

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT NATIONAL ASSEMBLY
PAPERS LAID

13 NOV 2018

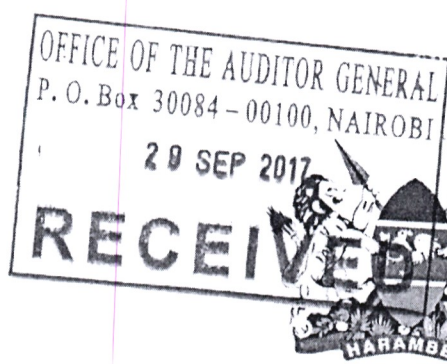
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
MOLO CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MOLO 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)



NG-CDF C MOLO

Molo National Constituencies Development Fund

Kanyiri Building

Molo- Nakuru Road

P.O Box 24- 20102

Elburgon, Kenya

Tel: | Cell:

Email: molocdf.go.ke | Website: www.ngcdf.go.ke

27th July, 2017

Our Ref: MOLO NG-CDFC/FSR /VOL.I/001 (ii)

THE CHIEF EXECUTIVE OFFICER,

N- G CONSTITUENCIES DEVELOPMENT FUND,

P.O.BOX 46682-00100,

NAIROBI.

RE: FINANCIAL REPORTS AND STATEMENTS.

The above referenced subject matter refers.

Attached herewith is the financial report and statements for Molo National Government Constituency Development Fund Committee, for the Financial Year 2016-2017.

Thank you for your continued support.

Yours Faithfully,

Samuel Mwangi

Fund Account Manager,

Molo NG-CDF

Vision: Equitable social-economic development countrywide



ISO 9001:2008 Certified

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MOLO
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new act was enacted in 2015, being the National Government Constituencies development fund act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the fund is to provide mechanisms for supplementing implementation of the National Government development agenda at the constituency level.

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National government constituency development fund Committee (NG-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Samuel Mwangi
3.	Accountant	Nicholas Mutisya

(d) Fiduciary Oversight Arrangements

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

(e) MOLO NG--CDF Headquarters

P.O. Box 24- 20102
Kanyiri Building
Nakuru - Molo Road
Turi centre,
Elburgon, Kenya

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
CONSTITUENCY**

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

(f) MOLO NG-CDF Contacts

Telephone: (254) XXXXXXXX
E-mail: NG-CDFmolo@go.ke
Website: www.go.ke

(g) MOLO NG-CDF Bankers

1.	Bank Name:	Equity bank
	Branch:	MOLO
	Account Name:	Molo NG-CDF
	Account Number:	0230262025900

(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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
CONSTITUENCY**

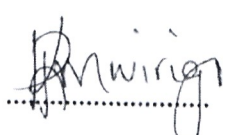
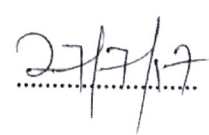
**Reports and Financial Statements
For the year ended June 30, 2017**

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

On behalf of Molo NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2016/2017. In the year under review our overall performance was above average due to several factors among them the funds that were unspent at the close of Financial Year 2015/2016. The committee was able to disburse funds to the PMCs once we received them hence there was no delay in the [release of funds. The key achievements for Molo NG-CDFC is that have managed to disburse funds directly to each project through the PMC hence assist constituency for fighting poverty and involve the community directly for them to own the projects. In the education sector, NG-CDF funding of schools has assisted in improving the infrastructure hence increasing student enrolment. NG-CDF bursary has helped retain in students from low income families in tertiary and secondary schools.

Emerging issues related to the NG-CDF is aware that their term of office will be after the August 8th elections to be held this year. In view of this in mind the committee has ensured that nearly all the projects funds must be released to the projects and implemented accordingly. This will lessen the handing over process to the incoming committee. Implementation challenges and recommended way forward are among others late disbursement of funds which lead to rise in project costs due to factors like inflation. Frequent development forums and awareness forums should be held to bring awareness to the public and the PMC's should be trained in order to enhance their capacity in project implementation.

Despite all the challenges associated with the NG- CDF it only the remaining mechanism to address local development and bridge the development gaps left between the county and the national government.

Name	Designation	Sign.	Date
Peter Mwirigi Kenda	NG-CDFC Chairman		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES

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

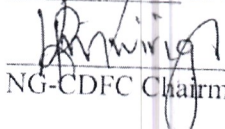
The Accounting Officer in charge of the *MOLO NG-CDF* is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and as at the end of the financial year (period) ended on June 30, 2015. This responsibility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

The Accounting Officer in charge of the *Molo* accepts responsibility for the *NG-CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NG-CDF's* financial statements give a true and fair view of the state of *NG-CDF's* transactions during the financial year ended June 30, 2015, and of the *NG-CDF's* financial position as at that date. The Accounting Officer charge of the (*Molo NG-CDF*) further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *NG-CDF's* financial statements were approved and signed by the Accounting Officer on 27/7/2017.


