

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



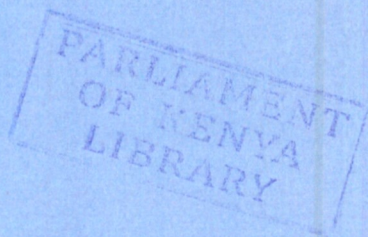
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 APR 2019

DAY: Wed

TABLED BY: Majority Party whip
Hon. Benjamin Wadhvani
Miriam Nondo

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REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
NYANDO 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
Accounting Standards (IPSAS)**



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

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The Constituencies Development Fund (CDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2013.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

(b) Key Management

The Nyando 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 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Alfred Chisaina
3.	Accountant	Augustine Gudah
4.		

(d) Fiduciary Oversight Arrangements

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

NGCDF Office Building.
P.O Box 85-40101
Ahero



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
CONSTITUENCY**

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

(f) NYANDO NGCDF Contacts

Telephone: (254) 721586575

(g) NYANDO NGCDF Bankers

1. Cooperative Bank

Kisumu

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
CONSTITUENCY**

Reports and Financial Statements

for the year ended June 30, 2017

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

The Nyando NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Nyando.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. Other issues affecting the project implementation process is the late disbursement of funds.

The Nyando NGCDFC wish that the issues of having the project on going for more than 2 years be stopped.

Sign.....
CHAIRMAN NGCDFC





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
CONSTITUENCY**

**Reports and Financial Statements
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 NGCDF shall prepare financial statements in respect of that NGCDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

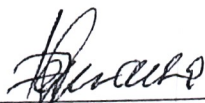
The Accounting Officer in charge of the Nyando NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Nyando 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, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Nyando NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

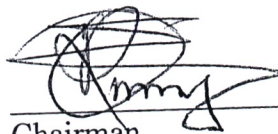
The Accounting Officer in charge of the Nyando NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes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

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on 30/9 2017.



Fund Account Manager



Chairman





REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYANDO 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 – Nyando Constituency set out on pages 5 to 23, 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 the effect 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 – Nyando 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, based on the procedures performed, except for matters highlighted in the Other Matter section of my report, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Bursaries

Included in the other grants and transfers balance of Kshs.83,626,897 are bursaries totaling Kshs.19,686,000 remitted to secondary schools, tertiary institutions and special schools at Kshs.10,061,900, Kshs.9,557,100 and Kshs.67,000 respectively. However, there were no official receipts and acknowledgement letters from the beneficiary institutions to confirm that the funds were received.

Consequently, the validity of the bursaries amounting to Kshs.19,686,000 cannot be confirmed.

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

2. Summary Statement of Appropriation

The summary statement of appropriation indicates that the Fund received Kshs.143,006,468 during the year under review as shown in the actual -on comparable-basis column. This is however at variance with the sum of Kshs.142,782,027 being the opening cash and cash equivalents balance of Kshs.60,385,476 and receipts during the year totaling Kshs.82,396,551. In addition, adjustments totaling Kshs.61,119,917 made on the balance have not been supported.

Consequently, the accuracy of the summary statement of appropriation cannot be confirmed.

3. Summary of Fixed Assets Register

The financial statements do not include a summary of fixed assets register as required by the reporting templates issued by the Public Sector Accounting Standards Board.

Consequently, the financial statements do not conform to the required standards and management is thus in breach of the law.

4. Acquisition of Assets

Included in the acquisition of assets balance of Kshs.2,000,000 is Kshs.1,500,000 incurred on construction of a perimeter wall at the Nyando CDF office. However, documents to support the identification of the contractor were not availed for audit review.

Consequently, the validity of the expenditure amounting to Kshs.1,500,000 incurred on acquisition of assets cannot be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Nyando 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 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

The approved budget of the Fund for the year under review amounted to Kshs.143,016,468 and total expenditure for the period amounted to Kshs.138,653,806. The comparison of budgeted and actual balances is shown below:

Expenditure	Approved Budget Kshs	Actual Expenditure Kshs	Variance Kshs	% of Utilization
Compensation of employees	3,662,354	2,611,905	1,050,449	71%
Use of goods and services	10,679,193	9,485,601	1,193,592	89%
Transfers to other government units	83,626,987	83,626,897	90	100%
Other grants and transfers	43,048,024	40,929,403	2,118,621	95%
Acquisition of assets	2,000,000	2,000,000	0	100%
Total	143,016,558	138,653,806	4,362,752	97%

During the period under review, the Fund incurred expenditure totaling Kshs.138,653,806 or 97% of the approved budget resulting in under-expenditure of Kshs.4,362,752.

2. Other Grants and Transfers

The statement of receipts and payments indicates that other grants and transfers totaled Kshs.40,929,403 during the year under review. Included in this amount were transfers to road projects, emergency projects and security projects of Kshs1,200,000, Kshs.6,383,000 and Kshs.10,000,000 respectively. These transfers totaling to Kshs.12,901,724 were in-turn utilized as follows:

Item	Code	Amount (Kshs)
Nyando NGCDF office access Road	Roads and bridges	1,200,000
The Bridge access road	Emergency funds	1,600,000
Disi Secondary school access road	Emergency funds	1,901,724
Kano location chief's office access road	Security	3,100,000
Kogocho Chief Camp access road	Security	2,400,000
Monami – Nyando District officers' office access road	Security	2,700,000
Total		12,901,724

However, the following anomalies were noted in regard to implementation of these projects:

- (i) These projects are under the devolved governments and therefore their funding by the Fund contravenes Section 24 of the National Government Constituencies Development Fund Act, 2015.
- (ii) No sign posts were put up on the roads to indicate that the projects were undertaken by the Fund.
- (iii) Certificates of practical completion were not availed for audit verification.
- (iv) All the roads were done using one tender specification document notwithstanding their varying scopes and nature of civil works.

