

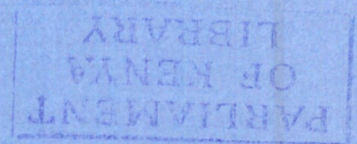
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 APR 2019	DAY: wed
TABLED BY: Hon. Benjamin Nashedi	OF
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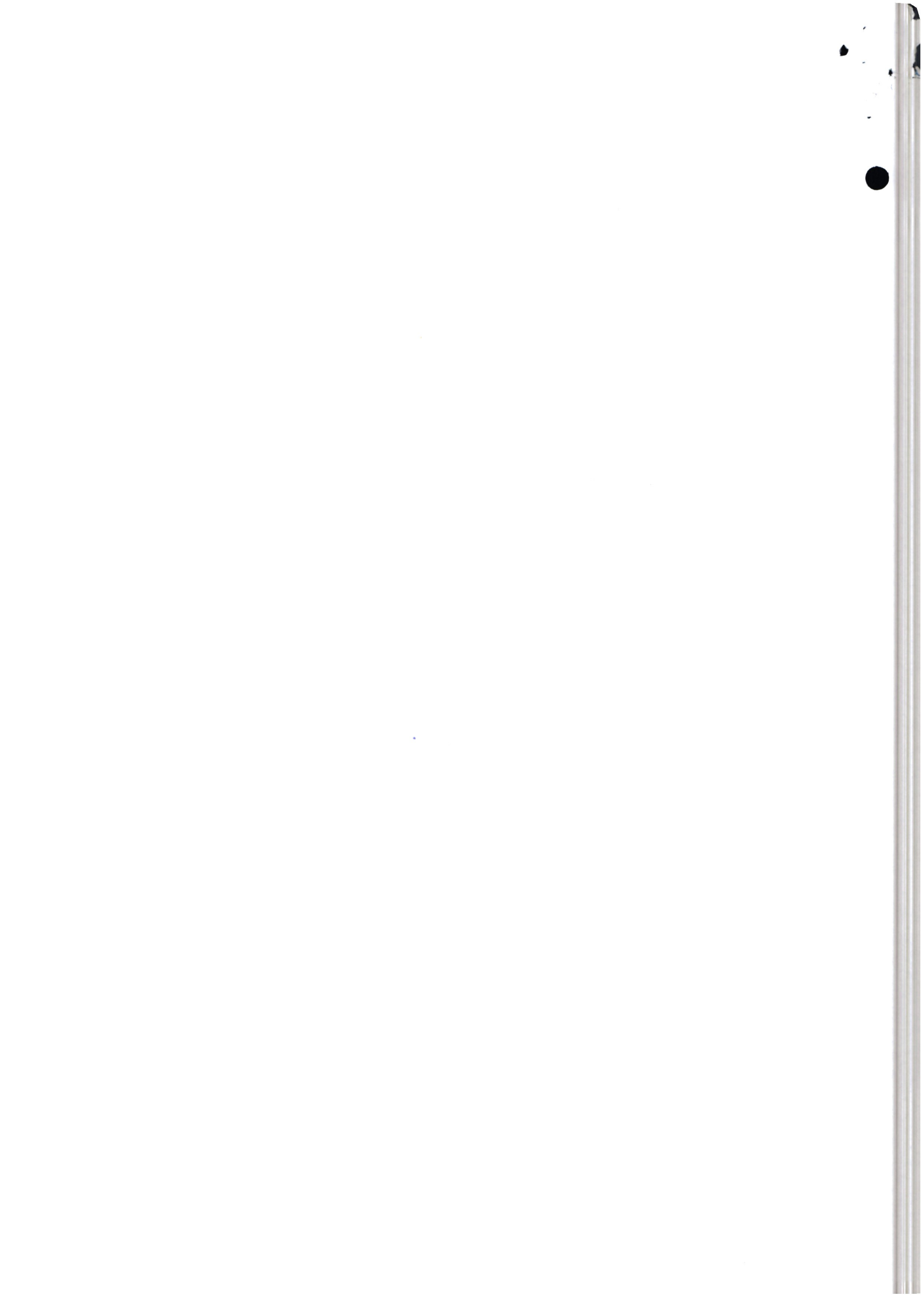


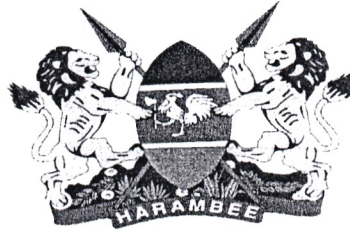
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
SUNA WEST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