NG-CDFC Chairman


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
CONSTITUENCY**

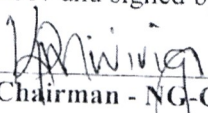
Reports and Financial Statements

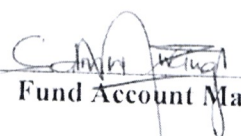
For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	104,108,336.60	97,713,448.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		104,108,336.60	97,713,448.00
PAYMENTS			
Compensation of employees	4	2,176,543.00	1,231,682.00
Use of goods and services	5	5,969,428.95	5,552,044.00
Transfers to Other Government Units	6	47,350,000.00	25,950,344.00
Other grants and transfers	7	83,205,217.00	54,631,032.00
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		138,701,188.95	87,365,102.00
SURPLUS/DEFICIT		(34,592,852.35)	10,348,346.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Molo NG-CDF financial statements were approved on 27-7-2017 and signed by:


Chairman - NG-CDFC


Fund Account Manager

REPUBLIC OF KENYA

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Fax: +254-20-311482
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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-MOLO 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-Molo Constituency set out on pages 6 to 37, 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, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Molo 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 Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

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

Basis for Qualified Opinion

1.0 Statement of Assets

The statement of assets as at 30 June 2017 reflects bank balances as per cash book of Kshs.8,057.95 Bank reconciliation statement presented for audit reflects payments in cash book not yet recorded in bank statement of Kshs.446,127 which includes unrepresented cheques dating back to 21 October 2014. No explanation

*Report of the Auditor-General on the Financial Statements of National Government Constituencies
Development Fund-Molo Constituency for the Year Ended 30 June 2017*

has been made for their non-reversal in the cash book. In the circumstance, the accuracy and validity of the bank balance of Kshs.8,057.95 could not be confirmed.

2.0 Use of Goods and Services

Statement of receipt and payments shows an expenditure of Kshs.5,969,428.95 spent on use of goods and services during the year under review. Out of this amount expenditure totaling Kshs.3,066,983.95 was not supported by relevant documentation. Verified payments revealed that expenditure on monitoring and evaluation was not supported by reports while expenditure on office general supplies were made using cash advances for which no support documents were produced to confirm that the advances were applied for and approved as required by Section 71 Public Finance Management Act, 2012 Regulations. In the circumstance, the use of goods and services expenditure of Kshs.5,969,429 could not be confirmed as fairly stated.

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

Key Audit 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 and Other Matter sections, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1.0 Compensation of Employees

During financial year 2016/2017, Molo Constituency had an approved budget of Kshs.1,459,595 for compensation of employee expense. However, statement of receipt and payment shows an expenditure of Kshs.2,176,543 resulting to an over-expenditure of Kshs.716,947 which has not been explained or reconciled. In the circumstance, the reported figure of Kshs.2,176,543 is not fairly stated.

2.0 Delayed Projects Implementation

Annexure 4 of the financial statements details un-spent project balances amounting to Kshs.27,448,854. Included in the balances are bank balances for twelve (12) projects which have either been on-going or not started. Fund balances

for some of the projects are for the financial year 2015/16. Further, funds for Elburgon Gravity water project which were for 2015/16 and later re-allocated to Orthodox Primary School Kshs.12,000,000 have not been utilized. As per the certificate of bank balance of 31 May 2018 at the time of the audit, Kshs.11,756,884 was lying in the bank account un-utilized. It is therefore uncertain when the projects will be started and completed for their intended benefit.

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 to 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 Fund 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 Fund's financial reporting process.

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

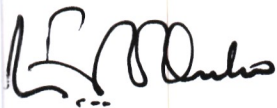
The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 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 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 to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund 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

17 August 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
CONSTITUENCY**

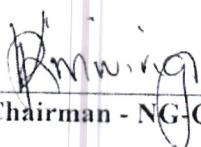
Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF FINANCIAL ASSETS

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,057.95	11,252,564.30
Cash Balances (cash at hand)	10 B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		8,057.95	11,252,564.30
REPRESENTED BY:			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	34,600,910.30	11,252,564.30
Surplus/Defict for the year		(34,592,852.35)	10,348,346.00
Prior year adjustments	14	-	13,000,000.00
NET LIABILITIES		8,057.95	34,600,910.30

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOLO NG-CDF financial statements were approved on 27-7- 2017 and signed by:


Chairman - NG-CDFC


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MOLO
CONSTITUENCY**

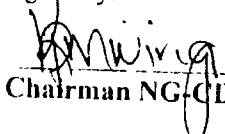
Reports and Financial Statements

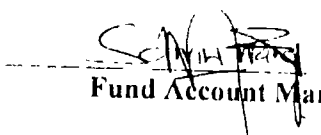
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	104,108,336.60	97,713,448.00
Other Receipts	3	-	-
		104,108,336.60	97,713,448.00
Payments for operating expenses			
Compensation of Employees	4	2,176,543.00	1,231,682.00
Use of goods and services	5	5,969,428.95	5,552,044.00
Transfers to Other Government Units	6	47,350,000.00	25,950,344.00
Other grants and transfers	7	83,205,217.00	54,631,032.00
Other Payments	9	-	-
		138,701,188.95	87,365,102.00
Adjusted for:			
Adjustments during the year	14	-	13,000,000.00
Net cash flow from operating activities		(34,592,852.35)	10,348,346.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(34,592,852.35)	23,348,346.00
Cash and cash equivalent at BEGINNING of the year	13	34,600,910.30	11,252,564.30
Cash and cash equivalent at END of the year		8,057.95	34,600,910.30

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MOLO NG-CDF financial statements were approved on 27 - 7 -2017 and signed by:


Chairman NG-CDFC

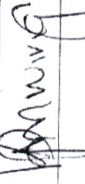

Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – MOLO CONSTITUENCY

For the year ended June 30, 2017

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	81,896,551.72	87,760,970.30	169,657,522.02	138,709,246.90	30,948,275.12	82
Proceeds from Sale of Assets	-	-	-	-	-	0
Other Receipts	-	-	-	-	-	0
Total	1,896,551.72	7,760,970.30	69,657,522.02	138,709,246.90	30,948,275.12	82
PAYMENTS						
Compensation of Employees	1,459,596.00	-	1,459,596.00	2,176,543.00	(716,947.00)	149
Use of goods and services	5,568,128.12	2,007,944.42	7,576,072.54	5,969,428.95	1,606,643.59	79
Transfers to Other Government Units	44,000,000.00	2,600,000.00	46,600,000.00	47,350,000.00	(750,000.00)	102
Other grants and transfers	30,868,827.60	83,153,025.88	114,021,853.48	83,205,217.00	30,816,636.48	73
Acquisition of Assets	-	-	-	-	-	0
Other Payments	-	-	-	-	-	0
TOTALS	81,896,551.72	87,760,970.30	169,657,522.02	138,701,188.95	30,956,333.07	82



Chairman NGCDF



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

VII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

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VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description			2016-2017	2015-2016
			Kshs	Kshs
Normal Allocation	AIE NO.A 829934		4,094,827.60	46,713,448.00
	AIE NO.A 837561		52,160,060.00	10,000,000.00
	AIE NO A 825827		1,000,000.00	20,000,000.00
	AIE NO A855647		36,853,449.00	21,000,000.00
	AIE NO 839690		10,000,000.00	-
Conditional grants	AIE NO...		-	-
	AIE NO...		-	-
Receipt from other Constituency			-	-
TOTAL			104,108,336.60	97,713,448.00

2. PROCEEDS FROM SALE OF ASSETS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of office and general equipment	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description		2016 - 2017	2015- 2016
		Kshs	Kshs
Interest Received		-	-
Rents		-	-
Sale of tender documents		-	-
Other Receipts Not Classified Elsewhere (specify)		-	-
Total		-	-

4. COMPENSATION OF EMPLOYEES

Description		2016-2017	2015 - 2016
		Kshs	Kshs
Basic wages of contractual employees		1,043,107.00	1,176,200.00
Employer contribution to NSSF		101,136.00	55,482.00
Personal allowances paid as part of salary		-	-
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		-	-
Gratuity		1,032,300.00	-
Total		2,176,543.00	1,231,682.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	63,243.95	154,144.00
Office rent	210,000.00	630,000.00
Communication, supplies and services	-	50,000.00
Domestic travel and subsistence	175,000.00	15,900.00
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	565,800.00	1,150,000.00
Hospitality supplies and services	-	50,000.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,122,085.00	700,000.00
Fuel ,oil & lubricants	300,000.00	-
Other operating expenses	-	50,000.00
Routine maintenance - vehicles and other transport equipment	307,000.00	-
Routine maintenance – other assets	-	100,000.00
Other committee expenses	1,596,300.00	1,998,000.00
Committee allowance	1,630,000.00	654,000.00
Total	5,969,428.95	5,552,044.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	28,800,000.00	7,937,931.00
Transfers to secondary schools	17,850,000.00	7,512,413.00
Transfers to Tertiary institutions	700,000.00	10,000,000.00
Transfers to Health institutions	-	500,000.00
TOTAL	47,350,000.00	25,950,344.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Bursary –Secondary	13,308,000.00	7,871,000.00
Bursary –Tertiary	5,459,500.00	5,155,000.00
Bursary-Special schools	-	-
Mocks & CAT	-	4,500,000.00
Water	29,525,227.00	29,374,773.00
Agriculture (food security)	-	-
Electricity projects	-	-
Security	1,500,000.00	1,000,000.00
Roads	19,050,016.00	-
Sports	1,500,000.00	1,000,000.00
Environment	1,300,000.00	-
Emergency Projects (specify)	8,762,474.00	5,730,259.00
Strategic Plan	1,800,000.00	
Audit	1,000,000.00	
Total	83,205,217.00	54,631,032.00

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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
Total	-	-

9. Other Payments

			-	-
			-	-
specify			-	-
TOTAL			-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 A: Bank Balances (Cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2016 - 2017	2015 - 2016
		Kshs (30/6/2017)	Kshs (30/6/2016)
Equity Bank- Molo branch NO.0230262025900		8,057.95	34,600,910.30
Total		8,057.95	34,600,910.30

10 B: CASH IN HAND)

Description	2016 - 2017 (30/6/2017)	2015 - 2016 (30/6/2016)
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

Name of Officer	Date imprest taken	Amount Taken	Amount Surrendered
		Kshs	Kshs
Name of Officer	dd/mm/yy	-	-
Name of Officer	dd/mm/yy	-	-
Name of Officer	dd/mm/yy	-	-
Total			

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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12: RETENTION

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Supplier/ Contractor	-	-
Total	-	-

13 BALANCES BROUGHT FORWARD

Description	2015 - 2016	2014 - 2015
	Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts	34,600,910.30	11,252,564.30
Cash in hand	-	-
Imprest	-	-
Total	34,600,910.30	11,252,564.30

14 PRIOR YEAR ADJUSTMENTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Other grants and payments	-	13,000,000.00
Total	-	13,000,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO
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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

15.2: PENDING STAFF PAYABLES (See Annex 2)

15.2: PENDING STAFF PAYABLES (See Annex 2)		
	2016-2017	2015-2016
	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (NG- CDFC Employees)	330,156.00	121,633.00
Total	330,156.00	121,633.00