Consequently, the regularity of the expenditure of Kshs.12,901,724 incurred on other grants and transfers cannot be confirmed.

3. Transfers to Other Government Units

The statement of receipts and payments indicates that transfers to other government units totaled Kshs.83,626,89 during the year under review. Included in the amount were transfers to primary and secondary schools totaling Kshs.38,975,000 and Kshs.42,651,897 respectively. However, the following anomalies were noted in relation to the respective expenditures:

(i) Kobura Primary

The school was allocated Kshs.8,355,000 for construction of five classrooms and an administration block. Inspection of the works undertaken revealed cracks on the administration block that cast doubt on the quality of workmanship and level of supervision by the Constituency Development Fund Committee.

(ii) Construction of Access Roads to Various Schools

Item	Amount (Kshs)
Disi Secondary school access road	2,150,000
Bunde Secondary school access road	2,200,000
Konim Secondary school access road	2,850,000
Arombo Secondary school access road	2,651,897
Total	9,851,897

Transfers totaling Kshs.9,851,897 made for rehabilitation of roads had the following anomalies:

- a. No publicity signs were put up on the roads to indicate that the projects were undertaken by the Fund.
- b. The roads rehabilitated fall under the devolved governments and therefore funding of the works by the Fund contravened Section 24 of the National Government Constituencies Development Fund Act, 2015.
- c. All the roads were constructed using one tender specification document notwithstanding their varying scopes and nature of the works for each.
- d. Certificates of works completion were not availed for audit verification.

(iii) Karanda Secondary School

Kshs.1,000,000 was transferred to Karanda Secondary school for the construction of a laboratory, administration block and tuition block. The bill of quantities indicated that the project commenced in 2013 but as at the time of physical verification in July 2018 only the foundation slab, ground slab and ground walling had been done. Also, the ground slab was leaking, an indication of poor workmanship and the risk that the building could collapse any time. Further, the contractor was not on site. Procurement minutes and other relevant documentation that were used to identify the contractor were not provided.

Consequently, value-for-money as well as accuracy and regularity of the expenditure totaling Kshs.19,206,897 incurred on transfers to other government units cannot be confirmed.

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 sustain its 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 have its operations cease, 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.

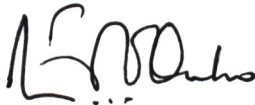
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 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

30 January 2019



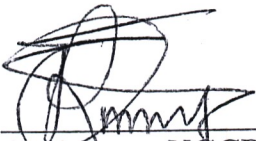
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
 CONSTITUENCY

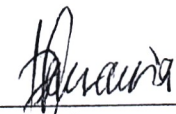
Reports and Financial Statements
 For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