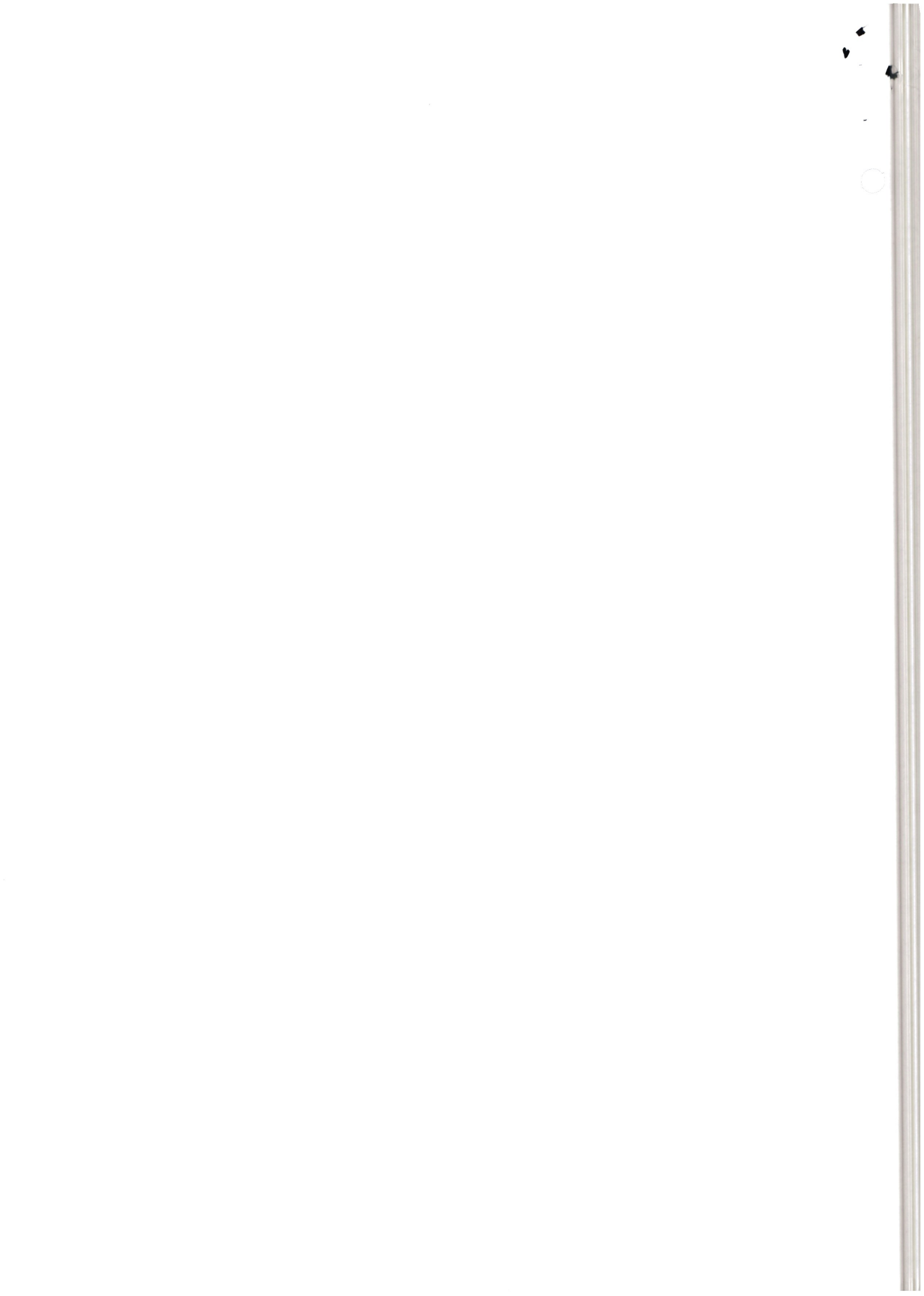


CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

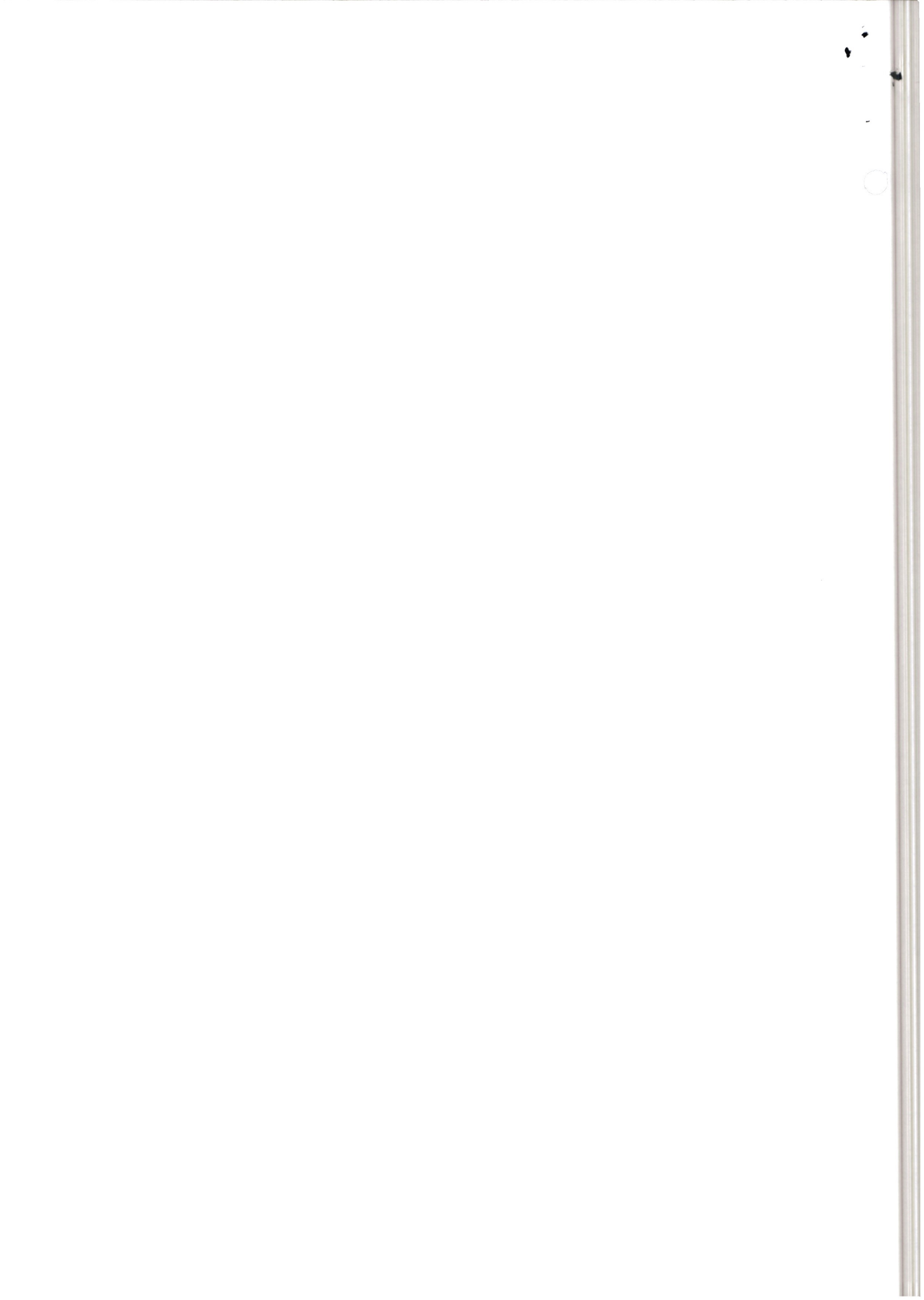
**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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



CONSTITUENCY DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The *SUNA WEST Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Bernard konya
3.	Accountant	Fredrick Maragori
4.		

(d) Fiduciary Oversight Arrangements

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

(e) SUNA WEST CDF Headquarters

P.O. Box 76
Bondo Nyironge Centre
Migori, KENYA



CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

(f) SUNA WEST CDF Contacts

Telephone: (254) 720592929
E-mail: sunawest@ngcdf.go.ke
Website: www.go.ke

(g) SUNA WEST CDF Bankers

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

2. Cooperative Bank of Kenya
P.O BOX 234
MIGORI

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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

Suna West Ngedf wish to appreciate the work being done by the Board such timely approval of Projects proposal and subsequence disbursement of Funds to respective constituencies Account.

The absorption of fund in the last financial year was averagely 93% in the sectors and as a result, the following are some of the key achievements in suna west since the conception of the funds.

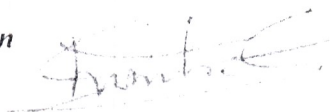
- Through Bursary, we are able to several students in schools; this has increase enrolment and better and improved performance amongst the students.
- We have also been able to build three (3) AP Posts. This has enhanced the security with the constituency and reduced cattle rustle between Luos and kurias
- More classrooms have been built and renovated.

Challenges and Recommendations

1. Insufficient funds to cater for new infrastructures and bursaries needy students

The Board should lobby for more funds from treasury through M.Ps

Sign



Michael Okombo
CHAIRMAN NGCDFC

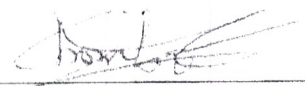


CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

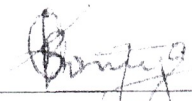
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	81,896,552	121,450,881
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		81,896,552	121,450,881
PAYMENTS			
Compensation of employees	4	1,761,568	1,401,857
Use of goods and services	5	4,004,880	6,732,584
Transfers to Other Government Units	6	35,448,980	32,700,000
Other grants and transfers	7	48,801,037	45,337,680
Acquisition of Assets	8	17,400,000	
Other Payments	9	-	
TOTAL PAYMENTS		107,416,465	86,172,121
SURPLUS/DEFICIT		(25,519,913)	35,278,760

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SUNA WEST NG CDF financial statements were approved on 30/6/2017 and signed by:



Chairman - CDFC



Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Suna West Constituency set out on pages 6 to 28, which comprise the statement of financial assets as at 30 June 2017, statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except of the effect of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements do present fairly, the financial position of National Government Constituencies Development Fund - Suna West Constituency 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 Reporting Standards (cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

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

Basis for Qualified Opinion

1. Transfer to Other Government Entities

Included in transfer to other government entities figure of Kshs.35,448,980 is transfer to secondary schools of Kshs.11,999,000 which in turn includes Kshs.500,000 in respect of construction of a classroom at Magongo Ribe Secondary School. However, physical verification revealed that the school did not receive the amount.

Consequently, the regularity of the expenditure of Kshs.500,000 could not be confirmed.

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

2.0 Other Grants and Other Payments

2.1 Bursary to Tertiary Institutions

Included under note 7 to the financial statements on other grants and transfers figure of Kshs.48,801,037 is Kshs.14,824,765 for bursaries to tertiary institutions which in turn includes Kshs.3,430,000 paid to two driving schools, Kericho Migori driving school and Migori Suna driving school for training of 255 youths.

However, the criteria of selecting the beneficiaries for the training was not made available for audit review. The minutes attached to the payments vouchers for approval of the payments were only the demand notes/invoices.

In the circumstances, the regularity of the expenditure of Kshs.3,430,000 could not be confirmed.

2.2 Sports Expenditure

Included in other grants and transfers figure of Kshs.48,801,037 is Kshs.1,637,000 in respect of procurement of sports materials. However, the tender documents and store records were not made available for audit review.

Consequently, the propriety of the expenditure could not be confirmed.

3.0 Acquisition of Assets

3.1 Construction of CDF Office

Included in acquisition of assets figure of Kshs.17,400,000 is Kshs.14,400,000 paid to a contractor for construction of CDF office. However, the following anomalies were noted:

- i. There was no contract agreement to formalize the contract award.
- ii. Award letter had not been issued and the contractor had not been handed over the site as required.
- iii. The contractor was therefore paid without a certificate of completion by the project manager.
- iv. The land title deed on which the building stood was not made available for audit review.

In view of the observations, the payment was made for no work or poor quality work done and value for money may not have been achieved.

3.2 Purchase of Buildings

Included in acquisition of assets figure of Kshs.17,400,000 is Kshs.2,000,000 in respect of purchase of buildings. However, the payment vouchers and other supporting documents to support the expenditure were not made available for audit review. Consequently, the regularity and accuracy of the expenditure of Kshs.2,000,000 could not be confirmed.

