


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 APR 2019	DAY: Wed.
REPORT	Hon. Benjamin W Majority Party Whip
BY:	Miriam Mado.
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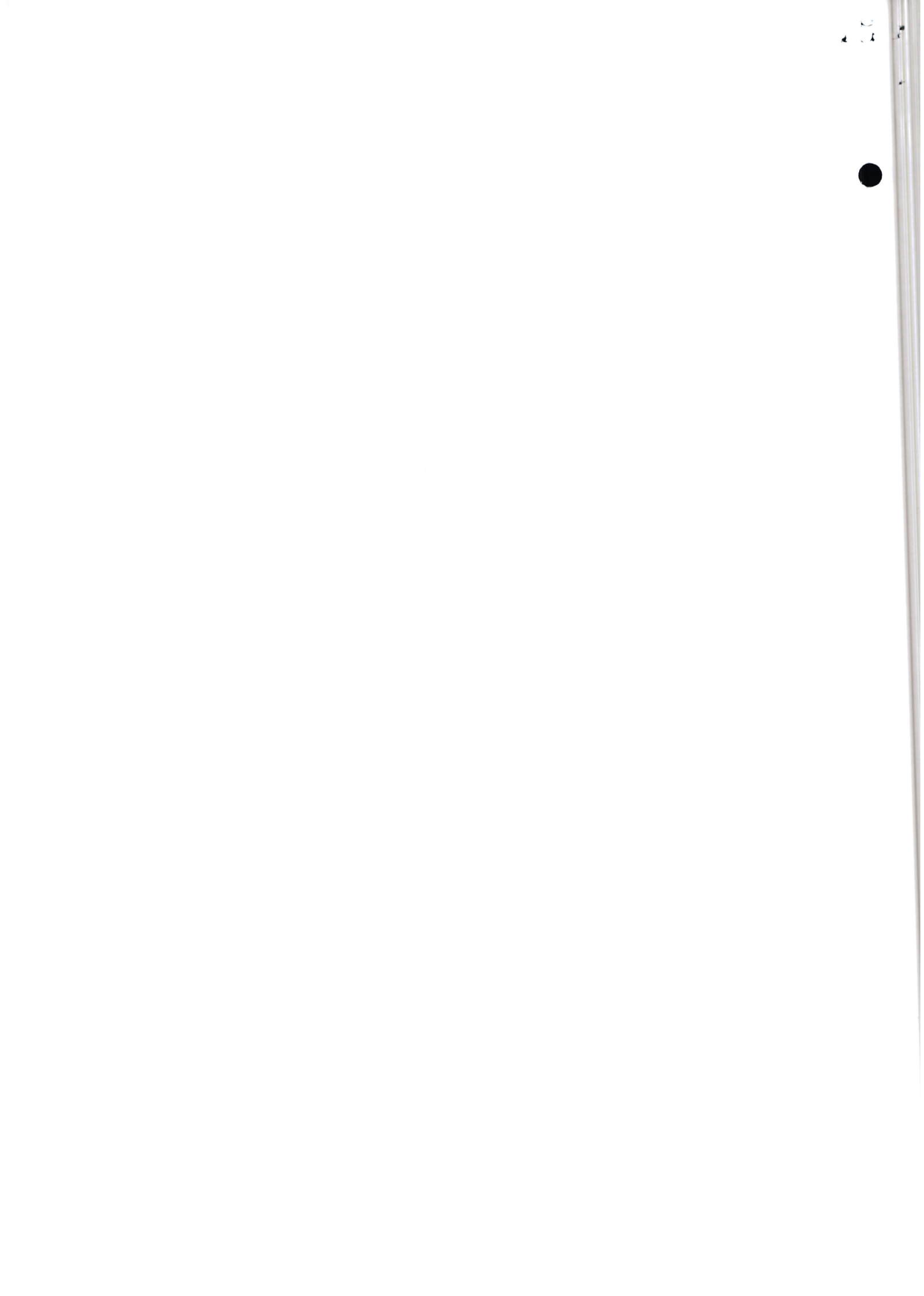
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MBITA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITACONSTITUENCY**

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)



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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITA CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2013. *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 *National Government Constituencies Development Fund*. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

Mbita Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	David Agong
3.	Accountant	Elias Mungai

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of MBITA 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) MBITA NGCDF Headquarters

P.O. Box 311-40305
MBITA, KENYA



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITACONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(f) MBITANGCDF Contacts

Telephone: (254)0729323462
E-mail: cdfmbita@ngcdf.go.ke
Website: www.mbitangcdf.go.ke

(g) MBITANG-CDF Bankers

1. EQUITY BANK
P.O. BOX 101- 40305
MBITA
Account number: 0760297600325

(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 CONSTITUENCIES DEVELOPMENT FUND-
MBITACONSTITUENCY**

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

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

MBITA National Government constituency Development budget performance against actual amounts for transfer to government entities stood at 77% while other grants and payments stood at 84% , use of goods and services stood at 89% as compensation of employees stood at 92% , an average utilization of 84% as at 30th June 2017.

Key achievements for MBITA NG-CDF include but not limited to the following; increase in funds utilization level, increased pupil/student enrolment due to availability of school infrastructure and retention of the needy learners due to bursaries awarded to them; The fund has also promoted democracy and self -governance to the citizens while participating in projects identification and priotization

Some of the emerging issues related to NG-CDF are; court ruling against the constitutionality of the fund demanding for restructure of the management of the fund; introduction of tax levy on committee allowances that has raised a lot of concern amongst the committee members.

The implementation challenges faced by the committee include; low capacity of the projects management committees, in adequacy of government technical departments to provide timely technical advice in the process of projects implementation by the PMCs.

The recommended way forward to address the challenges mentioned above are ; regular capacity building of the PMCs and Public Education Campaigns: to create awareness and to enhance community participation in project identification, priotization and implementation;, and finally intensifying the engagement of the PMCs with relevant Government ministries i.e. Ministry responsible for Public Works department, and other relevant government technical departments so as to improve supervision of NGCDF funded projects.



CHAIRMAN NG-CDFC



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITA CONSTITUENCY**

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For the year ended June 30, 2017

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 agency shall prepare financial statements in respect of that agency. 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.