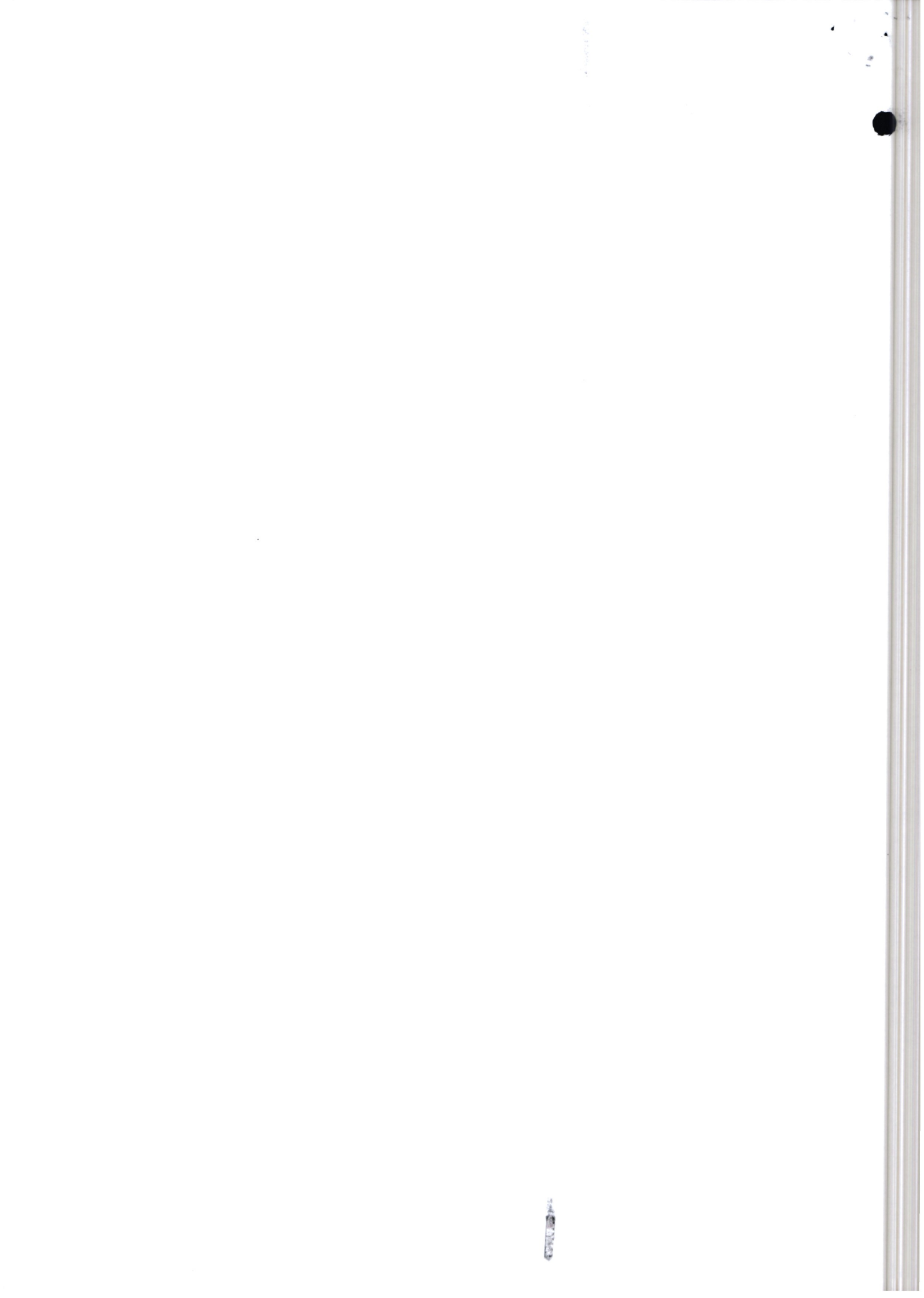
	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	82,396,551.70	118,793,253
Proceeds from Sale of Assets	2		
Other Receipts	3	10,000	
TOTAL RECEIPTS		82,406,551	118,793,253
PAYMENTS			
Compensation of employees	4	2,611,905	1,372,808
Use of goods and services	5	9,485,601	5,900,950
Transfers to Other Government Units	6	83,626,897	41,927,764
Other grants and transfers	7	40,929,403	37,456,759
Acquisition of Assets	8	2,000,000	1,500,000
Other Payments	9	0	0
TOTAL PAYMENTS		138,653,806	88,158,281
SURPLUS/DEFICIT		(56,247,255)	30,634,972

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


 Chairman - NGCDFC


 Fund Account Manager





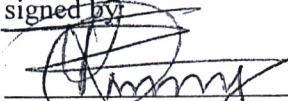
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
CONSTITUENCY**

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

V. STATEMENT OF ASSETS

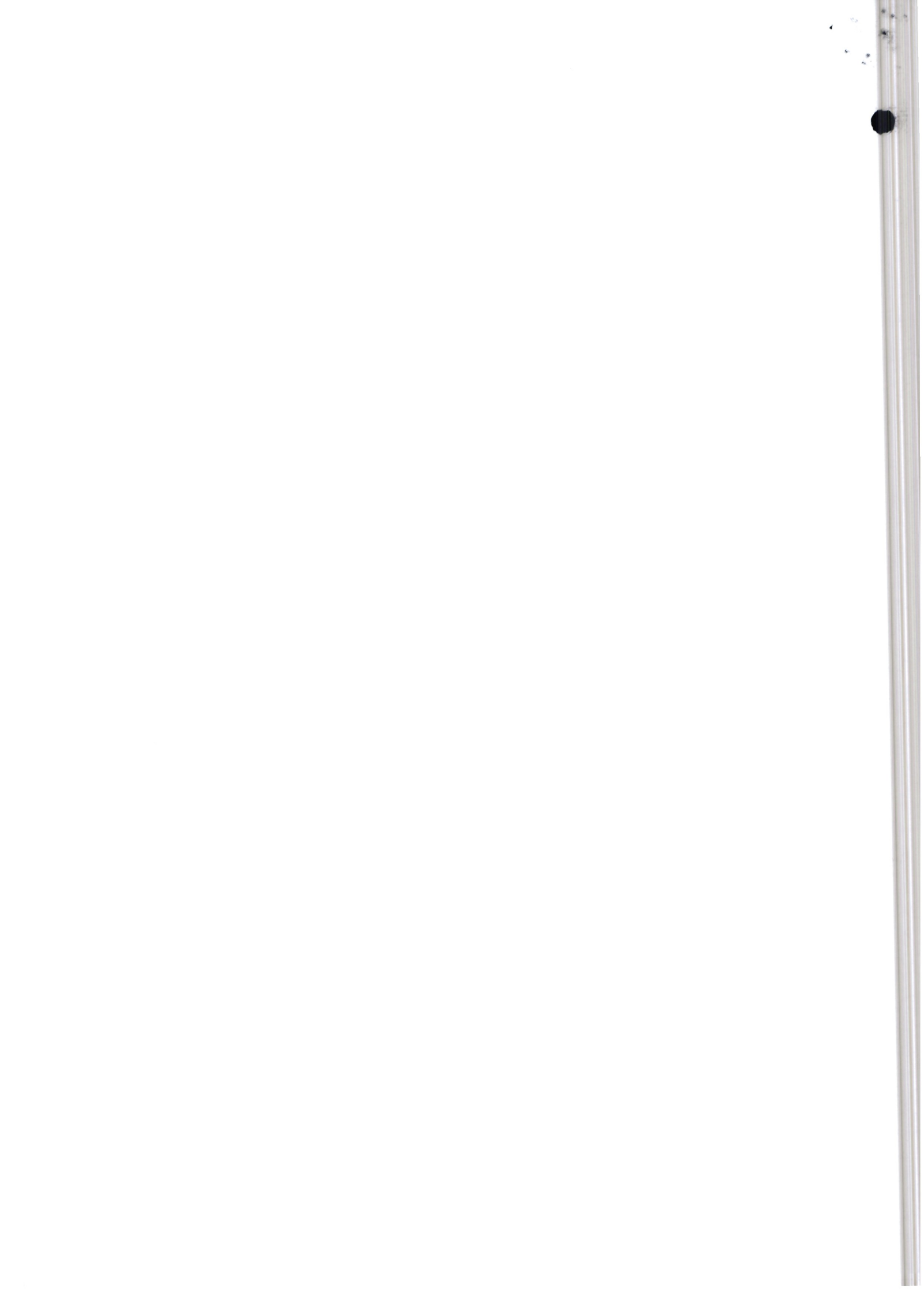
	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,362,662	60,385,476
TOTAL FINANCIAL ASSETS		4,362,662	60,385,476
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	60,385,476	29,750,504
Surplus/Deficit for the year		(56,247,255)	30,634,972
Prior Year Adjustments		244,441	
NET LIABILITIES		4,362,662	60,385,476