4.0 Summary Statement of Appropriation Recurrent and Development

The summary statement of appropriation indicates an original budget of Kshs.81,896,552 and an adjustment of Kshs.24,061,336 with the total final budget being Kshs.105,957,888. The adjustment figure of Kshs.24,061,336 is made up of unspent funds as at 30 June 2016. However, management did not provide schedules of projects earmarked for implementation from the funds rolled over from the prior year. In the absence of list of rolled over projects, the rolled over funds may not have been utilized for the intended purpose.

5.0 Prior Year Adjustments

Note 14 on statement of cash flows reflected Kshs.1,382,837 as prior year adjustments. This was disclosed as bank account balance. It was however not clear how the prior year adjustments arose since there was no workings to determine the source.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

6.0 Project Management committee's Bank Balances

Under annex 5 to the financial statement is the PMCs bank accounts balance of Kshs.44,433 as at 30 June 2017. However, the bank balances were not supported by certificate of bank balances or bank statements. The existence of the balances could not be confirmed.

In the circumstances, the accuracy of the financial statements could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The Fund's approved budget for 2016/2017 amounted to Kshs.123,357,888. During the same period, the management made payments of Kshs.107,416,465 or 87.1% of the approved budget resulting to an under-expenditure of Kshs.15,951,423 as detailed below:

Receipt/ Expense	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Over/ (Under) Expenditure (Kshs)	% Utilization
Receipts	105,957,888	82,245,732		77.6%
Transfers from CDF Board	105,957,888	82,245,732	23,712,156	77.6%
Payments				
Compensation of Employees	2,100,000	1,761,568	338,432	83.9%
Use of goods and services	4,940,584	4,004,880	935,704	81.1%
Transfer to other government units	38,894,107	35,448,980	3,445,127	91.1%
Other grants and transfers	60,023,197	48,801,037	11,222,160	81.3%
Acquisition of assets	17,400,000	17,400,000	0	100
Total	123,357,888	107,416,465	15,941,423	87.1%

Failure to utilize all the funds as budgeted is an indication that programs or activities were not implemented as planned thus not achieving the intended objectives of improving service delivery to the citizens of the constituency.

1. Projects Verification

Project status reports for security projects were not made available for audit review. It was therefore not possible to confirm how the contractors of the projects were identified, what work was to be done and the time frame for completion of the projects. A sample of eight (8) projects valued at Kshs.28,700,000 were verified and the observations are as noted below:

Project Name	Amount Kshs	Activity	Status
Kowino Administration Police Post	3,100,000	Construction of 4 staff houses	Constructed 5 staff houses complete and in use.
Oruba Administration Police Post	3,100,000	Construction of 4 staff houses	Complete but not in use
Masara Administration Police Post	4,200,000	Construction of 4 staff houses and 3 door pit latrine	On going
Nyarombo Sub County Office	1,600,000	Fencing of Sub County Office	Complete but fence vandalized
CDF Office	13,600,000	Construction of CDF Office	Stalled
Nyailinga Primary School	1,200,000	Construction of 2 classrooms	Complete
Nyamanga Giribe Pri.	1,000,000	Construction of classrooms	Complete
Nyangubo Pri. School	900,000	Construction of classrooms	Incomplete
Total	28,700,000		

From the above, five (5) projects were found to be complete, one (1) project stalled and two (2) projects were on going.

2. Re-allocation of Project Funds

Examination of the vote book and general ledger indicated that Kshs.3,300,000 which had been allocated to projects in primary schools had been re-allocated to security projects during the year under review as indicated below:

- i. Masara Administration Police post Kshs.1,200,000,
- ii. Oruba Administration Police post Kshs.1,400,000
- iii. Kowino Administration Police post Kshs.700,000

These re-allocations occurred between 4 and 12 May 2017. The re-allocations were proposed by the National Government Constituency Development Fund Committee but no reference was made to the Board for approval as required by the law. Further, Kshs.2,999,000 was re-allocated from secondary schools projects to primary schools and bursary to tertiary institutions as tabulated below. The CDFC was in breach of the provisions of Section 6 (2) of NGCDF Act, 2015.

	Receiving Institution	Amount (Kshs).
1.	Kosege Primary School	1,000,000
2.	Kowino Primary School	400,000
3.	Arombe Primary School	600,000
4.	Migori Suna Driving School	999,000
	Total	2,999,000

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

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

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

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

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.

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.

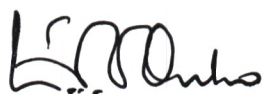
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

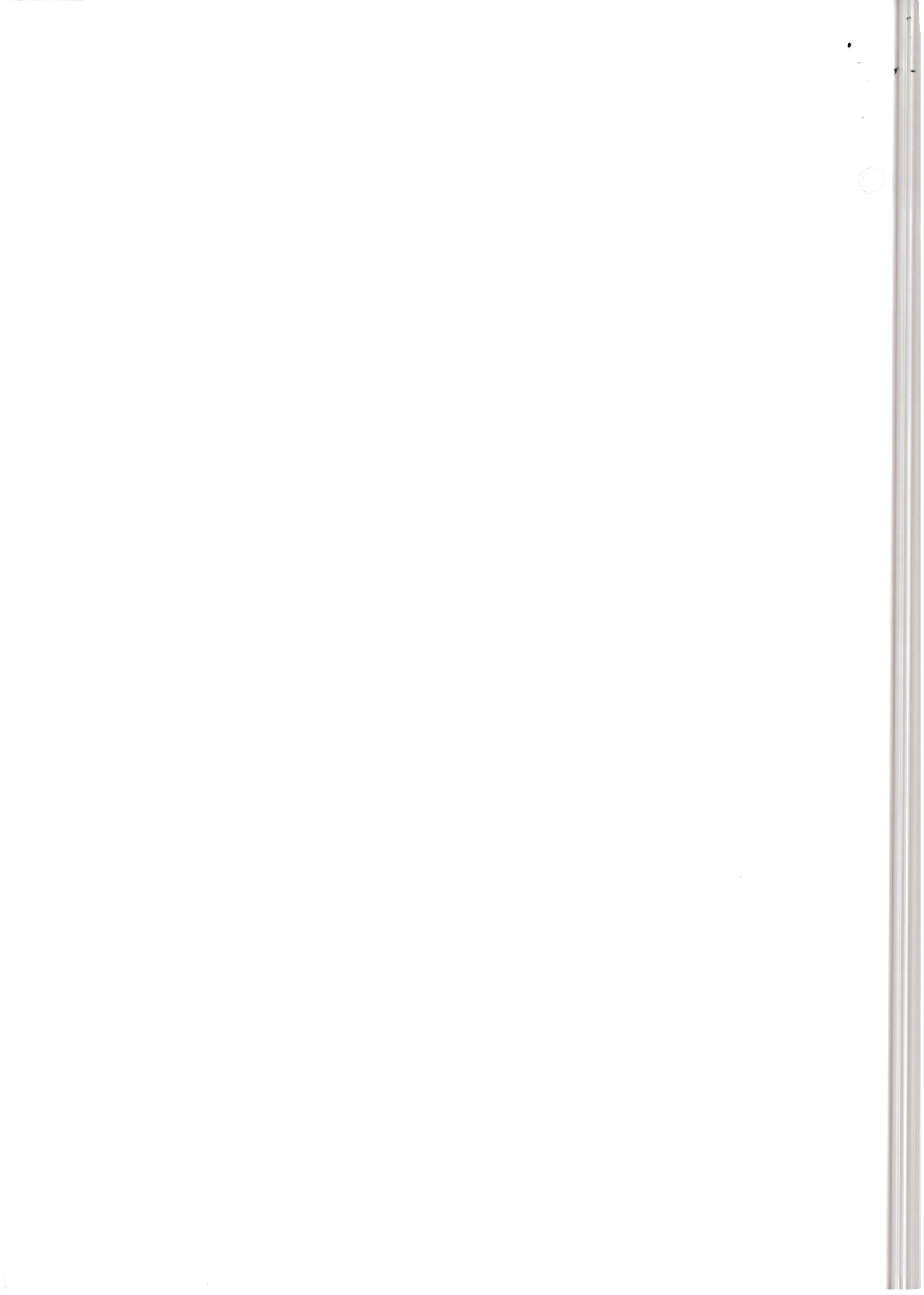
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

