

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
COUNTY EXECUTIVE OF KWALE**

**FOR THE YEAR  
ENDED 30 JUNE 2017**



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**COUNTY GOVERNMENT OF KWALE  
EXECUTIVE**

**ANNUAL REPORTS AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017**

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

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Kwale County is constituted as per the Constitution of Kenya, 2010. It is charged with the responsibility of providing a variety of services to residents within its area of jurisdiction. These include the services that were hitherto provided by the defunct Municipal Council and the ones that have been transferred from the national government. The county is headed by the County Governor, who is responsible for the general policy and strategic direction of the County. The Governor is supported by an Executive Committee in carrying out the mandate as stipulated in the Constitution. The County Executive Committee Member for Finance and Economic Planning is in charge of the County Treasury. One of the functions of the CEC – Finance is financial reporting at the County level.

**Vision**

**“A competitive industrialized and socio-economically self sustaining and secure county.”**

**Mission**

**“To provide quality and efficient services through innovation and sustainable utilization of resources for better quality of life of all citizens of Kwale County.”**

**Core Values**

**Kwale County upholds the values of Transparency and accountability/integrity, inclusiveness and equity, Empowerment, Quality/ result oriented and innovation.**

**(b) Key management**

**The County’s day-to-day management is under the following key organs:**

	<b>Name</b>	<b>Designation</b>	<b>Date of holding office</b>
1.	H.E. Salim Mvurya,	Governor	18 <sup>th</sup> March 2013
2.	H.E Fatuma Achani	Deputy Governor/ In charge of the Executive and Public Service and Administration	18 <sup>th</sup> March 2013
3.	HON. Bakari Sebe	CECM Finance and Economic Planning	6 <sup>th</sup> May 2013
4.	HON. Joanne Nyamasyo	CECM Agriculture, Livestock and Fisheries	6 <sup>th</sup> May 2013
5.	HON. Ali Mafimbo	CECM Lands, Environment, Mining and Natural Resources	6 <sup>th</sup> May 2013
6.	HON. Athman Chiguzo	CECM Health Services	6 <sup>th</sup> May 2013
7.	HON. Safina Kwekwe	CECM Industry, Trade and Investments	6 <sup>th</sup> May 2013
8.	HON. Patrick Mtsami	CECM-Community Development, Youth and Women Empowerment and Social	6 <sup>th</sup> May 2013

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		Services	
9.	HON. Mangale Ndegwa	CECM Education and Human Resource	6 <sup>th</sup> May 2013
10.	HON. Hemed Mwabudzo	CECM Water and Infrastructure	6 <sup>th</sup> May 2013
11.	HON. Adan Sheikh	CECM Tourism and Information Technology	6 <sup>th</sup> May 2013
12.	Mr. Martin Mwaro	County Secretary	6 <sup>th</sup> May 2013

**(c) Fiduciary Management**

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

No.	Name	Designation
1.	Hon. Bakari Sebe	<b>CEC, Finance and Economic Planning</b>
2.	Mr. Alex Onduko	Chief Officer Finance
3.	Mr. Vincent Mbito	Head of Treasury
4.	Mr. Abdalla Maningi	Head of Supply Chain Management
5.	Ms. Samira Swaleh	County Receiver of Revenue
6.	Mr. Athman Mwatunza	Head of Budget

**(d) Fiduciary Oversight Arrangements**

**The key fiduciary oversight bodies at the County for the year ended 30<sup>th</sup> June 2017 were:**

1. **County Assembly of Kwale;**
  - A. Public Accounts & Investment Committee
  - B. Budget and Appropriations Committee.
2. **Audit Committee;**

**(e) County Headquarters**

P.O. Box 4 – 80403  
 Kwale County Headquarters  
 Off Kwale – Kinango Road  
 Kwale

**(f) County Contacts**

Telephone: (254)  
 E-mail: [info@kwale.go.ke](mailto:info@kwale.go.ke)  
 Website: [www.kwale.go.ke](http://www.kwale.go.ke)

**(g) County Bankers**

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

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Kenya Commercial Bank  
P.O Box 43 – 80403  
Kwale, Kenya

Equity Bank  
P.O Box 167 -80403  
Kwale-Kwale

National Bank  
P.O Box 457-80400  
Ukunda.

Cooperative Bank  
P.O Box 568-80400  
Ukunda.

Family Bank  
P.O Box 81630-80100  
Mombasa.

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The County Legal Officer  
Office of the Governor  
P.O. Box 4 - 80403  
Kwale.

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**KEY MANAGEMENT**

The County Executive team during the financial year consisted of:



**H.E. SALIM MVURYA – GOVERNOR**

Salim Mvurya Mgala aged 43 is the Governor of Kwale County. He was born at Kadzandani Village, Mwatate Location, Kasemeni Division, Kinango District of Kwale County. He went to Mavirivirini Primary School in 1979 then Mpeketoni Secondary School from 1987 to 1990. He then proceeded to Egerton University for his first degree and graduated with Bachelors in Agri-Business Management in 1996.

He has a Masters Degree in Participation, Power and Social Change from the Institute Of Development Studies, University of Sussex in England, UK. He also has further certificates in NGO management from MSTDC- Arusha, Tanzania. Mvurya possesses strong leadership and management skills. Salim Mvurya has over 20 years of social Development and leadership experience. He is the current Governor of Kwale County and previously served as the Deputy Chair, Council of Governors for two consecutive terms. During his tenure as Governor he also served as the Chair of Resource Mobilization Committee of the Council of Governors for two terms. In the year 2008, he had an opportunity to be the Acting Country Director for Plan Kenya. Other organizations he has worked for include Aga Khan Foundation and Tegemeo Institute of Agricultural Policy and Development (an institute of Egerton University).

His working experience has enabled him to gain experiences in staff management, program management, resource mobilization and fundraising, operational management, financial management as well as influencing policy at local, national and international level. Over the years he has designed and implemented development programs in Education, Health, Livelihoods, Child Protection and Democratic Governance centred on citizens participation in decision making processes and policy advocacy. Governor Mvurya emphasizes that Kwale has enormous resources and he is already applying his Development and Management experience and is leading a change process that will give the citizens of Kwale County an opportunity to benefit from socio-economic development.



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**H.E FATUMA ACHANI - DEPUTY GOVERNOR**

Fatuma Mohamed Achani aged 35 years is the Deputy Governor of Kwale County. She was born at Kingwede Village, Ramisi Ward, Msambweni Division of Kwale County. She went to Kingwede Primary School then joined Mama Ngina Girls Secondary School in Mombasa. She served as an associate advocate with the firm of Maina Njanga & Company Advocates from 2008 to 2009. She also served as a Legal Counsel and Programme Officer for the Federation of Women Lawyers (FIDA Kenya) from 2009 to 2012. She is also the County Executive Committee Member for Public Service and Administration. She holds a Law Degree from Moi University and Diploma from Kenya School of Law.

She is a human rights advocate and devotes considerable time and energy to support the Girl Child education. She fights against early marriages and gender based violence and also a member of various community groups working towards empowering women in leadership. She is a member of the Federation of Women Lawyers in Kenya and a member of the Law Society of Kenya.



**HON. BAKARI HASSAN SEBE: CECM FINANCE AND ECONOMIC PLANNING**

**PAST WORK EXPERIENCE**

**Finance & Administration Manager**

Bluebird Aviation-Wilson Airport, Nairobi, Kenya

**Finance & Administrative Officer**

Kenya Alliance for Advancement of Children Rights (KAACR)

**Accountant**


National Fund for the Disabled of Kenya (NFDK)

**Education**

Eastern & Southern Africa Management Institute (ESAMI) and Maastricht School of Management (MsM), The Netherlands



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	<p><b>Master's in Business Administration (MBA)</b></p> <p>2005 – 2007</p> <p>Kenyatta University</p> <p>Bachelor of Commerce (Accounting)</p> <p>1993 - 1997</p>
	<p><b><u>MR ALEX ONDUKO : CHIEF OFFICER</u></b>  <b><u>FINANCE AND ECONOMIC PLANNING.</u></b></p> <p>Date of birth: 22nd December 1969</p> <p>Qualification: Certified Public Accountant of Kenya.</p> <p>Education: He holds a Masters of Business Administration (finance); He holds a Kenya advance certificate of education and also a Kenya certificate of education.</p> <p>Experience: 2013 to-date chief officer finance and economic planning.</p> <p>Senior Management course KSG Mombasa</p> <p>Strategic Leadership Development Programme KSG Nairobi</p> <p>2011-2013: Town treasurer Town council of Kajiado.</p> <p>2010-2011: Town treasurer Municipal council of Migori</p> <p>2005-2010: Town treasurer Municipal council of Busia.</p> <p>1990-2005: Accountant county council of Nakuru</p>

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**HON. JOANNE NYAMASYO: CECM**  
**AGRICULTURE AND FISHERIES**

Joanne Nduku Nyamasyo- County Executive Committee Member in charge of Agriculture, Livestock and Fisheries. She was born in Kwale, Matuga constituency, Kubo South Ward in 1962.

She holds a Master's Degree in Animal Science and Management from the University of Queensland - Australia and a Bsc in Animal Science from Egerton University as well as a Diploma in Animal Health from the same university. Joanne has also undertaken other professional courses which include a post diploma in Dairy Technology from the Netherlands and advance milk production systems from Israel. To add into her management skills, Joanne has taken several management courses which include Senior Management course, Conflict Management course and Public Procurement among others.

Professionally, she is Animal Scientist and before joining the County Government of Kwale, was working with the National Government in the Ministry of Agriculture and Livestock Development under different capacities charged with administrative responsibilities as well as extension services. The latest post held before joining the County Government being County Director of Livestock Production in Kwale County which involved planning and implementing projects/programs under the Ministry.

Her professionalism and work experience with the government and involvement in community development projects/programs were key contributors to her performance as County Executive Committee Member.

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**DR. DZILA BWENI: CHIEF OFFICER**  
**AGRICULTURE AND FISHERIES**

**Education back ground**

He holds Master's degree in Business Administration from Moi university. He also holds BSc. Veterinary medicine from the university of Nairobi besides a diploma in project management from KIM. In addition, Dr. Dzila undertook his O level education from Kwale high before proceeding to Alliance High school for his advanced level.

**Work experience**

He has been the chief officer for agriculture and fisheries since 2013. Prior to his appointment Dr. Dzila worked for the ministry of Agriculture and fisheries in the national government in various capacities

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**HON. ALI MAFIMBO: CECM**  
**LANDS, ENVIRONMENT, MINING AND**  
**NATURAL RESOURCES**

**Education qualifications:**

**2007 -2008:** MSc ( Physical Oceanography)  
University of Cape Town, South Africa

**1978-1981:** BSc. Hons, (Meteorology), University of  
Nairobi

**Employment record**

He worked for the KMD rising through the ranks to the position of senior Assistant Director. The aforesaid experiences span through years and across distinctive divisions and organisations.

Mr Mafimbo has been the CECM lands and natural resources for Kwale county since 2013.

**Achievement**

Represented Kenya in the JCOMM 10<sup>th</sup> Management Committee Meeting Represented Kenya in the second session of the Global Ocean Observing System (GOOS) Steering Committee meeting. Represented Kenya in the fourth session of the Joint World Meteorological Organization-Intergovernmental Oceanographic Commission (WMO-IOC)'s Joint Technical Commission for Oceanography and Marine Meteorology (JCOMM) Represented Kenya in the JCOMM's Expert Team on Operational Ocean Forecasting Meeting

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**DR. MOHAMMED PAKIA: CHIEF OFFICER**  
**LANDS, ENVIRONMENT, MINING AND**  
**NATURAL RESOURCES**

**Education:** Holds PhD in Natural Sciences from the University of Bayreuth (Germany) ,  
MSc Env. Sci from University of Natal (South Africa; -) BEd Sci. (Honours degree) Egerton University

**WORK EXPERIENCE**

**April 2013- to date:** Chief Officer – Department of Lands, Physical Planning & NRs, CGK.

**August 2010 – February 2013:** Lecturer at Pwani University.

**January 2012 – December 2015 -** Chairman, Forest Conservation Committee (FCC), Coast Region.

**August 2007 to July 2010:** Lecturer at Masinde Muliro University of Science and Technology.

**March 2006 to August 2007:** Lecturer at University College of Education in Zanzibar,

**October 2005 – to March 2006:** Research Associate- Southern Environmental and Agricultural Policy Research Institute (SEAPRI) in a project: ‘The protection of community rights over their Bio-cultural Heritage (BCH) and their Traditional Knowledge (TK)’.

**2001 to 2004 –** Research Associate with the Sonderforschungsbereich 560’ (SFB) under the University of Bayreuth, Germany.



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**HON. ATHUMAN CHIGUZO: CECM HEALTH PUBLIC SERVICES**

Public Health and Control of Infectious Diseases Specialist with more than 30 years' experience. Holder of master's degree in Control of infectious diseases from London School of Hygiene and Tropical Medical, University of London, United Kingdom and PhD in Public Health, Jomo Kenyatta University of Agriculture and Technology Institute of Tropical Medicine and Infectious Diseases, Nairobi, Kenya. On 13 May 2013 was appointed as Kwale County Executive Committee Member responsible for Medical Services and Public Health. In addition to the functions provided under Article 183 of the Constitution, as a county executive committee member, he supervises the administration and delivery of health services in the county and all decentralized units and agencies.

**Achievements:**

Increased the number of health workforce from 485 in 2013 to 1084 in 2016, including the increase of nurses from 210 to 425 in the same period. Health facilities increased from 69 in 2013 to 104 in 2016. Constructed and commissioned 28 new dispensaries, thus outpatient services access and utilization by children under 5 increased from 581,492 in 2013 to 771,949 in 2016.



**DR. MWALESO KISHINDO: CHIEF OFFICER HEALTH SERVICES**

He is a medical doctor and health economist with a Msc. in Health Economics from the University of Heidelberg and MBChB from the University of Nairobi.

He has previously served as a medical superintendent at Weso Hospital in Taita Taveta and deputy medical superintendent in Kwale. He is also a Certified Public Accountant of Kenya CPA (K).



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**HON. SAFINA KWEKWE: CECM TRADE**  
**INDUSTRY AND INVESTMENTS**

Born in 1973 in Kinango sub-county of Kwale County.

**Academic qualifications:** Attained primary education at Mwangoni primary school, Kinango and later proceeded for secondary education at Alliance Girls' High School, Kikuyu in Kiambu County. Holder of Master's degree in International Trade Policy and Trade Law from Lund University, Sweden and Bachelor of Commerce from The University of Nairobi, Kenya.

**Professional information:** Served in various organizations and institutions both in Civil society and Public sector. Notably, worked with ActionAid International for more than 8 years in both field and managerial positions. Also served the East African Community as a legislator in the second East African Legislative Assembly and chaired the Parliamentary Standing Committee on Agriculture, Tourism and Natural Resources for two and half years and also chaired the EALA women Parliamentarian Forum for 5 years.



**MR. RAMADHAN BUNGALE: CHIEF**  
**OFFICER TRADE, INDUSTRY AND**  
**INVESTMENTS**

He is a graduate from the university of Nairobi with a Master's in Business Administration and a Bachelor's Degree in Education Arts, Accounting and Economics. He has wealth of experience in Public Policy and Administration, Monitoring and Evaluation and Project Management. He is currently perusing a course leading to a Certified Secretary through KASNEB

Prior to becoming a Chief Officer, He served as both the Regional Coordinator Coast and a Fund Manager under the now called National Government Constituency Development Fund Board.

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**HON. PATRICK MTSAMI: CECM**  
**COMMUNITY DEVELOPMENT, YOUTH AND**  
**WOMEN EMPOWERMENT**

A holder of a Master's degree in Project Planning and Management from the University of Nairobi and a Bachelor of science degree from Egerton University. Also holds a post graduate diploma in Management of Non-Governmental Organizations from Kenya Institute of Management.

**Experience:** Four years' experience working in a government regional body as a horticulture officer. Over ten years' experience working in the NGO sector both as a frontline implementer and at management level specifically in the areas of participatory approaches, livelihood programs as well as community institution building. Have also worked as a consultant in the areas of Project design, monitoring and evaluation baseline surveys, strategic planning as well as horticulture value chain analysis.



**MD: SLYVIA CHIDODO: CHIEF OFFICER**  
**COMMUNITY DEVELOPMENT, YOUTH AND**  
**WOMEN EMPOWERMENT**

**Education background**

Sylvia Chidodo Leli aged 40 is the Chief Officer, in the Department of Community Development, Culture and Talent management. She was born on the 20<sup>th</sup> February 1977 in Mombasa County. Her home County is Kwale, Kinango sub-county, Puma ward, Nyalani village. Miss Leli went to Bomu primary school and sat for her K.C.P.E exams in 1990 and proceeded to St Teresa's girls' high school where she did her K.C.S.E exams in 1994. Between 1995 and

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1996 she engaged in computer studies at the Bits and bits Computer college. Later between 1997 – 2000 she successfully completed her Bachelor's degree in International Relations at the United States International University (USIU). She has a Master's degree in International Relations accorded to her in 2005 in USIU. Sylvia also has certificates in performance contracting and management course and strategic leadership Development program both from the Kenya school of Government. In addition to that she also has a certificate on Mwongozo training from the state cooperation advisory committee.

**Experience**

She has over 10 years' experience in the public service in different capacities in Government institutions. - The Truth Justice and Reconciliation Commission as the Regional Coordinator Coast and also at the Constitution of Kenya Revenue Commission as District Coordinator Mombasa. Sylvia currently is also the acting livelihoods Co-coordinator for a World Bank funded project for the Kenya Water, Security, Climate and Resilience Project (KWSCR) under the Mwache Dam. Sylvia Chidodo also sits in various School boards in the County of Kwale and is also a board member of the Water Resources Authority. Within the board of management of WRA she chairs the Resource Mobilization Committee and is a member of the Finance and Administration Committee.

Sylvia prides as being part of the formation of the new Constitution at the grassroots involvement and

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	<p>the Bomas Conferences which eventually gave our County the new Constitution 2010.</p>
	<p><b>H.E FATUMA ACHANI – DEPUTY GOVERNOR: CECM COUNTY EXECUTIVE SERVICES</b></p> <p>Fatuma Mohamed Achani aged 35 years is the Deputy Governor of Kwale County. She was born at Kingwede Village, Ramisi Ward, Msambweni Division of Kwale County. She went to Kingwede Primary School then joined Mama Ngina Girls Secondary School in Mombasa. She served as an associate advocate with the firm of Maina Njanga &amp; Company Advocates from 2008 to 2009. She also served as a Legal Counsel and Programme Officer for the Federation of Women Lawyers (FIDA Kenya) from 2009 to 2012. She is also the County Executive Committee Member for Public Service and Administration. She holds a Law Degree from Moi University and Diploma from Kenya School of Law.</p> <p>She is a human rights advocate and devotes considerable time and energy to support the girl child education. She fights against early marriages and gender based violence and also a member of various community groups working towards empowering women in leadership. She is a member of the Federation of Women Lawyers in Kenya and a member of the Law Society of Kenya.</p>



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**NURREIN MWWATSAHU: CHIEF OFFICER  
EXECUTIVE SERVICES AND, PUBLIC  
SERVICE AND ADMINISTRATION**

Nurrein Mwatsahu was born in Mariakani , Kalalani sub-location in Mwavumbo ward, Kwale County in 1965.

He went to Roman Catholic Primary School and later Kilimangodo Primary School respectively before joining Kinango Secondary School in 1980 completing his "O" level education in 1983

After passing his O level exams, he was admitted to Malindi High School in Kilifi County in 1984 where he took his Advanced (A) level exams in 1985.

He joined The University of Nairobi in October 1987 and graduated with a BA Second Class Honours Upper Division degree in October 1990.

In January 2004, he did a Higher Diploma in Human Resource Management course in 2004 completing in November the same year.

Mr Mwatsahu gained invaluable work experience in his work career spanning years of fulfilment at the National Social Security Fund (NSSF) where he rose through the ranks to become a Branch Manager.

While he served as Branch Manager of the giant NSSF from July 1996 through to 30<sup>th</sup> April 2013, Mr Mwatsahu gained vast exposure and experience.

Some of the responsibilities he performed included building and managing the Human Resource entity to include HR Strategies that support overall business strategies and annual operating plan.

He successfully established programmes, policies and processes for regulatory compliance and enhancement as well as created and directed the performance management ownership/employee development programs and facilitated management training through supporting competency and development of the said programs.