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


Chairman - NGCDFC


Fund Account Manager






NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
 CONSTITUENCY

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

V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,362,662	60,385,476
TOTAL FINANCIAL ASSETS		4,362,662	60,385,476
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	60,385,476	29,750,504
Surplus/Defict for the year		(56,247,255)	30,634,972
Prior Year Adjustments		244,441	
NET LIABILITIES		4,362,662	60,385,476

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyando NGCDF financial statements were approved on 30/7 2017 and signed by:


 Chairman - NGCDFC


 Fund Account Manager





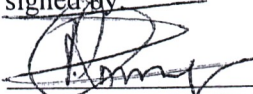
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYANDO
CONSTITUENCY**

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

VI. STATEMENT OF CASHFLOW

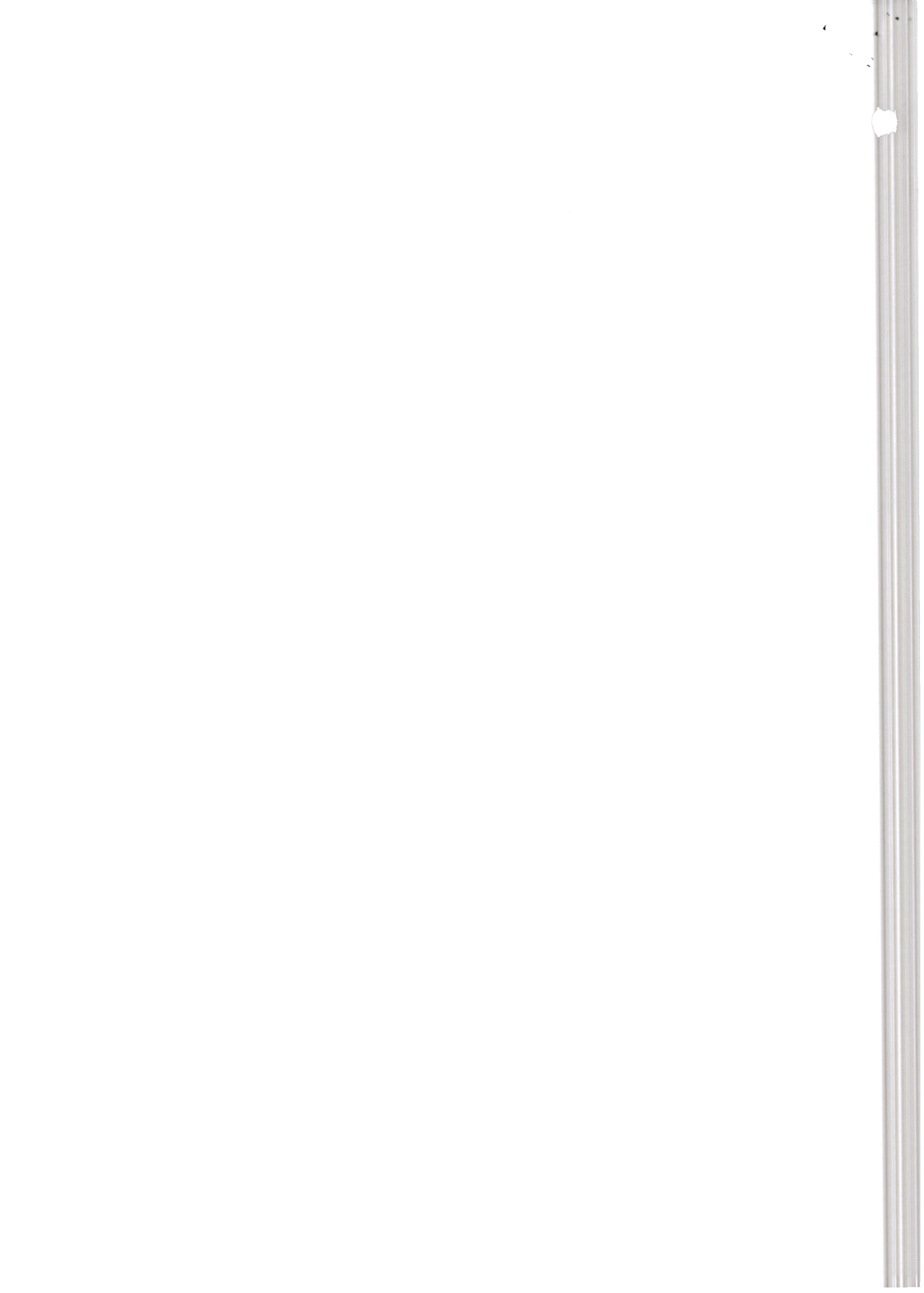
		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	82,296,551	118,793,253
Other Receipts	3	10,000	
		82,406,551	118,793,253
Payments for operating expenses			
Compensation of Employees	4	2,611,905	1,372,808
Use of goods and services	5	9,485,601	5,900,950
Transfers to Other Government Units	6	83,626,897	41,927,764
Other grants and transfers	7	40,929,403	37,456,759
Other Payments	9		0
Adjusted for:			
Adjustments during the year	14	60,017,694	
Net cash flow from operating activities		(114,294,949)	2,833,737
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9	(2,000,000)	(1,500,000)
Net cash flows from Investing Activities		(116,274,949)	(1,500,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,770,439	30,634,972
Cash and cash equivalent at BEGINNING of the year	13	60,385,476	29,750,504
Cash and cash equivalent at END of the year		4,362,662	60,385,476