22 January 2019

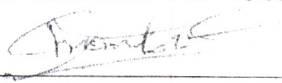


CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

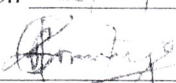
V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,841,414	23,066,336
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		995,000
TOTAL FINANCIAL ASSETS		2,841,414	24,061,336
REPRESENTED BY			
Retention	12	2,917,154	
Fund balance b/fwd 1st July...	13	24,061,336	(11,217,424)
Surplus/Deficit for the year		(25,519,913)	35,278,760
Prior year adjustments	14	1,382,837	
NET LIABILITIES		2,841,414	24,061,336

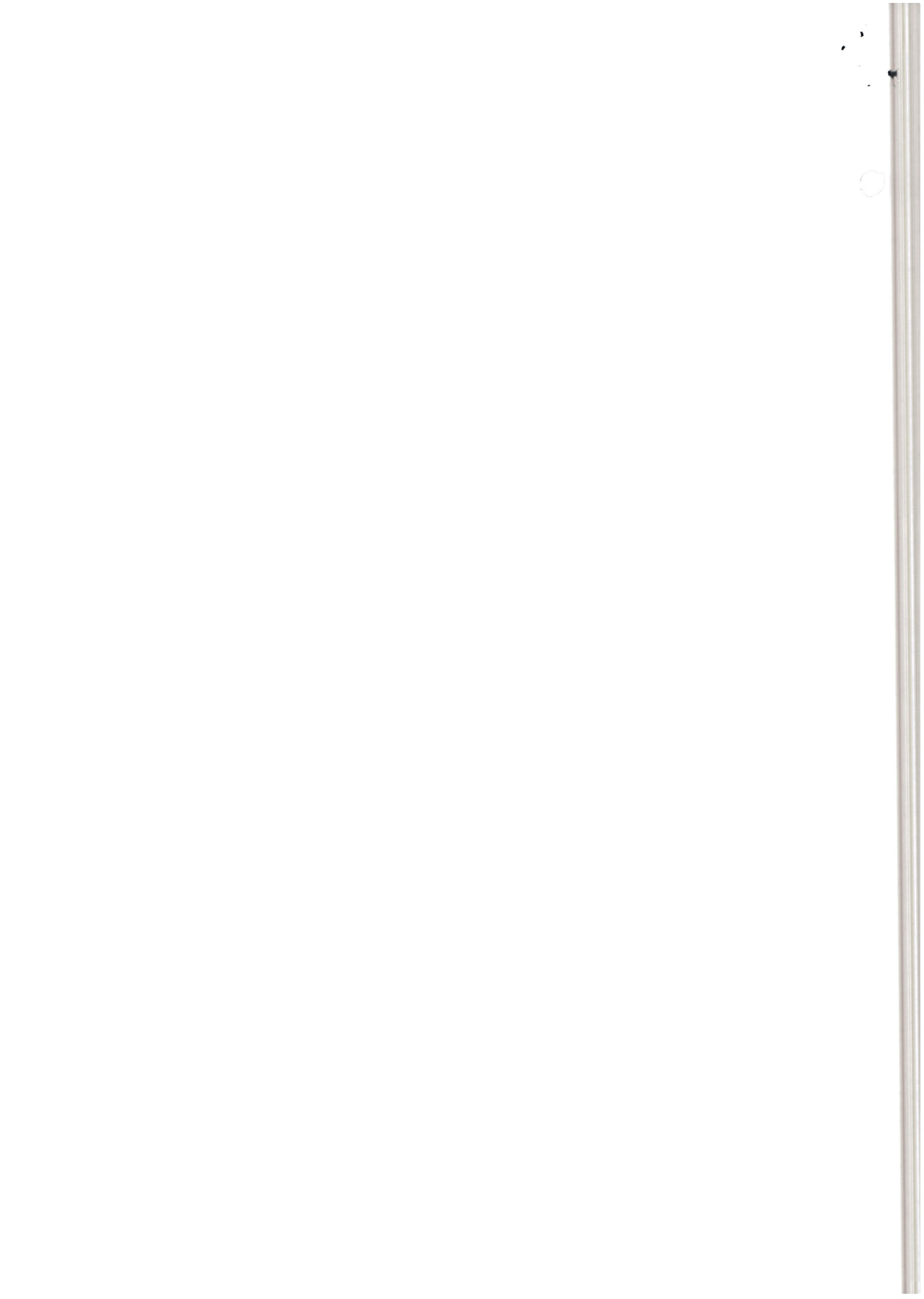
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF financial statements were approved on 30/6/2017 2017 and signed by:



Chairman - CDFC



Fund Account Manager



CONSTITUENCY DEVELOPMENT FUND- SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	81,896,552	121,450,881
Other Receipts	3		
		81,896,552	121,450,881
Payments for operating expenses			
Compensation of Employees	4	1,761,568	1,401,857
Use of goods and services	5	4,004,880	6,732,584
Transfers to Other Government Units	6	35,448,980	32,700,000
Other grants and transfers	7	48,801,037	45,337,680
Other Payments	9		
Adjusted for:		90,016,465	86,172,121
Adjustments during the year	14	1,382,837	
Net cash flow from operating activities		(8,119,913)	35,278,760
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	17,400,000	
Net cash flows from Investing Activities		17,400,000	
NET INCREASE IN CASH AND CASH EQUIVALENT		(25,519,913)	33,443,624
Cash and cash equivalent at BEGINNING of the year	13	24,061,336	(11,217,424)
Cash and cash equivalent at END of the year		2,841,414	24,061,336

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SUNA WEST NGCDF financial statements were approved on 30th 2017 and signed by:



Chairman CDFO



Fund Account Manager

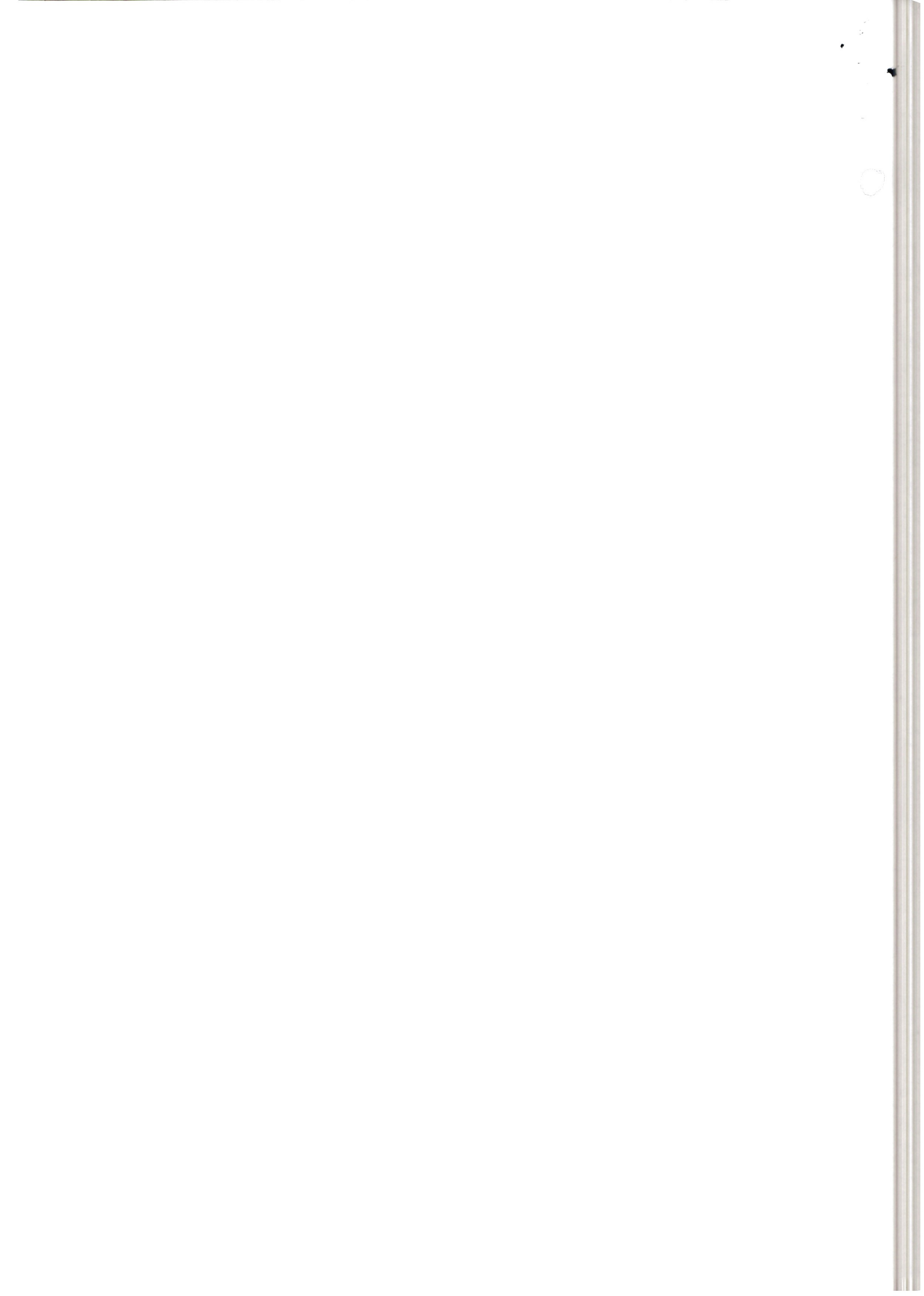


CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2017


VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	24,061,336	105,957,888	82,245,732		77.6%
Proceeds from Sale of Assets						
Other Receipts						
	81,896,552	24,061,336	105,957,888	82,245,732		77.6%
PAYMENTS						
Compensation of Employees	2,100,000		2,100,000	1,761,568	338,432	83.9%
Use of goods and services	4,940,584		4,940,584	4,004,880	935,704	81.1%
Transfers to Other Government Units	28,894,107	10,000,000	38,894,107	35,448,980	3,445,127	91.1%
Other grants and transfers	45,961,861	14,061,336	60,023,197	48,801,037	11,222,160	81.3%
Acquisition of Assets			17,400,000	17,400,000		
Other Payments						
TOTALS	81,896,552	24,061,336	123,357,888	107,416,465	15,941,423	87.1%




CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

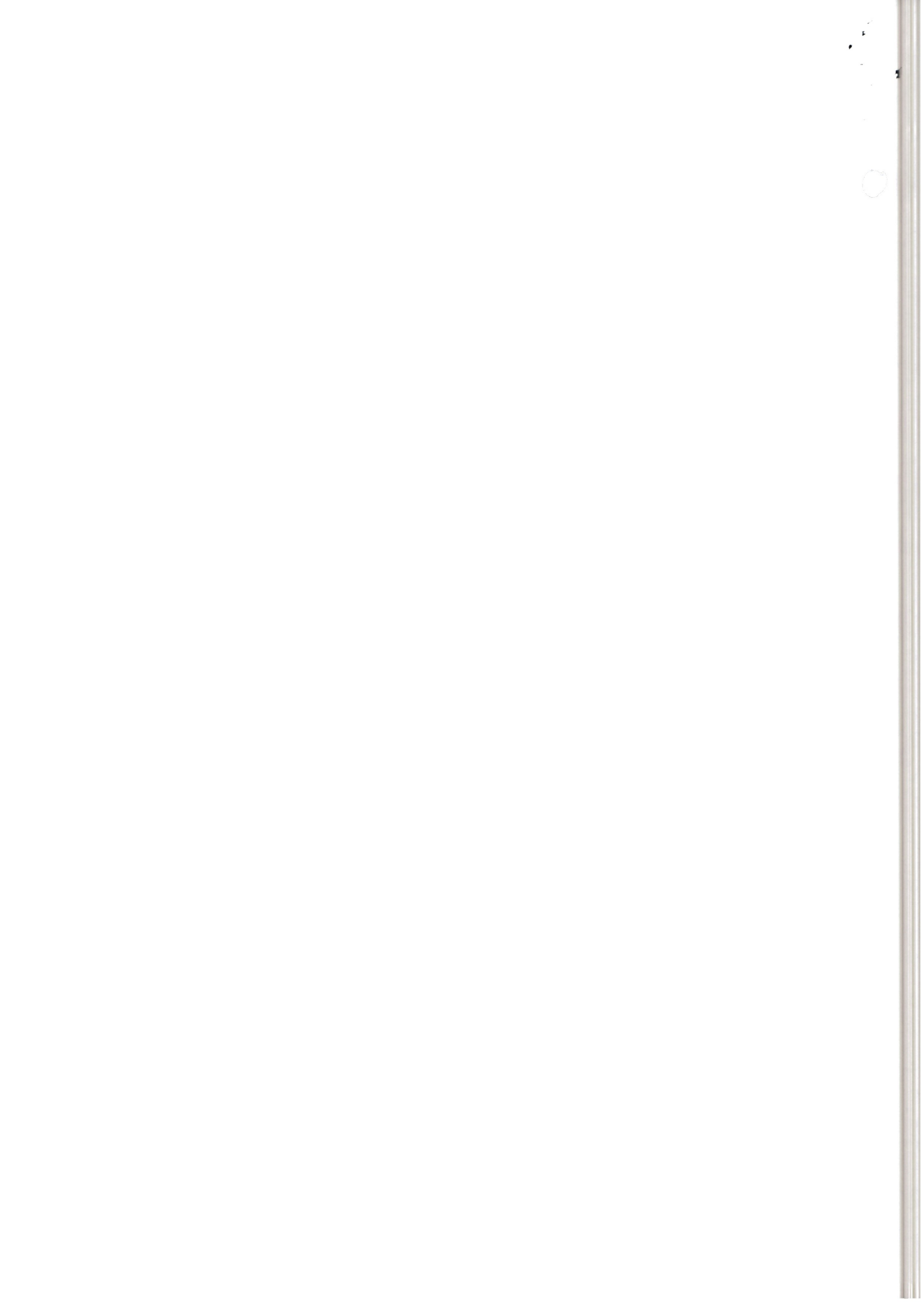
The SUNA WEST NGCDF financial statements were approved on 2017 and signed by:



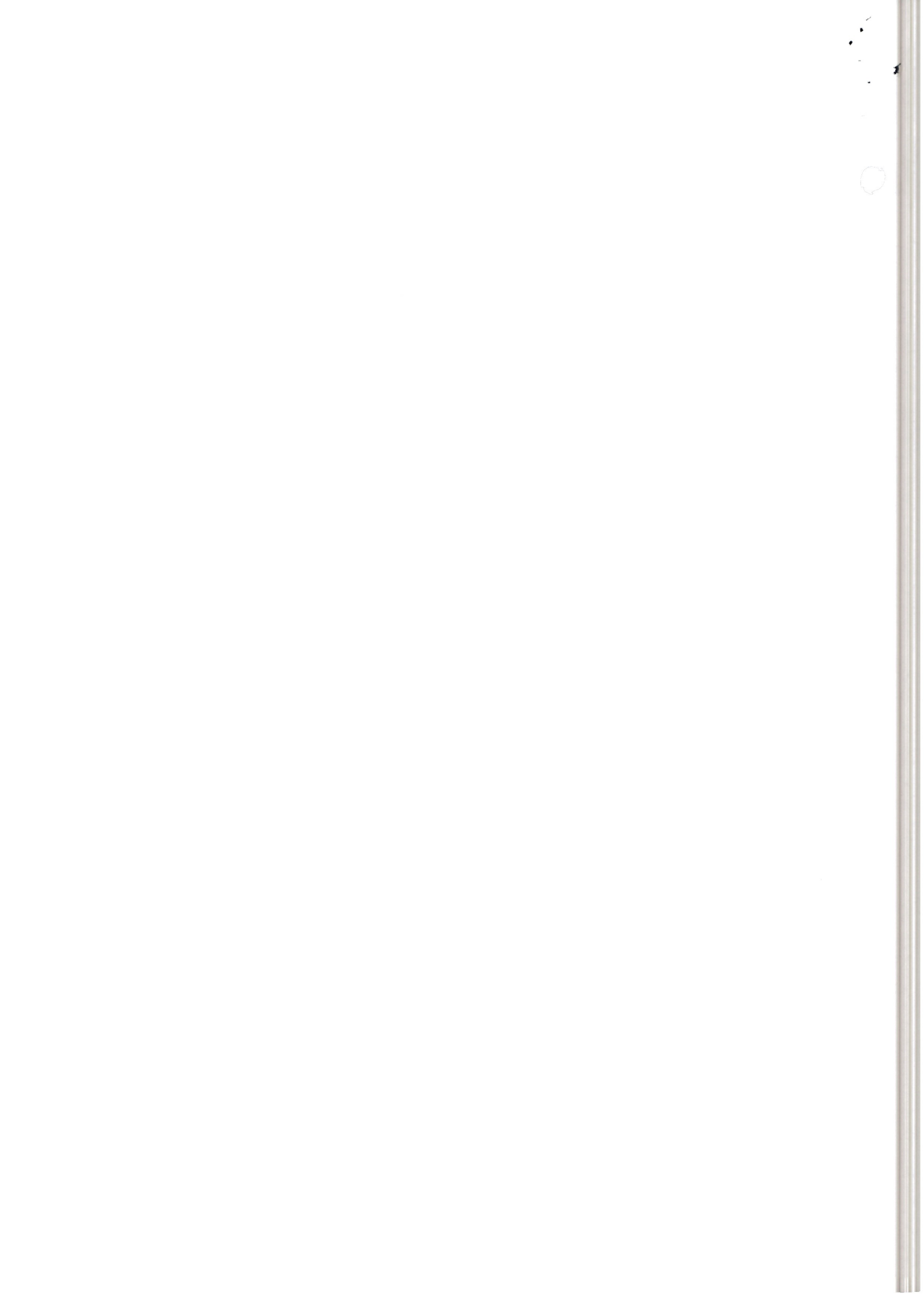
Chairman CDF



Fund Account Manager



Reports and Financial Statements
For the year ended June 30, 2017



VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

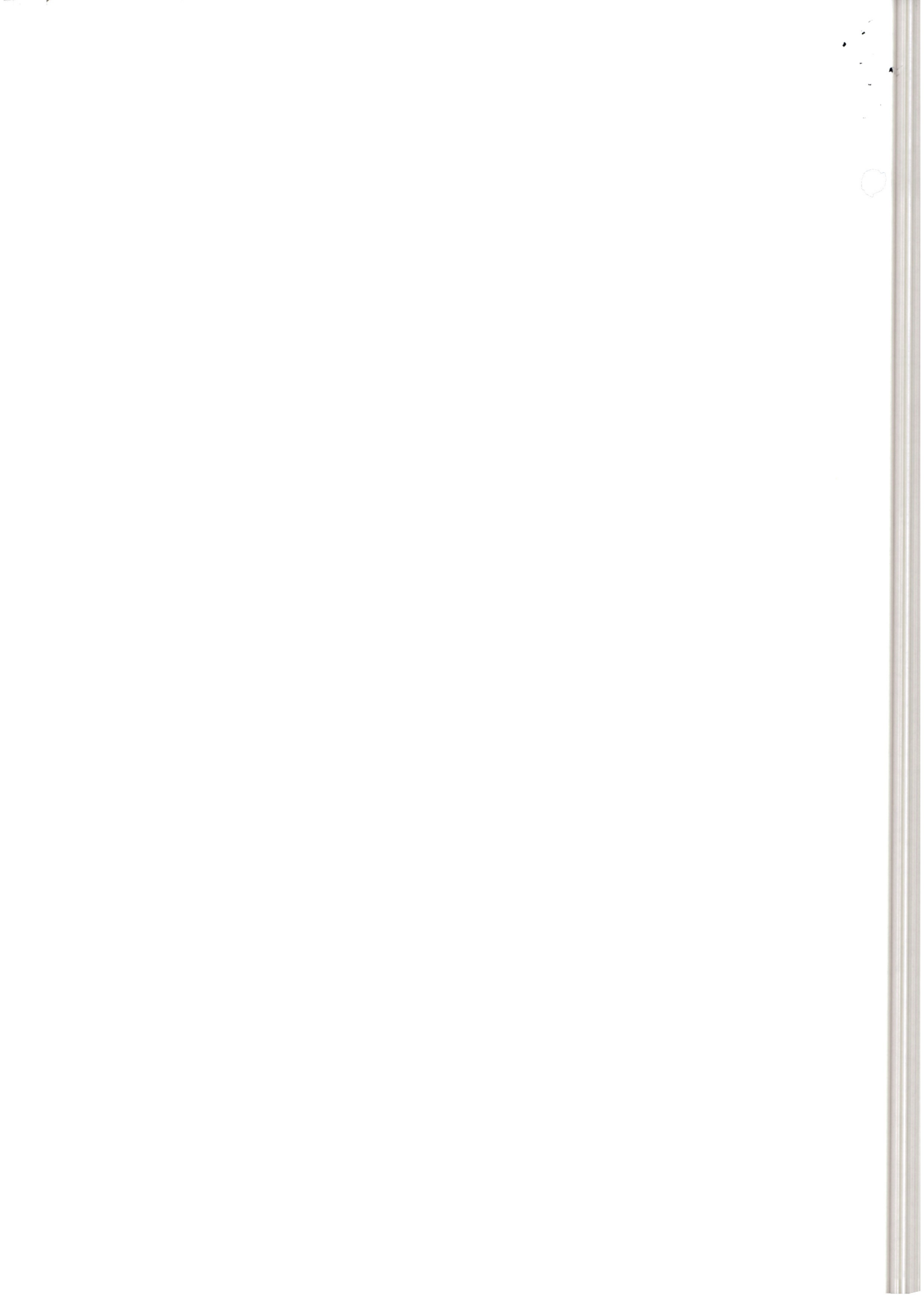
The *CDF* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *CDF*. In addition, the *CDF* recognises all expenses when the event occurs and the related cash has actually been paid out by the *CDF*.

3. In-kind contributions

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

4. Cash and cash equivalents

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



CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

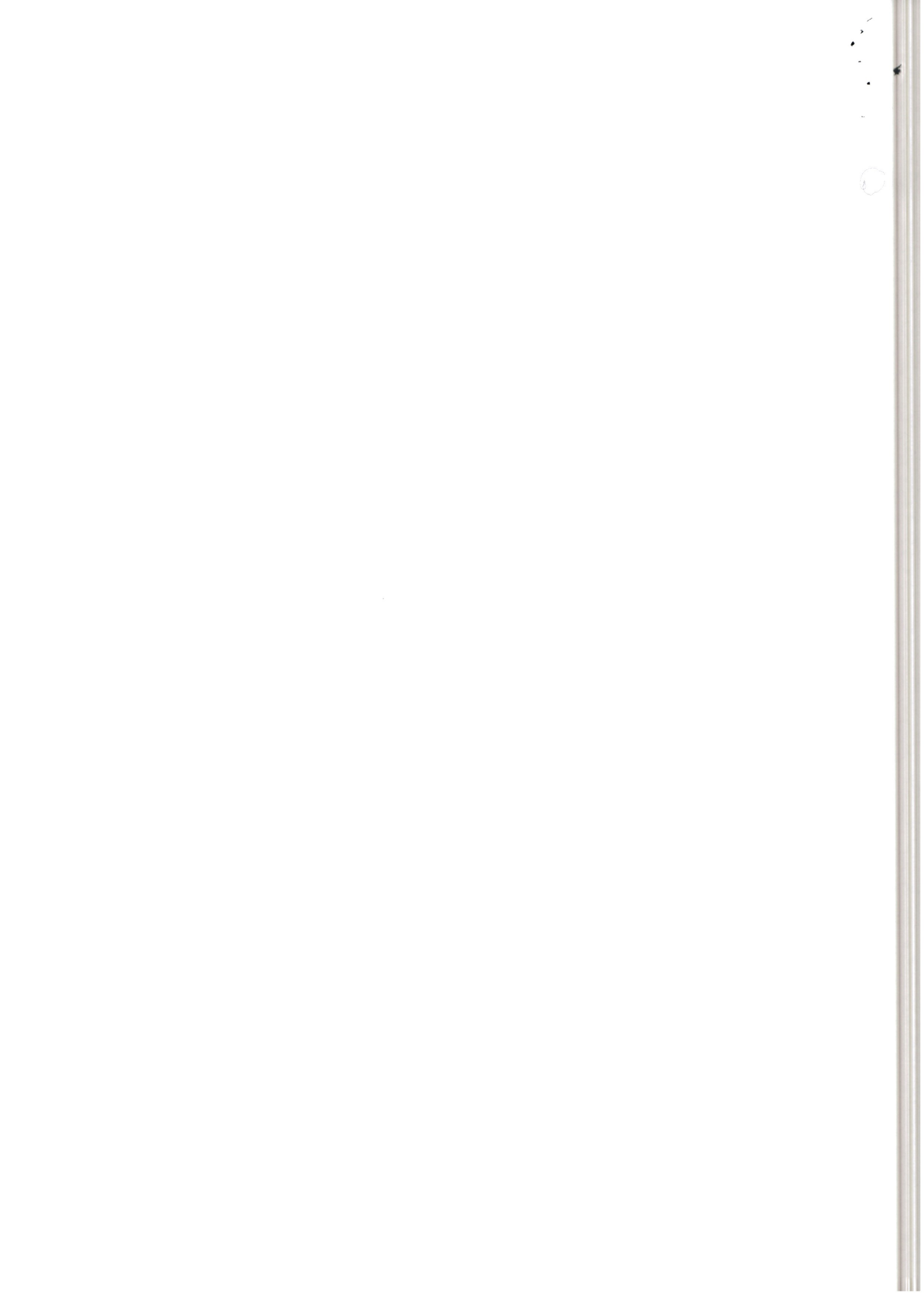


CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
CDF Board		
AIE NO	4,094,828	20,000,000
AIE NO	39,853,449	33,000,000
AIE NO	40,948,275	30,000,000
		27,950,881
		10,500,000
TOTAL	81,896,552	121,450,881

