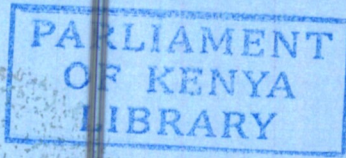


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Paper laid by the
Leader of the Majority
Party - Hon Aden
Draide, MP on
21.2.2018
13m*

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KITUTU MASABA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU MASABA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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

KITUTU MASABA CDF
FUND ACCOUNTANT MANAGER

Sign: 

P.O. BOX

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUTU
MASABA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NGCDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015. The National Government Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The KITUTU MASABA Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Amos Apollo
3.	Accountant	Roseline Muthama

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of KITUTU MASABA Constituency. The reports and recommendation of ARMC when adopted by the NGCDF 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) KITUTU MASABANGCDF Headquarters

NGCDF Office Building – Tombe Market
P.O Bo 931-40200
Kisii



(f) KITUTU MASABANGCDF Contacts

Telephone: (254) 0721489083
E-mail: kitutumasaba@NGCDF.go.ke
Website: www.kitutumasaba.go.ke

(g) KITUTU MASABANGCDF Bankers

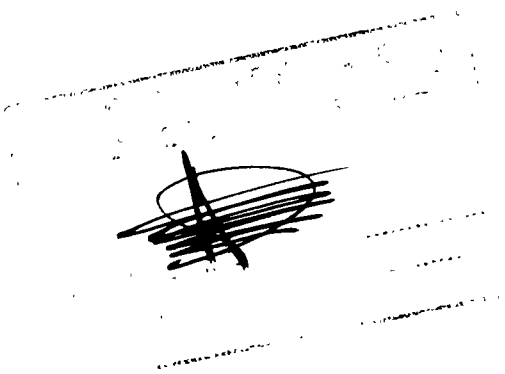
CO-OPERATIVE BANK KISII EAST BRANCH
P.O Box
KISII

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC)

On behalf of the CDFC committee of Kitutu Masaba I wish to give a brief on our development programme for the financial year 2015/16.

Kitutu Masaba received a total of Kshs. 98,754,930 and spent Kshs. 81,239,517 on various sectors namely roads projects, water projects, agricultural projects, bursary, development funding for primary and secondary schools, emergency among others.

We encountered a reduction in the disbursement from the CDF Board compared with the previous year's allocation of Ksh.147,926,565.

Bursary allocations covered about 90% of the applicants and Kitutu Masaba NGCDF was rated best in bursary management in Nyamira and Kisii counties. The Roads projects are rated at 80% and requires more funding due to heavy rainfall in the region.

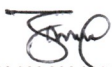
Education infrastructure recorded the construction of several classrooms, dormitories, laboratories and many renovations among others.

The Constituency Development Committee noted that Emergency allocation is so important that more money needs to be reserved for the same hence CDF's Annual Allocations should be increased from 2.5% to even 5% to enable wider coverage.

The Major Challenge encountered was distinction between the county government projects and the CDF projects which needs to be addressed.

Indeed am proud to be the chairman of this successful committee.

Thanks a lot.

Sign..........
CHAIRMAN NGCDFC

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the KITUTU MASABA NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. 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 NGCDF; (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 NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the KITUTU MASABA NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the KITUTU MASABA NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

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

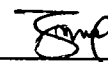
Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on 14th September, 2016.

Fund Account Manager



Chairman



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU MASABA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitutu Masaba Constituency set out on pages 4 to 13, which comprise the statement of receipts and payments for the year ended 30 June 2016, and the statement of assets and liabilities, 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.

Management's Responsibility 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.

The 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 Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
– Kitutu Masaba Constituency for the year ended 30 June 2016*

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Environmental Projects

Included under Note 5 is other grants and transfers of Kshs.55,402,871 which in turn includes Kshs.2,540,394 in respect to environmental conservation. The management made disbursement to Kitutu Masaba Environment Project Management Committees on 7 August 2015 to carry out conservation activities in Manga Sub-County and Kitutu North Sub-County. However, no expenditure returns were availed for audit verification and as a result the expenditure of the funds could not be ascertained.

Consequently, the propriety of Kshs.2,540,394 spent on environmental projects for the year ended 30 June 2016 could not be confirmed.