15.3 PMC ACCOUNT BALANCES

Annex 4 PMC Bank Balances As At 30/6/2017					
No	PMC	Bank	Account NO	Bank Balance 30/6/2017	Bank Balance 30/6/2016
	PMCs ACCOUNTS			27,499,754.00	29,561,461.00
				27,499,754.00	29,561,461.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO
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15.3: OTHER PENDING PAYABLES (See Annex 3)

Amounts due to other Government entities (see attached list)		
	2016-2017	2015-2016
	ksh	ksh
Primary schools	-	700,000.00
Secondary	-	1400000
Health	-	1,000,000.00
Others (<i>specify</i>)	-	-
Strategic plan	-	1,800,000.00
Emergency	-	1,670,000.00
M/E	-	1,085,311.00
Admin	-	992,633.42
Water	-	12,351,814.08
Road	-	10,800,057.80
Sports	1,000,000.00	1,500,000.00
Security	3,500,000.00	200,000.00
Bursary	15,165,378.00	1,001,094.00
Environment	300,000.00	600,000.00
Tertiary Institutions	11,050,000.00	-
	35,043,102.72	34,600,910.30

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- MOLO CONSTITUENCY
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Outstanding Balance		Comments
				2017	2016	
Amounts due to other Government entities						
1. Transfers to Primary Schools	Construction and rehabilitation of classrooms	31,100,000.00		-	-	
2. Transfers to Secondary Schools	Construction and rehabilitation of classrooms	1,850,000.00		-	15,000,000.00	
3. Transfers to Tertiary Institutions	Construction of classroom and fencing	11,050,000		11,050,000.00	1,400,000.00	Waiting release of funds by NG- CDFB
4. Transfers to Health Institutions	Rehabilitation of dispensary	44,000,000.00		-	3,350,000.00	Waiting for re- allocation approval
Sub-Total		44,000,000.00		11,050,000.00	18,350,000.00	Waiting release of funds by NG- CDFB
5. Bursary		20,474,000.00		15,165,378.00		Waiting release of funds by NG- CDFB
5. Transfers to Water Projects	Construction of water tanks, piping and intakes	0.00		0.00	15,712,413.00	

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6. Transfers to Roads Projects	Rehabilitation of roads	0.00		0.00		8,250,000.00	Waiting release of funds by NG- CDFB
7. Transfers to Environment	Planting of trees in public institutions	300,000.00			300,000.00	700,000.00	Waiting release of funds by NG- CDFB
8. Transfers to Emergency Projects	Emergency concurrencies	4,094,827.60			0.60	3,767,647.00	
Sub-Total		24,868,827.60			15,465,378.60		
Others (specify)							
9. Administration		4,713,790.00			3,213,790.00		Waiting release of funds by NG- CDFB
10. Monitoring and Evaluation		2,313,934.12			813,934.12		Waiting release of funds by NG- CDFB
11. Transfers to Sports Projects		1,000,000.00			1,000,000.00		Waiting release of funds by NG- CDFB
Sub-Total		8,027,724.12			5,027,724.12		
Grand Total		81,896,551.72			35,043,102.72		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

a. FIXED ASSETS REGISTER

TYPE OF FURNITURE.	ASSET SERIAL NO.	ACQUISITION DATE.	QTY	UNIT COST (KSH).	TOTAL COST	CURRENT CONDITION.
BANQUETTING CHAIRS.	NG-CDF/166/001 - 027	25/03/2014	27	4,000.00	108,000.00	GOOD CONDITION.
OFFICE CHAIRS CHROME BASE.	NG-CDF/166/029 - 031.	25/03/2014	3	17,571.00	52,713.00	GOOD CONDITION.
SECRETARY CHAIR PANSY.	NG-CDF/166/032 - 033.	25/03/2014	2	10,035.00	20,070.00	GOOD CONDITION.
SECRETARY CHAIR.	NG-CDF/166/034	25/03/2014	1	13,500.00	13,500.00	GOOD CONDITION.
CONFERENCE TABLE.	NG-CDF/166/035.	25/03/2014	1	65,138.00	65,138.00	GOOD CONDITION.
EXECUTIVE OFFICE TABLE	NG-CDF/166/036.	25/03/2014	1	55,000.00	55,000.00	GOOD CONDITION.
OFFICE TABLE.	NG-CDF/166/037	25/03/2014	1	35,019.00	35,019.00	GOOD CONDITION.
OFFICE TABLE MAHOGANY	NG-CDF/166/038 - 039.	25/03/2014	2	14,334.00	28,668.00	GOOD CONDITION.
WRITING TABLE.	NG-CDF/166/040.	25/03/2014	1	25,800.00	25,800.00	GOOD CONDITION.
OFFICE TABLE MELAMINE.	NG-CDF/166/041.	25/03/2014	1	28,000.00	28,000.00	POOR CONDITION.
BOOK RACK WITH GLASS	NG-CDF/166/043	25/03/2014	2	19,250.00	38,500.00	GOOD CONDITION.
HP LASERJET PRO M1132	NG-CDF/166/001.	25/03/2014	1	20,530.00	20,530.00	GOOD CONDITION.
ACER DUO CORE COMPUTER MACHINE	NG-CDF/166/002.	25/03/2014	1	51,000.00	51,000.00	GOOD CONDITION.
DELL LAPTOP CELERON	NG-CDF/166/003.	25/03/2014	1	52,000.00	52,000.00	GOOD CONDITION.
TOYOTA VIRGO DOUBLE CAB	NG-CDF/166/004.				4,500,000.00	GOOD CONDITION.
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO CONSTITUENCY