He was involved in Planning and conducting new employee orientation as well as coordinating management training in interviewing, hiring, terminations, promotions, personnel review, safety organizational procedures and sexual harassment.

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**MR. MANGALE MUNGA NDEGWA - CEC,**  
**EDUCATION, RESEARCH AND HUMAN**  
**RESOURCE DEVELOPMENT.**

He is a holder of bachelor's degree in Education from Kenyatta University.

He attended teachers training college before joining the university and he has attended series of management courses all through his career.

Before appointment as the C.E.C in charge of Education in Kwale County Government he was the chairman Kenya National Union of Teachers (KNUT) coast region and executive secretary Kenya National Union of Teachers (KNUT) Kwale County.

Initially he was the executive Secretary Kenya National Union of Teachers (KNUT) Msambweni branch.

He has been in the education sector for seventeen years before the appointment and served as an administrator in education for more than five years.

He grew through the education system and promoted learning of Mathematics and Kiswahili in Msambweni Sub County.

Have also been promoting sports especially volleyball in Kwale County.



**MISHI KAOLE-CHIEF OFFICER EDUCATION,**  
**RESEARCH AND HUMAN RESOURCE**  
**DEVELOPMENT.**

Ms.Mishi Salim Mwakaole was appointed as a Chief Officer Education and Human Resource Development on 5<sup>th</sup> August 2014.

Ms. Mishi Salim Graduated from the University of Nairobi in 1995 with a bachelor's degree in Education. She has a 13 years' experience in the teaching profession, she served in different capacities including being a school Principal in Mtongwe Girls and Ng'ombeni Secondary Schools from 2003-2008. Until her appointment as chief Officer Education and Human Resource in Kwale County Government, she served as District Staffing Officer in charge of all Teachers Management functions Teachers Service Commission (T.S.C) in Msambweni District, Kwale County from 2008-2014.



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**HON. HEMED MWABUDZO: CECM WATER  
AND INFRASTRUCTURE**

Hemed Mwabudzo holds a bachelor's degree in arts and has had extensive experience in managing projects and programmes over the last twenty years. He worked in administrative positions with the Ministry of Labour and Coast Development Authority for 8 years and as business facilitator/coordinator with Coast Development Authority and Aga Khan Foundation for over ten years. He has had extensive business development training in Israel and Kenya besides exposure in several other countries of the world.

He has expertise and extensive experience in organizational and business development. For 15 years he has been a program officer and programme coordinator in 2 different organizations supervising sub-sector/value chain analysis and implementation of market development interventions in the cashew nuts, marine fisheries, coconut, indigenous chicken, meat goat and honey value chains/sub-sectors. He has worked with consultancy firms to undertake in-depth market studies for some of the commodities and organized market linkages which resulted into business transactions worth millions of shilling to date.

At the same time, Hemed has been responsible for general projects and programmes coordination for long, he has managed and coordinated development funding from USAID, DANIDA, and CIDA among other donors in different capacities. He is experienced in project design, monitoring and evaluation and has served as programme Coordinator of Coastal Rural Support Programme (a project of Aga Khan Foundation) and had successful experience in managing a multi-input and multi donor development programme.

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**MR. MUSYOKI:CHIEF OFFICER WATER**  
**AND INFRASTRUCTURE**

Munyao Musyoki Muthuka holds a Master degree in Science & degree in Geology and has had extensive experience in managing projects and programmes over the last twenty years.

He worked in administrative positions with Aga Khan Foundation-Coastal Rural Support Programme, Mariakani and Coast Development Authority as the head of Water Department. He developed Planning and design facilitation, coordination and implementation of water resources development and management programmes and projects in 8 districts, Kwale, Taita Taveta, Mombasa, Kilifi, Malindi, Tana River, Lamu and Ijara (in North Eastern Province). He oversaw day to day duties involve provision of technical and advisory support to communities, local CBOs and NGOs in the Region on issues regarding water development and capacity building

He was also the WASH manager consultant at Kwale School Wash Project. He has been responsible for Implement and evaluate the performance of the program, specifically developing, implementing and monitoring field-based WASH work plans; overseeing administrative and logistical support functions and ensuring that appropriate supervision systems and protocols are in place and adhered to; compilation of Project Performance Reports, monthly and annual for both Aga Khan Foundation and the Donor/Funding Agency.

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**HON. ADAN SHEIKH: CECM TOURISM AND INFORMATION TECHNOLOGY**  
**Education**

Adan Sheikh Graduated in 1988 with Diploma in Hotel Management Kenya Utalii College.

**Work Experience**

June 2013 to Aug 2017: Kwale County Government

Position: CEC Member – Tourism, Investment & ICT

Feb 1988 to May 2013: Robinson Boabob Hotel

Position: General Manager



**MR. ANTHONY MWAMUNGA: CHIEF OFFICER TOURISM AND INFORMATION TECHNOLOGY**

**Education and professional profile**

Graduated in 1999 with bachelor's degree in Information & Media Technology Moi University  
 Attained ITIL (Information Technology Infrastructure Library)

Attained CCNA 2001

**Work Experience**

December 2014 to Present: Kwale County Government

Position: Chief Officer – Tourism, Investment & ICT

March 2008 to November 2014: Mombasa Water & Sewerage Company Limited

Position: Head of ICT

March 2006 to February 2008: Ansellia Holdings Limited /Playwin

Position: Head – Network Operations Center.

March 2004 to Feb 2006: Constitution of Kenya Review Commission – CKRC

Position: Programme Officer - ICT

January 2001 to February 2004: Pwani Telecomms Limited

Position: Head of Customer Support

May 1999 to December 2000: Swift Global Kenya Limited – Premier Internet Service Provider

Position: Customer Support Engineer. CHNOLOGY

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**KASSIM RIGGA MAMBO – CHAIRMAN,**  
**KWALE**

**COUNTY PUBLIC SERVICE BOARD**

Mr Kassim Rigga Mambo is the inaugural Chairman of the Kwale County Public Service Board appointed in August 2013 by H.E the Governor for a period of six years. He is a former Commissioner of the Public Service Commission where he served for a period of six years. (2003-2009)

Prior to joining the Board, Mr Rigga had worked in several public service organizations including Kenyatta University (1993-2000) as Assistant Registrar. Others are National Aids Control Council (2001-2003) as Public Relations Manager; Kenya Industrial Research and Development Institute (1987-1993) as Public Relations Officer and the Ministry of Commerce and Industry (1985-1987) as Information Officer.

Mr Rigga received a Title of Honour Order of the Grand Warrior (OGW) by H.E President Mwai Kibaki on 12th December 2006 for exemplary service in the public sector. He is a Master's degree holder (USSR) and a PhD (PR) from Kenyatta University.



**ALI MABRUKI MWAGUTA – ASSUMING DUTIES OF THE BOARD SECRETARY.**


Mr. Ali M. Mwaguta is a Kwale County Government employee attached to the County Public Service Board as an Office Administrator with effect from 1st October, 2014. He was however deployed to perform the duties of the Board Secretary following the resignation of the substantive secretary Miss Victoria Tumaini from service with effect from 8th May, 2017.

Prior to his deployment at the Board, Mr. Ali Mwaguta worked as an Administrative Officer in the defunct Town council of Kwale between 15th October, 1997 to March, 2013.

During the new County Government dispensation, he was deployed as an Interim Sub-County



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	<p>Administrative Officer for Matuga, then as County Transport Manager and finally to the Human Resource department as a Human Resource officer before joining the Board.</p> <p>He is a Bachelor of Science degree holder in Human Resource Management from Moi University.</p>
	<p><b><u>MR.MARTIN MWARO MANGI BAYA</u></b>  <b><u>KULUWA: COUNTY SECRETARY</u></b></p> <p><b>Professional information.</b></p> <ul style="list-style-type: none"> <li>• He holds a master's of Science in Human Resource Management from Jomo Kenyatta University of Science and Technology.</li> <li>• Bachelor of Arts in Sociology from Kenyatta University.</li> <li>• Higher National Diploma in Human Resource Management from Kenya Institute of Management.</li> </ul> <p><b>Work Experience.</b></p> <ul style="list-style-type: none"> <li>• He served as an information researcher with A.C.K.</li> <li>• In administration, he has served as a District Officer and District Commissioner for 15 years.</li> <li>• He was appointed the County secretary in February, 2014 after serving at an Interim position for one year (From February, 2013 to February, 2014).</li> </ul>

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**2. COMMENTARY BY THE CEC, FINANCE AND ECONOMIC PLANNING**

It is my pleasure to present the County Government of Kwale financial statements for the year ended 30<sup>th</sup> June 2017. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralised system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

**Financing of the County Governments**

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Kwale County included business permits, land rates, business plan approval, advertising fees, cesses and various other administrative charges.

The County continues to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

- 1) Automation of revenue collection system – the County is currently testing the revenue automation system it's at 90% completion.
- 2) The County is in the process of revaluing its valuation role which it hopes to increase the rate payers base and overall revenue from land rates.

**Financial Performance**

**a) Revenue**

In the year ended 30<sup>th</sup> June 2017, the County had projected revenues of KShs 6,477,561,881 consisting of KShs 268,048,468 from own sources and KShs 6,209,513,413 from other sources.

**A graphical representation of the revenue budget is as shown below:**



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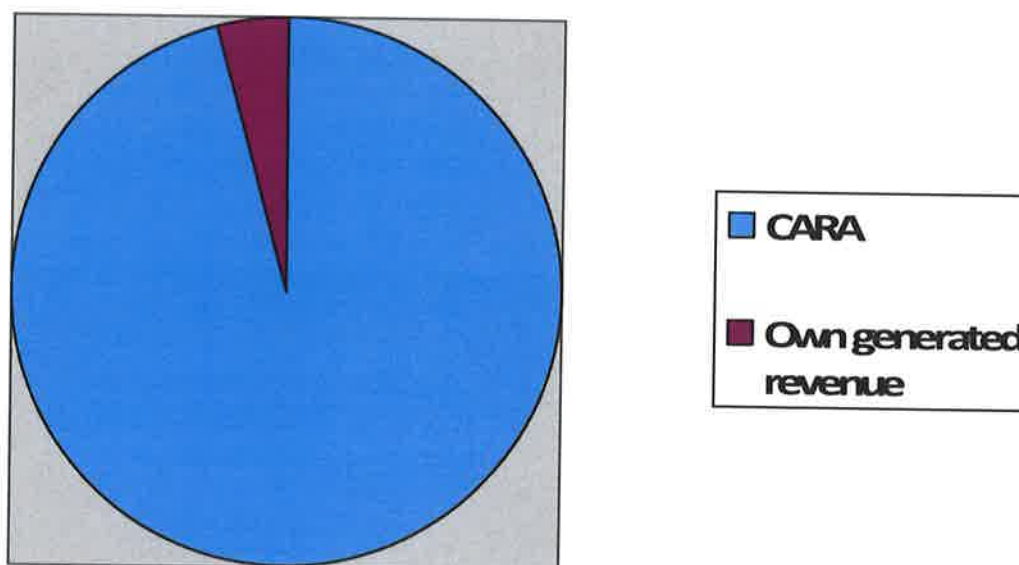
**Figure 1: KWALE County revenue sources in FY 2016/2017**

CARA revenues continue to form the largest part of our revenue budget, contributing approximately 96% towards our budget. Our own generated revenues formed 4% of our budget. The budget deficit was financed through unutilized fund balances from previous financial year.

Out of the projected revenue, the County was able to realise KShs 6,111,810,717 in actual revenues, representing 94% performance. Own generated revenue was kshs.221, 011,186 representing 82.5 % of the budgeted amount. In the table below, we present an analysis of revenue performance during the year.

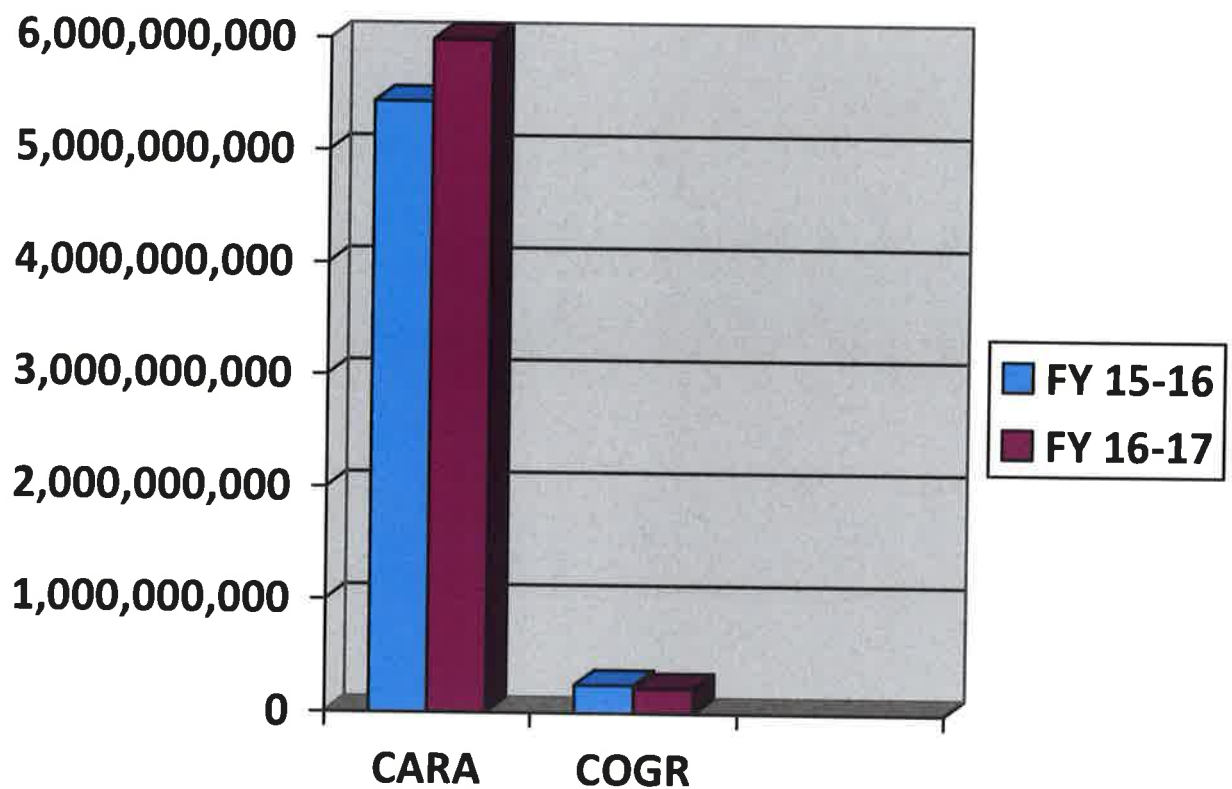
Revenue classification	Revenue budget (KShs)	Actual (KShs)	Realisation (%)
<b>CARA</b>	<b>6,209,513,413</b>	<b>5,986,544,212</b>	<b>94%</b>
<b>Borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Own generated revenues</b>	<b>268,048,468</b>	<b>221,011,186</b>	<b>82.5%</b>
<b>Total</b>	<b>6,477,561,881</b>	<b>6,207,555,398</b>	<b>94%</b>

**Table 1: Revenue performance in FY 2016/2017**



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**Revenue performance in FY 2016/2017**



**KEY**

**CARA-** County allocation of revenue act

**COGR-** County own generated revenue

**FY-** Financial year

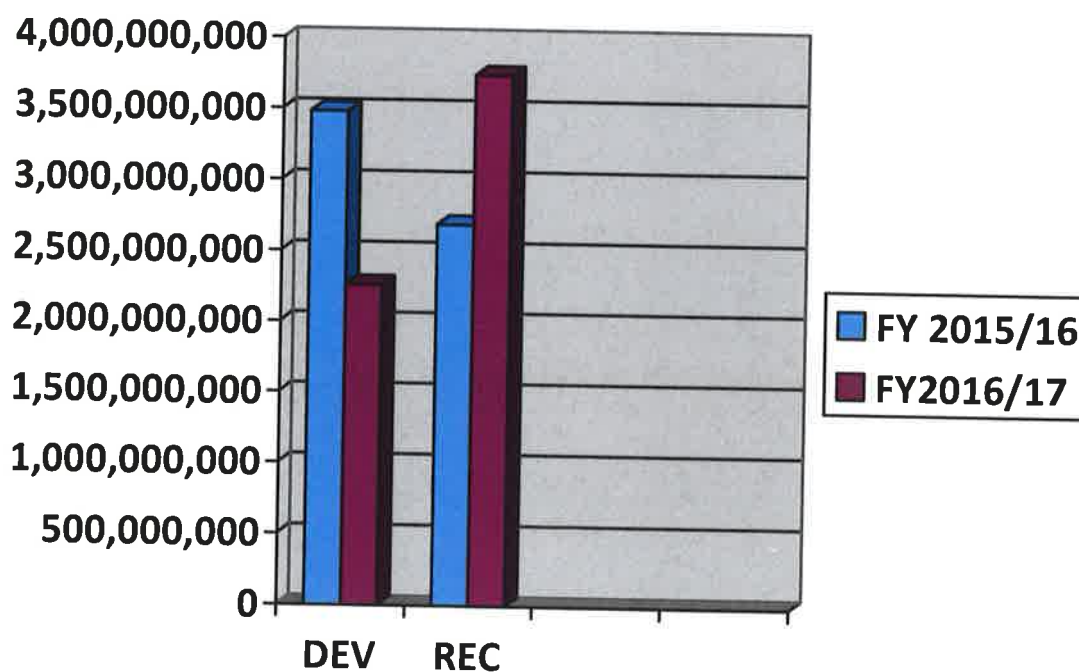
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**b) Payments**

The total expenditure for the year amounted to KShs 6,004,728,813.05. KShs 2,259,477,859.40 was spent on development expenditure while KShs 3,745,250,953.65 was spent on recurrent expenditure representing a ratio of 19:31 respectively. The actual development expenditure is approximately 38% which is slightly above the recommended percentage of the 30% of the total expenditure.

	2016-2017	2015-2016
Development Expenditure	2,259,477,859.40	3,483,464,329.70
Recurrent Expenditure	3,745,250,953.65	2,689,102,195.70
	<b>6,004,728,813.05</b>	<b>6,172,566,525.40</b>

**Expenditure Analysis graph**



**KEY**

FY- Financial year

DEV- Development expenditure

REC- Recurrent expenditure

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In the financial year 2016/2017, the county did a number of development projects in various sectors. Below is a sample of the projects;



**KWALE COUNTY HEADQUARTER**  
**UNDER CONSTRUCTION**



**KWALE HEALTH DEPT. ADMINISTRATION BLOCK**  
**(AFYA HOUSE) - COMPLETED**



**INTENSIVE CARE UNIT (ICU)**  
**MSAMBWENI REFERRAL HOSPITAL**



**KWALE COUNTY COMMUNITY DEV.**  
**AMPTHEATRE**



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**KWALE COUNTY ASSEMBLY COMPLEX**



**NINGAWA ECDE**



**MBWEKA ECDE**



**CHIVYOGO ECDE**



**KANU ECDE**



**DIANI VOCATIONAL TRAINING CENTRE**

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**MABOKONI BOREHOLE WATER PROJECT**



**KWALE MARKET STALLS AND STAGE**



**KINROSS PRIMARY HEALTH CENTRE**



**SAMIA HEALTH CENTRE**



**BLOOD TRANSFUSION CENTRE MSAMBWENI HOSPITAL**



**LUNGALUNGA HOSPITAL THEATRE**





**ALE  
nents**



**MKONGANI TREE PLANTING PROJECT**

**PONGWE KIKONENI TREE PLANTING PROJECT**



**LUNGALUNGA TOWN PHYSICAL PLAN**

**TOTAL STATION**



**MAVARATA WATER**

**CABRO PAVING AT UKUNDA**

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DATA CENTRE AT KWALE HQ



DATA CENTER POWER BACK UP



KIBUYUNI SEAWEED COLLECTION CENTER



NYALANI IRRIGATION PROJECT



SHIMBAHILLS {KUBO SOUTH} CATTLE DIP



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**Other Project completed FY-2016-2017**

- i. Completion of Accident and emergency wards in Kwale and Kinango.
- ii. Construction of Theatre in Samburu Chengoni Ward and Lungalunga Ward.
- iii. Completion of 4 Polytechnics Twin workshops/ Hostels in Gombato, Dzombo, Mwereni and Vanga.
- iv. Construction of Samburu, maji ya chumvi, Mwangoloto pipeline in Samburu Chengoni Ward.
- v. Completion of 69 E.C.D.E in; Kinango, Gombato, Mwavumbo, Waa/ng'ombeni, Macknon Road, Kinondo, Vanga, Dzombo, Ramisi and Ukunda among others
- vi. Completion of Kombani wholesale section market
- vii. Construction of Paediatric unit and opening of the Afya house in Kwale Hospital
- viii. Completion of Marere Ndavaya pipeline (kirewe mwachanda) in Ndavaya.
- ix. Completion of Installation of backbone fibre optic network infrastructure
- x. Construction of Dudu Dam in Ndavaya ward
- xi. Food security programmes by providing certified seeds and fertilizers to farmers

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**Figure 2: County Government Flagship projects completed in FY 2016/2017**

- i. Commissioning of ICU and renal unit at Msambweni hospital to upgrade it to a Referral hospital.
- ii. Completion of Cabro work at ukunda Airstrip Road.
- xii. Construction of final phase of the County Head Quarters.
- xiii. The County Government has Built 69 ECDEs Centers in this financial year adding to 200 ECDEs. Additionally, the County hired more ECD teachers which has improved the enrolment of pupils and creation of employment in the county.
- xiv. Provision of bursaries to needy students in secondary schools, technical institutions and Universities.