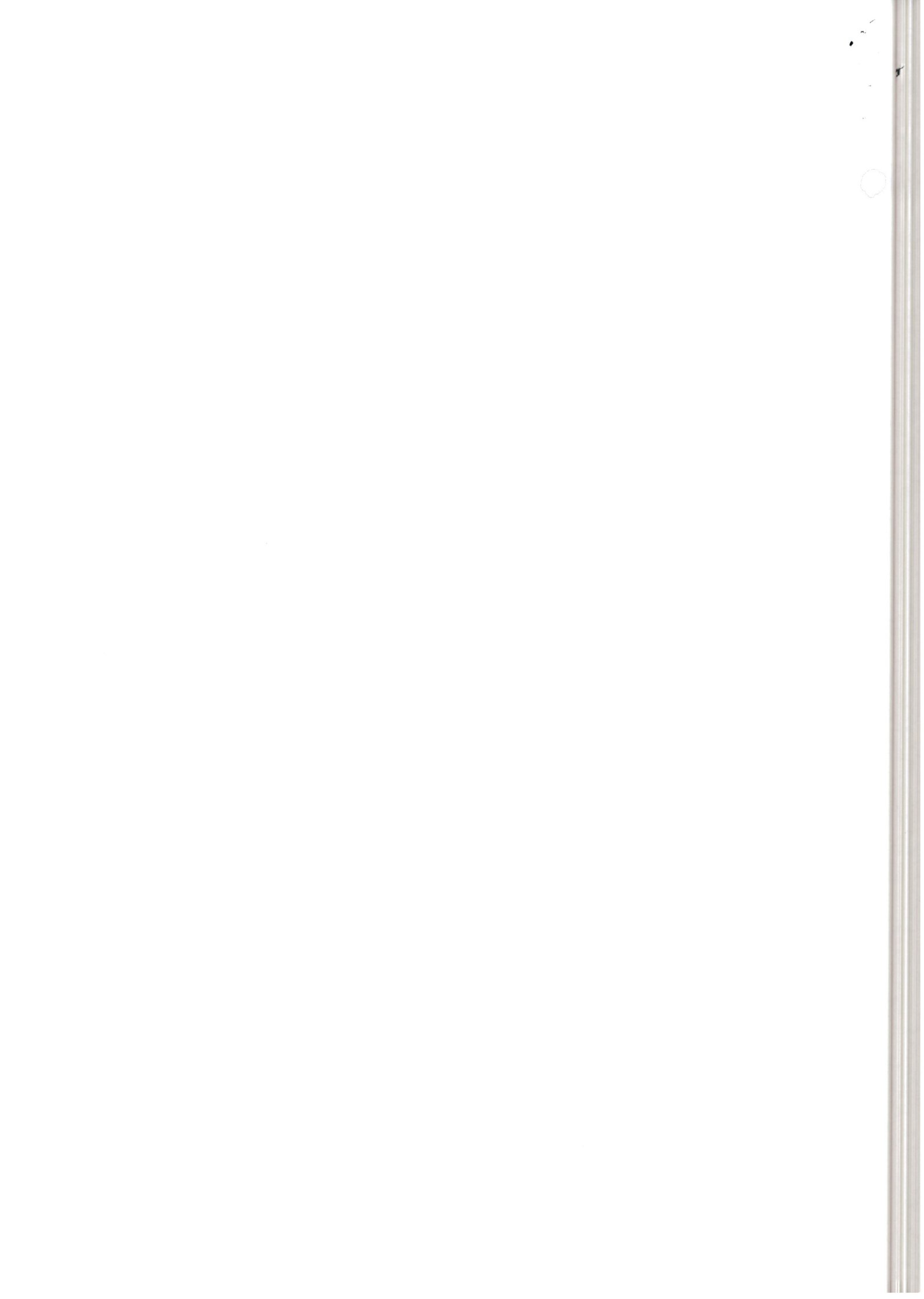


CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,679,090	1,343,457
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	29,000
Leave allowance	-	-
Gratuity	-	-
Other personnel payments-NSSF	82,478	29,400
Total	1,761,568	1,401,857



CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Utilities, supplies and services	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	372,500	370,000
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	1,551,850
Committee allowance	1,379,522	2,670,348
Specialized materials and services	-	-
Office and general supplies and services	-	100,000
Other Committee expenses	1,567,017	1,836,394
Fuel ,oil & lubricants	685,841	203,992
Routine maintenance – other assets	-	-
Total	4,004,880	6,732,584

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CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Transfers to National Government entities	-	
Transfers to primary schools (see attached list)	22,149,980	13,490,000
Transfers to secondary schools (see attached list)	11,999,000	13,750,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	1,300,000	5,800,000
TOTAL	35,448,980	33,040,000

1.1.1.1.1.1.1 OTHER GRANTS AND OTHER PAYMENTS

	2016 – 2017 Kshs	2015- 2016 Kshs
Bursary – secondary schools (see attached list)	13,593,700	9,018,000
Bursary – tertiary institutions (see attached list)	14,824,765	10,000,000
Bursary – special schools (see attached list)	-	618,750
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	3,700,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	2,000,000
Security projects (see attached list)	10,050,000	4,750,000
Roads projects (see attached list)	2,999,990	10,260,930
Sports projects (see attached list)	1,637,000	-
Environment projects (see attached list)	1,637,000	1,450,000
Emergency projects (see attached list)	4,094,000	3,540,000
Total	48,801,037	45,337,680



CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.2 ACQUISITION OF ASSETS

Non Financial Assets

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	2,000,000	-
Construction of Buildings	14,400,000	-
Refurbishment of Buildings		-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	1,000,000	
Total	17,400,000	-



CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.3 OTHER PAYMENTS

specify	2016 - 2017 Kshs	2015 – 2016 Kshs
---------	----------------------------	----------------------------

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
<i>Name of Bank, Account No. 1120481845200</i>	2,841,414	23,066,336
<i>Name of Bank, Cooperative Bank- Migori Branch</i>		
Total	2,841,414	23,066,336



CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
Bernard Konya	20/06/17	110,000	110,000	00
				-
Total				00

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CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 RETENTION

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Contractor 1		
Supplier 2	2,917,154	
Supplier 3	-	
	-	
Total	2,917,154	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts		
Cash in hand	24,061,336	2,962
Imprest	-	-
	-	995,000
Total	24,061,336	997,962

14. PRIOR YEAR ADJUSTMENTS

	2016- 2017	2015 - 2016
	Kshs	Kshs
Bank accounts		
Cash in hand	1,382,837	-
Imprest	-	-
	-	-
Total	1,382,837	-

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CONSTITUENCIES DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 – 2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	600,000	-
	432,000	-
	1,032,000	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>GRATUITY</i>)	-	-
	1,599,802	-
	1,599,802	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (<i>specify</i>)	-	-
	-	-
	-	-

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	44,432.95	4,547.25
	44,432.95	4,547.25

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TRIAL BALANCE AS AT 30TH JUNE 2017			
		DR	CR
Cash and Cash equivalents			
	Bank Balances		
	Cash Balances		2,841,414
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	1,761,568	
	Use of goods and services	4,004,880	
	Committee Expenses		
	Transfers to Other Government Units	35,448,980	
	Other grants and transfers	48,801,037	
	Social Security Benefits		
	Acquisition of Assets	17,400,000	
	Other Payments		
Receipts			
	Transfers from the Board		81,896,552
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment	1,382,837	
	Fund Balance b/f		24,061,336
	TOTAL	108,799,302	108,799,302

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

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 2017	Comments
	a	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. JAMAA FILLING STATION	600,000	12TH FEB, 2017	00	00	600,000	
8.						
9.						
Sub-Total						
Supply of services						
10. RMA MOTORS LTD (K) 432,000		28TH MAY, 2017	00	00	432,000	
11.						
12.						
Sub-Total	432,000					
Grand Total	1,032,000				1,032,000	