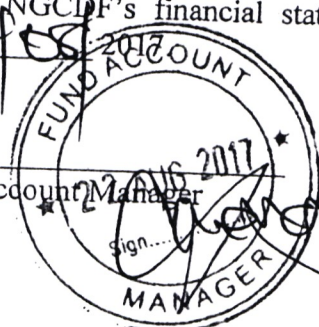
The Accounting Officer in charge of MBITA Constituency Development Fund is responsible for the preparation and presentation of MBITA NGCDF financial statements, which give a true and fair view of the state of affairs of MBITA NGCDF for and as at the end of the financial year (2016/2017) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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.

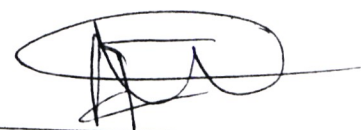
The Accounting Officer in charge of MBITA NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The 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 charge of the MBITANGCDF 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 MBITA 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

Mbita NGCDF's financial statements were approved and signed by the Accounting Officer on

22 Feb 2017

Fund Account Manager


Chairman NGCDFC

REPUBLIC OF KENYA

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



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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MBITA 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 – Mbita Constituency set out on pages 5 to 28, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Mbita 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 the National Government Constituencies Development Fund Act, 2015.

Further, as required by Article 229(6) of the Constitution, except for the matter described in the Other Matter section of my report, 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. Inaccuracies in Financial Statements

1.1 Notes to the Financial Statements

Balances shown in the Notes to the financial statements for the year under review and comparative figures carried forward in the audited financial statements for the previous year in respect of several accounts portray the following differences which however have not been explained by management:

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

Item	Notes to the Financial Statements 2015-2016 Kshs	Comparative Figures 2016-2017 Kshs	Difference Kshs
Amount Due From NG-CDF Board Note 8.1			
Outstanding Disbursement	-	56,446,609	(56,446,609)
Pending Payables Note 8.3			
Administration and Monitoring and Evaluation	20,121,371	20,021,371	100,000

In view of the discrepancies, the accuracy and completeness of balances presented in the financial statements for the year under review cannot be confirmed.

1.2 Remittance to Other Government Entities Included Among Payables

Included in the pending payables balance of Kshs.30,988,947 is an outstanding disbursement due to other Government entities amounting to Kshs.24,600,000 which in turn includes a transfer of Kshs.10,000,000 made to Mbita Medical Training College on 29 May 2017. No plausible explanation has been provided by management for inclusion of the balance in the payables balance as at 30 June 2017.

In the circumstance, the accuracy and completeness of the pending payables balance as at 30 June 2017 cannot be confirmed.

2. Unsupported Allowances

Included in the financial statements under Note 3 is use of goods and services expenditure totaling Kshs.13,629,794. However, out of this sum only Kshs.417,967 was supported leaving a balance of Kshs.13,211,827 unverified as Project Management Committee returns and other records to confirm authorizations and occurrence of the expenditures were not submitted for audit.

Consequently, the propriety of the expenditure of Kshs.13,211,827 cannot be confirmed.

3. Unsupported Expenditure on Sports Activities

Included in the financial statements under Note 5 are other grants and payments expenditure of Kshs.63,884,177 which includes expenditure of Kshs.3,356,897 incurred on sports activities. The later expenditure was not supported by pre-numbered receipts, signed payment schedules, programs, tender documents and receipt vouchers.

In addition, the project file availed for audit revealed that two withdrawals of Kshs.1,000,000 each made from account No.1177388383 maintained at Kenya Commercial Bank, Mbita on 09 February 2017 and 03 February 2017 respectively were

not supported with bank or Fund documents. This was contrary to Section 104(l) of Public Finance Management Regulations, 2015 which stipulates that all receipts and payment vouchers of public moneys shall be supported by pre-numbered receipts and payment vouchers and appropriate authority and documentation.

Consequently, the accuracy and propriety of the expenditure amounting to Kshs.3,356,897 cannot be confirmed.

4. Unsupported Expenditure on Grading of Kipasi Chief's Camp Road

Included in the financial statements under Note 5 are other grants and other payments of Kshs.63,884,177 which reflect nil roads expenditure. However, included in the balance are two payments in respect of road works for Kshs.1,200,000. Physical verification conducted in May 2018 and an interview with the local Chief revealed that no road built by NCDF-Mbita exists in the area cited in the payment records as the only one in existence in the area was built by the County Government of Homa Bay. In addition, tender documents and the certificate of completion for the said road were not made available for audit.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Constituency Development Fund – Mbita 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 sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budget Performance

During the year under review, the approved budget for NCDDF-Mbita Constituency amounted Kshs.194,612,570 while the actual expenditure was Kshs.163,623,623 resulting in under-expenditure of Kshs.30,988,947 equivalent to 16% of the budget. The under-expenditure mainly reflected transfers to other government units budgeted at Kshs.107,600,000 but actual transfers amounted Kshs.83,000,000 resulting to under-expenditure of Kshs.24,600,000 equivalent to 23% of the budget. In addition, outstanding disbursements amounted to Kshs.56,446,609 and Kshs.30,948,275 in 2015/16 and 2016/17 financial years respectively or Kshs.87,394,884 for the two years.

In view of the under-expenditures, not all projects budgeted-for were implemented. Consequently, the constituents were denied benefits that were to accrue from the implementation of the budgeted projects.

2. Irregular Payment of Gratuity

Included in the financial statements under Note 2 to the financial statements is a compensation of employees balance of Kshs.3,109,652 which includes gratuity of Kshs.1,276,444 under which three employees of the Fund were paid an aggregate of Kshs.534,576 as gratuity after serving for only one year and eleven months instead of the whole of their three year contracts as stipulated in the terms of their respective contracts. Contractual terms for employees of the Fund provide that gratuity is only payable at the ratio of thirty-one (31) percent of the basic salary upon expiry of the contract period.

No explanation has been provided by management for the payment.

3. Overpayment on Construction of Constituency Development Fund Office

Included in the financial statements under Annex 3 is a summary of fixed assets register showing assets valued at of Kshs.17,427,834 as at 30 June 2017. The balance includes buildings and structures valued at Kshs.11,516,664. However, the contract for the proposed construction of a Constituency Development Fund office was awarded to a contractor at a contract sum of Kshs.10,565,929. The contract period was twenty-two weeks commencing from 2 July 2015 to 3 December 2015. Payment documents availed for audit revealed that the contractor was paid a total of Kshs.11,872,280 vide certificate No.1 of 8 July 2015 for Kshs.3,000,000, certificate No.2 of 15 December 2015 for Kshs.3,000,000, certificate No.3 of 08 March 2016 for Kshs.3,000,000, certificate No.4 of 06 July 2016 for Kshs.1,500,000 and certificate No.5 of 20 September 2016 for Kshs.1,372,280 resulting to an overpayment of Kshs.1,306,351. Physical verification of the building in May 2018, revealed that works valued at Kshs.2,828,220 comprised of finishes Kshs.2,039,410, window glazing, painting, pelt boxes Kshs.243,000 and doors Kshs.545,810 were outstanding.

