		-	3,500,000	3,500,000	3,499,999	1
13.2 Innovation Hub	1,000,000			1,000,000		1,000,000
Sub-total	1,000,000	-	3,500,000	4,500,000	3,499,999	1,000,001
Total	213,423,624	12,705,865	82,921,624	309,051,113	204,745,683	104,305,430

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should time to totals of statement in schedule 12

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for;

- Receivables that include imprests
- Payables that include gratuity and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-Malava Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Recognition of Receipts

The *entity* recognizes all receipts from various sources when the event occurs, and the related cash has actually been received by the Entity.

a. Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

b. Proceeds from the Sale of Assets

Proceeds from the disposal of assets are recognized as and when cash is received in the constituency account.

c. Other receipts

These include Appropriation-in-Aid and relate to receipts such as proceeds from the sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, and Unutilized funds from PMCs among others.

d. Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

e. External Assistance

External assistance refers to grants and loans received from local, multilateral, and bilateral development partners. In the year under review, there was no external assistance received.

5. Recognition of payments

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

a) Compensation of Employees

Salaries and wages, allowances, and statutory contributions for employees are recognized in the period when the compensation is paid.

b) Use of Goods and Services

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

c) Acquisition of Fixed Assets

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

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

6. In-kind contributions

In-kind contributions are donations that are made to the constituency 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 constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

7. 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

8. Accounts Receivable

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

9. Accounts Payable

For these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and holding deposits on behalf of third parties. Gratuity earned monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by the National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the entity at the end of the financial 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.

11. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of the NGCDF Act, 2015

12. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2023 for the period 1st July 2023 to 30th June 2024 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

13. Comparative Figures

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

14. 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 30th June 2024.

15. Prior Period Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error

occurred before the earliest prior period presented, restate the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

16. Related Party Transactions

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa.

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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2023-2024	2022-2023
NGCDF Board	Kshs	Kshs
AIE NO. B 185156		7,000,000
AIE NO. B 185448		6,000,000
AIE NO. B 185700		15,000,000
AIE NO. B 206014		5,000,000
AIE NO. B 206461		12,000,000
AIE NO. B 205806		12,000,000
AIE NO. B 207568		16,000,000
AIE NO. B 207735		15,000,000
AIE NO. B 214350	46,832,745	
AIE NO. B 214131	12,088,879	
AIE NO. B 214685	24,000,000	
AIE NO. B 225125	30,000,000	
AIE NO. B 225328	20,000,000	
AIE NO. B 226122	27,021,142	
AIE NO. B 214820	60,000,000	
TOTAL	219,942,766	88,000,000

2. Compensation Of Employees

	2023-2024	2022-2023
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,133,200	3,265,600
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	81,000	-
Gratuity to contractual employees	1,123,440	-
Employer Contributions Compulsory national social security schemes	194,400	180,360
Employer Contributions Compulsory Housing levy	48,600	-
Employer contributions to National Industrial Training Authority	9,600	-
Total	4,590,240	3,445,960

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3. Committee Expenses

	2023-2024	2022-2023
	Kshs	Kshs
A.NG CDFC		
Sitting allowance	4,368,000	1,188,000
Other committee expenses	50,000	319,295
Sub total	4,418,000	1,507,295

4. Use of Goods and services

	2023-2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	96,000	-
Communication, supplies and services	420,000	188,890
Domestic travel and subsistence	5,000,000	3,430,800
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	400,000	450,000
Hospitality supplies and services	420,000	390,200
Insurance costs	45,000	45,000
Specialized materials and services	-	70,000
Office and general supplies and services	2,070,000	915,500
Fuel, oil & lubricants	1,800,000	1,000,000
Other operating expenses	-	-
Bank Charges	30,119	74,231
Routine maintenance – vehicles and other transport equipment	709,091	105,504
Routine maintenance – other assets	60,000	-
Total	11,050,210	6,670,125

5. Transfer To Other Government Units

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers To Primary Schools	30,809,243	15,664,639
Transfers To Secondary Schools	62,735,192	11,136,158
Transfers To Tertiary Institutions	9,898,766	
Total	103,443,201	26,800,797

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6. Other Grants and Other transfers

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Bursary – secondary schools	29,026,605	29,032,000
Bursary – tertiary institutions	18,988,000	8,955,000
Bursary – special schools	3,630,500	-
Bursary- education support programmes	-	-
Social Security programmes (NHIF)	-	-
Security projects	9,000,000	-
Sports projects	500,000	-
Environment projects	-	239,490
Emergency projects	16,598,928	797,500
Roads projects	-	-
Total	77,744,033	39,023,990