Much of the recurrent budget was spent on compensation for employees. This was as a result of salary increments awarded to Doctors and Nurses over the past year. However, we appreciate that a well remunerated workforce is necessary for service delivery. As such, we are committed to improving the welfare of our staff.

**c) Cash flows**

In the FY 2016/2017, we have had many liquidity disruptions. This was as a result of late disbursements by the National Treasury. The cash and cash equivalents increased from KShs 958,605,729 as at 30<sup>th</sup> June 2016 to KShs 1,080,952,420 as at 30<sup>th</sup> June 2017.

**d) Accounts receivables**

Imprest management is a critical area of focus in Kwale County. Our aim is to adhere to the PFM regulations on imprest management. We appreciate that there is still room for improvement in this area. The main challenge has been to get staff and the Honourable Members of County Assembly to account for their imprests on time. Going into FY 2017/2018, we will place more emphasis on complying with the PFM regulations with regards to imprests.

**e) Pending bills**

Pending bills have increased from KShs 1,214,480,064.57 to KShs 1,796,955,475.

The raise has largely been as a result of late disbursement of funds from National Treasury hence delays in settling suppliers. Our focus as a County is to settle the bills as soon as possible. In every budget cycle, we ensure that part of the allocations is towards settlement of old outstanding pending bills.

**f) Fixed assets**

Kwale County has made significant investments in fixed assets since coming into office in 2013. Additionally, we inherited some assets from the defunct municipal council. We are in the process of developing a comprehensive asset management policy, which we hope to finalize in FY



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2017/2018. The policy will among other things incorporate physical verification of all assets, valuation of assets, tagging of assets and maintenance of an asset register.

**Operational performance**

The County's operations are structured in terms of departments which are headed by a County Executive Committee member. For seamless service delivery, all departments have to work in unison and synergize. In the table below, we summarize the key activities carried out by each department during the year:

	Department	SECTIONS/ DIVISIONS	Key activities
1.		Treasury	<ul style="list-style-type: none"> <li>•Implementing financial and economic policies</li> <li>•Managing the County government debts</li> <li>•Financial reporting</li> <li>•Ensuring compliance with accounting standards</li> </ul>
		Internal Audit	<ul style="list-style-type: none"> <li>•Giving reasonable assurance through the audit committee on the state of risk management</li> <li>•Review and evaluation of budgetary performance, financial management, transparency and process</li> <li>•Review policies and procedures</li> </ul>
		Budget	<ul style="list-style-type: none"> <li>•Preparing annual budget</li> <li>•Preparation of supplementary budget</li> </ul>
		Procurement	<ul style="list-style-type: none"> <li>• Maintain and update annually standing lists of registered tenderers required by the procuring entity;</li> <li>• Prepare, publish and distribute procurement and disposal opportunities including invitations to tender, pre-qualification documents and invitations for expressions of interest;</li> <li>• Co-ordinate the receiving and opening of tender documents;</li> <li>• Co-ordinate the evaluation of tenders, quotations and proposals;</li> <li>• Implement the decisions of the procurement, tender and disposal committees, including co-ordinating all activities of these committees;</li> <li>• monitor contract management by user departments to ensure implementation of contracts in accordance with the</li> </ul>
	Finance and Economic Planning		

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			<ul style="list-style-type: none"> <li>terms and conditions of the contracts;</li> <li>Co-ordinate internal monitoring and evaluation of the supply chain function;</li> <li>Act as a secretariat to the tender, procurement and disposal committees</li> </ul> <p>These functions are carried out in strict adherence to the Public Procurement and Disposal Act, 2005 and the Public Procurement and Disposal Regulations, 2006.</p>
2.	Agriculture, Livestock and Fisheries	Revenue	<ul style="list-style-type: none"> <li>Mobilizing resources for funding</li> </ul>
		Administration and finance	<ul style="list-style-type: none"> <li>Overall supervision and coordination of all divisions and funding</li> <li>Linking the governor's office and the department in terms of policy articulation and implementation</li> </ul>
		Crop development	<ul style="list-style-type: none"> <li>Crop production and farm mechanization</li> </ul>
		Livestock development	<ul style="list-style-type: none"> <li>Livestock improvement and production</li> </ul>
		Fisheries management	<ul style="list-style-type: none"> <li>Fish production and marketing</li> </ul>
		Veterinary services	<ul style="list-style-type: none"> <li>Disease control and breed improvement</li> </ul>
3.	Lands, Environment, Mining and Natural Resources	Planning	<ul style="list-style-type: none"> <li>Planning of town centres (Tsunza, Vigurungani, Taru, Lungalunga and Samburu Chengoni)</li> <li>Digitization of spatial records</li> </ul>
		Survey	<ul style="list-style-type: none"> <li>Boundary identification</li> <li>Boundary re-establishment</li> <li>Beaconing in settlement schemes such as Macknon road and Mwakamba</li> </ul>
4.	Health Services	Hospitals	<ul style="list-style-type: none"> <li>Rehabilitative and curative services</li> </ul>
		Rural Health facilities	<ul style="list-style-type: none"> <li>Preventive, promotive and curative services</li> </ul>
		Administration	<ul style="list-style-type: none"> <li>Governance, policy making and supervision</li> </ul>
5.	Industry, Trade and Investments		
6.	Community Development, Youth and Women Empowerment and Social Services	General administration, planning and support service. Community development and liquor management.	<ul style="list-style-type: none"> <li>To provide effective public service delivery to county departments unit.</li> <li>To promote development and enhance community participation in sustainable development</li> </ul>

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		Sport Art and Talent promotion and management. Culture and social Services	<ul style="list-style-type: none"> <li>• Identification, nature, development and manage sports, arts and talents to foster economic empowerment, unity and social integration</li> <li>• To promote culture</li> <li>• To enhance unity in diversity and provide social</li> </ul>
7.	Office of the Governor and Deputy Governor	<p>Communication</p> <p>Human Resource</p>	<ul style="list-style-type: none"> <li>• Diligently execute the functions and exercise the authority provided for in the constitution and legislation.</li> <li>• Perform such state functions within the county as the president may from time to time assign on the basis of mutual consultation.</li> <li>• Represent the county in National and International events.</li> <li>• Appoint with the approval of the county assembly, the county executive committee.</li> <li>• Constitute the county executive committee portfolio structure to respond to the functions and competencies assigned to and transferred to the county.</li> <li>• Consider approve and assent to bills passed by the county assembly.</li> <li>• Chair meetings of the CEC.</li> <li>• Overall policy direction and leadership.</li> <li>• Symbol of county unity and protection of county department.</li> <li>• Appointment of Chief Officers.</li> <li>• Annual report to the County Assembly on county's fulfillments.</li> <li>• Any other functions assigned by law.</li> </ul>

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8.	Education and Human Resource	Early Childhood Development	<ul style="list-style-type: none"> <li>Construction of ECDE Centres.</li> <li>Provision of instructional and learning materials</li> <li>Quality assurance and standards assessment to ensure quality</li> </ul> <p>Support Children's Nutrition by providing 10oclock porridge</p>
		Technical Training	<ul style="list-style-type: none"> <li>Construction of youth polytechnics</li> <li>Curriculum implementation</li> <li>Acquisition and distribution of tools and equipment</li> <li>Exhibition of vocational training handmade materials</li> </ul>
9.	Water and Infrastructure	<p>1.General Administration, Planning &amp; Support Services</p> <p>2.Development/Construction and maintenance of Water Supply Systems</p>	<ul style="list-style-type: none"> <li>Enhancing coordination, planning and financing of water services</li> <li>improving household access to safe portable water from current 40 percent to 60 percent by 2017</li> </ul>
10	Infrastructure	<p>1.GeneralAdministration, Planning and Support Services</p> <p>2.Infrastructure and Public Works</p> <p>3.County Electrification</p>	<ul style="list-style-type: none"> <li>Provides effective and efficient to physical infrastructure and public works affiliated departments and units and the general public</li> <li>Developing and maintaining county road network and county government buildings to enhance efficiency, movement, security and safety for accelerated socio-economic development</li> <li>Installing and maintaining lighting facilities within the county to improve on security and to supplement the rural electrification programme</li> </ul>
11.	Tourism and Information Technology		<ul style="list-style-type: none"> <li>Promote both domestic and international Tourism</li> <li>Promotion of Investments</li> <li>Development of community based tourism projects and programmes.</li> <li>Identification and development of tourism products through Private and Public partnerships and linkages</li> </ul>



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			<ul style="list-style-type: none"> <li>• Liaise with other government departments, NGOs and Tourism stakeholders on implementation of tourism policy issues</li> <li>• Brand and market the County.</li> <li>• ICT infrastructure implementation.</li> <li>• Implementation of e-Governance at the County level.</li> <li>• Enhancement of service delivery and County operations through the adoption and use of automated systems.</li> </ul>
12	Public Service and Administration Governor	Administration Enforcement Garbage collection Sub-county administration	<ul style="list-style-type: none"> <li>• Emergence response and coordination.</li> <li>• Administration and management of border relations.</li> <li>• Management and coordination of decentralized units.</li> <li>• Overall Administration and Coordination County Government business.</li> <li>• Promotion of social cohesion.</li> <li>• Dissemination of County Government policies and programmes.</li> <li>• Developing/reviewing relevant policies.</li> </ul>
13	County Public Service Board	-Human Resource Planning, Finance and Administration Committee	<ul style="list-style-type: none"> <li>• Facilitate the development of coherent integrated human resource planning and budgeting for personnel emoluments in the County</li> <li>• Advice the County Government on human resource management and development</li> <li>• Make recommendations on staff</li> </ul>

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		<p>-Recruitment and Selection Committee</p> <p>- Disciplinary Control, Ethics and staff development Committee</p> <p>- Audit and ICT Committee</p>	<p>remunerations</p> <ul style="list-style-type: none"> <li>• Prepare a recruitment and selection policy</li> <li>• Scrutinize job indents to be advertised</li> <li>• Analyse reports and proposals on establishment and abolition of offices.</li> <li>• Analyze and make recommendations on requests on appointments and promotions</li> <li>• Address issues related to the discipline in the county government</li> <li>• Develop a system of handling discipline cases and appeals to Public Service Commission.</li> <li>• Propose activities for promotion of the National values and principles</li> </ul>
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**Table2:Departmental  
performance in FY  
2016/2017**

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**Despite the notable achievements, we have experienced some challenges during the year. These include:**

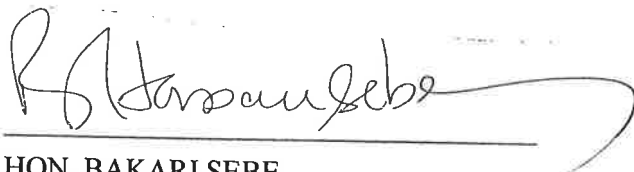
- i. IFMIS system errors – some expenditure were reported with negative figures and some in the commitment column. Liaise with IFMIS technicians to assist in correction of the errors.
- ii. The delay in IFMIS system {i-sourcing} delayed the procurement procedures subsequently affected the County's expenditure absorption rate. It was recommended to continue using Auto- creation in the system.
- iii. Late disbursement of funds by National Treasury.

**Conclusion**

FY 2016/2017 was a good year in general. Good progress was made and the momentum has been created to enable Kwale County continue on a trajectory into prosperity. We have identified gaps and areas to improve on in the subsequent years.

I take this opportunity to thank H.E. the Governor and the Deputy Governor for their support. I would also want to thank my colleagues, the County Executive Committee Members in charge of other departments who we have worked hand in hand to ensure that Kwale County achieves its mission.

I thank all staff in the entire County for their continued commitment and dedication through hard work in delivering services to the people of Kwale County.



**HON. BAKARI SEBE**

**County Executive Committee Member for Finance and Economic**  
**Planning County Government of Kwale**

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### **3. STATEMENT OF CORPORATE GOVERNANCE**

Kwale County is constituted as per the Constitution of Kenya, 2010. The County is headed by the Governor, who is responsible for the general policy and strategic direction of the County.

The County is made up of a County Assembly and County Executive. The County Assembly (CA) consists of the Members of County Assembly (MCAs) who are elected by the people to represent them in the Assembly. The CA is headed by the Speaker.

The County Executive is structured in terms of departments, headed by a County Executive Committee (CEC) Member. The CECs support the Governor and the Deputy Governor in executing the mandate of the County Government as stipulated in the Constitution.

#### **The County Assembly**

The County Assembly is made of the MCAs. It is headed by the Speaker who is elected by the MCAs. The CA is the legislative authority in the county. It also plays an oversight role in ensuring that the county resources are well allocated and well spent. The CA is especially critical in the budgeting process. The MCAs meet every week in accordance with the Standing Orders of the County Assembly.

In executing its mandate, the CA has the following oversight committees:

1. Public Accounts & Investment Committee
2. Budget and Appropriations Committee

#### **Public Accounts Committee**

The committee was formed to provide oversight on the County's finances. The committee held quarterly mandatory meetings during the year. Additionally, it also held three extra sittings to deal with arising matters. The members who served in the committee during the year were:

NO:	NAME	POSITION	PERIOD SERVED
1.	Hon Patrick Mangale	Chairperson	May,2013 to June 2017
2.	Hon Omar Boga	Vice Chairperson	May,2013 to June 2017
3.	Hon Ngoro Mweruphe	Member	May,2013 to June 2017
4.	Hon Mwanamisi Libondo	Member	May,2013 to June 2017
5.	Hon Anthony Lukuni	Member	May,2013 to June 2017

**Table 3: Public accounts committee members**



**COUNTY GOVERNMENT OF KWALE**  
**Annual Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2017**

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**Budget and Appropriations Committee**

The budget and appropriations committee provide guidance in the budgetary process. It is charged with the budget making process and ensuring that there is public participation in the budget process. The members who served in the committee during the period were:

NO:	NAME	POSITION	PERIOD SERVED
1.	Hon Hidayah Fwedah	chairperson	May,2013 to June 2017
2.	Hon Fatuma Jirani	Vice chairperson	May,2013 to June 2017
3.	Hon Kassim Pojjo	member	May,2013 to June 2017
4.	Hon Patrick Mangale	member	May,2013 to June 2017
5.	Hon Omar Kitengele	member	May,2013 to June 2017
6.	Hon Ahmed Musa Umusa	member	May,2013 to June 2017
7.	Hon Fatuma Nchizumo	member	May,2013 to June 2017
8.	Hon Chirema Kombo	member	May,2013 to June 2017
9.	Hon Mwanamisi Libondo	member	May,2013 to June 2017

**Table 4: Budget and appropriations committee members**

**Communication with all Stakeholders**

The County is committed to ensuring that all its stakeholders are provided with full and timely information about its programmes and performance. They are also given an opportunity to give feedback. In this regard, the County held several consultative meetings where the different stakeholders were invited for information sharing. This communication is important in ensuring that stakeholder expectations are aligned to the County's service delivery charter.

**COUNTY GOVERNMENT OF KWALE**  
**Annual Reports and Financial Statements**  
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**4. STATEMENT OF COMPLIANCE**

The County Government is regulated by various laws and regulations. As a County Government, we are committed to ensuring that we have complied with all the laws and regulations governing County Governments.

- a) Financial reporting – Section 166 of the PFM Act (2012) requires the County Treasury to submit quarterly reports to the County Assembly and deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation (CRA), no later than one month after the end of each quarter. Kwale County complied with this requirement and submitted the quarterly reports within the stipulated timelines.
- b) Fiscal responsibilities – Section 107 of the PFM Act (2012) stipulates the requirements of the County Treasury in enforcing fiscal responsibility.
  - “The county government’s recurrent expenditure shall not exceed the county government’s total revenue” – in FY 2016/2017, Kwale County complied with this requirement whereby the recurrent expenditure was KShs 3,745,250,953.65 against total revenues of KShs 6,207,555,397.85 “A minimum of thirty percent of the county government’s budget shall be allocated to the development expenditure” – in FY 2016/2017, KShs 3,404,102,071.00 representing 48% was allocated to development expenditure against a total budget of KShs 7,120,345,442.00.

**COUNTY GOVERNMENT OF KWALE**  
**Annual Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2017**

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**5. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of revenue and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

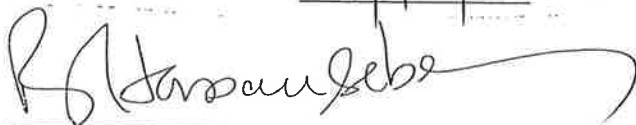
The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government'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 CEC member for finance confirms that the County Government's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The County Government's financial statements were approved and signed by the CEC member for Finance on 30/9 2017.



County Executive Committee member – Finance and Economic Planning

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF KWALE FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

##### **Adverse Opinion**

I have audited the accompanying financial statements of County Executive of Kwale set out on pages 48 to 97, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation; recurrent and development combined 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of County Executive of Kwale as at 30 June 2017, 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 do not comply with the Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, public money has not been applied lawfully and in an effective way.

##### **Basis for Adverse Opinion**

##### **1.0 County Own Generated Receipts**

##### **1.1 Unapproved Waivers**

Included in the statement of receipts and payments for the year ended 30 June 2017 are County own generated receipts totaling Kshs.221,011,186 out of which Kshs.53,682,884 were land rates received during the year. It was noted that the appointed receiver of revenue granted waivers for revenue due as interests on overdue land rates to individuals amounting to Kshs.12,022,569. However, interest payable as at 30 June 2016

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*Report of the Auditor-General on the Financial Statements of County Executive of Kwale for the year ended 30 June 2017*



amounted to Kshs.9,911,359 resulting to a variance of Kshs 2,111,210.41 and which the management has not explained or reconciled.

In addition, evidence that these waivers were approved and authorized by County Legislation was not availed for audit contrary to Section 159 1(c) of the Public Finance Management Act, 2012, which requires that any waiver or variation of a charge of fees to be authorized by an Act of Parliament or County Legislation.

Further, the Management did not report the waiver to the Auditor-General as required by Section 210(2)(b) of the Constitution.

Under the circumstances, the regularity and propriety of the waiver of Kshs.12,022,569 granted could not be confirmed.

## **1.2 Un-Receipted Banked Revenue**

The statement of receipts and payments reflected revenue from County own generated receipts of Kshs.221,011,186. However, analysis from the revenue reports revealed that a total of Kshs.216,104,161 had been collected and banked resulting to a difference of Kshs.4,907,025 unbanked. This is contrary to Section 63(4) of the Public Finance Management (County Government) Regulations, 2015 which requires all revenue to be paid into a designated bank account and shall not be used except as provided by law.

Consequently, the management is in breach of the Law.

## **2.0 Compensation of Employees**

The statement of receipts and payments for the year ended 30 June 2017 reflects a balance of Kshs.1,738,026,276 as compensation to employees as detailed in note 6 to the financial statements out of which the County Government paid Kshs.33,048,425 to temporary employees. The payment included Kshs.32,826,125 casual wages incurred by Department of Health, Kshs 90,300 by the Infrastructure departments and Kshs 132,000 by the ICT department. However, the various departments failed to provide written authority from the County Public Service Board to engage casual employees as required by the County Public Service Human Resource Manual Section B.16(1). Further, records on recruitment and the terms of engagement were not availed for audit.