2. Fixed Assets Register

2.1 Ownership of Motor Vehicle

Included in the financial statement under annex 1 is the summary of fixed assets register which apparently excludes a toyota hilux double cabin motor vehicle registration No.KAV 331E worth Kshs.2,570,000. However, the provided logbook revealed that the vehicle is registered in the name of Mukoma Wanjiru and not under NGCDF Board while the date of its acquisition was not revealed. Physical verification also revealed that the vehicle is grounded.

Consequently, the ownership of the vehicle worth Kshs.2,570,000 could not be confirmed.

3. Roads and Schools Construction

3.1 Roads Construction

Construction of two roads namely Nyaikuro-Ogango and Emanga-Nyangena were not approved by the Constituencies Development Funds Board in the 2015/2016 financial year. However, the same road projects were duplicated by Nyamira County Government (NCG) which carried out extensive rehabilitation works on them. The roads did not have signage that works had been carried out by Fund. In addition, roads PMC had not filed expenditure returns for the projects and there was no record of inspection of road works by a registered roads engineer.

3.2 Irregular Reallocation of Funds

Nyabigege Primary School was allocated Kshs.400,000 to construct one (1) classroom. However, the fund started construction of six (6) classrooms. Physical verification revealed the construction of the six (6) classrooms was up to window level with the funds fully utilized. Nyamakairo primary school was also allocated Kshs.500,000 to construct two (2) classrooms but instead undertook construction of five (5) classrooms. Physical verification revealed that the construction of the five (5) classroom was up to lintel level with the funds allocated fully utilized and hence resulting to the project stalling.

In addition, North Kitutu water project was paid Kshs.500,000 and North Kitutu water spring Kshs.350,000. These projects were however not approved by the Board and the two (2) PMCs had not filed expenditure returns with Constituency Development Fund Committee. The verification result is as shown below.

No	Project Name	Project Activity	Amount Kshs.	Status & % level of completion
1	Nyabigege Pri Sch	Construction of a classroom	400,000	Six classrooms ongoing - 20 % complete
2	St. Andrews Nyabigege Mixed Sec Sch	Construction of ablution block	300,000	Complete 100%
3	Nyamakairo Pri Sch	Construction of 2 classrooms	500,000	Five classrooms ongoing - and 60% complete
4	Emanga Nyagena road		600,000	Complete 100%
5	Nyaikuro Ogango road		950,000	Complete 100%
		Total	2,750,000	

Consequently, the fund breached the law and the propriety of the expenditure of Kshs.2,750,000 could not be confirmed.

4. Cash and Cash Equivalents

The is cash and cash equivalents balances of Kshs.35,494,948 revealed that the bank reconciliation statement availed for audit had unrepresented cheques amounting to Kshs.3,964,000 out of which to Kshs.540,000 were stale and had not been reversed to the cashbook.

In addition, the Project Management Committee (PMC) banks expenditure returns for the year ended 30 June 2016 were not availed for audit verification.

Consequently, the accuracy and validity, of the cash and cash equivalents balance of Kshs.35,494,948 as at 30 June 2016 could not be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kitutu Masaba Constituency as at 30 June 2016, and of its financial performance and its cash flow in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Other Matter

1. Budget Performance Analysis

Analysis of Kitutu Masaba NGCDF indicated an approved budget totalling Kshs.184,500,594 inclusive of the balance brought forward from 2014/2015 of Kshs.49,734,465. During the same period, the fund management incurred expenditure of Kshs.81,239,517 of the approved budget resulting in unabsorbed amount of Kshs.103,261,077 which reflect unfunded projects of Kshs.67,766,129 and with cash at bank of Kshs.35,494,948. The budget performance is detailed below;