7. Other Payments

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Strategic plan	3,499,999	-
Total	3,499,999	-

8. Cash and Cash Equivalents

<i>Name of Bank and Account No.</i>	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Bank Accounts (Cash Book Bank Balance)		
<i>Co-operative Bank of Kenya, Kakamega Branch A/C No. 01141165163100</i>	29,026,388	12,705,865
Total	29,026,388	12,705,865

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9. Gratuity

	2023-2024	2022-2023
	KShs	KShs
Gratuity as at 1 st July (A)	502,200	
Gratuity held during the year (B)	1,123,440	502,200
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	1,625,640	502,200

Gratuity aging analysis

	2023-2024	% of the total Gratuity	2022-2023	% of the total Gratuity
Under one year	1,123,440	69.1%	502,200	100%
1-2 years	502,200	30.9%	-	%
2-3 years	-		-	
Over 3 years	-		-	
Total	1,625,640		502,200	

The total above should be equal to the Gratuity closing figures)

10. Fund Balance B/F

	(1 st July 2023-1)	(1 st July 2022-2)
	Kshs	Kshs
Bank accounts	12,203,665	2,154,031
Total	12,203,665	2,154,031

11. Changes In Accounts Payable – Gratuities and Retentions

	2023-2024	2022-2023
	KShs	KShs
Gratuities and Retentions as at 1 st July (A)	502,200	-
Gratuities and Retentions held during the year (B)	1,123,440	502,200
Gratuities and Retentions paid during the Year (C)	-	-
Closing account payables D= A+B-C	1,625,640	502,200
Net changes in accounts payables D-A	1,123,440	502,200

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12. Other Important Disclosures

12.1: Pending Staff Payables (See Annex 1)

	2023-2024	2022-2023
	Kshs	Kshs
NGCDFC Staff	1,625,640	502,200
Total	1,625,640	502,200

Aging Analysis for staff Payables

	2023-2024	% of the total	2022-2023	% of the total
Under one year	1,123,440	69.1%	502,200	100%
1-2 years	502,200	30.9%	-	%
Total	1,625,640		502,200	

12.2: Unutilized Fund (See Annex 2)

	2023-2024	2022-2023
	Kshs	Kshs
Compensation of employees	2,197,823	1,688,304
Committee expense	101,954	2,205,015
Use of goods and services	100,664	1,204,755
Amounts due to other Government entities	92,115,515	73,088,082
Amounts due to other grants and other transfers	8,789,473	13,941,333
Acquisition of assets	-	-
Other Payments (specify)	1,000,001	3,500,000
Funds pending approval	-	-
Total	104,305,430	95,627,489

12.3: PMC account balances (See Annex 4)

	2023-2024	2022-2023
	Kshs	Kshs
PMC account balances	1,537,746	2,176,932
Total	1,537,746	2,176,932

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12.4 Related Party Transactions

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	4,368,000	1,188,000
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	219,942,766	88,000,000
Total	224,310,766	89,188,000

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13. Annexes

Annex 1 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2024	Comments
NG-CDFC Staff				
Bonface Wekesa	Accounts Assistant	01.01.2023	126,480	
Ian Lavusa Madaga	Clerk of Works	01.01.2023	126,480	
Justine Werenjekha Kakai	Secretary	01.01.2023	111,600	
David Jomo Lumbasi	Project Assistant	01.01.2023	111,600	
Thomas Masai Werashipala	Driver	01.01.2023	109,740	
Shadrack Lusala Mukwe	Receptionist	01.01.2023	109,740	
Isabella Ingatina Amisi	Office Assistant	01.01.2023	98,580	
Nathani Lumbasi Lumuli	Office Assistant	01.01.2023	98,580	
James Sioma Simon	Security Officer	01.01.2023	98,580	
Manase Burudi Shatuma	Security Officer	01.01.2023	98,580	
Martin Sirengo Wasike	Field Assistant	01.01.2023	89,280	
Evans Mugavana Nashali	Field Assistant	01.01.2023	89,280	
Johnstone Namunyu	Field Assistant	01.01.2023	89,280	
Leonard Ngala Mmasava	Field Assistant	01.01.2023	89,280	
Anzelimo Lukaviro Mbati	Field Assistant	01.01.2023	89,280	
Miheso Robert Okombo	Field Assistant	01.01.2023	89,280	
Sub-Total			1,625,640	
Grand Total			1,625,640	