Further, no information was provided on how the provisional sum of Kshs.1,100,000 was utilized even though the contract period had since elapsed. Clearly, the manner in which the project was implemented contravened Section 23.2(e) of Public Finance Management Regulations, 2015 which requires the Accounting Officer to take into account all relevant financial considerations, including issues of propriety, regularity and value for money. Consequently, the propriety of the expenditure of Kshs.5,234,571 cannot be confirmed.

4. Irregular Use of Emergency Funds

Included in the financial statements under Note 5 is expenditure of Kshs.63,884,177 incurred on other grants and payments which include emergency projects of Kshs.9,800,000. However, the Fund spent Kshs.5,000,000 emergency funds on construction of Wandiji Primary School access road at Kshs.3,000,000 and Nyasumbi

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

Secondary School access road at Kshs.2,000,000 Further, tender documents for the two projects were not made available for audit. Section 8(3) of the National Government Constituency Development Fund Act, 2015 which states that emergency shall be construed to mean an urgent and unforeseen need for expenditure for which it is in the opinion of the project management committee cannot be delayed until the following financial year without harming public interest of constituents. As it were, construction of access roads does not qualify as an emergency activity under the Fund's regulations. In addition, construction of access roads is a devolved function to which national government resources should not be applied.

Consequently, the validity of the expenditure amounting to Kshs.1,200,000 reported to have been incurred on road works cannot be confirmed.

5. Unspent Funds Adjustments

The summary statement of appropriation recurrent and development combined under Note 7 to the financial statements shows an adjustment for unspent funds amounting to Kshs.112,716,018 at the end of the 2015/2016 financial year. Section 26(1) of the National Government Constituencies Development Fund Act, 2015 provides that constituencies with unspent funds at the end of each financial year shall submit new proposals to the Board to be allowed to use the funds in the following financial year. However, there is no evidence that management presented new expenditure proposals to the Board in regard to the unspent funds.

6. Irregular Health-care Expenditure

Included in the financial statements under Note 4 is a transfer to other government entities of Kshs.83,000,000 which includes transfers to health institutions totaling Kshs.5,400,000. Expenditure records indicate that during the year under review, the Fund spent Kshs.5,400,000 on health projects in the Constituency. Since health-care is a devolved function, the expenditure contravened Section 24 (a) of the National Government Constituency Development Fund Act 2015 which provides that expenditures incurred under the Act shall only be in respect of works and services falling within the functions of the National Government under the Constitution.

7. Unsupported Grading of Roads

Included in the financial statements under Note 4 is transfers to other Government entities balance of Kshs.83,000,000 which includes payments totaling Kshs.20,000,000 for grading of roads leading to various public institutions. However, opening, grading and gravelling of unclassified roads is a devolved function under the County Government. In addition, the said roads did not have signage showing that they were done by the Fund. This was contrary to Section 24 (a) of the National Government Constituency Development Fund Act 2015 which states that projects under the Act shall only be in respect of works and services falling within the functions of the national government under the Constitution. Further, tender documents and the certificate of completion for the said roads were not made available for audit.

Consequently, it is not possible to confirm the propriety of the expenditure totaling Kshs.20,000,000 reported to have been incurred by the Fund on gravelling of roads.

8. Kiumba Education and Resource Center

Also Included in the statement of receipts and payments are transfers to other government entities totaling Kshs.83,000,000 which include Kshs.7,000,000 transferred to tertiary institutions under which a contractor was awarded a contract to build a food banda and conference facility at Kiumba Beach in Rusinga island at a price of Kshs.8,958,030.

However, examination of contract documents and payment vouchers for expenditures totaling Kshs.8,000,000 paid to the contractor, revealed the following unsatisfactory matters:

- The contractor did not submit interim payment certificates showing the amounts due and paid and level of work done.
- There was no evidence of input by the Fund's representative in certifying the works reported to have been executed under the contract.
- There were no progress reports on implementation of the project as required in the conditions of the contract.
- Land ownership documents for the location of the Centre were not presented for audit review.

Consequently, the propriety of the expenditure of Kshs.8,958,030 cannot be confirmed and the Fund breached the Law

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 is aware of the intention to liquidate the Fund or cease its operations. .

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

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:

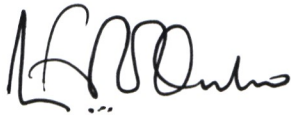
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 National Government Constituencies Development Fund – Mbita Constituency'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 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

29 January 2019

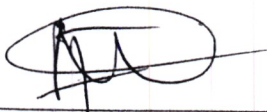
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITACONSTITUENCY**

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

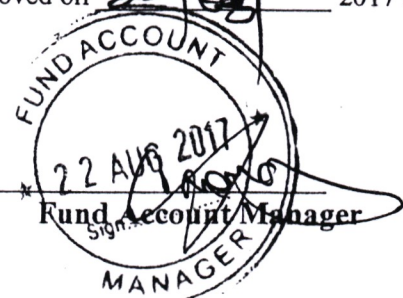
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	107,394,886	106,896,947
TOTAL RECEIPTS		107,394,886	106,896,947
PAYMENTS			
Compensation of employees	2	3,109,652	1,805,760
Use of goods and services	3	13,629,794	4,532,904
Transfers to Other Government Units	4	83,000,000	15,077,050
Other grants and transfers	5	63,884,177	33,474,116
TOTAL PAYMENTS		163,623,623	54,889,830
SURPLUS/DEFICIT		(56,228,737)	52,007,117

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. MBITA NGCDF financial statements were approved on 22/08 2017 and signed by:



Chairman - NGCDFC



FUND ACCOUNT
22 AUG 2017
Fund Account Manager
MANAGER

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITACONSTITUENCY**

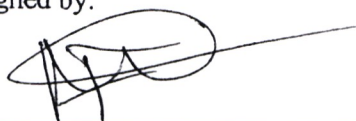
Reports and Financial Statements

For the year ended June 30, 2017

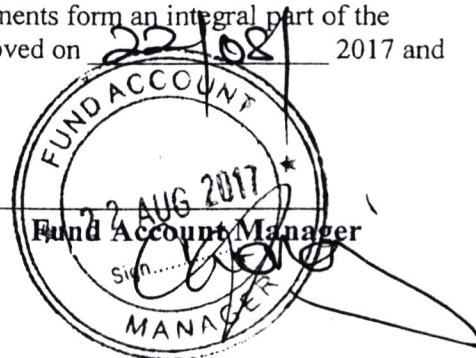
V. STATEMENT OF ASSETS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	6A	40,672	54,999,784
Outstanding Imprests			1,269,625
TOTAL FINANCIAL ASSETS		40,672	56,269,409
REPRESENTED BY			
Fund balance b/fwd 1st July	7	56,269,409	4,262,292
Surplus/Deficit for the year		(56,228,737)	52,007,117
NET CASH		40,672	56,269,409

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. MBITA NGCDF financial statements were approved on 22/08/2017 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
MBITACONSTITUENCY**

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

VI. STATEMENT OF CASH FLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	107,394,886.00	106,896,947.00
		107,394,886.00	106,896,947.00
Payments for operating expenses			
Compensation of Employees	2	3,109,652	1,805,760
Use of goods and services	3	13,629,794	4,532,904
Transfers to Other Government Units	4	83,000,000	15,077,050
Other grants and transfers	5	63,884,177	33,474,116
		163,623,623	54,889,830
Net cash flow from operating activities		(56,228,737)	52,007,117
NET INCREASE IN CASH AND CASH EQUIVALENT		(56,228,737)	52,007,117
Cash and cash equivalent at BEGINNING of the year	6	56,269,409	4,262,292
Cash and cash equivalent at END of the year		40,672	56,269,409

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. MBITA NGCDF financial statements were approved on 22/08 2017 and signed by:



Chairman NGCDFC



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MBITA CONSTITUENCY
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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 Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552.00	112,716,018.00	194,612,570.00	163,664,295.00	30,948,275.00	84%
TOTAL	81,896,552.00	112,716,018.00	194,612,570.00	163,664,295.00	30,948,275.00	84%
PAYMENTS						
Compensation of Employees	2,855,200.00	509,369.00	3,364,569.00	3,109,652.00	254,917.00	92%
Use of goods and services	4,515,489.00	10,814,305.00	15,329,794.00	13,629,794.00	1,700,000.00	89%
Transfers to Other Government Units	47,200,000.00	60,400,000.00	107,600,000.00	83,000,000.00	24,600,000.00	77%
Other grants and transfers	27,325,863.00	40,992,344.00	68,318,207.00	63,884,177.00	4,434,030.00	94%
TOTAL	81,896,552.00	112,716,018.00	194,612,570.00	163,623,623.00	30,988,947.00	84%

MBITA NGCDF financial statements were approved on 22/08 2017 and signed by:


Chairman NGCDF


 Fund Account Manager
 27 AUG 2017
 Sign: 
 MANAGER

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
MBITACONSTITUENCY**

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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 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.



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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *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, 2017.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
 MBITACONSTITUENCY**
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Normal Allocation	A829930	4,094,828.00	
	A839550	28,746,609.00	
	A839569	27,000,000.00	
	A855619	36,853,449.00	
	A855680	700,000.00	
	A839738	10,000,000.00	
	A796188		1,800,000.00
	A796256		17,000,000.00
	A724036		34,096,947.00
	A820939		19,000,000.00
	A825714		35,000,000.00
TOTAL		107,394,886.00	106,896,947.00



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 MBITACONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

Description	2016 - 2017	2015 -2016
	Kshs	Kshs
Basic wages of contractual employees	1,826,208	1,728,000
Basic wages of casual Labour	7,000	-
Employer contribution to NSSF	-	77,760
Gratuity	1,276,444	
Total	3,109,652	1,805,760



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

3. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Training expenses	1,663,000	843,000
Committee expenses (ADMIN)	2,392,000	160,000
Committee Expenses (M&E)	4,457,800	1,943,600
Routine maintenance of motor vehicles	-	500,000
Goods & Services (ADMIN)	1,945,694	1,086,304
Goods & Services (M&E)	3,171,300	-
Total	13,629,794	4,532,904



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
MBITACONSTITUENCY**

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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Transfers to primary schools	42,800,000	9,259,809
Transfers to secondary schools	27,800,000	5,300,000
Transfers to Tertiary institutions	7,000,000	
Transfers to Health institutions	5,400,000	517,241
TOTAL	83,000,000	15,077,050

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Bursary -Secondary	19,877,000	55,000
Bursary -Tertiary	20,778,000	204,000
Mocks & CAT	500,000	730,000
water	-	6,307,580
Security	5,300,000	
Roads	-	10,051,000
Sports	3,356,897	2,381,940
Other capital grants and transfer - Environment	1,400,000	870,000
Fisheries	-	3,650,000
Emergency Projects (Refer to MER)	9,800,000	335,650
Construction of Buildings	* 2,872,280	8,644,384
Purchase of office furniture and fittings	-	244,562
Total	63,884,177	33,474,116

FUND ACCOUNT
22 AUG 2017
Sign: [Signature]
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
MBITACONSTITUENCY**

**Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6A: BANK BALANCES (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2016 - 2017 Kshs (30/6/2017)	2015 - 2016 Kshs (30/6/2016)
Equity bank (Kenya), Mbita Point	0760297600325	40,672	54,999,784
Total		40,672	54,999,784

6B. CASH IN HAND/OUTSTANDING IMPRESTS

	2016 - 2017 Kshs (30/6/2016)	2015 - 2016 Kshs (30/6/2015)
Outstanding Imprests	-	1,269,625
Total	-	1,269,625

7. BALANCES BROUGHT FORWARD

	2016 - 2017 Kshs (1/7/2016)	2015 - 2016 Kshs (1/7/2015)
Bank Accounts	54,999,784	3,142,492
Imprests	1,269,625	1,119,800
Total	56,269,409	4,262,292



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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8.0 OTHER IMPORTANT DISCLOSURES

8.1 AMOUNT DUE FROM NG-CDF BOARD	2016 - 2017	2015 -2016
outstanding disbursement	30,948,275	56,446,609
Total	30,948,275	56,446,609