2015/16	Approved Budget (a)	Expenditure (b)	Deviation (a-b)	Absorption rate (b/a)
Component	Kshs	Kshs	Kshs	%
Employee salary	1,898,000	1,498,925	399,075	78.12
Use of Goods and services	13,321,621	4,034,101	10,887,465	27.03
Purchase of furniture/ equipment	1,820,783	0	1,820,783	0
Emergency	9,301,326	9,725,000	(423,674)	104.55
Sports	5,235,718	698,960	4,536,758	13.35
Environment conservation	5,235,718	2,540,394	2,695,324	48.52
Bursary - tertiary institutions	34,444,000	33,478,000	966,000	97.19
Primary schools	26,132,931	12,082,931	14,550,000	45.37
Secondary schools	13,100,000	5,500,000	7,600,000	41.98
Tertiary institutions	10,000,000	0	10,000,000	0
Health	2,320,689	2,720,689	(400,000)	117.24
Agriculture	550,000	150,000	400,000	27.27
Roads	58,439,808	6,360,517	52,079,291	10.88
Water	1,400,000	1,150,000	250,000	82.14
Security	1,300,000	1,300,000	0	100
Grand Total	184,500,594	81,239,517	103,261,077	44.03

The fund failed to utilize Kshs.103,261,077 or 56% of its budget allocation causing failure to implement projects thus denying the residents of the constituency services expected. Further, the fund exceeded the budget without approval on two (2) budgeted items, namely; emergency by 4% and health by 7%. No explanation was provided by management for the anomaly.

2. Project Implementation Status

During the financial year under review, the management had an approved budget of Kshs.134,766,129 to be spent on seventy six (76) projects out of which NGCDF Board funded Kshs.98,754,930 or 73% resulting in deficit funding by Kshs.36,011,199 or 27%. However, the CDFC allocated Kshs.47,373,628 to projects as stated below;

	Project Name	Activity	Allocation Kshs	Disbures- ment Kshs	Status
1	Biticha DOK Primary School	Renovation of 7 classes	400,000	0.00	Not started
2	Bocharia FAG Primary School	Construction of 1 classes	500,000	0.00	Not started
3	Bonyunyu DOK Pri School	Completion of 8 classes	500,000	0.00	Not started
4	Borabu DEB Primary Sch	Renovations of 14 classrooms	500,000	0.00	Not started
5	Bursary For Tertiary Institutions	Fees payments for needy bright and disadvantaged students in colleges and universities.	24,000,000	23,034,000	Complete

6	Monitoring & valuation	Undertake Training of the PMCs/CDFCs on CDF Related issues, Payment of Committee sitting allowances, transport, conferences.	4,840,900	2,337,000	On-going
7	Environment Conservation	Planting trees, making seedling beds in Nyambaria Primary, Kiendege Pri, Kiamwarimu pri, Monsore Chiefs camp, Gesima-Ritongo chiefs camp@ Kshs. 673,830.65 each.	2,695,323	2,540,394	On-going
8	Sports Tournament	Awarding of teams participating in the constituency sports tournaments i.e Athletics, soccer, volley ball, net ball in the two districts - Manga and Masaba North each at Kshs.1,347,661	2,695,322	698,960	On-going
9	Ekerubo DOK Primary School	Construction of 2 classes	500,000	0.00	Not started
10	Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	5,767,647	7,705,154	Complete

11	Administration & Recurrent	Payment of staff salaries and gratuity , Purchase of fuel, repairs and maintenance, printing, stationery, telephone, Airtime, travel and subsistence, office tea, bank charges etc., NSSF, NHIF	5,467,269	1,697,101	On-going
12	Entanda Pri School	Renovations of 5 classrooms	300,000	0.00	Not started
13	Eronge DOK Pri School	Renovation of 9 classes	400,000	0.00	Not started
14	Esani-Iranya Gesima 5.5km	Road maintenance	4,500,000	0.00	Not started
15	Gesima D.O's Residence	Construction of D.O's residence.	400,000	400,000	complete
16	Getacho Water Spring	Construction/ protection of water spring	40,000	0.00	Not started
17	Ikonge SDA Mixed Sec. Sch	Construction of Laboratory	400,000	0.00	Not started
18	Ikonge SDA Pri School	Construction of classrooms	500,000	0.00	Not started
19	Karantini Pri School	Renovations of 8 classrooms	500,000	0.00	Not started
20	Karantini SDA Sec.Sch	Renovation of Laboratory	1,000,000	0.00	Not started
21	Kewanda C.O.G Pri Sch	Renovation of 13 classes	500,000	0.00	Not started
22	Kiogutwa SDA Pri School	Construction of 1 classroom	250,000	0.00	Not started