Consequently, the propriety of Kshs.33,048,425 paid to temporary employees for the year ended 30 June 2017 could not be confirmed.

## **3.0 Use of Goods and Services**

### **3.1 Unsupported Expenditure**

The statement of receipts and payments for the year ended 30 June 2017 reflects use of goods and services expenditure amounting to Kshs.1,025,180,904 as detailed in note 7

to the financial statements. However, records availed for audit had the following unsupported expenditure totaling to Kshs.129,029,092.

No	Item/Component	Amount (Kshs)	Particulars	Observations
1	Insurance	92,293,861	Expenditure on all county motor vehicle insurance	The expenditure is not supported with valuation reports for all the vehicles insured. The insurance policies were not availed for audit verification.
2	Other Operating Expenses	4,896,184	Subsistence allowances for Kaya and Mbuguni settlement scheme elders on a consultative meetings.	The expenditure was not supported by attendance register and meeting minutes.
3	Other operating expenses	3,358,277	Medical bills for staff members	Expenditure not supported with approvals by County Executive Member for Finance. Application was sent to him but no approval was availed for audit review given that the county had a medical scheme.
4	Routine Maintenance Vehicles and other equipment	12,309,489	Expenditure relating to repairs and maintenance of Motor vehicle, Supply of tyres and rims, plumbing works in offices, electrical repairs and borehole repairs.	The repairs and maintenance were not requested by the user department or sections head of the department. No evidence of approval sought from the transport officer to confirm that the repairs were required and inspection report raised to estimate the cost of repairs was provided. After repairs inspection was not done to ensure that the stated or required works had been done to satisfaction.
5	Purchase of Vehicles and Other Transport Equipment	8,876,000	Purchase of 3 boats from M/s Zeif Invest Comp Ltd. Examination of the	The boats were delivered more than 9 months ago but had not been commissioned as indicated by the fisheries section in the department. Only two boats were

			procurement process revealed	available for verification but did not include dingy boats as required by the specifications. The department did not maintain stores records to confirm the accessories supplied together with the boats. One of the boats did not have a fishing platform as required by the specifications.
6	Purchase of Vehicles and Other Transport Equipment	1, 689,675	Procured bicycles during the year by the Department of Agriculture	The LPO number 2327389 raised by the department was not dated and signed by the accountant. The invoice received from the supplier was also not dated. A list of the officers issued with the bicycles was not produced for audit review. Further we did not get a professional inspection report to confirm the specifications of the delivered bicycles conformed to the specifications requested.
	Routine Maintenance –Other Assets	5,605,606	Purchase of tyres, building and electrical materials- department of infrastructure	The stores ledger and motor vehicle repair records including logbooks availed indicate that tyres were not recorded in stores and the relevant Vehicle Logbook and also building and electrical materials were not received in stores to confirm receipt, issue and utilization to the point of use.
	<b>Total</b>	<b>129,029,092</b>		

Consequently, the propriety and accuracy of Kshs.129,029,092 included in the use of goods and services for the year ended 30 June 2017 could not be confirmed.

### 3.2 Errors in the Financial Statements

The statement of receipts and payments for the year ended 30 June 2017 reflects Kshs.1,025,180,904 as use of goods and services. A review of the records availed for audit indicated that expenses amounting to Kshs.14,682,917 were erroneously and posted to the wrong expenditure item as shown below.

	Item Charged	Amount	Correct item
1	Domestic Travel	12,227,517	Foreign travel
2	Rentals of produced assets	2,455,400	Domestic travel and subsistence
3	Printing and advertising	3,755,500	General office supplies
		<b>18,438,417</b>	

Consequently, the accuracy and completeness of domestic travel, rental of produced assets and printing and advertising totaling to Kshs.18,438,417 for the year ended 30 June 2017 could not be confirmed.

#### **4.0 Acquisition of Assets**

The statement of receipts and payments for the year ended 30 June 2017 reflects Kshs.1,880,606,496 on acquisition of assets as detailed in note 11 to the financial statements.

The following observations were however made:

#### **4.1 Construction of Buildings**

##### **4.1.1 Proposed Construction of County Headquarters Offices**

Included in the construction of building balance of Kshs.328,280,456 in note 11 to the financial statements is an amount of Kshs.129,000,000 paid to a local construction company towards the proposed construction of County Headquarters offices. The contract for the construction of County Headquarters offices was procured through National open tender for Kshs.462,197,054. However, the project file was not availed for audit review.

Under the circumstances, it has not been possible to confirm the propriety and value for money of the Kshs.129,000,000 paid by the County for the construction of County Headquarters .

##### **4.1.2 Construction of a Cereal Store at Mwambalazi**

Included in the construction of buildings balance of Kshs.328,280,456 in note 11 to the financial statements is an amount of Kshs.6,829,186 paid to a local construction company towards construction of a cereal store at Mwambalazi, Pongwe Kikoneni. Records availed for audit revealed the following anomalies;

- i) The county issued a letter of notification of award on 18 January 2017 with a contract price of Kshs.6,000,000 which was Kshs.829,186 less than the quoted price by the bidder. The bidder accepted the revised contract sum citing reduced scope of works from the original BOQ bid of Kshs.6,829,186. The management did not communicate how the price was to be adjusted during settlement of invoices nor were details or information regarding the scope that had been reduced produced for audit review.
- ii) The management paid the bidder Kshs.4,002,893 vide payment voucher number 1344A being settlement for certificate number 1. A review of the certificate revealed that it included provisional sum and prime cost amounting to Kshs.250,000 which was not broken down to the specific items paid for and temporary site office for Kshs.250,000 being the whole amount while the contract was not complete.

Under the circumstances, it has not been possible to confirm the propriety, value for money of Kshs.500,000 paid as provisional sum and temporal site office and how the contract amount was to be adjusted from the bid price of Kshs 6,829,186 to Kshs 6,000,000.

#### **4.1.3 Proposed Renovation of Kikoneni Market**

Included in the construction of buildings balance of Kshs.328,280,456 and as disclosed under note 11 to the financial statements for the year ended 30 June 2017 is Kshs.3,379,859 paid to a construction company to renovate Kikoneni Market and 3 door VIP Latrine with urinal block, fence and guard room. Records availed for audit revealed the following anomalies;

- i) The tender was opened on 5 April 2017 with the minutes indicating that there were 3 bidders. The evaluation committee members were 6 people appointed by the Chief Officer, more than prescribed number of 5 as prescribed by Section 46(4)(b) of the Public Procurement & Asset Disposal Act 2015.
- ii) The evaluation committee indicated that 2 bidders were non responsive since they did not have National Construction Authority certificates. Enquiry on the National County Authority website revealed that the bidder who qualified in the preliminary was not registered in their website while one of the disqualified one was registered raising question on the fairness and impartiality of the evaluation committee. The evaluation committee proceeded to recommend for award at a contract sum of Kshs.3,379,859 while the bidders quotation price was Kshs.4,141,036.44.
- iii) There was no professional opinion in the file to the accounting officer as required by Section 84 of the Public Procurement & Asset Disposal, 2015. The Department forwarded the minutes of evaluation committee to Head of Procurement and



Supplies on 2 May 2017 while the accounting officer had already issued a notification of award 16 days earlier on 15 April 2017.

- iv) It was observed that the accounting officer had on 31 March 2017 issued a local service order number 1435199 to the same contractor for similar works before the tender process was done (opening minutes - 5 April 2017 and Evaluation minutes – 15/4/17) meaning works had been un-procedurally awarded.
- v) The management signed the contract on 1 May 2017 one month after the LSO had been issued to the contractor.

Under the circumstances, it has not been possible to confirm the propriety of Kshs 3,379,859 paid to a construction company to renovate Kikoneni Market and 3 door VIP Latrine with Urinal block fence and guard room.

#### **4.1.4 Proposed Construction of Bodaboda Shed**

Included in the construction of buildings balance of Kshs.328,280,456 and as disclosed under note 11 to the financial statements for the year ended 30 June 2017 is Kshs.549,994 paid to a construction company to construct a bodaboda shed at Tiwi Ward. However, it was noted that the evaluation committee minutes were not signed by 2 of the members contrary to Section 80(7) of the Public Procurement and Disposal Act, 2015.

Consequently, the propriety of Kshs.549,994 paid for the construction of bodaboda shed at Tiwi could not be confirmed.

#### **4.1.5 Furnishing of Matuga Biashara Center**

Included in the construction of buildings balance of Kshs.328,280,456 and as disclosed under note 11 to the financial statements for the year ended 30 June 2017 is Kshs.1,106,466 paid to a construction company for furnishing of Matuga Biashara Center.

However, it was noted that the Accounting Officer appointed 7 members for the evaluation committee contrary to Section 46 of the Public Procurement & Asset Disposal, 2015 which provided for a maximum of 5 members. Further, the accounting officer issued a Local Service Order which was dated 31 March 2017, the same date as the requisition from the user department.

From the foregoing, it is clear that the accounting officer breached Section 46 of the Public Procurement & Asset Disposal, 2015.

Consequently, the propriety of Kshs.1,106,466 paid for furnishing Matuga Biashara center for the year ended 30 June 2017 could not be confirmed.

#### 4.1.6 Expenditure on Buildings without Ownership Documents

Included in the construction of buildings balance of Kshs.328,280,456 and as disclosed under note 11 to the financial statements for the year ended 30 June 2017 is the construction of buildings expenditure amounted to Kshs.317,262,477 during the financial year 2016/2017 as per Appendix I. However, the County did not produce ownership documents of the properties on which the developments were undertaken neither did they provided official land search (R.L.26) or legally executed agreement (between the County government and the community) to confirm the status of the properties where projects were being done.

The County, therefore, was exposing public funds amounting to Kshs.317,262,477 used in construction of building and other social amenities on land whose ownership status could not be confirmed.

#### 4.2 Construction of Roads

Note 11 of the financial statements for the year ended 30 June 2017 reflects construction of roads expenditure amounting to Kshs.86,529,852. Examination of various payments revealed the following;

	Project Name and contractor	Contract (Kshs)	Anomalies noted
1	Spot gravelling, construction of drift and culverts at Mkilo-Mavarata and Maweu-Pemba roads - Wintech systems ltd	8,873,990	The Management approved procurement for a contract sum of Kshs.8,873,990 which was higher than the budget of Kshs.8,000,000 by Kshs 873,990. The department contravened the section 53 (8) of the Public Procurement & Asset Disposal Act 2015.
2	Cabro paving at Ukunda Airstrip - Native construction	43,267,985	The Management awarded a contract for a contract sum of Kshs 43,267,985 while the funds allocated towards this project was Kshs 20,000,000 contrary to section 53(8) of the Public Procurement & Asset Disposal by engaging a contractor for a contract sum of Kshs 43,267,985 when funds allocated towards the project was only Kshs 20,000,000 Further, the total payments towards the project was Kshs43,836,702 higher than the bidder's amount by Kshs 568,717.
3	Spot improvement & drift at Mwachanda-Mbita road at Ndavaya - Power Lead	5,936,640	The Management procured for works while there was no adequate budget for the same and did not indicate where the Kshs 1,936,640 over and above the budgetary allocation would be financed from
4	Patchwork and surface dressing of Msambweni Hospital Road 2.5km - End to End Ltd	19,898,800	The Management procured for works while there was no adequate budget for the same and did not indicate where the Kshs 9,898,800 over and above the budgetary allocation would be financed from
	<b>Total</b>	<b>77,977,415</b>	

Consequently, the propriety and accuracy of Kshs.77,977,415 on Construction of roads for the year ended 30 June 2017 could not be confirmed.

#### 4.3 Rehabilitation of Civil Works

Note 11 to the financial statements for the year ended 30 June 2017 reflects a figure of Kshs. 238,634,155 in respect of rehabilitation of civil works. The following observations were made:

No	Project	Contract amount	Observations
1	Busho Kilibasi water pipeline - Mackinon Ward Gubba Investments	44,599,912	Non-compliance with budget execution regulations and requirements by utilizing more funds than what was provided for in the procurement plan by Kshs 34,599,912. This may result in non-execution of other projects due to possible re-allocation of voted funds.
2	Taru Fuleye Pipeline – Macknon Ward Suhufi Agencies	24,992,760	Non-compliance with budget execution regulations and requirements by utilizing more funds than provided for in the procurement plan by Kshs 14,992,760 which may result in possible non execution of other projects due to possible re-allocation of voted funds
3	Construction of Ngathini tank Lungalunga Tunga General Contractors	3,528,656	Non-compliance with Public Procurement & Asset Disposal section 45 as the project was not included in the procurement plan.
		<b>73,121,328</b>	

Consequently, the propriety and accuracy of Kshs.73,121,328 on rehabilitation of civil works could not be confirmed.

#### 4.4 Domestic Payables-Pending Bills

Note 11 to the financial statements for the year ended 30 June 2017 reflects a figure Kshs.941,413,025 in respect of domestic payables (pending Bills). The following observations were made.

##### 4.4.1 Installation of Fibre Backbone Network

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statement is an amount of Kshs.18,396,056 paid to a local firm for installation of fibre

backbone network. The contract was procured through an open tender. However, the following anomalies were noted in the procurement process;

- i. The opening minutes indicated that there were 10 bidders. The bidders included KPLC (Kshs.1,960,400) and Telkom Kenya (Kshs.2,878,521).
  - ii. KPLC was knocked out at preliminary indicating that they did not provided Single Business Permit, business questionnaire was not completed and litigation history was not provided.
  - iii. Telkom Kenya passed preliminary stage but was knocked out on technical as non-responsive since the personnel CV attached did not have certificates attached ( despite the fact the Telkom owns, operates and manages the main fibre Cable connecting the country to the world).
- iv. Evaluation of the winning bidder's tender documents revealed that;

The bid document did not have the whole of the tender document provided by the employer but returned only a bound document with testimonials and the Bills of Quantities (BOQ).

The CV attached were not supported by any certificate and only one was supported by a proficiency certificate from KPLC.

Review of the Bills of Quantities indicated that the bills had provision of 3.256Km of HPDE pipes while the excavation being done was 4.07Km thus a variance of 0.8Km resulting to extra excavation costing an estimated Kshs.640,000 (soft rock excavations) or Kshs 954,000 (hard rock excavation). The bill of quantities provided for 4.14Km of fibre optical cable which did not provide the specifications for the same but just stated normal fibre. The contractor had the option of providing any kind of fibre optic cable thus it was not possible to confirm value for money for the item supplied.

The County procured for the services at Kshs.18,396,056 which is more by Kshs.15,517,529 than would have been provided by KPLC which is a public institution resulting to loss of public funds.

Consequently, the propriety of Kshs.18,396,056 paid for installation of fibre backbone network could not be confirmed.

#### **4.4.2 Proposed Construction of Malomani Road - Vinyunduni-Busho**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statements is an amount of Kshs.4,409,160 paid to a local firm for constructing proposed Malomani road –Vinyunduni. However, the following anomalies were noted;

- i. The evaluation committee on 9 February 2015 had awarded the contract to a different firm for a sum of Kshs.4,409,160 having submitted the lowest bid out of the nine firms that responded. The tender opening minutes however, indicated only six firms were responsive.
- ii. The tender committee on 2 March 2015 went ahead and awarded the contract to another firm who presented the 3rd lowest bid of Kshs.4,588,936.80.
- iii. The tender committee cited the initial firm was not pre-qualified under the category for the requested works. No explanation has been given as to the circumstances the 2nd lowest bidder was not awarded the contract.
- iv. The project manager on 10 August 2016 went ahead and terminated the contract due to non-performance by contractor who were already paid Kshs 4,288,085 representing 93% of the contract sum. However, it was observed that the performance bond had expired on 22 March 2016 prior to cancellation of the contract and as such damages could not be claimed by employer for the non-performance on the part of the contractor.
- v. Project visit during the month of February 2017 revealed that installation of 10 Linear meters 900milimeter culverts on the road that was to be undertaken by the contractor could not be confirmed as having been undertaken. The road measurement details were not availed to confirm installation of the culverts at specific designated points along the road.

Under the circumstances, it has not been possible to confirm the value for money and propriety of Kshs.4,288,085 paid for the proposed opening Malomani road - Vinyunduni-Busho.

#### **4.4.3 Proposed Storm Water Disposal and Drainage at Ukunda**

The department engaged the services of a contractor for construction of storm water disposal and drainage at Ukunda - Kwale County during the year 2015/2016. The procurement was done through open national tender and a review of the project file revealed the following;

- i. Engineers estimate was Kshs.44,309,912 and the contract awarded at a sum of Kshs.22,690,064 without indicating which works were to be omitted.
- ii. Project awarded for Kshs.22,690,064 while the budget provided for 10,000,000 only
- iii. Performance bond was valid until 28 January 2016.



- iv. Works undertaken on a national government classified road and no evidence of approval was availed for audit review from Kenya National Highways Authority to undertake the project.
- v. Certificate no.1 of Kshs.7,388,736 paid vide Payment Voucher no 209Id of 23 March 2016 long after expiry of performance bond without renewal.
- vi. Contractor provided a quotation for additional works amounting to Kshs. 21,076,620 on 16 May 2016 this was before completion of the BOQ provided originally while only Kshs 7,380,000 worth of works had been executed.
- vii. Local Service Order no.1348415 issued to contractor for Kshs.12,000,000 had no details provided for variation of contract or Bills of Quantities. Details of where the variation was to be charged not indicated since there was no budget.

Physical verification indicated that the project was disposing the storm water on a swampy vacant land.

Consequently, it could not be confirmed if the County obtained value for money for the Kshs.22,690,064 incurred on the project.

#### **4.4.4 Proposed Construction of Juakali Sheds at Dzimanya Puma Ward**

Included in domestic payables balance of Kshs 941,413,025 in note 11 to the financial statements is an amount of Kshs 4,341,931 paid for construction and completion of stalls at Dzimanya Puma Ward. However, records availed for audit review indicated the following;

- i. The BOQ included prime costs for electrical works of Kshs.200,000 whereas the amount approved for payment was Kshs.449,250 and no Bills of Quantities were raised for these works.
- ii. The department undertook direct procurement for Kshs.417,580 for 2 door VIP toilet without quotations.
- iii. Administration cost of Kshs.100,000 were expensed, however, no details were provided for audit review.

Consequently, it has not been possible to confirm the propriety of Kshs.966,830 spent on construction of Juakali sheds at Dzimanya Puma Ward.

#### **4.4.5 Proposed Erection and Completion of Stalls at Kinango**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statement is an amount of Kshs.9,849,049 paid for construction and completion of stalls at Kinango. However, records availed for audit review indicated the following;

- i. The contractor's payment of certificate no. 1 and certificate no. 2 indicated that the contract had been varied with an amount of Kshs.3,426,660. The Management failed to provide evidence of approval of variation by tender committee.
- ii. Original Bills of quantity included provisional sums for electrical works Kshs 400,000, contingencies Kshs.300,000, admin costs Kshs.50,000 and 4 door VIP latrine Kshs.600,000.

The Management procured for the above works from the same contractor directly after preparing a BOQ.

Consequently, it has not been possible to confirm the propriety of Kshs 9,849,049 incurred as domestic payables for erection and completion of stalls at Kinango.

#### **4.4.6 Supply, Delivery and Commissioning of Telephone Handsets**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statements is an amount of Kshs.3,730,000 paid for supply and commissioning of telephone handsets. However, the following anomalies were noted;

- i. Preliminary evaluation indicated 5 bidders as responsive but only proceeded to evaluate 4 bidders leaving one from technical evaluations although they had been indicated as responsive on preliminary.
- ii. The recommended bidder's bid document did not have the full tender document but selected pages of the document, included only pages 38-schedule of requirements, 38-prices schedule, 40-financial quotation and 42-form of tender. The bid was therefore non responsive and should not have passed the preliminary stage.
- iii. Certificate of vendor from supplier, the bidder provided a letter from certain distributors indicating the bidder as partners. The company was therefore not appointed by bidder as per the requirements and should have been disqualified.
- iv. The evaluation did not undertake a financial evaluation as required by the criteria set and only did price comparison for the bidders. The committee proceeded and recommended award at Kshs 3,730,000 despite the non-responsiveness as stated above.