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NATIONAL GOVERNMENT ENTITY CONSULTANCY DEVELOPMENT FUND- SUNA W.LST
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
Others (specify) GRATUITY							
1. Lynn Akinyi Obonyo	Secretary	201,874	30/6//2017	00	201,874	201,874	Insufficient fund
2. Jackline Adhiambo Otieno	Support staff	108,000	30/6//2017	00	108,000	108,000	Insufficient fund
3. Beatrice Akoth Oracho	Support Staff	108,000	30/6//2017	00	108,000	108,000	Insufficient fund
4. Okinyi Chris Nyadimo	Support Staff	108,000	30/6//2017	00	108,000	108,000	Insufficient fund
5. Charles Obure Onyancha	Driver	167,400	30/6//2017	00	167,400	167,400	Insufficient fund
6. Jack Omondi Abur	Asst. Admin	167,400	30/6//2017	00	167,400	167,400	Insufficient fund
7. Lavender Aoko Atonga	Account Clerk	145,128	30/6//2017	00	145,128	145,128	Insufficient fund
8. Judith Achieng Otieno	Support Staff	108,000	30/6//2017	00	108,000	108,000	Insufficient fund
9. Pamela Atieno odhiambo	Support Staff	108,000	30/6//2017	00	108,000	108,000	Insufficient fund
10. Gloria Amondi	Record clerk	162,000	30/6//2017	00	162,000	162,000	Insufficient fund
11. Rose Akinyi Otieno	Support Staff	108,000	30/6//2017	00	108,000	108,000	Insufficient fund
12.					1,599,802	1,599,802	
	Sub-Total						
	Grand Total	1,599,802			1,599,802	1,599,802	

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NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

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NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures		
Transport equipment	6,379,510	6,379,510
Office equipment, furniture and fittings	568,000	568,000
ICT Equipment, Software and Other ICT Assets	20,500	20,500
Other Machinery and Equipment	76,000	76,000
Heritage and cultural assets		
Intangible assets		
Total	7,044,010	7,044,010



NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

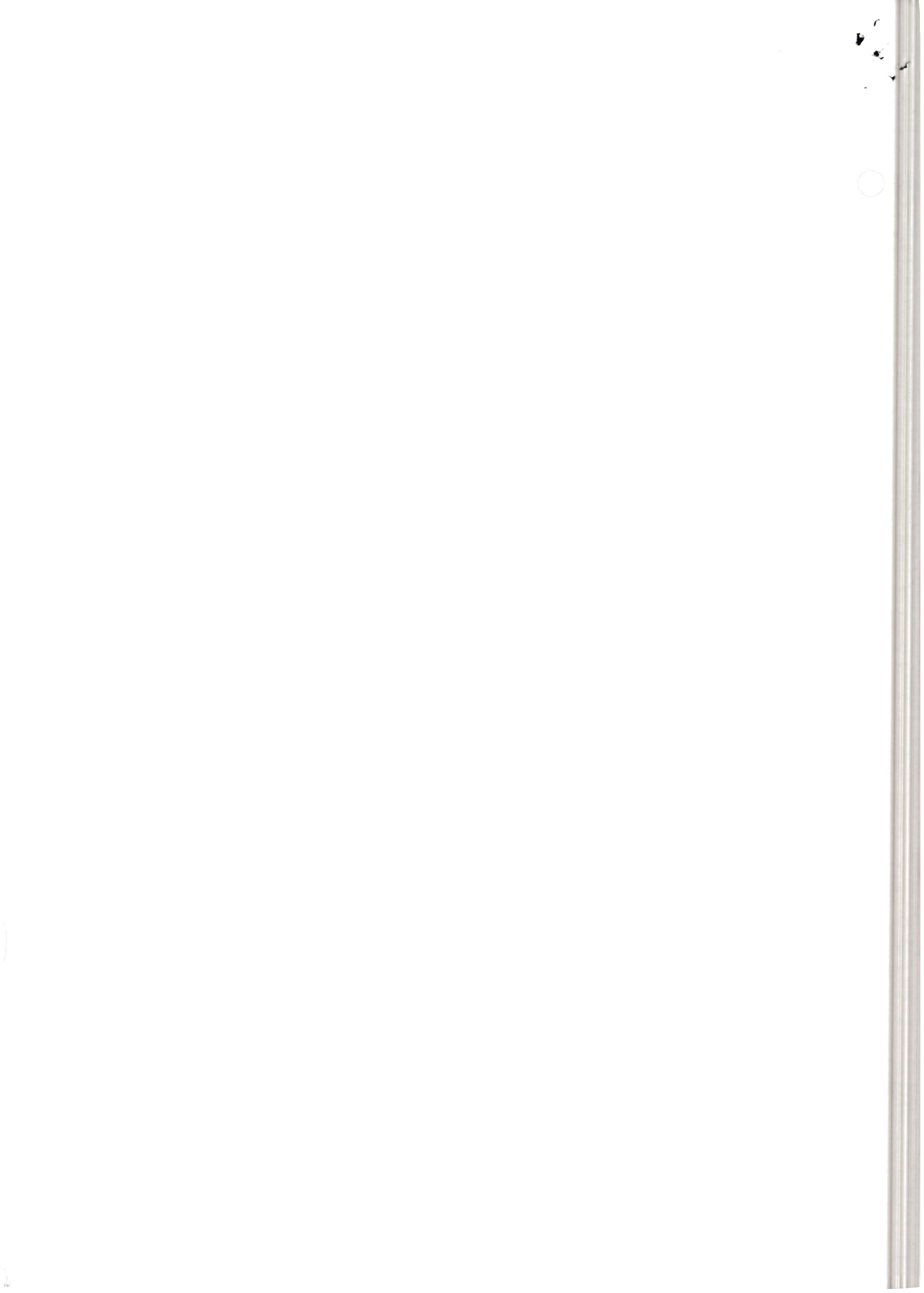
ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Nyanko Primary School	Co-op Bank	01141202752500	726.00	00
Assar Johansson Primary School	Co-op Bank	01141202650200	2363.00	00
Kosege Primary School	Co-op Bank	01141202650201	3162.50	00
Kowino Primary School	Co-op Bank	01141482586900	938.00	1453.00
Nyasoko Secondary School	Co-op Bank	01141482589900	705.50	00
Kowino A.P Post	Co-op Bank	01134481651100	1977.50	00
Oruba A.P post	Co-op Bank	01134482177300	1629.25	123.00
Magongo Ribe Sec.School	Co-op Bank	01139203065600	2910.00	00
Lela Primary School	Co-op Bank	01141202648800	3500.00	00
Arombe Primary School	Co-op Bank	0113948182100	1514.70	00
Nyamanga Giribe Primary	Co-op Bank	01134202885300	800.00	00
Nyamome Primary School	Co-op Bank	01141202648400	2425.00	423.00
Magoto Primary School	Co-op Bank	01141482467300	2203.25	00
Nyailing Primary School	Co-op Bank	01141048593600	00	00
Ndonyo Primary School	Co-op Bank	01141482790200	2462.50	00
Chamabare Pri. School	Co-op Bank	01141202649100	2450.00	00
Nyangumbo Pri.School	Co-op Bank	01100077133300	610.00	00
Obembo Pri.School	Co-op Bank	01139482448700	2288.00	00
Nyabukemo Pr.	Co-op Bank	01139202503001	1327.50	00
Masara A.P Post	Co-op Bank	01134750162400	1125.50	00
Suna West Afforestation Project	Co-op Bank	01134482134500	3049.75	2381.00
Suna West Sports group	Co-op Bank	01134482154700	1352.50	167.25
Buembu A.P Post	Co-op Bank	01134481908100	1912.75	00
Raha Chief Office Project	Co-op Bank	01134750175200	775.25	00
Suna west Chief project	Co-op Bank	01134750175300	775.25	00



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Suna South chief office	Co-op Bank	01134750185200	1450.25	00
Total			44,432.95	4,547.2 5



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame (Period within which you expect the issue to be resolved)
07	Delayed implementation of projects	The committee has reduced time taken to form PMCs hence projects will be implement on time	Chairman	Resolved	N//
09	Project file return by pmcs'	We conducted capacity building for PMCs and as result more Project files are being received by our office	Works officer	Resolved	N/A
10	Certificate of completion	We have informed all the contractors and Pmcs that the finally payment is pegged on the certificate of completion	Officers from Relevant ministries/dep artment	Resolved	N/A
11	Branding of projects	All BQs shall include money for Branding	Works officer	Resolved	N/A