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Asset class	Historical Cost (Kshs) 2016/2017	Historical Cost (Kshs) 2015/2016
Land	-	-
Buildings and structures	-	-
Transport equipment	4,500,000.00	4,500,000.00
Office equipment, furniture and fittings	470,408.00	470,408.00
ICT Equipment, Software and Other ICT Assets	123,530.00	123,530.00
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	5,093,938.00	5,093,938.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO CONSTITUENCY
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Annex 4 PMC Bank Balances As At 30/6/2017					
No	PMC	Bank	Account NO	Bank Balance 30/6/2017	Bank Balance 30/6/2016
1	Arimi Primary School	Equity- Molo Branch	0230162479786	58,421.00	8,471.00
2	Arimi Secondary School	Equity- Molo Branch	0230264085292	103,275.00	190.00
3	Chandera Milima Mitatu Project	Equity- Molo Branch	0230170092372	-	-
4	Chandera Primary School	Equity- Molo Branch	0230162108763	400,030.00	470.00
5	Chandera Secondary School	Equity- Molo Branch	0230162239461	503,558.00	5,098.00
6	Chesingele Primary School	Equity- Molo Branch	0230264163374	-	-
7	Daraja Primary School	Equity- Molo Branch	0230172079623	385,850.00	-
8	Elburgon D.E. B Primary School	Equity- Molo Branch	0230264538400	201.00	631.00
9	Elburgon Gravity Water	Equity- Molo Branch	0230170623879	13,800,340.00	-

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10	Elburgon P.C.E.A. Primary School	Equity- Molo Branch	0230264025234	248,800.00	10.00
11	Elburgon Secondary School	Equity- Molo Branch	0230161980405	20,920.00	1,121,690.00
12	Gathigi Primary School	Equity- Molo Branch	0230264079562	65.00	230.00
13	Green Estate Water Project	Equity- Molo Branch	0230162703410	446.00	320,360.00
14	Green Park Primary School	Equity- Molo Branch	0230264225943	907.00	380.00
15	Inooro Forest Line AP Post Road Project	Equity- Molo Branch	0230170060523	-	-
16	K.M.T.C. Molo Project	co -op - Molo Branch	01141720378700	3,630,937.00	15,000,000.00
17	Kambala Primary School	Equity- Molo Branch	01248054447600	-	-
18	Kambala Secondary School	Equity- Molo Branch	0230262275943	230.00	301,000.00
19	Kapsita Dispensary	Equity- Molo Branch	0230266080916	370.00	104,010.00
20	Kapsorok Primary School	Equity- Molo Branch	01248053610600	-	-
21	Kenyatta Water Project	Equity- Molo Branch	0230190037500	1,975.00	1,975.00
22	Kiambiriria Primary School	Equity- Molo Branch	0230161975129	1,024.00	1,464.00

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23	Kiambiriria Secondary School	Equity- Molo Branch	0230161966075	72.00	72.00
24	Kibunja Primary School	Equity- Molo Branch	0230262670265	-	-
25	Kibunja Water Project	Equity- Molo Branch	0230265667084	-	225.00
26	Kimonio Primary School	Equity- Molo Branch	0230264035926	460.00	340.00
27	Kiplelmoi Primary School	Equity- Molo Branch	0230170658380	948,570.00	-
28	Landi Sulgwita Project	Equity- Molo Branch	0230170061175	175.00	-
29	Lawina Primary School	Equity- Molo Branch	0230172109209	378,870.00	-
30	Mariashoni Primary School	Equity- Molo Branch	0230265826204	500,165.00	500,000.00
31	Michatha Primary School	Equity- Molo Branch	0230162269688	2,131.00	2,131.00
32	Michatha Secondary School	Equity- Molo Branch	0230170614105	149,395.00	-
33	Michinda Secondary School	Equity- Molo Branch	0230292970342	1,009,490.00	1,009,490.00
34	Migaa AP Post	Equity- Molo Branch	0230266529582	340.00	340.00
35	Milima Mitatu ECD	Equity- Molo Branch	0230170464133	99,780.00	-

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36	Molo Highway Secondary School	Equity- Molo Branch	0230170605532	67,927.00	-
37	Molo OCPD	Equity- Molo Branch	0230166641263	60.00	-
38	Molo river water resource users	Equity- Molo Branch	0230263406755	-	60.00
39	Molo Sports	Equity- Molo Branch	0230262699290	300.00	-
40	Mona Primary School	Equity- Molo Branch	0230294400654	215.00	215.00
41	Mona Secondary School	Equity- Molo Branch	0230264491242	35.00	35.00
42	Mugeremukia Water Project	Equity- Molo Branch	0230168567048	830.00	-
43	Mukinyai Bridge Project	Equity- Molo Branch	0230168438420	70.00	-
44	Mukinyai Primary School	Equity- Molo Branch	0230162356053	50,239.00	789.50
45	Mukinyai Water Project	Equity- Molo Branch	0230263912448	5.00	2,883,400.00
46	Mukorombosi Bridge	Equity- Molo Branch	0230263394155	-	-
47	Mutamaiyu Primary School	Equity- Molo Branch	0230166896070	450.00	800,000.00
48	Mutate Primary School	Equity- Molo Branch	0230172080005	134,920.00	-