- v. There was no professional opinion offered by the Head of Procurement to the accounting officer in regards to the procurement which is a mandatory requirement by Section 84 of Public Procurement & Asset Disposal Act, 2015.
- vi. Commissioning reports dated 10 October 2016 availed for audit review indicated that the handsets had operated well and stated that the departments were to buy licenses to enable deployment of the same. However, physical verification revealed that all the telephone handsets were in the ICT department in boxes except for one which had been installed.

Consequently, it has not been possible to confirm the propriety of Kshs 3,730,000 paid for the supply and delivery of telephone handsets during the year ended 30 June 2017.

#### **4.4.7 Installation of LAN at Waa Ngombeni Administration Office**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statements is an amount of Kshs.1,376,108 paid for installation of local Area Network at Waa Ngombeni Administration office. However, the following anomalies were noted;

- i. Details of how the bidders were selected were not provided for audit review.
- ii. Opening minutes for the procurement was not produced for audit review. The evaluation committee recommended award at Kshs.1,376,108. The Head of Procurement did not provide a professional opinion in regards to the recommendation of award.
- iii. The works were invoiced on 3 October 2016 invoice number 606 which was settled vide payment voucher number 085T dated 18 October 2016 of Kshs.1,376,108. It was also noted that the department had paid a similar amount in the financial year 2015/2016 vide payment voucher number T270 traced in the general ledger on 22 June 2016. The department irregularly paid for the works without deducting 3% income tax and 10% retention.
- iv. A visit to the site revealed that the office was vacant for over a period of one year and the installation was not in use resulting in wastage of public resources.

Consequently, it has not been possible to confirm the propriety of the total expenditure amounting to Kshs.2,752,216 paid towards the construction of Local Area Network at Waa Ngombeni Administrative Office.

#### **4.4.8 Construction of a Single Column Tower and 1No. Community Water Point in Mwakogo and Pungu**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statements is an amount of Kshs.380,240 paid for construction of a single column tower community water point at Mwakogo and Pungu. However, the following anomalies were noted;

- i. The Department entered into a contract with a firm on 10 June 2016 for the works and an LPO issued immediately after to the contractor.
- ii. The Project Manager requested for variation for the works from a single tower to a 4 column tower but no approval was availed. The contractor was then paid Kshs.380,248 being the first certificate. However, due to non-performance by the contractor and eventual abandonment of the site, the tender was cancelled on 1 February 2017.
- iii. The Department was not able to receive liquidated damages for non-performance of the contractor as the performance bond had expired on 2 December 2016 without renewal.

To date the project remains incomplete and no details of how the Department is planning to complete the same.

Consequently, it has not been possible to confirm the propriety of Kshs.380,248 paid.

#### **4.4.9 Proposed Construction of Mwangoloto Pan in Samburu/Chengoni**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statement is an amount of Kshs.14,753,808 paid for construction of Mwangoloto Pan and Samburu /Chengoni. However, the following anomalies were noted;

- i. The contract and LSO were signed on 13 June 2016 with the completion date given as 8 June 2017. The initial budget for the project was indicated to be Kshs.5,000,000 but the lowest bidder quoted Kshs 12,718,800 excluding tax.
- ii. The project cost was 195% more than the initial budgetary allocation. This change has not been supported by revised engineer's estimate detailing the extra works from the initial estimate that the budgetary allocation was derived from.
- iii.
- iv. A supplementary budget indicates the project was allocated Kshs.14,753,808 an additional Kshs.9,753,808.

- v. No evidence has been availed to indicate the project was re-tendered and advertised. In addition, no documentary evidence has been availed to confirm completion of the project which has delayed beyond completion date.

In absence of revised engineer estimate certificate and completion certificate, it has not been possible to conform that the residents of Samburu and Chengoni got value for Kshs.14,753,808 paid towards construction of the water pan during the year ended 30 June 2017.

#### **4.4.10 Proposed Construction of Namwena Water Pan and its Auxillary Facilities in Ndavaya Ward**

Included in domestic payables balance of Kshs.941,413,025 in note 11 to the financial statements for the year ended 30 June 2017 is an amount of Kshs.12,647,510 paid for construction of Namwera water pan. However, the following anomalies were noted;

- i. The contract and LSO were signed on 4 June 2016 with the completion date given as 20 October 2016.
- ii. The initial budget for the project was indicated to be Kshs.5,000,000 but the lowest bidder quoted Kshs 13,508,500 which was 170% above funds allocated. A site handing over meeting scaled down the works and revised it to Kshs.10,000,000 and the contractor carried out works worth the revised contract sum.
- iii. A supplementary budget later allocated more funding towards the project to the tune of Kshs.13,508,500. However, the project cost was revised to Kshs 11,558,994 on 27 May 2016 by the project manager. Despite this, the contractor to date has been paid Kshs.12,647,510 which represents 109% of the latest revised contract sum by the project manager.
- iv. To date no completion certificate has been issued for the works and the project status remains in jeopardy.

In absence of completion certificate, it has not been possible to conform that the residents of Ndavaya Ward got value for Kshs.12,647,510 paid towards construction of the water pan during the year ended 30 June 2017.

#### **5.0 Other Payments**

The statement of receipts and payments for the year ended 30 June 2017 reflects Kshs.63,955,191 as other payments. Examination of the information provided revealed that these expenditures related to emergency. It was noted that the County did not transfer these fund to an emergency fund account but spent the same directly from the County Executive fund accounts.



Further, no evidence was provided to show that the County Executive Committee Member for Finance had sought approval from the County Assembly as required by Section 114 of the Public Finance Management Act, 2012 which requires that the County Executive Committee member for finance should seek approval of the County Assembly within two months after payments is made.

Consequently, the propriety of the other payments paid as emergency amounting to Kshs.63,955,191 during the year ended 30 June 2017 could not be confirmed.

## **6.0 Bank Balances**

The statement of assets and liabilities as at 30 June 2017 reflects bank balance of Kshs. 1,080,700,658. Included in this are 9 bank accounts with various commercial banks which were holding Kshs 27,375,099 as at 30 June 2017. However, the County Management failed to provide evidence that the bank account opening was approved by the County Treasury as required by Section 82(4) of the Public Finance Management (County Government) Regulation, 2015 which requires that no accounting officer should open a bank account except with prior approval of the County Treasury and the same should be communicated to the Controller of Budget and the Auditor-General.

Consequently, the regularity, accuracy and completeness of Kshs.1,080,700,658 Bank balance as at 30 June 2017 could not be confirmed.

## **7.0 Accounts Payable – Deposits and Retentions**

The statement of assets and liabilities for the year ended 30 June 2017 reflects an amount of Kshs.59,985,874 in respect of retention fees. However, the management failed to provide a retention fees register /ledger for recording the third parties to whom the retention monies belonged to.

Consequently, it has not been possible to confirm the ownership and completeness of deposits and retentions of Kshs.59,985,874 as at 30 June 2017.

## **8.0 Accounts Receivables**

### **8.1 Outstanding Imprests**

The statement of assets and liabilities as at 30 June 2017, reflects accounts receivables outstanding imprests balance of Kshs.6,238,488. Out of which are outstanding imprests of Kshs.1,343,210 all of which were 6 months as at end of the financial year. Further, the annex to the financial statements showing the outstanding imprest holders revealed that various County officers were issued more than one imprest before accounting for the previous one. This is contrary to Section 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which states that 'a holder of a temporary

imprest shall account or surrender the imprest within seven (7) days of return to duty station.

Consequently, it has not been possible to confirm the validity of the outstanding imprest balance of Kshs.1,343,210 as at 30 June 2017.

## **9.0 Pending Bills**

Annex 1 to the financial statements for the year ended 30 June 2017 reflects pending bills balance of Kshs.1,796,955,475 which are mainly due to contractors. However, information available indicated that Kshs.703,381,580 (development 694,051,039 and 9,330,541 for recurrent) were commitments which the Management failed to provide supporting documents for audit review.

The County did not have adequate funding to finance the pending bills as at 30 June 2017 since the cash available was Kshs 1,080,700,658 thus less by Kshs.716,254,817. This is contrary to Section 51(1)(f) of the Public Finance Management (County Government) Regulations, 2015 which requires public officers not to exceed the limit authorized in the AIE. Further, the Management did not explain how these pending bills were to be funded in the absence of corresponding actual funds available.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of County Executive of Kwale in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with 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 adverse opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements, except for the matters discussed in the Basis for Adverse Opinion section of my report, I have determined that there are no Key Audit Matters to communicate in my report.

## **Other Matter**

## **1.0 Budget Control and Performance**

### **1.1 Revenue Under Collections**

The financial statements reflected gross revenue of Kshs.6,207,555,398 an increase of Kshs.523,455,478.15 from the previous year's total revenue of Kshs.5,684,099,920. The revenue budget was Kshs 6,477,561,880 and therefore this was an under collection of Kshs.270,006,483 (4%).

Under collection of budget may result to undelivered budget programs due to lack of funds to finance the same in the budget. The Management did not satisfactory explain the reasons for under collections recorded in the financial statements.

## 1.2 Inconsistent Revenue Collection

The statement of receipts and payments for the year ended 30 June 2017 reflects County own generated receipts of Kshs.221,011,186 compared to Kshs.248,617,586 collected in 2015/2016 financial year resulting to a revenue decline of Kshs.27,606,400 or 11%.

Below is a summary of the three years revenue collection;

Details	2016-2017	2015-2016
Rent	3,346,450	10,152,379
Other Property Income		39,534,783
Receipts from Administrative Fees & Charges	4,832,314	-
Fines Penalties and Forfeitures	-	11,255,058
Business Permits	55,018,719	58,603,940
Cess	12,511,549	13,887,864
Poll Rates	53,682,884	-
Plot Rents	1,576,200	-
Other Local Levies	3,667,263	28,062,135
Various Fees	-	11,687,988
Council's Natural Resources Exploitations	18,562,866	21,195,193
Market/Trade Centre Fee	11,799,876	5,880,700
Vehicle Parking Fees	11,054,159	11,028,074
Public Health Services	2,233,200	-
Public Health Facilities Operations	23,964,870	32,621,588
Environment & Conservancy Administration	2,224,400	-
Slaughter House Administration	1,554,954	840,189

Other Health & Sanitation Revenues	-	3,867,695
Tender Document Sale	-	2,305,500
Technical Services Fees	14,981,482	-
<b>TOTAL</b>	<b>221,011,186</b>	<b>248,617,586</b>

From the above, revenue collection decreased by 27,606,400 in 2016/2017. This is an indication of possible revenue leakages or inefficient revenue collection systems contrary to Section (157) (2) of the Public Finance Management Act, 2012 which requires that the receiver of County Government revenue ensures that the revenue for which the receiver is responsible, is collected or recovered and is accounted for.

Consequently, the County Executive may not fully finance its budget activities which may negatively affect service delivery to residents of Kwale County.

## 2.0 Budgetary Absorption

During the year under review, the approved final budget for Kwale County Executive was Kshs.7,120,345,442 with Kshs.3,716,243,371 allocated to recurrent expenditure and Kshs.3,404,102,071 to development. The total budget reflected overall budget absorption of Kshs.6,003,472,811 resulting to under absorption of Kshs.1,115,616,631 or 16% as summarized below;

Expenditure Item	Budgeted Amount (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Absorption (%)
Compensation of employees	1,890,697,022	1,738,026,276	152,670,746	91.9%
Use of goods and services	1,495,644,393	1,019,806,723	475,837,670	68.2%
Transfer to other Government units	81,000,000	838,497,359	(757,497,359)	(1034.6)
Other Grants and transfers	624,065,498	527,791,958	96,273,540	84.6%
Acquisition of Assets	3,028,938,529	1,880,606,495	1,148,332,034	62.1%
<b>TOTAL</b>	<b>7,120,345,442</b>	<b>6,004,728,811</b>	<b>1,115,616,631</b>	<b>84.3%</b>

The under absorption of approved budget by 1,115,616,631 or 16% is an indication of activities and project in the annual work-plan not implemented by the County Executive and which is likely to have negative impact on delivery of goods and services to the

residents of Kwale County. There is need therefore for the County Executive to refocus on budget process mechanism with a view to giving priority to the areas where projects may be implemented efficiently and effectively within the timeliness of the budget for the benefit of Citizens of Kwale County.

### 2.3 Development Budget

During the year under review, County Executive of Kwale allocated Kshs.3,404,102,071 for development projects and spent Kshs.2,259,477,859 resulting in under expenditure of Kshs.1,144,624,212 or 34% of budget.

Expenditure Item	Budgeted Amount (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Absorption %
Use of goods and services	429,844,481	216,911,213	212,933,268	50.3%
Transfer to other Government units		180,000,000	(180,000,000)	100%
Other Grants and transfers	7,450,001	4,984,300	2,465,701	66.9%
Acquisition of Assets	2,966,807,589	1,857,582,346	1,109,225,243	62.6%
<b>TOTAL</b>	<b>3,404,102,071</b>	<b>2,259,477,859</b>	<b>1,144,624,212</b>	<b>66.41%</b>

### 2.4 Recurrent Budget

During the year under review, Kwale County Executive had a recurrent budget of Kshs.3,716,243,371 as per approved budget estimates and agreed with the summary statement of appropriation. Recurrent expenditure totaled Kshs.3,745,250,952 as detailed below:

Expenditure Item	Budgeted Amount (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption (%)
Use of goods and services	1,890,697,022	1,738,026,276	152,670,746	8.07%
Use of goods and services	1,065,799,912	802,895,510	262,904,402	24.67%
Transfer to other Government Units	81,000,000	658,497,359	(577,497,359)	(713%)



Other Grants and transfers	616,615,497	522,807,659	93,807,838	15.21%
Acquisition of Assets	62,130,940	23,024,149	39,106,791	62.94%
<b>TOTAL</b>	<b>3,716,243,371</b>	<b>3,745,250,952</b>	<b>(29,007,581)</b>	<b>(0.78%)</b>

### 3.0 Governors Budget

During the year under review, the approved final budget for Kwale Office of the Governor and Deputy Governor was Kshs.316,944,557 with Kshs.181,944,557(57.5%) allocated to the current expenditure and Kshs.135,000,000 (42.5%) to Development. The total budget reflected overall budget absorption of Kshs.293,255,908.15 (92.5%) resulting in under absorption of Kshs.23,688,648.85 (7.5%) as summarized below:

Vote	Budget (Ksh)	Actual Expenditure	Under Expenditure	Under Expenditure %
Development	135,000,000	137,640,059	(2,640,059)	(1.96%)
Recurrent	181,944,557	155,615,849	26,328,707	14.47%
<b>Total</b>	<b>316,944,557</b>	<b>293,255,908</b>	<b>23,688,649</b>	<b>7.3%</b>

### 3.1 Recurrent Budget

The County Executive of Kwale budgeted Kshs.181,944,557 for the Governor's recurrent expenditure while the actual expenditure amounted to Kshs.155,615,844 resulting into under expenditure of Kshs.26,328,707 or 14% for the year ended 30 June 2017 as summarized below.

Expenditure Item	Budgeted Amount (Kshs.)	Actual Expenditure	Under Absorption (Kshs.)	Absorption (%)
Compensation to Employees	62,407,554.00	59,049,839.15	3,357,714.85	94.6%
Utilities Supplies and Services	540,000.00	460,816.00	79,184.00	85.3%
Domestic Travel and Subsistence	16,101,550.00	14,264,471.30	1,837,078.70	88.6%
Foreign Travel Allowances	1,179,200.00	923,367.75	255,832.25	78.3%
Printing, Advertising	430,000.00	214,050.00	215,950.00	49.8%
Communication, Supplies	1,034,450.00	926,940.00	107,510.00	89.6%
Rental of Produced Assets	3,010,000.00	2,935,350.00	74,650.00	97.5%
Training Expenses	5,987,335.00	1,053,000.00	4,934,335.00	17.6%
Hospitalities Supplies and Service	6,426,000.00	5,997,446.00	428,554.00	93.3%
Insurance Costs	6,082,000.00	1,439,521.00	4,642,479.00	23.7%
Specialized Material and Services	1,660,468.00	1,337,341.00	323,127.00	80.5%
Routine Maintenance-vehicle and	4,570,000.00	3,688,860.00	881,140.00	80.7%
Office General Supplies and Services	1,980,000.00	1,512,617.95	467,382.05	76.4%
Other Operating Expenses	64,036,000.00	56,320,000.00	7,716,000.00	88.0%
Fuel Oil and Lubricants	5,900,000.00	4,992,195.00	907,805.00	84.6%

Purchase of Office Furniture	600,000.00	500,034.00	99,966.00	83.3%
<b>TOTAL</b>	<b>181,944,557.00</b>	<b>155,615,849.15</b>	<b>26,328,707.85</b>	<b>85.5%</b>

The office of the Governor underspent by Kshs.26,328,707 or 15% on the recurrent budget which is likely to have negative impact on delivery of goods and services to the residents of Kwale County. There is need therefore for the Governor's office to refocus on budget process mechanism with a view to giving priority to the areas where projects may be implemented efficiently and effectively within the timeliness of the budget for the benefit of Citizens of Kwale County.

### 3.2 Development Budget

The Office of the Governor (County Executive Services) was allocated a total of Kshs.137,640,049 for development during the year under review, out of which Kshs.129,000,000 was for the construction of proposed county headquarters.

Item	Budget	Actual	Over utilization	%
<b>Non Residential</b>	129,000,000	129,000,000	-	
<b>Domestic Payable</b>	6,000,000	8,640,059	2,640,059	44%
<b>Total</b>	<b>135,000,000</b>	<b>137,640,059</b>	<b>2,640,059</b>	<b>44%</b>

From the table above, it is clear that the office of the Governor paid all money budgeted for the proposed county headquarters. However the Office of the Governor paid for more pending bills than provided by 44%. This is likely to have negative impact on delivery of goods and services to the residents of Kwale County. There is need therefore for the Governor's office to refocus on budget process mechanism with a view to giving priority to the areas where projects may be implemented efficiently and effectively within the timeliness of the budget for the benefit of Citizens of Kwale County.

### 4.0 Ethnic Composition

Records availed for audit indicated that during the year the County Government of Kwale recruited two hundred and twenty-five (225) new members of staff. A review of the composition of the new staff recruited indicated that 180 (80%) came from two dominant ethnic groups, this contravened the County Government Act 2012 Section 65(e) which requires that at least 30% of the vacant post at entry level be filled by candidates who are not from the dominant ethnic community of the County.

Consequently, the County was in breach of the law.

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

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

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

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

Those charged with governance are responsible for overseeing the County Executive financial reporting process.