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Annex 2 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		2,197,823	1,688,304	
Use of goods & services		202,618	2,245,443	
Amounts due to other Government entities				
Malichi Primary School	Renovation of 4 Classrooms	2,000,000	900,000	
Musungu Primary School	Renovation of 2 Classrooms	1,100,000	900,000	
Vashele Primary School	Renovation of 4 Classrooms	2,300,000	900,000	
Fubuye Primary School	Renovation of 4 Classrooms	2,200,000	900,000	
Kamuchisu Primary School	Renovation of 2 Classrooms	950,000	900,000	
Kuvasali Primary School	Renovation of 3 Classrooms	1,500,000	900,000	
Luhokho Primary School	Construction of 2 classrooms	2,400,000	900,000	
Lunyelelia Primary School	Construction of 2 classrooms	2,400,000	900,000	
Lusumu Primary School	Renovation of 2 Classrooms	1,200,000	7,200,000	
Makuche Primary School	Renovation of 2 Classrooms	550,000	2,200,000	
Mukhonje Primary School	Renovation of 7 Classrooms	3,067,182	1,000,000	
Namanja Primary School	Renovation of 4 Classrooms	2,100,000	3,000,000	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Nguvuli Primary School	Renovation of 3 Classrooms	1,800,000	3,000,000	
Samitsi Primary School	Renovation of 3 Classrooms	1,500,000	1,000,000	
Sawawa Primary School	Renovation of 3 Classrooms	1,600,000	2,200,000	
Shirugu Primary School	Renovation of 4 Classrooms	1,800,000	4,300,000	
Shitirira Primary School	Renovation of 3 Classrooms	1,600,000	3,500,000	
Kakoyi Junior Secondary School	Construction of storey block of 8 classrooms	9,600,000	6,000,000	
Matete Junior Secondary School	Construction of storey block of 8 classrooms	9,600,000	1,000,000	
Mutingóngó Junior Secondary School	Construction of 3 classrooms	2,700,000	1,550,000	
Kokoyo Junior Secondary School	Construction of 2 classrooms	2,414,781	8,500,000	
Lunyinya Junior Secondary School	Construction of 2 classrooms	2,414,781	7,500,000	
Matioli Junior Secondary School	Construction of 1 classroom	1,207,390	1,000,000	
Mukangu Junior Secondary School	Construction of 2 classrooms	2,414,781	1,000,000	
Mukoko Junior Secondary School	Construction of 2 classrooms	2,414,781	2,000,000	
Muriola Junior Secondary School	Construction of 2 classrooms	2,414,781	1,000,000	
Mwikhupo Junior Secondary School	Construction of 2 classrooms	2,414,781	7,200,000	
Namagara Junior Secondary School	Construction of 2 classrooms	2,414,781		

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Shikokhwe Junior Secondary School	Construction of 2 classrooms	2,414,781		
Mache Secondary School	Construction of classroom	120,586		
Samitsi Girls Secondary School	Construction of classroom	200,000		
Chimoroni Secondary School	Purchase of school Bus	9,500,000		
KMTC Malava	Construction of Administration Block	9,500,000		
KMTC Malava	Completion of 2 classrooms	302,113		
Sub-Total		92,115,515		
Amounts due to other grants and other transfers				
Emergency	Emergency occurrences	1,453,108	6,830,000	
Bursary Primary Schools	Bursary to needy students	90,077	3,611,333	
Bursary Secondary Schools	Bursary to needy students	5,973,395	3,000,000	
Bursary Tertiary Institutions	Bursary to needy students	55,473	500,000	
Bursary Universities	Bursary to needy students	62,000		
Lunyelelia Primary School	Completion of Pit Latrine	10,510		

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Lunyinya Primary School	Purchase of Tree seedlings	222,455		
Misimo Primary School	Purchase of Tree seedlings	222,455		
Kakamega North DCC's office	Renovation of DCC's office	500,000		
Kabras Police Station	Purchase of Furniture	200,000		
Sub-Total		8,789,473		
Acquisition of assets				
Others (<i>specify</i>)				
Innovation Hub	Construction of Innovation Hub	1,000,000	3,500,000	
Strategic Plan		1		
Sub-Total		1,000,001		
Funds pending approval				
Sub-total				
Grand Total		104,305,430	95,627,489	