8.2 PMC ACCOUNT BALANCES (See Annex 1)	2016 - 2017	2015 -2016
PMC Account balances	23,690,453	1,014,730
Total	23,690,453	1,014,730

8.3 PENDING PAYABLES (See Annex 2)	2016 - 2017	2015 -2016
Amounts due to other Government entities	24,600,000	60,250,000
Amounts due to other grants and other transfers	4,434,030	32,444,647
Administration and M&E	1,954,917	20,021,371
Total	30,988,947	112,716,018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
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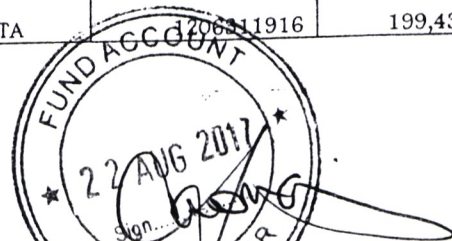
ANNEX 1: PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	BANK	Account number	Bank Balance 2016/2017	Bank Balance 2015/2016
OLWEYA PRIMARY SCHOOL	KCB MBITA	1163142824	2,560	2,570
GODE ARIYO PRIMARY SCHOOL	KCB MBITA	1163146803	6,400	1,600
SUKRU ISLAND PRI SCHOOL	KCB MBITA	1198584920	2,215	-
KISUI PRIMARY SCHOOL	KCB MBITA	1198870788	170	-
CHAMAKOA PRIMARY SCHOOL	KCB MBITA	1175824488	2,380	1,600
KIRAMBO PRIMARY SCHOOL	KCB MBITA	1175819336	2,490	2,600
USARE PRIMARY SCHOOL	KCB MBITA	1199219304	1,315	-
BEDIE PRIMARY SCHOOL	KCB MBITA	1200074734	5,965	-
GOT KOPOLO PRIMARY SCHOOL	KCB MBITA	1199511374	1,490	-
SULWE PRIMARY SCHOOL	KCB MBITA	1169864651	816	-
RAPORA PRIMARY SCHOOL	KCB MBITA	1198982535	65,015	-
GOT RATENG PRIMARY SCHOOL	KCB MBITA	1198817585	1,470	-
NYAMAJI PRIMARY SCHOOL	KCB MBITA	1200476999	1,690	-
WARINGA PRIMARY SCHOOL	KCB MBITA	1201471729	13,040	-
UYORE PRIMARY SCHOOL	KCB MBITA	1199289736	5,590	-
OCHIENG ODIERE PRIMARY SHOOL	KCB MBITA	1199638757	489,505	-
SOKO ABALA PRIMARY SCHOOL	KCB MBITA	1163142956	2,633	-
PAGA PRIMARY SCHOOL	KCB MBITA	1169855997	9,227	-
OWICH PRIMARY SCHOOL	KCB MBITA	1199013161	300,995	-
URIANDA PRIMARY SCHOOL	KCB MBITA	1199575569	502,055	-
MISORI PRIMARY SCHOOL	KCB MBITA	1200876148	762	-
SENA PRIMARY SCHOOL	KCB MBITA	1200675606	1,090	-
MAUTA PRIMARY SCHOOL	KCB MBITA	1199272752	47,975	-
KIWARI PRIMARY SCHOOL	KCB MBITA	1200868935	299,105	-
RINYA PRIMARY SCHOOL	KCB MBITA	1171953062	301,600	-
KAGUNGU PRIMARY SCHOOL	KCB MBITA	1200968972	498,920	-
RAMBA PRIMARY SCHOOL	KCB MBITA	1200539117	1,020	-
WAKIANGATA PRIMARY SCHOOL	KCB MBITA	1202827039	410,415	-



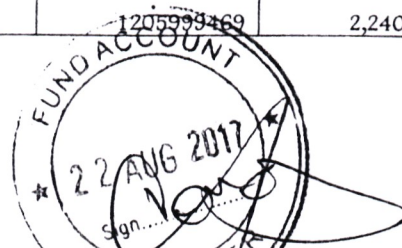
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SOKLO PRIMARY SCHOOL	KCB MBITA	1178866459	300,939	5,639
WAMWANGA PRIMARY SCHOOL	KCB MBITA	1167801709	1,010	-
DR.WILLIAMS PRIMARY SCHOOL	KCB MBITA	1167801938	2,423	-
WANYAMA PRIMARY SCHOOL	KCB MBITA	1167802918	3,394	-
NYAMUGA SPECIAL PRIMARY SCHOOL	KCB MBITA	1200344235	1,885	-
NYAMUGA PRIMARY SCHOOL	KCB MBITA	1167802799	806,116	-
WAREGI PRIMARY SCHOOL	KCB MBITA	1200161513	2,335	-
WASARIA PRIMARY SCHOOL	KCB MBITA	1167803116	2,356	-
GOD AWENDO PRIMARY SCHOOL	KCB MBITA	1179002350	81,700	-
BONDO TOWNSHIP PRIMARY SCHOOL	KCB MBITA	1167802675	6,998	-
OBALWANDA SPECIAL PRI SCHOOL	KCB MBITA	1201199492	185,920	-
ALERO PRIMARY SCHOOL	KCB MBITA	1163145114	2,831	1,122
KIRINDO PRIMARY SCHOOL	KCB MBITA	1175711691	1,880	880
NYAMANGA PRIMARY SCHOOL	KCB MBITA	1175315788	2,380	1,600
NYASANJA PRIMARY SCHOOL	KCB MBITA	1204212996	13,405	-
LAMBWE PRIMARY SCHOOL	KCB MBITA	1169516173	265,728	-
WAIGA PRIMARY SCHOOL	KCB MBITA	1163146250	3,000	-
OGANDO PRIMARY SCHOOL	KCB MBITA	1163142417	21,000	-
WANDIJI PRIMARY SCHOOL	KCB MBITA	1202513328	1,215	-
NGODHE PRIMARY SCHOOL	KCB MBITA	1204461333	1,635	18,150
NYAKAYIEMBA PRIMARY SCHOOL	KCB MBITA	1202330665	1,415	-
GOT NYASUMBI PRIMARY SCHOOL	KCB MBITA	1169487807	1,900	1,505
TAKAWIRI PRIMARY SCHOOL	KCB MBITA	1209521636	190,105	-
NYAHERA PRIMARY SCHOOL	KCB MBITA	1204659761	155	-
WAMAI PRIMARY SCHOOL	KCB MBITA	1172470987	3,773	-
WASAMO PRIMARY SCHOOL	KCB MBITA	1204206708	815	-
MASISI PRIMARY SCHOOL	KCB MBITA	1206290552	27	-
KAMAYOGE PRIMARY SCHOOL	KCB MBITA	1167801792	1,540	-
AGIRO PRIMARY SCHOOL	KCB MBITA	1167802306	1,945	350,000
OGUTU MBARE PRIMARY SCHOOL	KCB MBITA	1206498285	199,435	-
KAKRIGU MFANGANO PRIMARY SCHOOL	KCB MBITA	1205435573	4,065	-
WAKONDO PRIMARY SCHOOL	KCB MBITA	1206311916	199,435	-