## **Auditor-General's Responsibilities for the Audit of the Financial Statements**

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

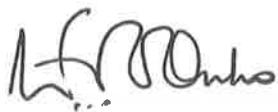
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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



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

**Nairobi**

**16 July 2018**

## Appendix I

### CONSTRUCTION OF BUILDINGS

	NAME OF CONTRACTOR/ SUPPLIER	NAME OF CONTRACT	AMOUNT	AMOUNT PAID
<b>TRADE - 3066</b>				
1	Ribu services ( k) ltd	Proposed fencing , 2 Door VIP latrine block and business shed at Lutsangani	6,548,671.20	2,632,063.20
2	Zueda Zee enterprises	Proposed erection and completion of matuga biashara centre at Kwale in Tsimba/Golini	4,959,150.80	3,384,415.00
3	Halsa solution ltd	Proposed construction of farmers produce collection centre AND 2 Door VIP latrine block at Tswaka in Pongwe/Kikoneni ward	4,058,863.20	3,849,599.20
4	Habsa Construction Ltd	Construction of jua kali sheds at Mwabila	661,513.20	661,513.20
5	Gait-jel enterprises	Proposed fencing, 2 Door VIP latrine block and business shed at Kilibasi Macknon Road ward	6,456,861.60	6,456,861.60
6	Cloemart company	Proposed construction of VIP latrine block at Titanium market	1,527,950.00	1,527,950.00
		<b>TOTAL</b>	<b>24,213,010.00</b>	<b>18,512,402.20</b>
<b>COMMUNITY - 3067</b>				
1	Diani coner and Enterprises	Construction of Boda boda shed in Ndavaya	885,683.20	401,356.20
2	Dahir Enterprises	Construction of Rehab center in Kombani	4,499,959.00	2,623,746.00
3	Bumbani Enterprises	Construction of Tiwi social hall	4,477,936.40	4,477,936.40
4	Bumbani Enterprises	Construction of Waa ng'ombeni social hall	4,477,936.40	4,477,936.40
5	Laga Investments	Construction of Public toilet in Chitsanga	479,045.00	479,045.00
6	Laga Investments	Construction of Public toilet		



		in Tiwi sokoni	479,045.00	479,045.00
7	Moma Heritage	Construction of Ablution block in Silaloni	2,000,000.00	1,231,664.05
8	Trikaka Enerprises	Construction of Public toilet in Pongwe kikoneni	1,497,536.80	967,289.20
		<b>TOTAL</b>	<b>18,797,141.80</b>	<b>15,138,018.25</b>
<b>EXECUTIVE - 3068</b>				
1	Green County Construction co Ltd	County Headquarters	462,197,054.00	129,000,000.00
		<b>TOTAL</b>	<b>462,197,054.00</b>	<b>129,000,000.00</b>
<b>PUBLIC SERVICE AND ADMINISTRATION - 3074</b>				
1	Hamadi Construction Ltd	Ward office at Gombato	5,361,566.00	3,002,233.00
2	Kawangi Building & Construction	Market stall and Bus park	29,938,062.50	2,250,912.75
3	Kawangi Building & Construction	Ward office at Taru	7,689,306.00	1,046,643.95
4	Shemooz Enterprise	Purchase of Skip Bins	3,232,560.00	3,232,560.00
5	Madinant Trading Ltd	Ward office at Kinango	7,752,720.80	2,615,974.00
6	Maka Building & Civil Engineering	Sanitation block and Passenger canopies	7,828,204.32	4,341,565.30
		<b>TOTAL</b>	<b>16,489,889.00</b>	<b>16,489,889.00</b>
<b>EDUCATION - 3069</b>				
1	Pable Construction Ltd	Kikonde ECDE	4,823,367.00	1,712,218.00
2	Mkuyu Enterprises Ltd	Maro ECDE	4,980,078.36	1,786,713.20
3	Ruhisa Investment Ltd	Mlungunipa ECDE	4,999,924.80	4,999,924.80
4	Asilia Asili Co Ltd	Chigoti ECDE	4,806,077.20	2,028,016.40
5	Madnat Trading Ltd	Lutsangani ECDE	4,863,978.60	1,542,776.80
6	Ruhisa Investment Ltd	Mwabungo ECDE	4,999,924.80	4,999,924.80
7	Shudag Holdings	Gasi ECDE	4,918,446.40	1,575,639.65

8	Reenah K Ltd	Kitulu ECDE	5,215,064.20	2,877,600.40
9	Niflod Construction And General Supplies	Biga ECDE	4,798,480.00	3,591,534.00
10	Reenah K Ltd	Bumburi ECDE	4,998,250.00	4,701,074.00
11	Samoaw Contractors	Maiyini ECDE	4,996,096.00	2,010,574.64
12	Shimoni Trading Ltd	Mabambarani ECDE	4,772,205.20	2,325,173.60
13	Payless	Jita Akili ECDE	5,126,253.23	2,331,936.40
14	Zenneth Holdings Ltd	Kivuleni ECDE	4,890,514.00	2,421,732.00
15	Desman Enterprises Ltd	Utsamba ECDE	4,898,912.00	2,295,029.24
16	Dockside Plumbers Ltd	Mabokoni ECDE	4,647,318.44	3,935,139.00
17	Kaya Kwale Traders	Moyo ECDE	4,996,172.00	2,484,505.40
18	Magic Mirror Enterprises	Dzupho ECDE	5,100,000.00	3,571,651.60
19	Ricco Construction	Mbilini ECDE	5,100,000.00	3,571,651.60
20	Athurali Global Ltd	Bofu ECDE	4,998,277.60	993,372.95
21	Eagle Rock Consortium	Marondo ECDE	4,852,239.40	1,214,427.50
22	Rockstar Trade Logistic Ltd	Patanani ECDE	4,897,682.40	1,131,636.85
23	Chiboko Construction Co Ltd	Chivyogo ECDE	4,892,995.00	4,328,215.20
24	Pendo Malindi Building Constructors	Mirera ECDE (Mbegan Central)	4,944,247.12	1,876,106.28
25	Asilia Asili Co Ltd	Mwambara Primary ECDE	4,806,077.20	2,112,036.00
26	Manon Building And Civil Engineerings	Ukunda Magutu ECDE	4,816,117.20	2,500,000.00
27	Trikaka	Vanga ECDE		

	Enterprises		4,922,587.60	2,532,570.00
28	Kalamsam Contractors	Kalalani ECDE	4,801,200.00	
29	Chibubu Enterprises	Ningawa ECDE	4,965,124.80	3,944,174.00
30	Chiboko Construction Co Ltd	Mbwaka ECDE	4,892,995.00	4,328,215.20
31	Reenah K Ltd	Banga Youth Polytechnic Girls Hostel	7,992,446.40	7,334,987.40
32	Pendo Malindi Building Constructors	Kinango Youth Polytechnic - Twin Workshop	5,728,080.00	1,049,774.85
33	Wanagson Enterprises	Makobe Youth Polytechnic-Girls Hostel	7,781,558.40	4,464,608.00
34	Dockside Plumbers Ltd	Diani Youth Polytechnic Twin Workshop	5,421,498.00	5,421,498.00
35	Marksman Construction Ltd	Mlafyeni Polytechnic	5,899,000.20	3,036,798.00
36	Fairlane Engineerings	Mkongani YP Twin Workshop	5,699,709.88	4,306,066.00
37	Jomac K Ltd	Mwandimu YP Twin Workshop	5,465,929.30	3,515,472.80
38	Niflod Construction And General Supplies	Mabesheni YP Girls Hostel	7,957,999.04	3,660,950.40
39	Damalin Enterprises	Mrima Youth Polytechnic Girls Hostel	7,335,318.00	5,198,572.71
	Logility Suppiles	Supply And Delivery Of Hexagonal Tables	9,999,970.00	9,999,970.00
41	Polycard Ltd	Supply & Delivery ECDE Playing Equipment To All ECDE Centers	12,948,900.00	10,409,900.00
		<b>TOTAL</b>	<b>229,951,014.77</b>	<b>138,122,167.67</b>
62		<b>GRAND TOTAL</b>	<b>751,648,109.57</b>	<b>317,262,477.12</b>

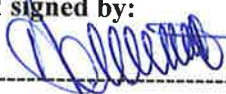
**COUNTY GOVERNMENT OF KWALE**  
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**For the year ended 30<sup>th</sup> June, 2017**


**7. FINANCIAL STATEMENTS**

**7.1. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	FY2016/2017	FY2015/2016
RECEIPTS		KShs	KShs
Proceeds from Domestic and Foreign Grants	1	372,910,143	309,784,772
Exchequer releases	2	5,530,693,069	5,125,697,562
Transfers from Other Government Entities	3	82,941,000	-
Proceeds from Domestic Borrowings	4	-	-
County Own Generated Receipts	5	221,011,186	248,617,586
<b>TOTAL RECEIPTS</b>		<b>6,207,555,398</b>	<b>5,684,099,920</b>
PAYMENTS			
Compensation of Employees	6	1,738,026,276	1,431,956,682
Use of goods and services	7	1,019,806,724	1,030,176,482
Transfers to Other Government Units	8	838,497,359	835,917,738
Other grants and transfers	9	527,791,959	464,445,432
Social Security Benefits	10	-	-
Acquisition of Assets	11	1,880,606,496	2,410,070,191
Finance Costs, including Loan Interest	12	-	-
Other Payments	13	-	-
<b>TOTAL PAYMENTS</b>		<b>6,004,728,814</b>	<b>6,172,566,525</b>
<b>SURPLUS/DEFICIT</b>		<b>202,826,584</b>	<b>(488,466,605)</b>



The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2017 and signed by:

  
**Chief Officer.** CPA Alex Onduko Thomas  
 ICPAK No. 4481

  
**Head of Treasury:** CPA Vincent Mbiti  
 ICPAK No. 7692

**COUNTY GOVERNMENT OF KWALE**  
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**7.2. STATEMENT OF ASSETS AND LIABILITIES**

	Note	FY2016/2017 KShs	FY2015/2016 KShs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances	14A	1,080,701,659	811,541,112
Cash Balances	14B	250,761	566,432
Retention			146,498,185
<b>Total Cash and cash equivalent</b>		<b>1,080,952,420</b>	<b>958,605,729</b>
Accounts receivables – Outstanding imprests	15	6,238,488	6,020,355
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,087,190,908</b>	<b>964,626,084</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	16	66,236,424	146,498,185
<b>NET FINANCIAL ASSETS</b>		<b>1,020,954,484</b>	<b>818,127,899</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	17	818,127,899	1,306,594,504
Surplus/Deficit for the year		202,826,584	488,466,605
<b>NET FINANCIAL POSITION</b>		<b>1,020,954,483</b>	<b>818,127,899</b>
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on <u>30/9</u> 2017 and signed by:			
			
<b>Chief Officer.</b> CPA Alex Onduko Thomas ICPAK No. 4481		<b>Head of Treasury:</b> CPA Vincent Mbiti ICPAK No. 7692	


**COUNTY GOVERNMENT OF KWALE**  
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**For the year ended 30<sup>th</sup> June, 2017**

**7.3. STATEMENT OF CASHFLOWS**

		<b>FY2016/2017</b>	<b>FY2015/2016</b>
		<b>KShs</b>	<b>KShs</b>
<b>Receipts for operating income</b>			
Proceeds from Domestic and Foreign Grants	1	372,910,143	309,784,772
Exchequer Releases	2		
		5,530,693,069	5,125,697,562
Transfers from Other Government Entities	3	82,941,000	-
Other Revenues	5	221,011,186	248,617,586
<b>Payments for operating expenses</b>			
Compensation of Employees	6	(1,738,026,276)	(1,431,956,682)
Use of goods and services	7	(1,019,806,724)	(1,030,176,482)
Transfers to Other Government Units	8	(838,497,359)	(835,917,738)
Other grants and transfers	9	(527,791,959)	(464,445,432)
Social Security Benefits	10	-	-
Finance Costs, including Loan Interest	12	-	-
Other Expenses	13	-	-
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable		(218,133)	2,144,868
Increase/(Decrease) in Accounts Payable		(80,261,761)	20,555,816
<b>Net cash flow from operating activities</b>		<b>2,002,953,186</b>	<b>1,944,304,270</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	11	(1,880,606,496)	(2,410,070,191)
<b>Net cash flows from Investing Activities</b>		<b>(1,880,606,496)</b>	<b>(2,410,070,191)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings	4	-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>122,346,690</b>	<b>(465,765,920)</b>
Cash and cash equivalent at BEGINNING of the year	17	958,605,729	1,424,371,650
Cash and cash equivalent at END of the year	14	1,080,952,420	958,605,729

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2017 and signed by:

  
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**Head of Treasury:** CPA Vincent Mbito  
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**COUNTY GOVERNMENT OF KWALE**  
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**7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
Proceeds from Domestic and Foreign Grants	433,394,642.61	110,425,701.00	543,820,343.61	372,910,142.85	170,910,200.76	69%
Exchequer releases	5,530,693,069.00	-	5,530,693,069.00	5,530,693,069.00	-	100%
Transfers from Other Government Entities		135,000,000.00	135,000,000.00	82,941,000.00	52,059,000.00	61%
Proceeds from Domestic Borrowings	-	-	-	-	-	
Other Receipts/own Generated Revenue	330,000,000.09	61,951,532.00	268,048,468.09	221,011,186.00	47,037,282.09	82%
<b>TOTALS</b>	<b>6,294,087,711.70</b>	<b>183,474,169.00</b>	<b>6,477,561,880.70</b>	<b>6,207,555,397.85</b>	<b>270,006,482.85</b>	
<b>PAYMENTS</b>						
Compensation of Employees	1,804,976,642.00	85,720,380.00	1,890,697,022.00	1,738,026,276.30	152,670,745.70	92%
Use of goods and services	1,190,509,596.00	305,134,797.00	1,495,644,393.00	1,019,806,723.85	475,837,669.15	75%
Transfers to Other Government Units	2,000,000.00	79,000,000.00	81,000,000.00	838,497,359.00	5,421,079.00	
Other grants and transfers	542,735,516.00	81,329,982.00	624,065,498.00	527,791,958.60	96,273,539.40	85%
Social Security Benefits	-	0.00	-	-	-	

**COUNTY GOVERNMENT OF KWALE**  
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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Acquisition of Assets	3,768,381,986.00	(739,443,457.00)	3,028,938,529.00	1,880,606,495.30	1,148,332,033.70	59%
Finance Costs, including Loan Interest	-	0.00	-	-	-	
Other Payments						
<b>TOTALS</b>	<b>7,308,603,740.00</b>	<b>(188,258,298.00)</b>	<b>7,120,345,442.00</b>	<b>6,004,728,813.05</b>	<b>1,878,535,066.95</b>	<b>84%</b>

- (a) *The difference in exchequer releases is as a result of unspent funds from the previous year which were swept back to CRF.*
- (b) *The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as land rates and cesses.*
- (c) *The budget on other payments, particularly on settling pending bills, was also underutilised as a result of late disbursement of funds from National Treasury hence delays in settling suppliers. As such, not all the pending bills were fully settled.*

The County financial statements were approved on 30/9/ 2017 and signed by:



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**Head of Treasury:** CPA Vincent Mbitio  
ICPAK No. 7692

**COUNTY GOVERNMENT OF KWALE**  
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**7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>	Kshs	Kshs	Kshs	Kshs	Kshs	
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases	-	-	-	-	-	-
Transfers from Other Government Entities	-	-	-	-	-	
Proceeds from Domestic Borrowings	-	-	-	-	-	
Other Receipts/own Generated Revenue	-	-	-	-	-	-
<b>TOTALS</b>	-	-	-	-	-	-
<b>PAYMENTS</b>						
Compensation of Employees	1,804,976,642.00	85,720,380.00	1,890,697,022.00	1,738,026,276.30	152,670,745.70	92%
Use of goods and services	664,115,115.00	401,684,797.00	1,065,799,912.00	802,895,510.55	262,904,401.45	76%
Transfers to Other Government Units	2,000,000.00	79,000,000.00	81,000,000.00	658,497,359	5,421,079.00	
Other grants and transfers	29,048,458.00	587,567,039.00	616,615,497.00	522,807,658.60	93,807,838.40	85%
Social Security Benefits	-	-	-	-	-	
Acquisition of Assets	33,483,611.00	28,647,329.00	62,130,940.00	23,024,149.20	39,106,790.80	37%
Finance Costs, including Loan Interest	-	-	-	-	-	
Other Payments	-	-	-	-	-	
<b>TOTAL PAYMENTS</b>	<b>2,533,623,826.00</b>	<b>1,182,619,545.00</b>	<b>3,716,243,371.00</b>	<b>3,745,250,953.65</b>	<b>553,910,855.35</b>	<b>101%</b>

**COUNTY GOVERNMENT OF KWALE**  
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- (a) The difference in exchequer releases is as a result of unspent funds from the previous year which were swept back to CRF.*
- (b) The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as land rates and cesses.*
- (d) The budget on other payments, particularly on settling pending bills, was also underutilised as a result of late disbursement of funds from National Treasury hence delays in settling suppliers. As such, not all the pending bills were fully settled.*

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**COUNTY GOVERNMENT OF KWALE**  
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**7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

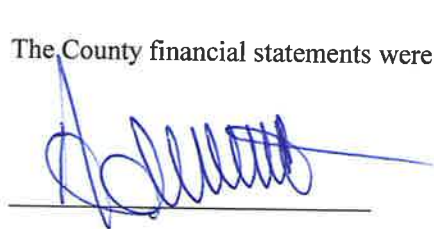
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>	Kshs	Kshs	Khs	Kshs	Kshs	
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Exchequer releases						
Transfers from Other Government Entities						
Proceeds from Domestic Borrowings						
Other Receipts/own Generated Revenue						
<b>TOTALS</b>						
<b>PAYMENTS</b>						
Compensation of Employees	-	0.00	-	-	-	
Use of goods and services	526,394,481.00	(96,550,000.00)	429,844,481.00	216,911,213.30	212,933,267.70	50%
Transfers to Other Government Units	-	0.00	-	180,000,000.00	-	
Other grants and transfers	513,687,058.00	(506,237,057.00)	7,450,001.00	4,984,300.00	2,465,701.00	67%
Social Security Benefits	-	0.00	-	-	-	
Acquisition of Assets	3,734,898,375.00	(768,090,786.00)	2,966,807,589.00	1,857,582,346.10	1,204,969,923.75	59%
Finance Costs, including Loan Interest	-	0.00	-	-	-	
Other Payments	-	0.00	-	-	-	

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Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>TOTAL PAYMENTS</b>	<b>4,774,979,914.00</b>	<b>(1,370,877,843.00)</b>	<b>3,404,102,071.00</b>	<b>2,259,477,859.40</b>	<b>1,324,624,211.60</b>	<b>66%</b>

- (a) *The difference in exchequer releases is as a result of unspent funds from the previous year which were swept back to CRF.*
- (b) *The underperformance of other receipts was as a result of low actual revenue collections in key local revenue streams such as land rates and cesses.*
- (e) *The budget on other payments, particularly on settling pending bills, was also underutilised as a result of late disbursement of funds from National Treasury hence delays in settling suppliers. As such, not all the pending bills were fully settled.*

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ICPAK No. 4481



**Head of Treasury:** CPA Vincent Mbitio  
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**COUNTY GOVERNMENT OF KWALE**  
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**7.7. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

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

The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

**2. Reporting entity**

The financial statements are for the Kwale County Government. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 and comprises of (County Executive of Kwale, County Assembly of Kwale and the Car loan and mortgage fund)

The consolidated financial statements include all budgetary entities controlled by the County Government. A detailed schedule of consolidated entities is included under appendix 4.

**3. Basis of consolidation**

This consolidation is based on unaudited financial statements submitted by the individual entities to the Office of the Auditor General as at 30<sup>th</sup> September 2017 with a copy to the Controller of Budget, the County Treasury and the Commission on Receipts Allocation.

The financial statements are aggregated on a line by line basis with the inter-entity transactions of receipts and payment being eliminated at consolidation level to avoid overstatement of receipts or payments.

The entities' accounting policies have been adjusted to form a consistent basis, where their effect is deemed material to this consolidated financial statement

**4. Elimination**

Material balances between entities included in this consolidation have been eliminated. This has been informed by the inter-entity elimination template that is completed by the entities and submitted to the County Treasury.

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**5. Recognition of receipts and payments a)**

**Recognition of receipts**

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

**Tax receipts**

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

**Transfers from the Exchequer**

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

**External Assistance**

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

**Donations and grants**

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

**Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

**Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**County Own Generated Receipts**

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

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**b) Recognition of payments**

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

**Compensation of employees**

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

**Use of goods and services**

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

**Interest on borrowing**

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

**Repayment of borrowing (principal amount)**

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

**Acquisition of fixed assets**

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

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

**6. In-kind contributions**

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

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**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 insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**Restriction on cash**

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2016, this amounted to KShs 66,236,424.45 compared to KShs 146,498,185 in prior period as indicated on note 16.

There were no other restrictions on cash during the 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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**9. Accounts Payable**

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

**10. Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the

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entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

**11. Pending bills**

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

**12. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The entity's budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The original budget was approved by the County Assembly on 30<sup>th</sup> June, 2016 for the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017 as required by law. There was one of supplementary budgets passed in the year. A high-level assessment of the entity's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**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**

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

**15. Errors**

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

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**16. Related party transactions**

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

**17. Disclosure of entities included in consolidation**

The County Government consolidated financial statements consist of a total of three entities consolidated for the financial year ended 30th June 2017 that are considered as budgetary entities. These entities, together with their results for the year are disclosed under appendix 4.

**18. Disclosure of entities excluded from consolidation**

None of the entities eligible for consolidation under the County Government budgetary cluster for the year ended 30th June 2017 has been excluded from consolidation.

**19. Emergency Fund**

Following the enactment of the Kwale County Disaster Management Act, Cash Balance for the Fund has been removed from the Cash and cash equivalent Note 14A, expensed and reported in other disclosures with other Funds in the Financial Statement.



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**7.8. NOTES TO THE FINANCIAL STATEMENTS**

**1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

These refer to grants received from domestic and foreign donors. The funds include grants received directly by the County Government and those that are received by the National Government first and disbursed to the County.