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Annex 3 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land and Buildings				
Land	400,000	-	-	400,000
Buildings and structures	19,244,660	-	-	19,244,660
	19,644,660	-	-	19,644,660
Transport equipment				
Land Rover (Defender) -110	4,468,950	-	-	4,468,950
Toyota Land Cruiser	6,158,753	-	-	6,158,753
	10,627,703	-	-	10,627,703
Office equipment, furniture and fittings				
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500
4 Drawer Steel Cabinets	9,500	-	-	9,500

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
4 Drawer Steel Cabinets	9,500	-	-	9,500
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
6 Ft.3 Shelf Steel Cupboard	12,995	-	-	12,995
Computer Table-CD 209	8,120	-	-	8,120
Computer Table-CD 209	8,120	-	-	8,120
Computer Table-CD 808	8,745	-	-	8,745
Conference Tables	12,000	-	-	12,000
Conference Tables	12,000	-	-	12,000
Executive Office Chairs With Arms	27,000	-	-	27,000
Executive Office Chairs With Arms	27,000	-	-	27,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Metal Office Chairs Without Arms	2,000	-	-	2,000
Ordinary Office Desk -Double Drawers	9,000	-	-	9,000
Ordinary Office Desk -Single Drawer	5,000	-	-	5,000
Plastic Chairs	58,000	-	-	58,000
Plastic Chairs	63,500	-	-	63,500
Secretary Chair	5,370	-	-	5,370
Tables with Drawers	2,000	-	-	2,000

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Tables with Drawers - One sided 3 drawers	3,000	-	-	3,000
Tables with Drawers - One sided 3 drawers	3,000	-	-	3,000
Tables with Drawers - Two sided 3 drawers	3,000	-	-	3,000
	407,840	-	-	407,840
ICT Equipment, Software and Other ICT Assets				
Kyocera Ecosys Copier	468,518	-	-	468,518
HP Pavilion Laptop	131,080	-	-	131,080
HP Pavilion Laptop	131,080	-	-	131,080
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Desktop Computer - HP Pro L1710	80,995	-	-	80,995
Acer LCD Projector 4000mm	50,000	-	-	50,000
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Desktop Computer - HP Compaq	65,550	-	-	65,550
Epson Printer L210	24,999	-	-	24,999
HP Desktop Pro PCI MT	NG - CDF Board	-	-	NG - CDF Board
HP ProDesk 400	50,000	-	-	50,000
Kyocera Mita TK Copier	268,500	-	-	268,500
Laptop -HP 530	65,000	-	-	65,000
Laptop HP15	78,880	-	-	78,880
Laptop HP15	78,880	-	-	78,880
Laptop-Hp Intel Core i3	90,000	-	-	90,000
Laptop-Hp Intel Core i3	90,000	-	-	90,000
Printer - HP Deskjet 1015	7,000	-	-	7,000
Printer - HP Laserjet P2055	NG - CDF Board	-	-	NG - CDF Board
Printer - HP Laserjet P2055d	24,999	-	-	24,999
Printer – Xcess	93,280	-	-	93,280
Printer Laserjet Pro 400	29,000	-	-	29,000
Scan Jet Hp 5590	NG - CDF Board	-	-	NG - CDF Board

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Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
	2,560,486	-	-	2,560,486
Other Machinery and Equipment				
L.G Fridge	59,995	-	-	59,995
Hot Cold Dispenser	16,395	-	-	16,395
Lawn Mower	76,845	-	-	76,845
Ramtons Dispenser Fridge	19,295	-	-	19,295
Disiel Generator - 4KVA	346,308	-	-	346,308
	518,838	-	-	518,838
Grand Total	33,759,527	-	-	33,759,527

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Annex 4 –PMC Bank Balances as at 30th June 2024