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49	Mwangi Michuki Primary School	Equity- Molo Branch	0230191181919	52,093.00	2,533.00
50	Ndimu Primary School	Equity- Molo Branch	0230162212722	45.00	45.00
51	Ndimu Water Project	Equity- Molo Branch	0230263780819	66.00	66.00
52	Ndoswa Primary School	Equity- Molo Branch	0230264534121	403.00	290.00
53	Ndoswa Water Project	Equity- Molo Branch	0230166577172	10.00	1,000,000.00
54	New Creation Primary School	Equity- Molo Branch	0230162429305	41.00	826.00
55	Nguzu River Primary School	Equity- Molo Branch	0230170642469	134,785.00	-
56	Nyariche Water Project	Equity- Molo Branch	0230262563991	245.00	914,825.00
57	Orthodox Primary School	Equity- Molo Branch	0230263931131	152,249.00	69.00
58	Sachangwan D.Os Office	Equity- Molo Branch	0230172199159	99,670.00	-
59	Sachangwan Primary School	Equity- Molo Branch	0230162537494	897.00	700,502.00
60	Sakaitim Primary School	Equity- Molo Branch	0230162644420	1,500,450.00	450.00
61	Segut Primary School	Equity- Molo Branch	0230172080421	469,120.00	-

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For the year ended June 30, 2017 (Kshs'000)

62	Sokoro Primary School	Equity- Molo Branch	0230161977322	329,088.00	1,223.00
63	St Bredans Secondary School	Equity- Molo Branch	0230262818291	5,168.00	350,333.00
64	St Brendans Primary School	Equity- Molo Branch	0230162301705	413.00	628.00
65	St James Primary School	Equity- Molo Branch	0230161961419	78,629.00	694.00
66	St Joseph's Primary School Project	Equity- Molo Branch	0230191597671	151,863.00	2,743.00
67	St Peters Boys Primary School	Equity- Molo Branch	0230162129868	184,872.00	312.00
68	St Stephens Primary School	Equity- Molo Branch	0230161952261	126,076.00	60,051.00
69	St. Joseph's Elburgon Sec School	Equity- Molo Branch	0230264541039	489.00	365.00
70	St. Mary's Mixed Primary School	Equity- Molo Branch	0230264343857	90.00	9.00
71	Tayari Primary School Project	Equity- Molo Branch	0230161960765	673,835.00	485.00
72	Timoo Primary School	Equity- Molo Branch	0230172078959	520,170.00	-
73	Tumaini Secondary School	Equity- Molo Branch	0230266537534	90.00	90.00
74	Turi High Level Water Project	Equity- Molo Branch	0230263326096	458,227.00	4,044.00

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

75	Turi Secondary School	Equity- Molo Branch	0230264527360	8,065.00	8,065.00
76	Turi Street Lights	Equity- Molo Branch	0230165846667	80.00	80.00
77	Turi Sulgwiita Primary School	Equity- Molo Branch	0230161970903	642.00	302.00
78	Witima Water Project	Equity- Molo Branch	0230263999731	20.00	4,449,340.00
79	Z-Corner Bridge	Equity- Molo Branch	0230262840195	15.00	15.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO CONSTITUENCY
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)	Timeframe: (Put a date when you expect the issue to be resolved)
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MOLO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

1. 2013/14	In accuracies in the financial statements	During the financial year 2013/2014, two accounts were prepared, for the 1122194781 held at KCB er at Njoro and Equity Bank- Molo branch NO.0230262025900oac. ONLY one certificate was issued. For the account held at KCB njoro. The account held at Equity bank was not audited and that where the opening balances are being derived from. Amended financial accounts have been prepared to correct the opening balances and explained correctly (Annex 1)	Samuel Mwangi-FAM	Resolved	-
2.2013/14	Budgetary funding		Samuel Mwangi-FAM	Resolved	-

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

3. 2013/14	Bank reconciliation statement	It is true that there were unprinted cheques of Ksh 14,201,717. Out of this amount Ksh 1,198,040.00 were dated between 14 th may 2014 and 5 th December. 2014. Most of the cheques were bursary cheques and in most cases they are reversed after they are stale. However they have been re- allocated to other needy bursary beneficiaries.	Samuel Mwangi-FAM	Resolved	-
4. 2013/14	Elburgon Slaughter house	It is true that the land doesn't have ownership documents as the seller of the land are in the process of transferring the land to Elburgon slaughter house. The slaughter house project was started by the business people who wanted to bring a slaughter house near Elburgon since the nearest was at Molo town. They bought the land and it is registered under Elburgon slaughter house and they are in the process of acquiring the Title deed. Further to that, the P.M.C used RFQ to procure the materials they required.	Samuel Mwangi-FAM	Resolved	-

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

5. 2013/14	PCEA Elburgon Secondary school	The procurement procedures were followed to the letter. The Audit team AUDITED a class constructed by the P.T.A since CDF funded class was slabbed as per the schools plan of a storey building. This building is in good shape and in use by the students. The Kshs. 1,000,000.00 was not enough to do two classes hence only one class was constructed.	Samuel Mwangi-FAM	Resolved	-
6. 2013/14	Delay in project Implementation	The annexed projects were funded by the LARGER Molo Constituency in the F/Y 2012/13 before it was split to Molo and Njoro Constituencies. Further scrutiny of the projects revealed a big mismatch of the actual funding activity and actual to be undertaken. Hence most require change of use for them to start the implementation status.	Samuel Mwangi-FAM	Resolved	-
2. 2014/15	Cash and Cash Equivalents	It is true that cash held at KCB Bank Njoro was not disclosed in the financial statements. A copy of the amended financial statements was prepared with the balances being disclosed.	Samuel Mwangi-FAM	Resolved	-