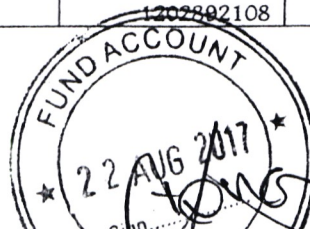
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KAKIIMBA PRIMARY SCHOOL	KCB MBITA	1205694617	485	-
GULWE PRIMARY SCHOOL	KCB MBITA	1207871583	299,635	-
UOZI PRIMARY SCHOOL	KCB MBITA	1172215669	1,640	-
KITENYI PRIMARY SCHOOL	KCB MBITA	1172262136	201,600	-
MAWANGA PRIMARY SCHOOL	KCB MBITA	1208128590	499,435	-
MAUTA PRIMARY SCHOOL	KCB MBITA	1199272752	47,975	-
LIANDA PRIMARY SCHOOL	KCB MBITA	1208667408	300,100	-
KAMATO PRIMARY SCHOOL	KCB MBITA	1209920549	300,100	-
TEMO PRIMARY SCHOOL	KCB MBITA	1167802594	151,600	-
PONGE PRIMARY SCHOOL	KCB MBITA	1202682510	2,085	-
KITARE PRIMARY SCHOOL	KCB MBITA	1178872513	302,017	1,900
SUKRU ISLAND PRI SCHOOL	KCB MBITA	1198584920	2,215	-
URLANDA PRIMARY SCHOOL	KCB MBITA	1199575569	502,055	-
OCHIENG ODIERE PRIMARY SHOOL	KCB MBITA	1199638757	489,505	-
NGODHE ISLAND PRIMARY SCHOOL	KCB MBITA	1204461333	1,635	-
NYANDENGA MIXED SECONDARY SCHOOL	KCB MBITA	1163144940	5,903	3,609
ST WILLIAM OSODO SEC SCHOOL	KCB MBITA	1178799042	2,317	-
KAYANJA MIXED SEC SCHOOL	KCB MBITA	1150085320	4,480	-
NYAMASARE GIRLS SECONDARY	KCB MBITA	1178923339	936,266	431,250
HON MILLIE ODHIAMBO ARINGO GIRLS	KCB MBITA	1199716340	1,515	-
AMB. PAMELA MBOYA GIRLS H SCH	KCB MBITA	1168133424	3,501	1,370
WAKULA MIXED SECONDARY SCH-PMC	KCB MBITA	1163146544	2,000	-
WASAMO GIRLS SEC SCH	KCB MBITA	1163144517	2,304,106	-
OGONGO SECONDARY SCHOOL	KCB MBITA	1149786094	69,207	-
KAMASENGRE MIXED SECONDARY SCH	KCB MBITA	1199394513	995	-
KASWANGA GIRLS SEC SCHOOL	KCB MBITA	1167803280	6,040	-
NGODHE SECONDARY SCHOOL	KCB MBITA	1180243870	146,153	-
ST. STEPHEN KIRINDO SEC SCHOOL	KCB MBITA	1175970050	2,430	730
ST. MICHAEL NYASUMBI SEC SCHOOL	KCB MBITA	1163144738	2,940	2,910
RAPORA SECONDARY SCHOOL	KCB MBITA	1179115759	439,375	-
ST PHILIPS NDHURU MIXED SEC SC	KCB MBITA	1206580119	399,535	-
WANDIJI SECONDARY SCHOOL	KCB MBITA	1205999469	2,240	-



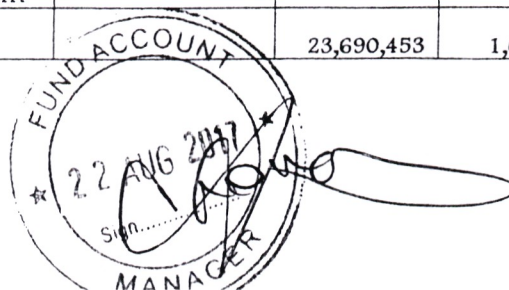
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SENA SECONDARY SCHOOL	KCB MBITA	1205283528	615	
MAUTA SECONDARY SCHOOL	KCB MBITA	1204960909	380,215	
UOZI PRIMARY SCHOOL-PMC	KCB MBITA	1172215669	1,640	
KAKIIMBA SECONDARY SCHOOL	KCB MBITA	1167371887	1,119,037	
TOM MBOYA SECONDARY SCHOOL	KCB MBITA	1168115388	1,010,899	
RUSINGA GIRLS SECONDARY SCHOOL	KCB MBITA	1204254982	4,935	
WAWARE SECONDARY SCHOOL	KCB MBITA	1200644573	230	
KAMATO SECONDARY SCHOOL	KCB MBITA	1169515916	924,050	159,700
HARRISON ODHIAMBO UTAJO DAY MI	KCB MBITA	1167803361	200	
KASWANGA PRIMARY SCHOOL	KCB MBITA	1169062164	2,380	
RUSINGA GIRLS SECONDARY SCHOOL	KCB MBITA	1204254982	4,935	
TOM MBOYA SECONDARY SCHOOL	KCB MBITA	1168115388	1,010,899	
WASAMO GIRLS SECONDARY SCHOOL	KCB MBITA	1163144517	2,304,106	
YOKIA DISPENSARY	KCB MBITA	1208421174	199,635	
NDHURU DISPENSARY	KCB MBITA	1169516068	85,432	
KIPASI HEALTH CENTER-PMC	KCB MBITA	1169515843	7,600	
ANGIYA DISPENSARY	KCB MBITA	1169891055	502,659	
OBALWANDA DISPENSARY	KCB MBITA	1178744620	540	
MIORRE DISPENSARY	KCB MBITA	1179033418	2,105	
WAONDO HEALTH CENTRE	KCB MBITA	1163143480	302,175	
WAWARE NORTH HEALTH CETRE	KCB MBITA	1163141712	277,103	
RAPORA DISPENSARY	KCB MBITA	1169515533	100,700	
OGANDO DISPENSARY	KCB MBITA	1163145327	478,370	
KOYANI DISPENSARY	KCB MBITA	1169855164	100,785	
SENA HEATH CENTRE	KCB MBITA	1175230383	152,805	
CHAMAKOA DISPENSARY	KCB MBITA	1209917920	85,435	
RINGITI AP POST	KCB MBITA	1206064161	3,195	
MBITA SUB COUNTY AP HQTS	KCB MBITA	1200197089	1,370	
KIPASI CHIEFS CAMP ACCESS RD	KCB MBITA	1202718337	85	
ASS COUNTY COMM - LAMBWE WEST	KCB MBITA	1166564312	2,430	
REMBA BMU	KCB MBITA	1206902752	94,735	
OSODO PRIMARY SCHOOL	KCB MBITA	1202802108	20,415	