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Bukhakunga Secondary School	Co-operative	01139098255202	2,040	2,040
Bulupi Primary School	Co-operative	01139098494701	725	725
Bulupi Secondary School	Co-operative	01139098113302	1,713	1,713
Chegulo Primary School	Co-operative	01139411334600	750	750
Chemuche Chief's Office	Co-operative	01141804813400	885	885
Cheptuli Primary School	Co-operative	01139610730300	10,177	10,177
Chesero Primary School	Co-operative	01139632381700	8,062	8,062
Chimoroni Secondary School	Co-operative	01139098227403	71,770	71,770
Chombeli Primary School	Co-operative	01139166704300	2,079	2,079
Fubuye Primary School	Co-operative	01139098489904	1,946	1,946
Fuvale Primary School	Co-operative	01139098495400	1,040	1,040
Isanjiro Girls Secondary School	Co-operative	01139545084603	4,656	4,656
Isanjiro Primary School	Co-operative	01139166058301	32,485	32,485
Kimangeti Girls Secondary School	Co-operative	01139098253003	451,565	893
Kokoyo Primary School	Co-operative	01139804719600	3,123	3,123
Lukala Primary School	Co-operative	01139098495601	683	683
Lukhokho Primary School	Co-operative	01139167319400	5,454	5,454
Lunyu Primary School	Co-operative	01139167562200	594	594

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Lurale Primary School	Co-operative	01139098491000	13,988	13,988
Lusumu Primary School	Co-operative	01139631203400	1,563	1,563
Lutali Primary School	Co-operative	01139631045900	829	829
Lwanda K Secondary School	Co-operative	01139098255502	63,526	63,526
Mahira Primary School	Co-operative	01139098495001	2,360	2,360
Malava Boys Secondary School	Co-operative	01139098141202	67,724	67,724
Malichi Primary School	Co-operative	01139098489602	10,338	10,338
Malimali Primary School	Co-operative	01139098493000	530	530
Matende Primary School	Co-operative	01139098493401	520	520
Matete Primary School	Co-operative	01139435276700	2,013	2,013
Matete Secondary School	Co-operative	01141098255300	606	606
Mugai Secondary School	Co-operative	01139098254702	10,220	10,220
Mukangu Primary School	Co-operative	01141165784700	1,918	1,918
Mukavakava Primary School	Co-operative	01139098488101	540	540
Mukhuyu Primary School	Co-operative	01139166939000	2,064	2,064
Mukoko Primary School	Co-operative	01139632431400	4,148	4,148
Mukongolo Primary School	Co-operative	01139098423001	2,740	2,740
Musidi Primary School	Co-operative	01139167273900	413	413
Mutoto Primary School	Co-operative	01141165007200	74,100	74,100

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Mutsuma Primary School	Co-operative	01139098486300	670	670
Mutsuma Secondary School	Co-operative	01139098350503	41,979	41,979
Namatala Primary School	Co-operative	01139609943600	9,395	9,395
Namushiya Primary School	Co-operative	01139098486101	1,440	1,440
Namushiya Secondary School	Co-operative	01139098232402	4,112	4,112
Samitsi Primary School	Co-operative	01139098486200	16,229	16,229
Shamoni Secondary School	Co-operative	01139098143202	3,246	3,246
Shanda Primary School	Co-operative	01139167273100	626	74,719
Sheywe Primary School	Co-operative	01141804848300	3,495	3,495
Shilongo Primary School	Co-operative	'01139631648302	8,793	8,793
Shivanga Primary School	Co-operative	01139098492002	8,315	8,315
Shivanga Secondary School	Co-operative	01139098254901	4,876	4,876
Silungai Boys Secondary School	Co-operative	01139098261801	12,727	12,727
Silungai Primary School	Co-operative	01139435339101	20,550	20,550
St. Martin Primary School	Co-operative	01139435276000	6,021	6,021
Teresia Primary School	Co-operative	01139167461600	52,145	60
Tumbeni Primary School	Co-operative	01139098495501	720	720
Tumbeni Secondary School	Co-operative	01139631019703	12,346	12,346
Wavoka Primary School	Co-operative	01139098495200	2,211	2,211

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Comparative FY
Burundu Primary School	Co-operative	01139098487100	2,655	1,900
Chiveli Primary School	Co-operative	01139098488400	5,654	137,279
Kalenda Primary School	Co-operative	01139098486400	625	1,000,370
Lugusi Primary School	Co-operative	01139098490300	1,544	550
Misimo Primary School	Co-operative	01141805865800	941	941
Sharambatsa Primary School	Co-operative	01139098487701	15,445	204,759
Tande Primary School	Co-operative	01139610482600	2,346	55,341
Tombo Primary School	Co-operative	01139610765200	326,540	22,462
Kakunga Girls Secondary School	Co-operative	01139166638101	86,064	86,064
Kalenda Girls Secondary School	Co-operative	01139166481702	9,432	9,432
Kimangeti Boys Secondary School	Co-operative	01139098253003	893	893
Namanja Secondary School	Co-operative	01139098226802	2,410	2,410
Shamberere Boys Secondary School	Co-operative	01139098143603	691	691
Silungai Girls Secondary School	Co-operative	01139098261801	12,727	12,727
Total			<u>1,537,746</u>	<u>2,176,932</u>