23	Kitutu Masaba Technical College	Construction of Technical College being co- funded by the CDF/Ministry of Education Science and Technology	10,000,000	0.00	Not started
24	Kuja DOK Pri Sch	Renovation of 5 classrooms	500,000	0.00	Not started
25	Machururiati Karantini Mochenwa 5.5km	Maintenance of the road	3,700,000	0.00	Not started
26	Machururiati SDA Pri School	Construction of 1 classes	500,000	500,000	complete
27	Manga AP Line	Construction of Administration Police line.	400,000	400,000	complete
28	Metamaywa Sec. Sch	Completion of Dormitory	500,000	0.00	Not started
29	Miriri Primary Sch	Renovations of 5 classrooms	400,000	0.00	Not started
30	Mochenwa Eronge Nyabogoye Metamaywa 7km	Maintenance of the road	4,500,000	0.00	Not started
31	Mochenwa Geta Nyabioso 7.0km	Opening the road	4,150,000	0.00	Not started
32	Mochenwa Sec School	Construction of Storey tuition block phase one 4 classrooms	500,000	0.00	Not started
33	Mosobeti DOK Pri School	Renovations of 14 classes	500,000	0.00	Not started
34	Moturumesi Nyagancha Pri 1km	Maintenance of the road	1,878,885	0.00	Not started

35	Nyabigege DOK Primary School	Construction of 1 class	400,000	400,000	On-going
36	Nyaguku Pri School	Construction of classrooms and Administration block	1,000,000	0.00	Not started
37	Nyaguku Sec School	Completion of Storey building	500,000	0.00	Not started
38	Nyaibasa Pri School	Construction of 2 classes	500,000	0.00	Not started
39	Nyaikuro SDA Mixed Secondary School	Construction of Administration block	500,000	500,000	Complete
40	Nyakongo Society – Nyabuya Nyaronge 5.2km	Road completion	3,600,000	0.00	Not started
41	Nyakongo Water Spring	Construction/ protection of water spring	40,000.00	0.00	Not started
42	Nyamakoroto DOK Primary School	Construction of administration block	500,000	0.00	Not started
43	Nyamwanga Nyambaria Rd 3.0km	Completion of Road	3,800,000	0.00	Not started
44	Nyangori Police Post	Construction of Police Post	500,000	500,000	On-going
45	Nyankoba SDA Pri Sch	Construction of Pit Latrines	300,000	0.00	Not started
46	Nyariacho DEB Primary Sch	Renovations of 10 classes	500,000	0.00	Not started
47	Nyariacho Sec Sch	Construction of Administration block	500,000	0.00	Not started

48	Nyasore Pri Sch	Renovations of 6 classes	600,000	0.00	Not started
49	Purchase Of Furniture/Equipment	Purchase of office 4 cabinets, 5 executive chairs, 3 tables, water dispenser	1,820,783	0.00	Not started
50	Riabagaka Pri Sch	Renovations of 5 classrooms	400,000	0.00	Not started
51	Riamachana DEB Pri Sch	Completion of 8 classes	500,000	0.00	Not started
52	Riamaemba Kegati 7.0km	Road maintenance	4,800,000	0.00	Not started
53	Riamaemba Moturumesi Birongo 3.8km	Road maintenance	3,500,000	0.00	Not started
54	Riamaranga Sengera 4.5km	Road maintenance	3,500,000	0.00	Not started
55	Riamating'a Water Spring	Construction/ protection of water spring	50,000	0.00	Not started
56	Riamayieka Water Spring	Construction/ protection of water spring	40,000	0.00	Not started
57	Riamoni DEB Pri School	Construction of 2 classes	500,000	0.00	Not started
58	Riangwenyi Water Spring	Construction/ protection of water spring	40,000	0.00	Not started
59	Rianyabwanga Water Spring	Construction/ protection of water spring	40,000	0.00	Not started
60	Riaranga DOK Pri School	Renovations of 5 classrooms	400,000	0.00	Not started