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


Chairman NGCDF




Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551	61,109,917	143,006,468	143,006,468	-	100%
Proceeds from Sale of Assets						
Other Receipts	0	10,000	10,000	10,000	-	100%
TOTAL	81,896,551	61,119,917	143,016,468	143,016,468	-	100%
PAYMENTS						
Compensation of Employees	1,926,960	1,735,394	3,662,354	2,611,905	1,050,448	71%
Use of goods and services	4,793,730	5,885,463	10,679,193	9,485,601	1,193,592	89%
Transfers to Other Government Units	42,506,897	41,120,000	83,626,897	83,626,897	-	100%
Other grants and transfers	32,168,964	10,897,060	43,048,024	40,929,403	2,118,621	95%
Acquisition of Assets	500,000	1,500,000	2,000,000	2,000,000	-	100%
Other Payments	-	-	-	-	-	0%
TOTAL	81,896,551.	61,119,917	143,016,468	138,653,806	4,362,661	97%



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 (IPSSAS) 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.

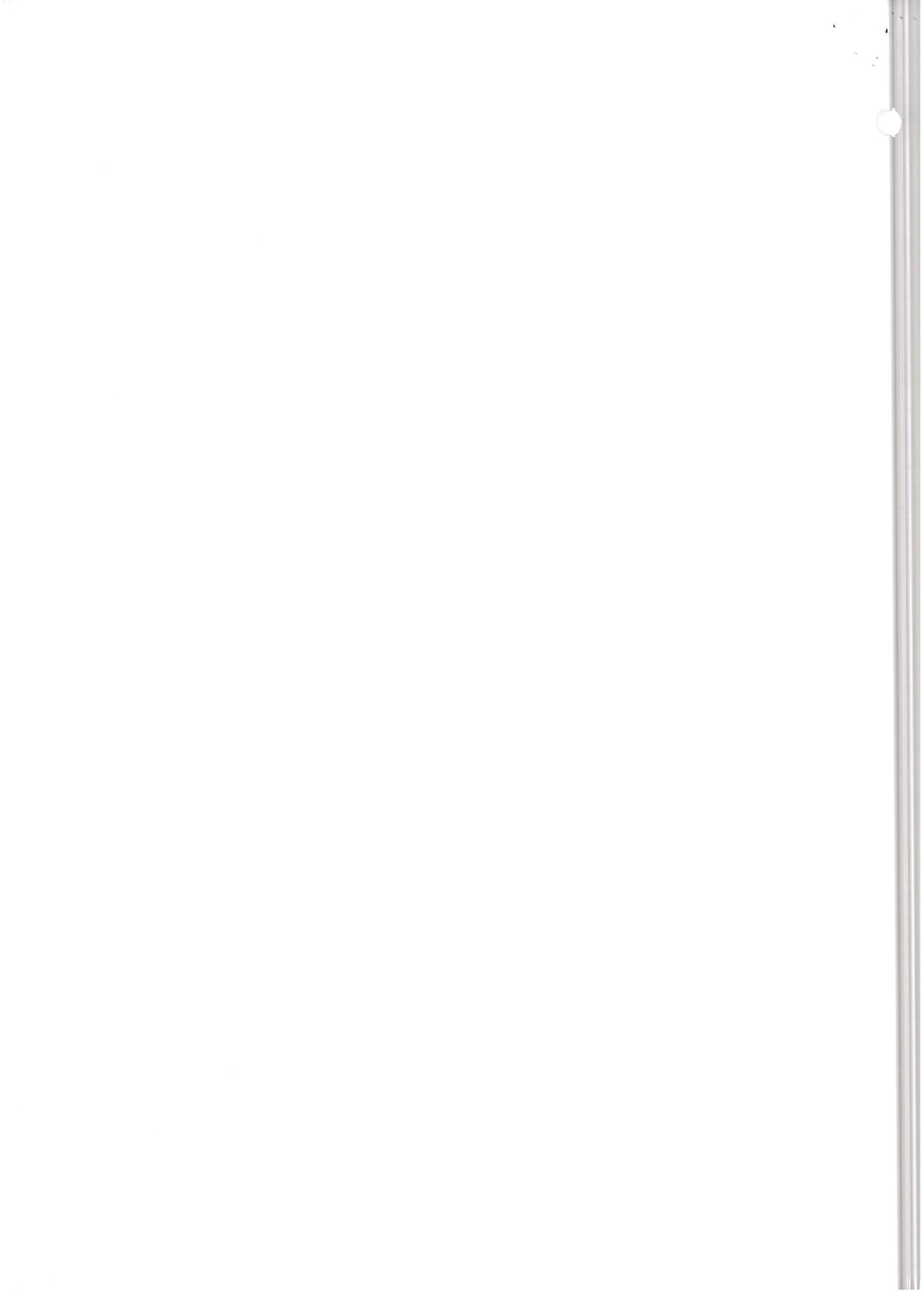
The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NGCDF.