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Annex 5: 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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Unreconciled Cash and Cash Equivalents Balance	The statement of assets and liabilities reflects cash and cash equivalent balance of Kshs. 12,705,865 as disclosed in Note 8 of the Financial statements. However, review of bank reconciliation statement for the month of June, 2023 revealed stale cheques totalling Kshs.210,960 and payments in bank not recorded in cash book of Kshs. 15,000. No explanation was provided on the failure to reverse the stale cheques in cash book and the failure to update the cash book with the payments totalling Kshs. 15,000. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 12,705,865 could not be confirmed.	It is true at the time of audit, dates when the stale cheques were reversed in the cash book and payments in bank statements updated in cash book were not provided for audit review. However, the stale cheques totalling Ksh. 210,960 have been reversed in the cash book and payments in bank not recorded in cash book of Ksh. 15,000 finally recorded and updated in the cash book. See the Cash	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																				
		book extract and successive bank reconciliation statements attached. (Annex 1)																						
Incorrect comparative balances	<p>The financial statements reflect comparative balances for ten (10) components which are at variance with the corresponding balances reflected in the audited financial statements for the year ended 30 June, 2022 as shown in the table below:</p> <table border="1"> <thead> <tr> <th>Component</th> <th>Comparative Balances in the Financial Statements for 2022/2023 (Kshs)</th> <th>Balances in the Audited Financial Statements for 2021/2022 (Kshs)</th> <th>Variance (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Use of Goods and Services</td> <td>6,157,485</td> <td>9,047,023</td> <td>2,889,538</td> </tr> <tr> <td>Committee Expenses</td> <td>2,158,860</td> <td>0</td> <td>2,158,860</td> </tr> <tr> <td>Net Cash flow from operating Activities</td> <td>-10,458,137</td> <td>-11,188,815</td> <td>730,678</td> </tr> <tr> <td>Acquisition of Assets - Statement of Cash</td> <td>-730,678</td> <td>0</td> <td>-730,678</td> </tr> </tbody> </table>	Component	Comparative Balances in the Financial Statements for 2022/2023 (Kshs)	Balances in the Audited Financial Statements for 2021/2022 (Kshs)	Variance (Kshs)	Use of Goods and Services	6,157,485	9,047,023	2,889,538	Committee Expenses	2,158,860	0	2,158,860	Net Cash flow from operating Activities	-10,458,137	-11,188,815	730,678	Acquisition of Assets - Statement of Cash	-730,678	0	-730,678	<p>It is true the financial statements reflect comparative balances for ten (10) components which are at variance with the corresponding balances reflected in the audited financial statements for the year ended 30 June, 2022. This is as a result of restated figures in the audited financial statements for the year ended 30 June, 2022.</p> <p>i. Use of goods and services</p>	Resolved	
Component	Comparative Balances in the Financial Statements for 2022/2023 (Kshs)	Balances in the Audited Financial Statements for 2021/2022 (Kshs)	Variance (Kshs)																					
Use of Goods and Services	6,157,485	9,047,023	2,889,538																					
Committee Expenses	2,158,860	0	2,158,860																					
Net Cash flow from operating Activities	-10,458,137	-11,188,815	730,678																					
Acquisition of Assets - Statement of Cash	-730,678	0	-730,678																					

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Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	flows				<p>The variance in Use of goods and services balances is due to difference in the reporting template whereby in 2021/2022, use of goods & services also included Committee expenses Ksh. 2,158,860 and acquisition of assets Ksh.730,678 which is now separated in the current template used for 2022/2023</p> <p>ii. Committee Expenses</p> <p>The variance in Committee Expenses balances is due to difference in the reporting template whereby in 2021/2022, use of</p>		
	Office and General Supplies & Services - Use of Goods	1,263,130	1,993,808	-730,678			
	Fuel, oil & Lubricants - Use of Goods	287,405	1,000,000	-712,595			
	Bank Charges - Use of Goods	32,570	0	32,570			
	Bursary - Secondary Schools (Other Grants and Other Transfers)	24,045,000	23,045,000	1,000,000			
	Emergency Projects - Secondary Schools (Other Grants and Other Transfers)	10,131,387	11,131,387	1,000,000			
	Unutilised Funds - Use of Goods & Services	47,455	27,344	20,111			
	In the circumstances, the accuracy and						