61	Riastephen Bogwendo Nyaikuro TBC – Riegechure – Bogwendo Primary 5km	Road maintenance	4,750,000	0.00	Not started
62	Riatengeya Keera Ekemunto TBC 3.2km	Opening the road	4,550,000	0.00	Not started
63	Riegechure Pri School	Construction of 2 classes	500,000	0.00	Not started
64	Rikenye DEB Pri School	Completion of 3 classrooms	500,000	0.00	Not started
65	Riooga Primary School	Construction of 2 classrooms	500,000	0.00	Not started
66	Riyabe DEB Pri School	Construction of 2 classes	600,000	0.00	Not started
67	Sengereri Sec School	Construction of 2 classrooms	400,000	0.00	Not started
68	Sirate Primary School	Completion of administration block	300,000	0.00	Not started
69	St. Alexander Kiomakondo Sec Sch	Completion of 6 classrooms	500,000	0.00	Not started
70	St. Andrews Nyabigege Mixed Secondary School	Construction of 2 classrooms	500,000	500,000	On-going
71	St. Paul's Gekano Secondary School	Reconstruction of 2 Burnt Dormitory	2,000,000	0.00	Not started
72	St. Theresa's Gekano Girls	Completion of Laboratory	500,000	0.00	Not started
73	St. Thomas Gekano Secondary School	Construction of Administration block	500,000	0.00	Not started

74	Sungututa DEB Primary School	Construction of 2 classes	500,000	0.00	Not started
75	Sungututa Secondary School	Completion of Storey building (Library, Admin block & completion Lab	300,000	0.00	Not started
76	Tombe Nyaikuro 4km	Road maintenance	4,850,000	0.00	Not started
	Total		134,766,129	41,212,609	

Consequently, the delay of funds disbursement on timely basis has denied the residents benefits of development on projects and services needed.

3. Project Verification

During the year under review, seventeen (17) projects costing Kshs.12,010,689 were verified in May 2017. Their status as at that time is as shown below;

No.	Name of Project	Project Activity	Amount Kshs.	Status & Level of Completion
1.	Nyabigege Pri Sch	Construction of a classroom	400,000	Ongoing & 20%
2.	St. Andrews Nyabigege Mixed Sec Sch	Construction of 2 classrooms	500,000	Complete & 100%
3.	St. Andrews Nyabigege Mixed Sec Sch	Construction of ablution block	300,000	Complete & 100%
4.	Nyamakairo Pri Sch	Construction of 2 classrooms	500,000	Ongoing & 60%
5.	Machururiati SDA Pri Sch	Construction of 2 classrooms	500,000	Complete & 100%
6.	Machururiati Dispensary	Construction of health staff house(3 units)	1,120,689	Ongoing
7.	Nyatieno Pri Sch	Renovation of 10 classes	500,000	Complete & 100%
8.	Ogango secondary school	Construction of 2 new classrooms	500,000	Complete & 100%

9.	Nyaisa Pri Sch	Renovations of 3 classes	500,000	Complete & 100%
10.	Nyaisa Manga Secondary school	Completion of Tuition block storey building	500,000	Ongoing & 40%
11.	Moitunya SDA Primary School	Completion of 5 classes and Admin block	500,000	Complete & 100%
12.	St Pauls Nyachichi Sec sch	Completion of storey tuition block	500,000	Ongoing & 50%
13.	Karantini Nyabiosi road	Opening the road. Levelling, grading, murraming	2,970,000	Complete & 100%
14.	Emanga Nyagena road		600,000	Complete & 100%
15.	Nyaikuro Ogango road		950,000	Complete & 100%
16.	Nyangori AP Post	Construction of police post	650,000	Ongoing & 90%
17.	Manga AP Post	Construction of AP line	520,000	Complete & 100%
	Total		12,010,689	

4. Previous Year Matters

The Constituency did not indicate the status and follow up of audit issues reported in the previous year financial statements as required by Public Sector Accounting Standards Board Reporting Template.