<b>Name of Donor</b>	<b>2016-2017 Kshs</b>	<b>2015-2016 Kshs</b>
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>		
Insert name of donor	-	-
<b>Grants Received from Multilateral Donors (International Organisations)</b>		
DANIDA		
<i>Health Sector Support Project {HSSP}</i>	6,810,000	13,620,000
WORLD BANK		45,759,322
<i>Health Sector Support Project {HSSP}</i>	82,166,289	
<i>Universal Health Care Project</i>		
<b>Grants Received from other levels of government</b>		
KENYA ROADS BOARD (road maintenance levy fund)	84,979,061	65,113,400
NATIONAL GOVERNMENT (user fees forgone)	15,397,612	15,149,869
NATIONAL GOVERNMENT (free maternal health care)	87,812,500	74,397,500
NATIONAL GOVERNMENT (medical equipments)	95,744,681	95,744,681
<b>Total</b>	<b>372,910,143</b>	<b>309,784,772</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. EXCHEQUER RELEASES**

Exchequer releases refer to funds disbursed by the National Treasury to the County Government from the Exchequer. These funds are part of the allocations stipulated in County Allocation of Revenue Act (CARA) 2016. The exchequer releases include Equitable Share, DANIDA health funds and Level 5 hospital allocation.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
<b>Total Exchequer Releases for quarter 1</b>	940,217,822	410,055,805
<b>Total Exchequer Releases for quarter 2</b>	1,410,326,733	1,307,052,879
<b>Total Exchequer Releases for quarter 3</b>	884,910,893	1,281,424,391
<b>Total Exchequer Releases for quarter 4</b>	2,295,237,621	2,127,164,487
<b>Total</b>	<b>5,530,693,069</b>	<b>5,125,697,562</b>

The split between equitable share allocation, Level 5 hospital funds, and DANIDA Health Funds is as shown below:

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
<b>Equitable Share</b>	-	-
<b>Level 5 Hospital Funds</b>	-	-
<b>DANIDA Health Funds</b>	-	-
<b>Total</b>	-	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

These refer to funds disbursed to the County Government from other government entities. These transfers are part of the conditional allocations stipulated in CARA 2016. In FY 2016/2017, ABC County received funds from the National Government's Ministry of Health and the State Department of Infrastructure as shown below:

<b>Description</b>	<b>2016-2017 Kshs</b>	<b>2015-2016 Kshs</b>
Transfers from National Government entities		-
Ministry of health- Doctors' and Nurses' Allowances as per return to work Agreement	82,941,000	
Ministry of Health – Free maternal healthcare		
Ministry of Health – Compensation for user fees forgone	-	-
State Department of Infrastructure – Roads Maintenance Fuel Levy Fund		
<b>TOTAL</b>	<b><u>82,941,000</u></b>	-

**4. PROCEEDS FROM DOMESTIC BORROWINGS**

These relate to proceeds realized from domestic borrowings in FY 2016/2017. Kwale County borrowed from the National Government, the Central Bank and local commercial banks. The proceeds were to finance development expenditure.

	<b>FY2016/2017 KShs</b>	<b>FY2015/2016 KShs</b>
Borrowing within General Government	-	-
Borrowing from Monetary Authorities (Central Bank)		
Other Domestic Depository Corporations (Commercial Banks)	-	
<b>Total</b>	<b><u>-</u></b>	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. COUNTY OWN GENERATED RECEIPTS**

The balance relates to funds generated from the County's local sources.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Rents	3,346,450.00	10,152,379
Other Property Income	-	39,534,783
Receipts from Administrative Fees and Charges	4,832,314.00	-
Receipts from Sale of Incidental Goods	-	-
Fines Penalties and Forfeitures	-	11,255,058
Business Permits	55,018,719.00	58,603,940
Cesses	12,511,549.00	13,887,864
Poll Rates	53,682,884.00	-
Plot Rents	1,576,200.00	-
Other Local Levies	3,667,263.00	28,062,135
Various Fees	-	11,687,988
Council's Natural Resources Exploitation	18,562,866.00	21,195,193
Lease / Rental Of Council's Infrastructure Assets	-	-
Market/Trade Centre Fee	11,799,876.00	5,880,700
Vehicle Parking Fees	11,054,159.00	11,028,074
Housing	-	-
Other Education – Related Fees	-	-
Public Health Services	2,233,200.00	-
Public Health Facilities Operations	23,964,870.00	32,621,588
Environment & Conservancy Administration	2,224,400.00	-
Slaughter Houses Administration	1,554,954.00	840,189
Water Supply Administration	-	-
Sewerage Administration	-	-
Other Health & Sanitation Revenues	-	3,867,695
Technical Services Fees	14,981,482.00	-
<b>Total</b>	<b>221,011,186.00</b>	<b>248,617,586.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. COMPENSATION OF EMPLOYEES**

This relates to the compensation paid to employees. The balance comprises of staff salaries, allowances, social security contributions and other personnel related payments.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Basic salaries of permanent employees	1,704,977,851	1,418,767,590
Basic wages of temporary employees	33,048,425	13,189,092
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Compulsory national social security schemes	-	-
Compulsory national health insurance schemes	-	-
Social benefit schemes outside government	-	-
Other personnel payments	-	-
	-	-
<b>Total</b>	<b>1,738,026,276</b>	<b>1,431,956,682</b>

**7. USE OF GOODS AND SERVICES**

The balance relates to the cost incurred on general office supplies, air tickets, subsistence allowances, cost of services, routine maintenance of assets and other expenditure incurred on a recurring basis.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Utilities, supplies and services	28,478,137	24,280,243
Communication, supplies and services	9,945,049	10,215,793
Domestic travel and subsistence	205,191,990	172,093,231
Foreign travel and subsistence	14,261,252	19,158,899
Printing, advertising and information supplies & services	42,330,535	57,336,881
Rentals of produced assets	19,961,130	15,850,491
Training expenses	24,264,021	39,041,710
Hospitality supplies and services	81,092,238	73,383,181
Insurance costs	92,293,861	89,697,974
Specialised materials and services	233,360,937	264,513,700
Office and general supplies and services	23,664,854	28,845,835
Other operating expenses	95,334,025	55,181,193
Routine maintenance – vehicles and other transport equipment	44,686,105	47,355,312

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Fuel Oil and Lubricants	69,268,259	87,456,125
Routine maintenance – other assets	35,674,330	45,765,914
<b>Total</b>	<b>1,019,806,724</b>	<b>1,030,176,482</b>

**8. TRANSFER TO OTHER GOVERNMENT ENTITIES**

This refers to transfers made by the County Government to other County Government Entities, which have not been consolidated in this set of financial statements. The transfers were made to Kwale Water Company and Kwale Car and Mortgage Fund.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Transfers to water companies	-	-
Transfers to Car and Mortgage Fund	-	-
Transfer to County Assembly	762,918,438	835,917,738
Transfer to Emergency fund account.	75,578,921	
<b>Total</b>	<b>838,497,359</b>	<b>835,917,738</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. OTHER GRANTS AND OTHER PAYMENTS**

This refers to grants and other transfers made by the County Government. These grants and transfers are made for a specific purpose. They include scholarship and bursary grants, payments from the emergency fund and subsidies to youths, women and persons with disabilities.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Scholarships and other educational benefits	430,000,000	400,000,000
Scholarships and other educational benefits others	2,145,460	
Emergency relief and refugee assistance	-	-
Subsidies to small businesses, cooperatives, and self employed	216,520	-
other current transfers, grants	95,429,979	11,995,432
Other capital grants and transfers-trade	-	52,450,000
<b>Total</b>	<b><u>527,791,959</u></b>	<b><u>464,445,432</u></b>

**10. SOCIAL SECURITY BENEFITS**

This balance relates to social security benefits contributed by the County Government on behalf of its employees. The benefits include employer contribution to National Social Security Fund (NSSF).

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. ACQUISITION OF ASSETS**

This refers to the development expenditure incurred by the County Government. This has been classified in terms of the assets acquired by the County government in the year.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Purchase of Buildings	-	-
Construction of Buildings	328,280,456	460,566,937.15
Refurbishment of Buildings	903,929	3,996,354.2
Construction of Roads	86,529,852	22,478,072.2
Construction and Civil Works	55,484,391	21,774,044.7
Overhaul and Refurbishment of Construction and Civil Works	-	-
Purchase of Vehicles and Other Transport Equipment	8,365,175	60,381,248
Overhaul of Vehicles and Other Transport Equipment	-	1,902,000
Purchase of Household Furniture and Institutional Equipment	315,580	266,714
Purchase of Office Furniture and General Equipment	20,610,692	21,321,573
Purchase of Specialised Plant, Equipment and Machinery	145,323,085	63,159,040.95
Rehabilitation and Renovation of Plant, Machinery and Equip	-	140,478,997
Purchase of Certified Seeds, Breeding Stock and Live Animals	23,160,100	51,757,530
Research, Studies, Project Preparation, Design & Supervision	2,055,100	1,996,000
Rehabilitation of Civil Works	238,634,155	278,042,538.65
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	6,927,440	7,084,200
Acquisition of Intangible Assets	-	-
Purchase of ICT Equipment	22,603,517	-
Domestic Payables { Pending Bills}	941,413,025	1,274,864,941
<b>Total</b>	<b>1,880,606,496</b>	<b>2,410,070,191</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. FINANCE COSTS, INCLUDING LOAN INTEREST**

Finance costs refer to bank charges incurred on the County's bank accounts and interest charged on borrowings.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Interest on domestic borrowings (Non-Govt)	-	-
Interest on borrowings from Other Government	-	-
Units		
Bank charges	-	-
<b>Total</b>	-	-

**13. OTHER EXPENSES**

The balance relates to cost incurred in settling pending bills from prior periods.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Budget Reserves	-	-
Civil Contingency Reserves	-	-
<b>Total</b>	-	-

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**14. CASH AND CASH EQUIVALENTS**

**A. BANK ACCOUNTS**

The balances refer to cash and cash equivalent balances held as at 30<sup>th</sup> June in all the County's bank accounts.

<b>Name of Bank, Account No. &amp; currency</b>	<b>Account currency</b>	<b>Account description</b>	<b>2016-2017 Kshs</b>	<b>2015-2016 Kshs</b>
CBK Development 1000170476	kes	Development	446,883	69,137,532.55
CBK Recurrent 1000170441	kes	Recurrent	993,687	8,712.00
CBK Revenue Account 1000170697	kes	Revenue	945,625,323	673,066,013.85
CBK Special Purpose Account 1000282223	kes	Recurrent	25,796,139	45,000,000.00
CBK Deposit	kes	Deposit	66,236,424	
KCB A/C No. 1169373439 - Hospital	kes	Revenue	1,808,325	224,753.00
KCB A/C No. 1169372139 - SBP	kes	Revenue	5,974,520	303,422.00
KCB A/C No. 1140770241 - Land Rates	kes	Revenue	1,580,352	1,372,853.40
KCB A/C No. 1169373054 - Cess	kes	Revenue	4,456,979	510,763.63
Kwale county Road mainatenance Levy	kes	-	-	-
Central Bank of Kenya A/C No 1000282557	kes	Deposit	-	-
KCB A/C No. 1140750674-FINANCE DEPT;	kes	Recurrent	1,133	-
Emergency Fund National Bank of Kenya A/C No.01001090720400-FINANCE DEPT;	Kshs	Emergency		11,620,749.85
CBK Kwale County Gratuity A/C No.1000335912	Kshs		27,000,000	
Equity Bank Account No: 1580282364648 - AGRICULTURE DEPT;	Kshs	Recurrent	-	209.90
National Bank Ukunda 01001068083300 AGRICULTURE DEPT			3,410	3,410.00
Equity Bank Imprest A/C no.1580262364715 - LANDS DEPT;	kes	Recurrent	-	191,219.00
NBK A/C No. 01001068080600 Kwale County Lands, PP and Natural resources Dvpt. - LANDS DEPT;	kes	Development	-	11,231.00
KCB Kinango Hospital A/C No.1146764049 - HEALTH DEPT;	kes	Recurrent	1,100	520.00
KCB Kwale Hospital A/C No.1146697198- HEALTH DEPT;	kes	Recurrent	1,101	1,545.00
KCB Msambweni Hospital A/C No.1147035764 -HEALTH DEPT;	kes	Recurrent	368,998	635.00
Chief Officer Health A/C No.1171164890 - HEALTH DEPT;	kes	Recurrent	1,100	2,698.22

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Kwale county medical services & public health 01001068087400 -HEALTH DEPT;	Kshs	Development	1,775	222.00
Central Bank of Kenya A/C No 1000241567 - COUNTY ASSEMBLY	Kshs	Recurrent		
Central Bank of Kenya A/C No 1000282568 - COUNTY ASSEMBLY	Kshs	Development		
Central Bank of Kenya A/C No 1000282557 - COUNTY ASSEMBLY	Kshs	Deposit		
Kenya Commercial Bank A/C NO 1142128148 -COUNTY ASSEMBLY	Kshs	Recurrent		
Car & Mortgage - Equity Bank A/C NO. 01001090720400 -COUNTY ASSEMBLY	Kshs			
Equity A/C No. 1580262364612 -TRADE DEPT;	Kshs	Recurrent	-	71,958.60
National bank A/C No 01001068078200 - TRADE DEPT;	Kshs	Development	-	
Equity A/C No.1580262364674 - COMMUNITY DEVELOPMENT DEPT;	Kshs	Recurrent	-	587,200.00
National bank of kenya A/C 0100608076500 - COMMUNITY DEVELOPMENT DEPT;	Kshs	Development	-	4,000,000.35
Equity A/C No.1580262720863 - EXECUTIVE SERVICE DEPT;	Kshs	Reccurent	336	24.00
National bank of kenya A/C 0100608076500 - Executive 01001068083300-EXECUTIVE SERVICE DEPT;	Kshs			-
Equity Bank Limited Chief Officer Education & HR Development A/C.1580262720511 - EDUCATION DEPT;	Kshs	Recurrent	-	8,566.09
Equity Bank Limited Kwale County Bursary A/C.1580263149560 -EDUCATION DEPT;	Kshs	Bursary	-	
Equity A/C No. 1580262720291-WATER DEPT;	Kshs	Recurrent	9,491	26.38
National Bank A/C No. 01001068083100 Kwale County Water Services Development	Kshs	Development	52,280	-
Equity Bank Ltd Account no. 1580262720374-INFRASTRUCTURE DEPT;	Kshs	Recurrent	19,421	10.35
National bank of kenya ltd 1001068082900 - Kwale county Infrastructure devt bank;	Kshs	development	38,438	-
National bank of kenya ltd 1001068082700 - Kwale county road maintenance levy;	Kshs	development	284,381.10	-
Equity bank of kenya ltd 1580262720406 -ICT DEPT;	Kshs	Development	1	0.90
National bank of kenya ltd ICT 01001068079000 - ICT DEPT;	Kshs	Development	0	0.20

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Equity Bank Ltd, Kwale County Public Service Board Ac No. 1580262720914 – COUNTY PUBLIC SERVICE BOARD DEPT;	Kshs	Recurrent	-	5,416,328.85
Equity Decentralized A/C No.1580262364693- PUBLIC SERVICE ADMINISTRATION DEPT;	Kshs	Recurrent	60	925.85
Family Bank - Car loan and Mortgage Fund A/C 095000038226	Kshs			
<b>Total</b>			<b>1,080,701,658.28</b>	<b>811,541,112.17</b>

**COUNTY GOVERNMENT OF KWALE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**B. CASH IN HAND**

Cash in hand refers to cash balances held by the cash offices within the County Government as at 30<sup>th</sup> June.7

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Cash in Hand – Held in domestic currency	<b>250,761</b>	<b>566,432</b>
<b>Total</b>	<b>250,761</b>	<b>566,432</b>

**Cash in hand per location**

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
Finance Cash Office Kwale	11,766	284,800
Lands Cash Office Kwale	171,000	80,000
Kinango Hospital	54,200	42,250
Msambweni Hospital	-	127,000
Kwale hospital	435	8,162
Chief officer Health Office- Administration	13,060	19,710
Trade Cash Office		3,750
Education Cash Office	300	760
<b>Total</b>	<b>250,761</b>	<b>566,432</b>

**15. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS This**  
**refers to the unaccounted for imprests as at 30<sup>th</sup> June.**

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Staff Advances	4,895,278	4,652,975
Government Imprests	1,343,210	1,367,380
<b>Total Government Advances/imprest</b>	<b><u>6,238,488</u></b>	<b><u>6,020,355</u></b>

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The outstanding imprest as at 30<sup>th</sup> June 2017 is broken down as follows:

<i>Description</i>	<i>Date imprest taken</i>	<i>Amount taken</i>	<i>Amount surrendered</i>	<i>Balance</i>
<b>ADVANCES</b>		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
FINANCE		4,819,525	2,827,426	1,992,099
AGRICULTURE				
LANDS		61,825.00		61,825.00
HEALTH		229,800.00	127,313.00	102,487.00
COUNTY ASSEMBLY				
TRADE		349,750.02		349,750.02
COMMUNITY DEVT.				
EXECUTIVE SERVICES		775000	233,033.00	541,967.00
EDUCATION		239,666.70		239,666.70
WATER		50,000.00		50,000.00
INFRASTRUCTURE		51,003.00	-	51,003.00
ICT				
COUNTY PUBLIC SERVICE BOARD		833,600.00		833,600.00
PUBLIC SERVICE & ADMIN		1,173,000	500,119	672,881
<b>SUBTOTAL</b>		<b>8,583,170</b>	<b>3,687,891</b>	<b>4,895,278</b>
Clearance Account				
<b>IMPRESTS</b>				
FINANCE				
AGRICULTURE				
LANDS		810,300.00	-	810,300.00
HEALTH				
COUNTY ASSEMBLY				
TRADE		122,400	68,190.00	54,210.00
COMMUNITY DEVT.				
EXECUTIVE SERVICES		2,455,147.70	2,250,747.70	204,400.00
EDUCATION				
WATER				
INFRASTRUCTURE		99,500.00	-	99,500.00
ICT				
COUNTY PUBLIC SERVICE BOARD				
PUBLIC SERVICE & ADMIN		174,800.00	-	174,800.00
<b>SUBTOTAL</b>		<b>3,662,148.00</b>	<b>2,318,938.00</b>	<b>1,343,210.00</b>
<b>Total Government Advances/imprest</b>		<b>12,245,317.00</b>	<b>6,006,829.00</b>	<b>6,238,488.00</b>



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16. ACCOUNTS PAYABLE**

The balance refers to deposits received from suppliers as at 30<sup>th</sup> June. These deposits are refundable upon completion of the contracts.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Deposits	66,236,424.45	146,498,185
<b>Total</b>	<b>66,236,424.45</b>	<b>146,498,185</b>

**17. FUND BALANCE BROUGHT FORWARD**

Fund balance brought forward comprise refer to the closing fund balance as at end of the previous year which is carried forward to the following year.

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	811,541,112	1,356,007,864
Bank accounts-Deposit	146,498,185	67,221,200
Cash in hand	566,432	1,142,586
Accounts Receivables	6,020,355	8,165,224
Deposits and Retentions Accounts payables	(146,498,185)	(125,942,369)
<b>PRIOR YEAR ADJUSTMENT</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b><u>818,127,899</u></b>	<b><u>1,306,594,504</u></b>

**COUNTY GOVERNMENT OF KWALE**  
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**18. OTHER IMPORTANT DISCLOSURES**

**18.1. PENDING ACCOUNTS PAYABLE (See Annex 1)**

These refer to the pending bills as at 30<sup>th</sup> June. These are commitments made to suppliers which had not been settled as at the end of the year.

**18 OTHER IMPORTANT DISCLOSURES**

**18.1. PENDING ACCOUNTS PAYABLE (See Annex 1)**

*These refer to the pending bills as at 30<sup>th</sup> June. These are commitments made to suppliers which had not been settled as at the end of the year.*

	2016-2017	2015-2016
Construction of buildings	792,617,670	579,447,937
Construction of civil works	676,092,612	518,211,370
Supply of goods	214,193,722	73,265,575
Supply of services	114,051,471	43,555,183
<b>Total</b>	<b><u>1,796,955,475</u></b>	<b><u>1,214,480,065</u></b>

**COUNTY GOVERNMENT OF KWALE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18.2. PENDING STAFF PAYABLES (See Annex 2)**

The balance relates to pending payments to staff. These included amounts due to staff as at the end of the year.

	<b>FY2016/2017</b>	<b>FY2015/2016</b>
	<b>KShs</b>	<b>KShs</b>
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

**COUNTY GOVERNMENT OF KWALE**  
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**DISCLOSURE NOTES**

**Investments**

Investments represent the County Government's investment in local and foreign entities. These investments are recognised at nominal value and where denominated in foreign currency, these are translated at closing exchange rate as at 30th June.