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

3. 2014/15	Non Remittance of NSSF Deductions	The CDF Molo had not registered with the NSSF hence the deductions couldn't be remitted despite being deducted. The office has registered and the funds remitted accordingly. The NSSF number 00579149.	Samuel Mwangi-FAM	Not Resolved	
4. 2014/15	Stale Cheques	It is true that there were unrepresented cheques of Ksh 14,201,717. Out of this amount Ksh 1,198,040.00 were dated between 14 th may 2014 and 5 th December, 2014. Most of the cheques were bursary cheques and in most cases they are reversed after they are stale. However they have been re- allocated to other needy bursary beneficiaries.	Samuel Mwangi-FAM		

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

5. 2014/15	Irregular Procurement of Land	Michuki dispensary was allocated ksh 2,000,000.00 in the financial year 2014/2015 to purchase a land of ksh 1,000,000.00 and on the same land construct a dispensary of ksh 1,000,000.00; the community identified a land near a public school as an ideal place to construct a dispensary. The only available land for sale was identified and a land valuer was engaged and an agreement was reached. Attached are the documents.	Samuel Mwangi-FAM		
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MOLO NG-CDF

Molo National Government Constituencies Development Fund
Turi Centre, Kanyiri Building,
Nakuru – Molo Road,
P.O Box 24-
Elburgon, Kenya
Email: molocdf@cdf.go.ke | Website: www.cdf.go.ke

MOLO CDFC MEETING HELD ON 19TH JULY 2017 AT CDF OFFICE TURI AT 9:30AM

MEMBERS PRESENT

- | | |
|--------------------------|-------------|
| 1. PETER KENDA | - CHAIRMAN |
| 2. FRANCIS KIIRU | - SECRETARY |
| 3. SAMUEL MWANGI | - FAM |
| 4. MARGARET RUGURU | |
| 5. NANCY WAMBUI | |
| 6. MBURU GITHAE | |
| 7. REUBEN RATEMO | |
| 8. ZABLON GETANDA | |
| 9. EMILY CHEPKORIR KIRUI | |
| 10. KENNETH LELEI | |

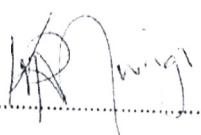
AGENDA

- CHAIRMAN'S REMARKS
- READING AND CONFIRMATION OF PREVIOUS MEETING
- MATTERS ARISING
- MONITORING AND EVALUATION
- REPORTS AND FINANCIAL STATEMENT
- A.O.B

The meeting was called to order by Chairman Mr. Peter Kenda at 9.30am. He requested Kenneth Lelei to open with a word of prayer.

MIN 1/19/07/2017 MOLO NG-CDFC – CHAIRMANS REMARKS

The chairman thanked the members for attending the days meeting and requested every member to participate fully in contributing the issues of the days agenda.

Chairman.....

Secretary

MIN 2/19/07/2017 MOLO NG-CDFC - READING AND CONFIRMATION OF PREVIOUS MEETING

The secretary read the previous meeting minutes and they were proposed by Emily Chepkorir and seconded by Mburu Githae as a true record.

MIN 3/19/07/2017 MOLO NG-CDFC – MATTERS ARISING

There was no matters arising

MIN 4/19/07/2017 MOLO NG-CDFC- MONITORING AND EVALUATION

After lengthy discussion, the members adopted the report of the previous M&E held during the month of June 2017. They also agreed that the M&E exercise be conducted on 25th, 26th and 27th July 2017. The M&E sub-committee was tasked to plan for the exercise and also write an M&E report after the exercise.

A budget for the same was tabled and adopted.

Committee 52,000.00 x 3	:	kshs. 156,000.00
D/heads 4 x 5,000.00 x 3	:	kshs. 60,000.00
Writing materials		
20 books x 60	:	kshs. 1,200.00
Biros 20 x 25	:	kshs. 500.00
Water		
20 x 60 x 5	:	Kshs. 3,600.00
Airtime	:	Kshs. 5,000.00
TOTAL	:	KSHS. 226,300.00

MIN 5/19/07/2017 MOLO NG-CDFC – REPORTS AND FINANCIAL STATEMENTS

The F.A.M informed the members of the circular dated 31st May, 2017 referenced NG-CDFBOARD/ACCOUNTS GENERAL/2017/VOL1/02. It was giving the details on preparation on the closure of the financial year 2016-2017. One of the requirements was to prepare financial statement and present them to the NG-CDFC for deliberations.

Chairman.....

Secretary

The F.A.M guided them and the following issues were highlighted.

i. Receipts

Molo NG-CDFC received a total of Kshs 104,108,336.00 from the board of this Kshs 53,160,060.00 was for the F/Y 2015-2016.

ii. Compensation to Employees

Kshs 1,043,107.00 was paid to the employees and Kshs 1,032,300.00 as gratuity.

iii. Use of Goods and Committee Expenses.