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OBALWANDA PRIMARY SCHOOL - PMC	KCB MBITA	1202396127	199,535	-
KAMASENGRE PRIMARY SCHOOL	KCB MBITA	1206927607	121,875	-
KISAKA PRIMARY SCHOOL	KCB MBITA	1169515762	201,380	-
WASAMO PRIMARY SCHOOL	KCB MBITA	1204206708	815	-
OWICH PRIMARY SCHOOL	KCB MBITA	1199013161	300,995	-
MBITA CONST. SPORTS & CULTURAL	KCB MBITA	1177388383	9,769	24,072
LAMBWE PRIMARY SCHOOL	KCB MBITA	1169516173	265,728	-
NYAMUGA SPECIAL PRIMARY SCHOOL	KCB MBITA	1200344235	1,885	-
OBALWANDA SPECIAL PRIMARY CSCHOOL	KCB MBITA	1201199492	185,920	-
WAWARE MIXED SEC SCHOOL	KCB MBITA	1167803205	3,915	-
UOZI SECONDARY SCHOOL	KCB MBITA	1172628998	3,447	-
NYAMAJI PRIMARY SCHOOL	KCB MBITA	1200476999	1,690	-
KIPASI AP POST	KCB MBITA	1200196228	1,055	-
SENATOR OTIENO KAJWANG HIGH SCHOOL-GERA	KCB MBITA	1179096886	334,113	1,923
NGODHE SECONDARY SCHOOL	KCB MBITA	1180243870	146,153	-
UWI PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760172733662	780	-
LWANDA OLOO PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760171160286	890	-
RUSINGA GIRLS SEC SCHOOL ACCESS ROAD	EQUITY MBITA	0760171166982	890	-
NYAMAJI SECONDARY SCHOO ACCESS ROAD	EQUITY MBITA	0760171020690	450	-
NDHURU SECONDARY CHOOOL ACCESS ROAD	EQUITY MBITA	0760171021962	890	-
KISUI PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760171017244	890	-
USAO PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760171172826	890	-
NYAWIYA PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760172068078	290	-
GOT NYASUMBI PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760172167133	50	-
OGANDO PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760172372301	990	-
MAWANGA PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760172386494	580	-
NYAKWERI PRIMARY SCHOOL ACCESS ROAD	EQUITY MBITA	0760172167678	340	-
EDDIE MEMORIAL PRIMARY SCHOOL ACCESS RD	EQUITY MBITA	0760172082232	780	-
TOTAL			23,690,453	1,014,730



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ANNEX 2 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding Balance	Outstanding Balance	Comments
					2016/2017 d=a-c	2015/2016	
Amounts due to other Government entities							
1. PRIMARY SCHOOLS PROJECTS		45,900,000		42,800,000	3,100,000	24,750,000	
2. SECONDARY SCHOOLS PROJECTS		29,100,000		27,800,000	1,300,000	24,500,000	
3. TERTIARY INSTITUTIONS PROJECTS		27,000,000		7,000,000	20,000,000	11,000,000	
4. HEALTH		5,600,000		5,400,000	200,000	-	
Sub-Total		107,600,000		83,000,000	24,600,000	60,250,000	
Amounts due to other grants and other transfers							
5. BURSARY		43,474,138		41,155,000	2,319,138	14,000,000	
6. SECURITY		5,800,000		5,300,000	500,000	4,900,000	
7. CONSTRUCTION OF BUILDINGS-NG-CDF OFFICE		4,487,172		2,872,280	1,614,892	4,877,000	
8. EMERGENCY						5,767,647	
9. SPORTS		3,356,897		3,356,897	-	2,100,000	
10. ENVIRONMENT		1,400,000		1,400,000	-	800,000	
		53,761,310		49,327,280	4,434,030	32,444,647	
11. ADMINISTRATION/M&E		18,694,363		16,739,446	1,954,917	20,021,371	
Sub-Total		18,694,363		16,739,446	1,954,917	20,021,371	
Grand Total		180,055,673		149,066,726	30,988,947	112,716,018	



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ANNEX 3 : SUMMARY OF FIXED ASSET REGISTER

ASSET CLASS	HISTORICAL	HISTORICAL
	COST	COST
	2016-2017	2015-2016
	KSHS.	KSHS.
Buildings and structures	11,516,664	8,644,384
Transport equipment	5,198,000	5,198,000
Office equipment, furniture and fittings	462,670	462,670
ICT Equipment, Software and Other ICT Assets	250,500	250,500
TOTAL	17,427,834	14,555,554

DONATED BY NGCDF

HP COMPAQ L2311G MONITOR 88999910R8 (2016)	COST UNKNOWN	COST UNKNOWN
HP COMPAQ FLATBED 6CR4102H4Q (2016)	COST UNKNOWN	COST UNKNOWN
APCUPS 650VA 4B1405122064 (2016)	COST UNKNOWN	COST UNKNOWN