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.

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 DEVELOPMENT FUND NYANDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017		2015 - 2016	
		Kshs		Kshs
Normal allocation	AIE NO.A829971	4,094,827		
	AIE NO.A855173	36,853,449		
	AIE NO.A855632	22,896,378		
	AIE NO.A855666	18,051,897		
	AIE NO.A855684	500,000		
	AIE No A796447		20,000,000	
	AIE No A820774		20,000,000	
	AIE No A820992		19,000,000	
	AIE No A820992		59,793,253	
TOTAL		82,396,551	118,793,253	

2 Other Receipts

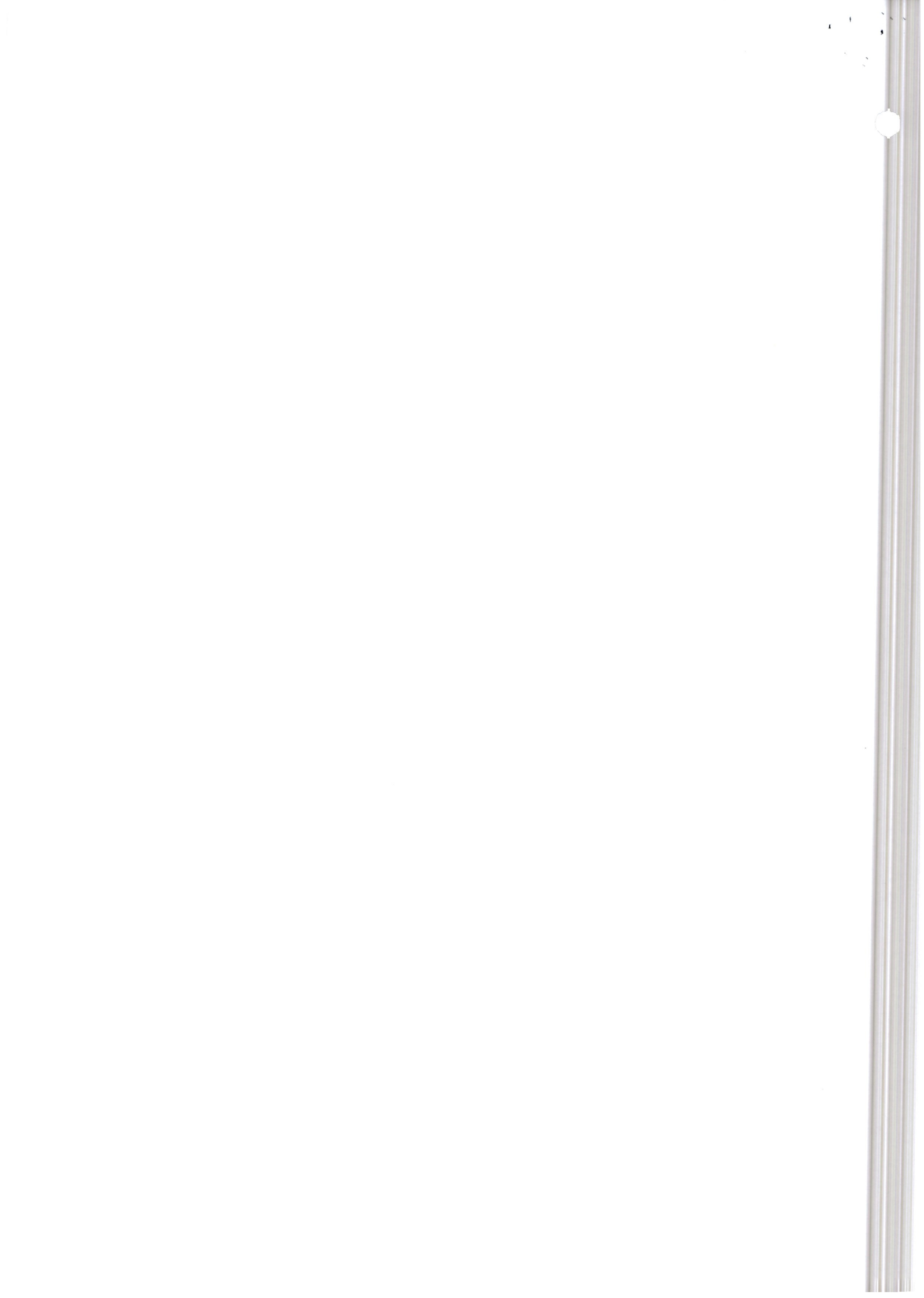
2016-2017 2015-2016
 Kshs Kshs

Sale of tender documents

10,000

Total

10,000



NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

IX. NOTES TO THE FINANCIAL STATEMENTS

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		Kshs		Kshs	
Normal allocation	AIE NO. A829971		4,094,827		
	AIE NO. A855173		36,853,449		
	AIE NO. A855632		22,896,378		
	AIE NO. A855666		18,051,897		
	AIE NO. A855684		500,000		20,000,000
	AIE No A796447				20,000,000
	AIE No A820774				19,000,000