A total of Kshs 5,969,428.95 was used as expenses to both the committee and an office expenses. The members raised issue on unpaid allowances and they were informed they will be paid once NG-CDF Board releases the remaining balance.

iv. Transfer to Government entities

During that F/Y Kshs 47,350,000.00 was transferred to both secondary and primary and tertiary institutions.

v. Other transfers

The members were concerned by the fact that some funds were transferred to water and roads projects despite the enactment of the new CDF Act. It was agreed that, they were approved before the act came into place hence they were alleageable for funding hence Kshs. 83,205,217.00 was spent on the same.

vi. Staff pending payables.

It was noted that the salary for the staff for the months of May and June had not been paid hence capture in the F/Y. it was Kshs 330.165.00

vii. Statement of receipts

It had a default of Kshs 34,592,852.35

viii. Statement of Asset and Liabilities

Molo NG-CDFC had assets and liabilities worth Ksh 8,057.95

ix. Cash flow statement

It had a cash and cash equivalent at the end of the year of Kshs 8,057.95

After those deliberations, the committee adopted the financial statement and reports. The same were signed and ready to be presented to the NG-CDF Board to forward them to the office of the Auditor General.

Chairman.....

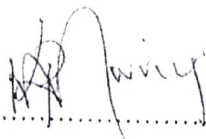
Secretary

MIN 5/19/07/2017 MOLO NG-CDFC – A.O.B

Having no other business the meeting ended at 1.00pm with a word of prayer from Nancy Wambui

Chairman: Peter Kenda

: Signature



Date

19-07-17

Secretary: Francis W. Kiiru

: Signature



Date

19/7/2017

EQUITY BANK



Our Ref: EBL/MOLO/023-0230262025900/NGCDF-MOLO

30th June 2017

TO WHOM IT MAY CONCERN:

CERTIFICATE OF BALANCE FOR NGCDF MOLO

We wish to confirm the bank balance of the above account as at 30th June 2017 as 539,902.95 (Kshs five hundred and thirty nine thousand nine hundred and two cents ninety five) being available balance.

In case of any query our assistance will be readily accorded.

Yours faithfully,

For and on behalf of

EQUITY (K) BANK LTD

AUTHORIZED SIGNATORY

BANK RECONCILIATION

MOLO NATIONAL GOVT CONSTITUENCY DEVT FUND

MOLO NATIONAL SUB-COUNTY: A/C NO: 0230262025900

AS AT 30TH JUNE 2017

Balance as per Bank statement

Less: 1. Payments in Cashbook not yet
recorded in bank statement
(Unpresened Cheques)

2. Receipts in Bank Statement not
recorded in cash book

Add: 3. Payments in Bank statement not
recorded in Cash book

4. Receipts in Cashbook not yet
recorded in bank statement.

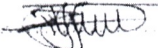
Bank balance as per Cash book

	Ksh-
	539,902.95
AS PER ATTACHED LIST	533,220.00
AS PER ATTACHED LIST	
AS PER ATTACHED LIST	1,575.00
AS PER ATTACHED LIST	
	8,057.95

I certify that I have verified the Bank Balance in the Cash book with the Bank
Statement and that the above reconciliation is correct.

Prepared by

ZACHARY NJUGUNA
Name


Signature

20/7/17
Date

Signed by:

NICHOLAS MURISIA
District Accountant


Signature

20/7/17
Date

BANK RECONCILIATION

MOLO NATIONAL GOVT CONSTITUENCY DEVT FUND

MOLO NATIONAL SUB-COUNTY: A/C NO: 0230262025900

AS AT 30TH JUNE 2017

Payments in Cash Book not yet recorded in Bank Statement			
Date	Details	Chq No.	Amount
21.10.14	NHIF	623	1,000.00
21.10.14	NSSF	624	1,000.00
27.11.14	Paymaster General	635	1,000.00
29.01.15	Commissioner of Income Tax	657	1,000.00
19.01.15	Commissioner of VAM	714	10,000.00
09.10.15	Commissioner of VAM	71	1,000.00
20.01.15	Commissioner of VAM	14	10,000.00
03.12.15	Commissioner of VAM	133	1,000.00
27.05.16	Commissioner of VAM	131	10,000.00
03.06.16	Nyanche vater Project Chq in interest	1326	10,000.00
27.06.16	KMITC Kakumira	1359	5,000.00
27.06.16	Kapitoretic Sch	1407	5,000.00
27.06.16	Nanyabera Girls sec sch	1408	5,000.00
27.06.16	NYS Sec school	1409	5,000.00
23.08.16	Commissioner of VAM	1426	5,000.00
29.08.16	Commissioner of VAM	1404	5,000.00
25.10.16	Commissioner of VAM	1411	5,000.00
25.10.16	Commissioner of VAM	1412	5,000.00
27.01.17	Kenya Post	1413	5,000.00
08.02.17	Commissioner of Income Tax	1416	5,000.00
29.03.17	Kalou high school	1419	5,000.00
31.05.17	NHIF	2414	2,000.00
31.05.17	Commissioner of Income Tax	2415	2,000.00

33,000.00

Receipts in bank statement not yet recorded in cash book			
Date	Details	Chq No	Amount (Kshs)

Payments in bank statement not yet recorded in cash book			
Date	Details	Chq No	Amount
09.06.17	Interest on loan from bank		1,000.00
10.05.17	Transfer charge		10.00
25.05.17	Withdrawal chq		1,000.00
06.06.17	Interest on bank loan		1,000.00