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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date within which you expect issue resolved)
1	Misstatements in the Statement of Financial Assets Disclosed in the Statement of Financial Assets is cash and cash equivalent balance of Kshs. 11,175,127 that include un accounted cash on hand of kshs.1,119,800. Further, the bank balance of Kshs. 10,816,678 is not supported by bank reconciliation Statement as at 30 th June 2015. Consequently, the cash and cash equivalent balance of Kshs. 11,175,127 could not be ascertained.	Management to do a follow up	David Agong (FAM)	Not Resolved	31 st Decem 2017
2	Misstatements in the cash Flow Statement The cash flow statement presented did not disclose net cash flow from operating activities, and net increase in cash and cash equivalent as required under IPSAS (Cash Basis) reporting framework. Also disclosed under cash and cash equivalents figure of Kshs. 4,262,291 as at 30 th June 2015 was cash on hand of kshs.1,119,800 that could not be accounted by either cash count certificate or liquid cash. Also opening cash and cash equivalent of Kshs. 2,737,184 disclosed in the cash flow statement was at a variance with the previous year closing balance of Ksh. 10,816,678 resulting in understatement of opening cash and cash equivalent by Kshs. 8,079,494	Management to do a follow up	David Agong (FAM)	Not Resolved	31 st Decem 2017



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
3	<p>Other Grants and Transfers Included in other grant and transfers balance of Kshs. 39,822,660 are payments under emergency vote amounting to kshs. 3,800,000 to TASLY Enterprises and SIBI General Supplies of Ksh. 1,800,000 and Kshs. 2,000,000 for opening of the road and supply of Ambulance equipment respectively without approval and authorization of Constituencies Development Fund Committee (CDFC) minutes. Further neither tender bids nor procurement minutes were maintained. Payments were made for unauthorized over funding of Litare –Ukore-Kolunga road to Oxygen Transport and Construction LTD by Kshs. 1,200,000 without approval for re-allocation of additional funds . Also the payments were neither supported by bills of quantities nor procurement minutes. Waware Dispensary was also over funded by Kshs. 247,126 without approval. Consequently, the propriety of the expenditure could not be confirmed.</p>	Management to do a follow up	David Agong (FAM)	Not Resolved	31 st December 2017
4	<p>Water Expenditure Included in other grants and transfers of Ksh. 39,822,660 are payments made under water projects vote to G S Okoth Advocate of Kshs. 1,000,000 and KODEMBA water project of Kshs. 1,100,000. However the payments were neither budgeted in the year 2014/2015 nor supported with lgal fees note nor certificate of completed work . In the circumstances the propriety of the expenditure could not be</p>	Management to do a follow up	David Agong (FAM)	Not Resolved	

FUND ACCOUNT
 22 AUG 2017
 Sgn. [Signature]
 MANAGER

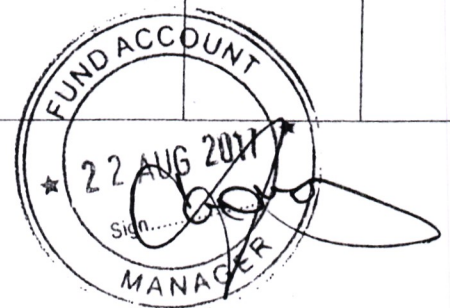
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame (Put a date you expect issue to resolve)
	confirmed				
5	Other payments Included in other payments figure of Kshs.4,150,000 were payments of Kshs. 2,150,000 and Kshs. 2,000,000 for construction of fish banda and street lights respectively . However the projects were neither budgeted in 2014/2015 nor disclosed in the previous year's financial statements as pending bills . Further the fund failed to provide payment vouches , Bills of quantities and procurement minutes on invitation and award of contract in accordance to procurement regulations. The propriety of the expenditure could therefore not be confirmed	Management to do a follow up	David Agong (FAM)		31 st Decem 2017
6	Acquisition of Assets Included in other grants and transfer balance of Kshs. 39,822,660 are payments under acquisition of assets totalling Kshs. 2,666,530 made on construction of toilets and shades of Kshs. 2,378,976 and Kshs. 278,554 respectively. The payments were also neither budgeted in 2014/2015 nor supported with bills of quantities nor procurement minutes. In the circumstances the propriety of the expenditure could therefore not be confirmed	Management to do a follow up	David Agong (FAM)	Not Resolved	31 st Decem 2017
	Other matter 1. Budget Implementation Analysis During the year under review , the constituency budgeted to spend Kshs. 102,893,893 on various transfers and projects while the actual expenditure totalling to Kshs. 41,088,666.	Management to do a follow up	David Agong (FAM)	Not Resolved	31 st Decem 2017



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	<p>The following were noted:</p> <ul style="list-style-type: none"> i) The actual expenditure was Kshs. 41,088,666 against a budget of Kshs. 102,893,893 achieving 40% absorption. ii) The constituency underspent on sixteen (16) line items with a total expenditure of Kshs. 61,805,227 as at 30 June 2015 the constituency had not received more than 50% of its allocation. No explanation was provided by management for delay in receipt of its allocation and subsequent under expenditure. iii) Included in other payments of Ksh. 87,592,150 in the statement of receipts and payments is expenditure of Kshs. 46,503,484 which relates to 2013-2014 expenditures which were rolled over to the financial year 2014-2015. During the year the constituency received AIE for 2013-2014 of Kshs. 36,153,652 on 15 October 2014 iv) As at 30th June 2015, the disclosed bank balance was Kshs. 				



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect issue to be resolved)
	<p>10,816,678 was not supported by bank reconciliation as at 30th June 2015</p> <p>2. Stalled Projects</p> <p>i) Uozi Secondary School The fund started funding construction of a new dormitory as a new project in 2014/2015 at a cost of Kshs. 600,000. Another project funded by the CDF in the school had stalled. The management stalled to provide justification for abandoning on-going project and starting a new one. Further no correspondence with Project Management Committee (PMC) on the two projects were provided. Expenditure returns for the two projects were not provided.</p> <p>ii) Otieno Kajwang High School The CDFC funded Otieno Kajwang High School for Kshs. 600,000 for construction of a laboratory in 2014/2015. A visit to the school revealed that the management had only laid foundation for the Kshs. 600,000. The foundation had cracks all over indicating that there was no supervision by the PMC and this was an indication of poor workmanship. In addition there were no returns for the project an indication that the PMC was not monitoring the project.</p> <p>iii) Lambwe Dispensary Lambwe dispensary Management had requested CDFC to fund a maternity wing for Kshs. 2,300,000. The CDFC had given initial funding of Kshs. 500,000 which the management had used for the construction to the foundations</p> <p>iv) Waiga Youth Polytechnic The CDFC had funded Waiga Youth Polytechnic for Kshs. 500,000 for the construction of one class room. The project had been constructed up to lintel level.</p>				