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

Nairobi

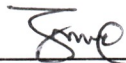
18 January 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

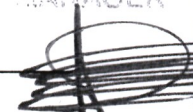
	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	98,754,930	147,926,565
Other Receipts		-	
TOTAL RECEIPTS		98,754,930	147,926,565
PAYMENTS			
Compensation of employees	2	1,498,925	1,261,755
Use of goods and services	3	4,034,101	4,059,908
Transfers to Other Government Units	4	20,303,620	30,000,000
Other grants and transfers	5	55,402,871	105,634,870
Acquisition of Assets	6	-	318,500
TOTAL PAYMENTS		81,239,517	141,275,033
SURPLUS/DEFICIT		17,515,413	6,651,532

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUTU MASABANGCDF financial statements were approved on 14th September, 2016 and signed by:



Chairman - NGCDFC

KITUTU MASABA CDF
 FUND ACCOUNT MANAGER



Fund Account Manager

Sign:

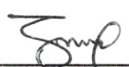
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU
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V. STATEMENT OF FINANCIAL ASSETS

	Note	2015 - 2016	2014 - 2015
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	35,494,948	17,979,535
Receivables -Outstanding Imprests		-	250,000
TOTAL FINANCIAL ASSETS		35,494,948	18,229,535
REPRESENTED BY			
Fund balance b/fwd 1st July 2015	8	17,979,535	11,328,002
Surplus/Deficit for the year		17,515,413	6,651,532
NET LIABILITIES		35,494,948	17,979,535
		-	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUTU MASABANGCDF financial statements were approved on 14th September, 2016 and signed by:



 Chairman - NGCDFC


 KITUTU MASABA CDF
 FUND ACCOUNT MANAGER

 Fund Account Manager

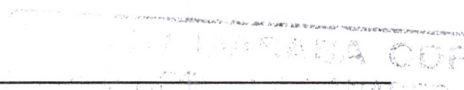

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU
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VI. STATEMENT OF CASHFLOW

Receipts for operating income		2015 - 2016	2014 - 2015
Transfers from CDF Board	1	98,754,930	147,926,565
		98,754,930	
Payments for operating expenses			
Compensation of Employees	2	1,498,925	1,261,755
Use of goods and services	3	4,034,101	1,592,908
Transfers to Other Government Units	4	20,303,620	30,000,000
Other grants and transfers	5	55,402,871	105,634,870
Committee expenses		-	3,467,000
		81,239,517	141,275,033
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		17,515,413	6,651,532
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	-	318,500
Net cash flows from Investing Activities		-	318,500
NET INCREASE IN CASH AND CASH EQUIVALENT		17,515,413	6,651,532
Cash and cash equivalent at BEGINNING of the year	7	17,979,535	11,328,003
Cash and cash equivalent at END of the year		35,494,948	17,979,535

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUTU MASABANGCDF financial statements were approved on 14th September, 2016 and signed by:


 Chairman NGCDFC


 Fund Account Manager


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VII. 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 %
RECEIPTS						
Transfers from CDF Board	134,766,129	49,734,465	184,500,594	98,754,929	85,745,665	53.52
Proceeds from Sale of Assets				-	-	
Other Receipts	-			-	-	
TOTAL	134,766,129	49,734,465	184,500,594	98,754,929	85,745,665	53.52
PAYMENTS						
Compensation of Employees	1,898,000		1,898,000	1,498,925	399,075	78.97
Use of goods and services	8,410,169	3,775,660.00	12,858,829	4,034,101	8,151,728	31.37
Transfers to Other Government Units	33,850,000	13,192,540.00	47,042,540	20,303,620	27,638,920	43.16
Other grants and transfers	88,787,177	32,766,265.00	121,553,442	55,402,871	67,945,665	45.58
Acquisition of Assets	1,820,783	-	1,820,783	-	(1,820,783)	
Other Payments	-		-			
TOTAL	134,766,129	49,734,465	184,500,594	81,239,517		44.03

Some votes were spent below 50% due to delayed disbursement of funds from NGCDF Board. The payments delayed due to procurement procedures both in the government departments and at the PMCs levels. Political influence at the PMCs hence delayed the utilization of funds.

The KITUTU MASABANGCDF financial statements were approved on 14th September, 2016 and signed by:


Chairman NGCDF


Fund Account Manager NGCDF

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 NGCDF 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 NGCDF.