	<b>FY 2016/17</b>	<b>FY 2015/16</b>
	<b>KShs</b>	<b>KShs</b>
Investment in government bonds	-	-
Investment in Treasury bills	-	-
Investment in companies equity	-	-
<b>Total</b>	-	-

**Related party disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, CECs and Chief Officers for various County Ministries and Departments;
- County Ministries and Departments;
- The National Government;
- Other County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

**Related party transactions:**

	<b>FY 2016/17</b>	<b>FY 2015/16</b>
	<b>KShs</b>	<b>KShs</b>
Transfers to the County Assembly	-	-
Transfers to other County Government entities	-	-
Transfers to County Ministries and Departments	-	-
<b>Total</b>	-	-

Where applicable, related party transactions have been eliminated upon consolidation.

**Detailed breakdown of performance of County Government Entities is provided under the Annex 4.**

**COUNTY GOVERNMENT OF KWALE**  
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**Where applicable, related party transactions have been eliminated upon consolidation.**

**Detailed breakdown of performance of County Government Entities is provided under the Annex 4.**

**OTHER COUNTY FUND BALANCES**

	<b>2016-2017</b>	<b>2015-2016</b>
Bursary Fund	8,173,871	2,053,254
Community Youth and Women Fund	17,656,354.56	7,081,146.11
Trade Revolving Fund	12,097,971.19	12,097,971.19
Emergency Fund	11,623,730.00	
	<b>49,551,926.75</b>	<b>21,232,371.38</b>

**COUNTY GOVERNMENT OF KWALE**  
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**ANNEXES**

**ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c	d=a-c	
<b>Construction of buildings</b>						
FINANCE	5,645,000.00	-	-	5,645,000.00	-	
AGRICULTURE	50,529,327	-	19,031,310	31,498,017	-	
LANDS					5,649,547	
HEALTH	637,064,553.00		336,242,129.78	300,822,423.22	161,230,056.45	
TRADE	131,613,277.81		81,886,914.70	49,726,363.11	77,677,617.43	
COMMUNITY DEVT.		-	41,307,469.85	41,307,469.85	48,793,797.35	
EXECUTIVE SERVICES	30,000,000.00	-	-	30,000,000.00	20,000,000.00	
EDUCATION	693,353,925.32	-	313,848,974.57	379,504,950.75	266,096,918.00	
WATER	-			-	-	
INFRASTRUCTURE	-			-	-	
ICT						
COUNTY PUBLIC SERVICE BOARD						
PUBLIC SERVICE & ADMIN	71,064,036.22		34,335,650.96	36,728,385.26		
<b>Sub-Total</b>	<b>1,619,270,119.45</b>	<b>-</b>	<b>826,652,449.56</b>	<b>792,617,669.89</b>	<b>579,447,936.53</b>	

**COUNTY GOVERNMENT OF KWALE**  
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<b>Construction of civil works</b>						
FINANCE		-	-		46,783,835.42	
AGRICULTURE	7,192,495.00	-	-	7,192,495.00	39,120,180.59	
LANDS	6,339,611.30	-	5,589,547.00	750,064.30	-	
HEALTH				-	-	
TRADE				-	-	
COMMUNITY DEVT.	135,612,827.20	-	39,415,023.81	96,197,803.39	-	
EXECUTIVE SERVICES	-	-	-	-	-	
EDUCATION				-	-	
WATER	704,819,377.49	-	395,665,753.78	309,153,623.71	251,176,872.05	
INFRASTRUCTURE	391,623,721.80	-	186,833,257.00	204,790,464.80	137,069,320.20	
ICT	91,515,881.70	-	39,645,545.25	51,870,336.45	44,061,161.85	
COUNTY PUBLIC SERVICE BOARD				-	-	
PUBLIC SERVICE & ADMIN	33,182,572.16	-	27,044,748.00	6,137,824.16		
<b>Sub-Total</b>	<b>1,370,286,486.65</b>	<b>-</b>	<b>694,193,874.84</b>	<b>676,092,611.81</b>	<b>518,211,370.11</b>	
<b>Supply of goods</b>						
FINANCE	13,000,000.00	-	-	13,000,000.00	-	
AGRICULTURE	48,146,000.00	-	27,010,000.00	21,136,000.00	-	
LANDS	9,981,500.00	-	1,331,940.60	8,649,559.40	5,475,500.00	
HEALTH	136,374,085.70		38,211,172.00	98,162,913.70	11,162,724.00	
TRADE	9,835,000.00		-	9,835,000.00	2,110,000.00	
COMMUNITY DEVT.	17,115,839.00	-	3,387,072.70	13,728,766.30	-	
EXECUTIVE SERVICES	2,559,380.00		-	2,559,380.00	-	
EDUCATION	55,051,000.00	-	19,424,919.40	35,626,080.60	8,394,921.95	
WATER	27,279,636.36	-	22,978,422.36	4,301,214.00	22,455,130.36	
INFRASTRUCTURE	18,301,459.00	-	18,301,459.00	-	18,301,459.00	
ICT	8,823,598.00	-	4,365,840.00	4,457,758.00	5,365,840.00	
COUNTY PUBLIC SERVICE BOARD						
PUBLIC SERVICE & ADMIN	15,809,610.00	-	13,072,560.00	2,737,050.00		



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<b>Sub-Total</b>	<b>362,277,108.06</b>	<b>-</b>	<b>148,083,386.06</b>	<b>214,193,722.00</b>	<b>73,265,575.31</b>	
<b>Supply of services</b>						
FINANCE	32,803,162.00	-	-	32,803,162.00	-	
AGRICULTURE					-	
LANDS	5,674,820.00	-	40,600.00	5,634,220.00	7,647,120.00	
HEALTH	11,148,384.00			11,148,384.00	-	
TRADE	5,382,290.00	-	4,482,290.00	900,000.00	5,382,290.00	
COMMUNITY DEVT.	40,750,000.00	-	-	40,750,000.00		
EXECUTIVE SERVICES	340,416.00	-	-	340,416.00	-	
EDUCATION						
WATER	15,145,858.62	-	10,152,427.62	4,993,431.00	14,431,189.62	
INFRASTRUCTURE						
ICT	19,655,726.30	-	10,469,653.00	9,186,073.30	16,094,583.00	
COUNTY PUBLIC SERVICE BOARD	1,864,200.00	-	1,330,000.00	534,200.00		
PUBLIC SERVICE & ADMIN	7,761,585.00		-	7,761,585.00	-	
<b>Sub-Total</b>	<b>140,526,441.92</b>	<b>-</b>	<b>26,474,970.62</b>	<b>114,051,471.30</b>	<b>43,555,182.62</b>	
<b>Grand Total</b>	<b>3,492,360,156.08</b>	<b>-</b>	<b>1,695,404,681.08</b>	<b>1,796,955,475.00</b>	<b>1,214,480,064.57</b>	

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff		Job Group	Original Amount	Date payable Contracted	Amount Paid To-date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
			a	b	c	d=a-c		
<b>Senior Management</b>								
1	Person A	Q		5-Oct-16				
2								
3								
<b>Sub-Total</b>								
<b>Middle Management</b>								
4	Person B	P		1-Jan-17				
5								
6								
<b>Sub-Total</b>								
<b>Unionisable Employees</b>								
7	Person C	K		6-Jul-16				
8								
<b>Sub-Total</b>								
<b>Others (specify)</b>								
9								
10								
<b>Sub-Total</b>								

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**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2015/16</b>	<b>Additions during the year</b>	<b>Disposals during the year</b>	<b>Historical Cost (Kshs) 2016/17</b>
Land	17,084,200	4,282,440		21,366,640
Buildings and structures	1,965,917,818	1,506,702,242		3,472,620,060
Transport equipment	62,283,248	23,230,175		85,513,423
Office equipment, furniture and fittings	19,586,419	27,060,692		46,647,111
ICT Equipment, Software and Other ICT Assets	97,472,264	79,229,653		176,701,917
Other Machinery and Equipment	186,767,331	145,696,665		332,463,996
Heritage and cultural assets	6,839,350	28,211,100		35,050,450
Research and Designs	7,420,380	3,531,300		10,951,680
Intangible assets	46,699,180	62,662,230		109,361,410
<b>Total</b>	<b>2,410,070,189</b>	<b>1,880,606,497</b>	<b>-</b>	<b>4,290,676,686</b>

*NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the County Government.*

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**ANNEX 4: SUMMARY OF FINANCIAL PERFORMANCE AND STATEMENT OF ASSETS AND LIABILITIES FOR  
COUNTY GOVERNMENT ENTITIES**

Ref	Entity	Percentage of shareholding	Total receipts KShs	Total payments KShs	Surplus/ Deficit KShs	Total Assets KShs	Total Liabilities KShs	Fund balance KShs
1	County Assembly	-	-	-	-	-	-	-
2	Car loan and mortgage scheme fund	-	-	-	-	-	-	-
3	Kwale County Water Company	-	-	-	-)	-	-	-
	Total		-	-	-	-	-	-

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**KWALE COUNTY ADVANCES AND IMPRESTS SCHEDULE**  
**FY 2016 - 2017**

**FINANCE**

Description	Date imprest taken	Amount taken	Amount surrendered	Balance
ADVANCES NAMES			Kshs	Kshs
Miss Ngoro Mwanajuma Luvuno	Feb-17	30,000.00	25,000.00	5,000.00
Miss Nzioka Anita Mutile	Apr-17	200,000.00	50,001.00	149,999.00
Mr Mambongwa Amani Mwinyi	Jun-17	80,000.00	6,700.00	73,300.00
Mr Mbega Alex Makanga	Sep-16	200,000.00	166,666.70	33,333.30
Mr Mwachai Abdalla Hamisi	May-17	100,000.00	16,670.00	83,330.00
Mr Sebe Hassan Bakari	Sep-16	960,000.00	795,937.50	164,062.50
Mr Sebe Hassan Bakari	May-16	328,125.00	168,125.00	160,000.00
Mrs Mashobo Mariam Said	Feb-17	200,000.00	186,666.70	13,333.30
Mrs Mwajambia Ruwaida Hassan	Sep-16	300,000.00	250,000.00	50,000.00
Mrs Salim Mwanasha	Feb-17	120,000.00	50,000.00	70,000.00
Ms Abdallah Samira Swaleh	Sep-16	500,000.00	420,000.00	80,000.00
Mercylyne Mbaog Mgumba	Jun-17	60,000.00	5,000.00	55,000.00
Ngayo Pauline Nerima	Dec-16	110,400.00	64,400.00	46,000.00
Leli Chaka Ngoro	Feb-17	80,000.00	33,500.00	46,500.00

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Miss Saumu Mwaburashi Burashi	Feb-17	100,000.00	50,000.00	50,000.00
Mr Alex Thomas Onduko	Jan-17	200,000.00	120,000.00	80,000.00
Mr Juma Ndurya Said	Mar-17	18,000.00	3,000.00	15,000.00
Mr Mohamed Hamisi Mwituu	Dec-16	78,000.00	45,500.00	32,500.00
Mr Nguta Alex Kamanza	Mar-17	90,000.00	30,000.00	60,000.00
Mrs Halima Hassan Gakurya	Mar-17	50,000.00	18,668.00	31,332.00
Mrs Mariam Said Mashobo	Sep-16	80,000.00	35,000.00	115,000.00
Mrs Mwanaisha Masudi Tsumo	Feb-17	90,000.00	37,500.00	52,500.00
Ms Chari Fatuma Gakurya	Feb-17	300,000.00	125,000.00	175,000.00
Ms Holliness Agano Kahaso	Feb-17	75,000.00	31,250.00	43,750.00
Leja cecelia Rehema	Apr-17	100,000.00	25,002.00	74,998.00
Suleiman Hamadi Kibwebwe	Jun-17	70,000.00	7,000.00	63,000.00
Khamis Mwasauti	Dec-16	100,000.00	58,338.00	41,662.00
Musa Rai Mgunya	Mar-17	150,000.00	60,000.00	90,000.00
Mwanakombo Rama Mada	Apr-17	50,000.00	12,501.00	37,499.00
<b>SUB TOTAL</b>		<b>4,819,525.00</b>	<b>2,827,425.90</b>	<b>1,992,099.10</b>

**LANDS**

Hon. Ali Mafimbo				
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**COUNTY GOVERNMENT OF KWALE**  
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		50,000		50,000
Mwanaisha Mwitu		11,825		11,825
<b>SUB TOTAL</b>		<b>61,825.00</b>		<b>61,825</b>

**HEALTH**

Kombo Hassan Kombo	Sep-16	20,000.00	17,000.00	3,000.00
Mazera Kolo Mazera	Aug-16	25,000.00	22,913.00	2,087.00
Mwanaidi Burashi Mwaburashi	Feb-17	20,000.00	10,000.00	10,000.00
Kitsama Bishee Luvuno	Nov-16	65,000.00	44,000.00	21,000.00
Burhani Amiri Mohamed	May-17	99,800.00	33,400.00	66,400.00
<b>SUB TOTAL</b>		<b>229,800.00</b>	<b>127,313.00</b>	<b>102,487.00</b>

**TRADE**

Safina Kwekwe Tsungu		50,000.00		50,000.00
Lenox Mwachoo		-		-
Ramadhan Bungale		83,333.33		83,333.33
Harrison Mbaluto		10,416.69		10,416.69
Samson Nyamawi Charo		136,000.00		136,000.00
Levina Maganga		70,000.00		70,000.00
<b>SUB TOTAL</b>		<b>349,750.02</b>	<b>-</b>	<b>349,750.02</b>

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**EXECUTIVE**

Martin Mwaro	,5/6/2017	200,000.00	16,700.00	183,300.00
Njama Mwatime Mbwana	,11/11/2016	60,000.00	45,000.00	15,000.00
Mumba Mwangandi	,1/1/2017	40,000.00	20,000.00	20,000.00
Mguza Hamoud Mwinyi	,12/3/2017	150,000.00	50,000.00	100,000.00
Mwakamili Swaleh	,1/2/2017	30,000.00	17,500.00	12,500.00
Mwacharo Yahya	,15/12/2016	35,000.00	20,433.00	14,567.00
Eric Parment	,3/4/2017	150,000.00	25,000.00	125,000.00
Mwagao Mohammed	4/3/2017	50,000.00	8,400.00	41,600.00
Chidzangi Juma	,1/1/2017	40,000.00	20,000.00	20,000.00
Nyamawi Susan	,1/1/2017	20,000.00	10,000.00	10,000.00
<b>SUBTOTAL</b>		<b>775,000.00</b>	<b>233,033.00</b>	<b>541,967.00</b>

**EDUCATION**

Ndegwa Mangale Munga		166,666.70		166,666.70
Ndegwa Mangale Munga		50,000.00		50,000.00
Farida Samuel Jumaa		23,000.00		23,000.00
<b>SUB TOTAL</b>		<b>239,666.70</b>		<b>239,666.70</b>



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jangaa nyondo	,3/1/2017	20,000.00	10,000.00	10,000.00
Mwanamisi Mshimu	,1/11/2016	20,000.00	8,350.00	11,650.00
Fatuma Ali Daba	,12/10/2016	200,000.00	133,336.00	66,664.00
mkaila Ngome	3,/1/2017	50,000.00	25,000.00	25,000.00
Lugwe Msena	3,/1/2017	72,000.00	48,000.00	24,000.00
kemu shee	,12/10/2016	11,000.00	4,600.00	6,400.00
<b>SUB TOTAL</b>		<b>1,173,000.00</b>	<b>500,119.35</b>	<b>672,880.65</b>
<b>TOTAL ADVANCES</b>		<b>8,583,169.72</b>	<b>3,687,891.25</b>	<b>4,895,278.47</b>

**IMPRESTS**

**LANDS**

<b>IMPRESTS- NAMES</b>				
Annastacia Maithya	25/01/2017	23,800.00	-	23,800.00
Karisa, miss Everline Salama	22/2/2017	15,000.00	-	15,000.00
Karisa, miss Everline Salama	22/1/2017	11,500.00	-	11,500.00
Hon. Ali Mafimbo	22/9/2016	33,600.00	-	33,600.00
Hon. Ali Mafimbo	15/5/2017	33,600.00	-	33,600.00
Hon. Ali Mafimbo	24/3/2017	50,400.00	-	50,400.00
Rodgers Chimega Yawa	15/9/2017			

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		300,000.00	-	300,000.00
Mohamed Pakia	15/9/2017	21,000.00	-	21,000.00
Mohamed Pakia	28/2/2017	50,400.00	-	50,400.00
Mohamed Pakia	25/4/2017	50,400.00	-	50,400.00
Mohamed Pakia	26/10/2016	12,600.00	-	12,600.00
Joseph Indo Muli	16/9/2016	9,100.00	-	9,100.00
wilson nguta	28/2/2017	28,900.00	-	28,900.00
wilson nguta	13/03/2017	4,000.00	-	4,000.00
wilson nguta	8/11/2016	18,900.00	-	18,900.00
wilson nguta	31/1/2017	28,900.00	-	28,900.00
wilson nguta	24/3/2017	28,900.00	-	28,900.00
Kelvin Dzumo	18/11/2016	15,000.00	-	15,000.00
Mathius Dabasa	14/02/2017	20,400.00	-	20,400.00
Kennedy Njenga	20/03/2017	53,900.00	-	53,900.00
<b>SUBTOTAL</b>		<b>810,300.00</b>	<b>-</b>	<b>810,300.00</b>

**TRADE**

Mwajambia kevin Nzumo	28-Feb-17	65,000.00	42,340.00	22,660.00
Levina Lenjo	17-Nov-17	27,400.00	25,850	1,550.00

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		170,700.00	170,700.00	-
Rodgers Chimega	30/9/2017	141,122.70	141,122.70	-
Rodgers Chimega	30/9/2017	131,200.00	131,200.00	-
Rodgers Chimega	30/9/2017	47,500.00	47,500.00	-
Rodgers Chimega	8/2/2017	137,100.00	137,100.00	-
Rodgers Chimega	8/2/2017	68,100.00	68,100.00	-
Rodgers Chimega	8/2/2017	79,300.00	79,300.00	-
Rodgers Chimega	28/2/2017	79,300.00	79,300.00	-
Rodgers Chimega	10/8/2017	61,800.00	61,800.00	-
Rodgers Chimega	7/4/2017	112,600.00	112,600.00	-
Rodgers Chimega	10/4/2017	61,800.00	-	61,800.00
Rodgers Chimega	10/4/2017	135,000.00	135,000.00	-
Rodgers Chimega	20/4/2017	68,100.00	68,100.00	-
Rodgers Chimega	10/5/2017	112,600.00		112,600.00
Mwanakombo Kilalo	9/2/2017	20,000.00	20,000.00	-
samuel kadide	9/2/2017	17,600.00	17,600.00	-
Nurrein Mwatsahu	30/9/2016	56,400.00	56,400.00	-
Mwajora Mwanatumu	28/4/2017	19,000.00	19,000.00	-

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Morris Charo	30/9/2016	4,000.00	4,000.00	-
Shumi Shaury	30/9/2016	15,000.00	15,000.00	-
Nimusimu Mwasina	30/9/2016	65,000.00	65,000.00	-
Kevin Mwajambia	3/3/2017	105,000.00	105,000.00	-
<b>SUB TOTAL</b>		<b>2,455,147.70</b>	<b>2,250,747.70</b>	<b>204,400.00</b>

**INTRASTRUCTURE**

BAKARI SUDI	31/01/2007	99,500.00		99,500.00
<b>SUB TOTAL</b>		<b>99,500.00</b>	<b>-</b>	<b>99,500.00</b>

**PSA**

Rodgers Chimega		94,100.00	-	94,100.00
Mishi mayumbe		10,000.00	-	10,000.00
Francisca Kilonzo		16,000.00		16,000.00
Rocha Ndago		22,000.00		22,000.00
Mwachiti Charo		32,700.00		32,700.00
<b>SUB TOTAL</b>		<b>174,800.00</b>	<b>-</b>	<b>174,800.00</b>
<b>TOTAL IMPRESTS</b>		<b>3,662,147.70</b>	<b>2,318,937.70</b>	<b>1,343,210.00</b>
<b>GRAND TOTAL</b>		<b>12,245,317.42</b>	<b>6,006,828.95</b>	<b>6,238,488.47</b>