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	completeness of the financial statements could not be confirmed.	<p>goods & services also included Committee expenses Ksh. 2,158,860 and acquisition of assets Ksh.730,678 which is now separated in the current template used for 2022/2023</p> <p>iii. Net Cash flow from operating activities</p> <p>The variance in Net Cash flow from operating activities balances is due to restated amount of acquisition of assets Ksh.730,678</p> <p>iv. Acquisition of assets</p> <p>The variance in Acquisition of assets</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>balances is due to the restated amount of Acquisition of assets Ksh. 730,678</p> <p>v. Office and General Supplies & Services</p> <p>The variance in Office and General Supplies & Services balances is due to restated amount of acquisition of assets Ksh.730,678</p> <p>vi. Fuel, oil & Lubricants - Use of Goods</p> <p>The variance in Fuel, oil & Lubricants balances Ksh. 712,595 is due to restated amount in the current financial</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>statements</p> <p>vii. Bank Charges</p> <p>The variance in Bank charges balances is due to difference in the reporting template whereby in 2021/2022, use of goods & services also included Bank charges Ksh. 32,570 which is now separated in the current template used for 2022/2023</p> <p>viii. Bursary – Secondary Schools</p> <p>The variance in Bursary secondary schools balances of Ksh.1,000,000 is as a result of compensating error</p>		

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		<p>that occurred during reporting of balances for Bursary and Emergency projects under Other Grants and Other Transfers which has since been restated.</p> <p>ix. Emergency</p> <p>The variance in Emergency projects balances of Ksh.1,000,000 is as a result of compensating error that occurred during reporting of balances for Bursary and Emergency projects under Other Grants and Other Transfers which has since been restated.</p> <p>x. Unutilized Funds</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		The variance in unutilized funds balances Ksh.20,111 is due to the restated figure of Acquisition of assets from the previous template. See the revised Financial Statement attached. (Annex 2)		
Unsupported Project Management Committee (PMC) Account Balances	Note 13 to the financial statements reflects Project Management Committee (PMC) account balances amounting to Kshs. 2,176,932 as at 30 June 2023, as detailed in Annex 3. However, bank reconciliation statements and cash books were not provided to support the balances. In the circumstances, the accuracy and completeness of the Project Management Committee account balances of Ksh. 2,176,932 could not be confirmed.	It is true the bank reconciliation statements and cash books in support of the disbursements were not provided for audit review because they were still with the PMCs. However, the various PMCs are working on them and they will soon be provided for verification.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budgetary Control and Performance	<p>The summary statement of appropriation reflects receipts budget and actual on comparative basis of Kshs. 173,075,655 and Kshs. 90,154,031 respectively, resulting to under-funding of Kshs. 82,921,624 or 48% of the budget. Similarly, the Fund spent Kshs. 77,448,167 against actual receipts of Kshs.90,154,031 resulting to an under-utilization of Kshs. 95,627,488 or 55% of the budget.</p> <p>The under-funding and under-performance affected the planned activities and may have</p>	<p>The under-funding and under-performance was due to late disbursement of funds by the Exchequer. Kindly note that this is a matter beyond our reach and can only be adequately addressed by other stakeholders other than Malava NG-CDFC. However, funds were later disbursed and projects implemented by both the NG-CDFC and PMCs. See the bank statements extracts and AIEs attached. (Annex 3)</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Unresolved Prior Year Matters	In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or provided explanation for failure to resolve the issues.	The issues raised in the Financial Statements has since been addressed	Resolved	
Delay in Implementation of Projects	During the year under review, the Fund had planned to implement forty-four (44) projects with a budget of Kshs.93,097,500. However, eight (8) or 18% of the projects totalling Kshs. 36,700,000 were on-going while one (1) or 2% of the projects amounting Kshs.7,500,000 had not started. In the circumstances, value for money was not obtained from the eight (8) incomplete projects and one (1) project that had not started.	The delay in implementation of projects was due to late disbursement of funds by the Exchequer. However, funds were later received, disbursed to the PMCs and projects implemented by both the NG-CDFC and PMCs. See the updated Project Implementation	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Status (PIS) Report attached. (Annex 4)		



 CPA. Humphrey Sechero
 Fund Account Manager.

 FUND ACCOUNT MANAGER
 NGCDF MALAVA