2. Recognition of revenue and expenses

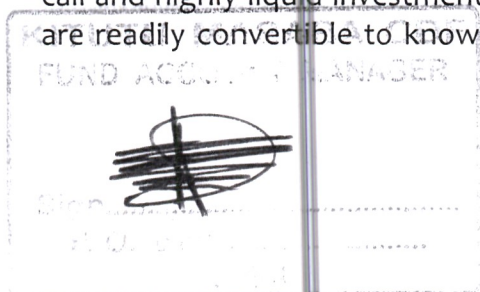
The NGCDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NGCDF. In addition, the NGCDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NGCDF.

3. In-kind contributions

In-kind contributions are donations that are made to the NGCDF 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 NGCDF 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



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changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

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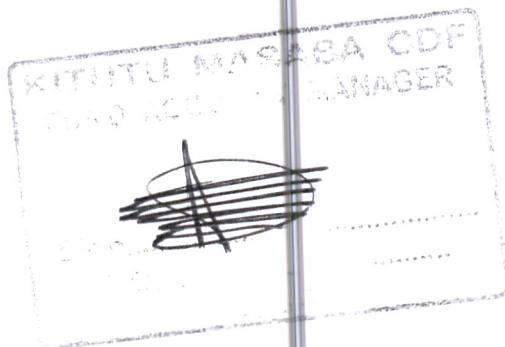
IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	AIE	2015-16	2014-15
Normal Allocation	A797199	31,754,929.50	31,754,929.50
	A825531	27,000,000.00	14,052,957.70
	A820678	10,000,000.00	17,701,972.00
	A820896	30,000,000.00	52,661,776.20
TOTAL		98,754,930	147,926,565

2. COMPENSATION OF EMPLOYEES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Basic wages of contractual employees	1,367,065	1,215,234
Personal allowances paid as part of salary	-	
Employer contribution to NSSF	131,860	46,521
Total	1,498,925	1,261,755



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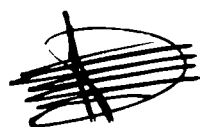
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Utilities, supplies and services	867,406	27,453
Other committee expenses	825,000	915,000
Committee allowance	1,512,000	1,552,000
Office and general supplies and services	30,000	-
Fuel ,oil & lubricants	600,000	800,000
Other operating expenses	-	642,375
Routine maintenance – vehicles and other transport equipment	199,695	123,080
Total	4,034,101	4,059,908

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015 - 2016 Kshs	2014 - 2015 Kshs
Transfers to primary schools	12,082,931	13,900,000
Transfers to secondary schools	5,500,000	16,100,000
Transfers to Health institutions	2,720,689	-
TOTAL	20,303,620	30,000,000



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

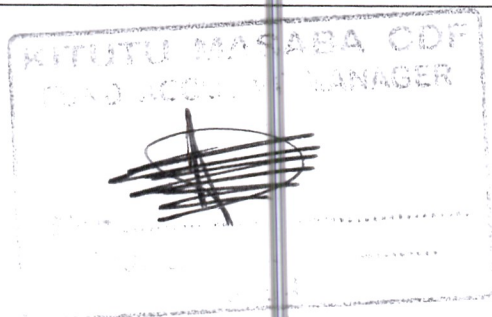
Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary -Tertiary	33,478,000	27,937,000
water	1,150,000	1,000,000
Agriculture (food security)	150,000	400,000
Security	1,300,000	-
Roads	6,360,517	69,797,869.00
Sports	698,960	-
Environment	2,540,394	
Emergency Projects	9,725,000	6,500,000
Total	55,402,871	105,634,870

6: OTHER PAYMENTS

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of office furniture & general equipment	0	318,500
	0	318,500

7: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016	2014 - 2015
	Kshs	Kshs
CO-OPERATIVE BANK KISII EAST BRANCH A/C NO 01141477003400	35,494,948	17,979,535
	35,494,948	17,979,535



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	33,494,948	17,979,535
Cash in hand	-	-
Imprest	-	250,000

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical cost 2014/15 Kshs.	2015/16 Kshs.	Total Kshs.
Land	-	-	-
Building and structures	27,500,000	27,500,000	27,500,000
Transport equipment	8,728,843	8,728,843	8,728,843
Office equipment furniture and fittings	444,440	444,440	444,440
ICT equipment, software and other ICT assets	85,000	85,000	85,000
Total	36,758,283	36,758,283	36,758,283