	AIE No A820992				59,793,253
	AIE No A820992				118,793,253
TOTAL			82,396,551		118,793,253

2 Other Receipts
 2016-2017 2015-2016
 Kshs Kshs

Sale of tender documents
 10,000

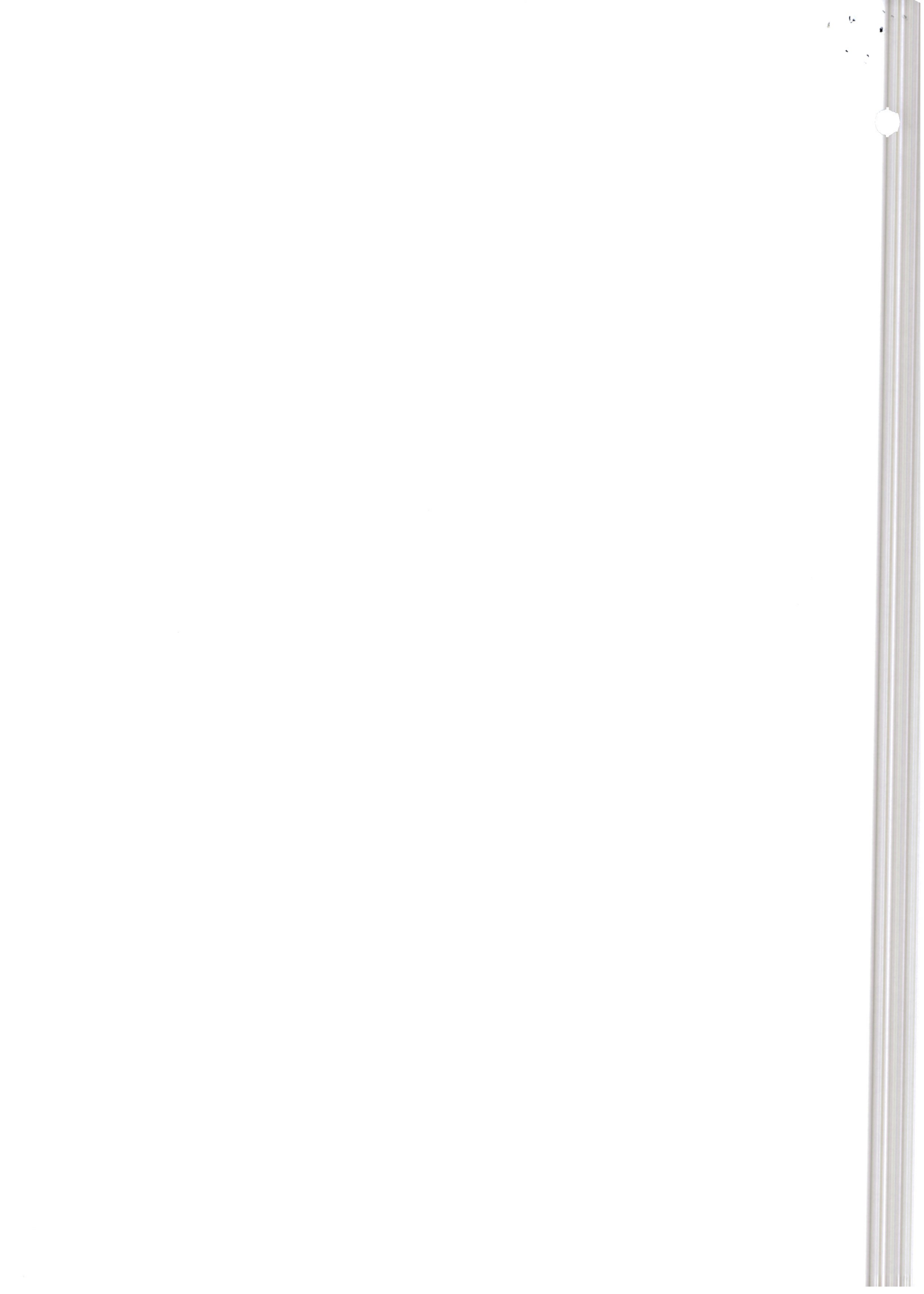
Total
 10,000



NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES		2016 - 2017	2015 - 2016
Description		Kshs	Kshs
Utilities, supplies and services		228,164	63,660
Communication, supplies and services		141,400	128,150
Domestic travel and subsistence		306,510	101,950
Printing, advertising and information supplies & services		24,200	462,332
Training expenses		461,551	538,970
Hospitality supplies and services		157,698	65,763
Other committee expenses		3,789,268	1,774,900
Committee allowance		1,841,400	434,000
Specialised materials and services		646,620	391,407
Office and general supplies and services		489,590	1,058,141
Fuel, oil & lubricants		1,300,000	680,000
Other operating expenses			
Routine maintenance – vehicles and other transport equipment		14,000	155,777
Routine maintenance – other assets		85,200	45,900
Total		9,485,601	5,900,950



NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

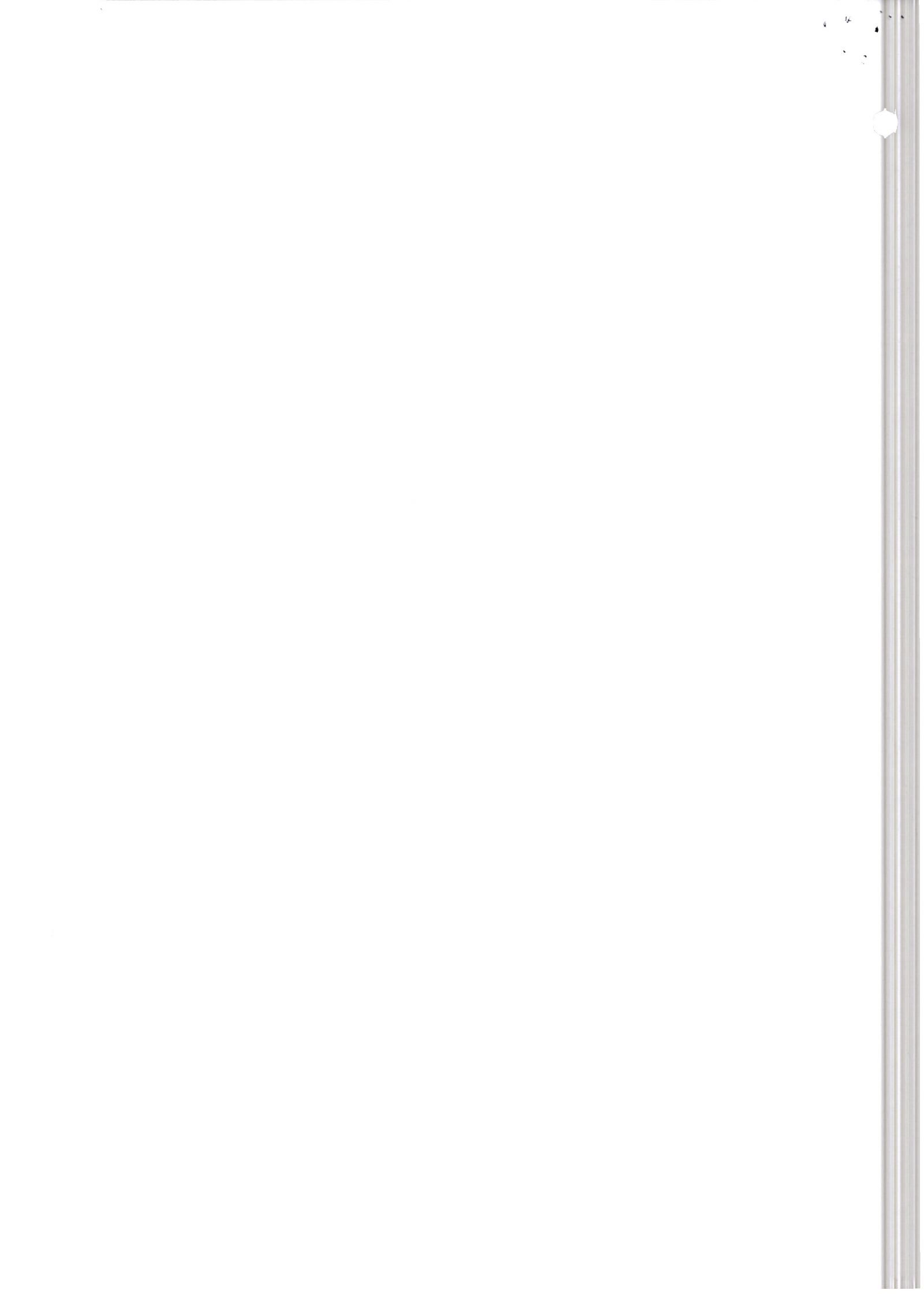
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 – 2017	2015 – 2016
	Kshs	Kshs
Transfers to Tertiary Institutions	500,000	-
Transfers to primary schools (see attached list)	38,975,000	25,027,764
Transfers to secondary schools (see attached list)	42,651,897	11,200,000
Transfers to health institutions (see attached list)	1,500,000	5,700,000
-TOTAL	83,626,897	41,927,764

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 – 2017	2015 -2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	10,061,900	3,471,000
Bursary – tertiary institutions (see attached list)	9,557,100	3,239,500
Bursary – special schools (see attached list)	67,000	0
Water projects (see attached list)	1,000,000	1,200,000
Roads projects (see attached list)	1,200,000	27,100,000
Emergency Projects (specify)	6,383,000	2,446,259
Security Projects	10,000,000	
Environment	1,927,903	
Sports	732,500	
Total	40,929,403	37,456,759

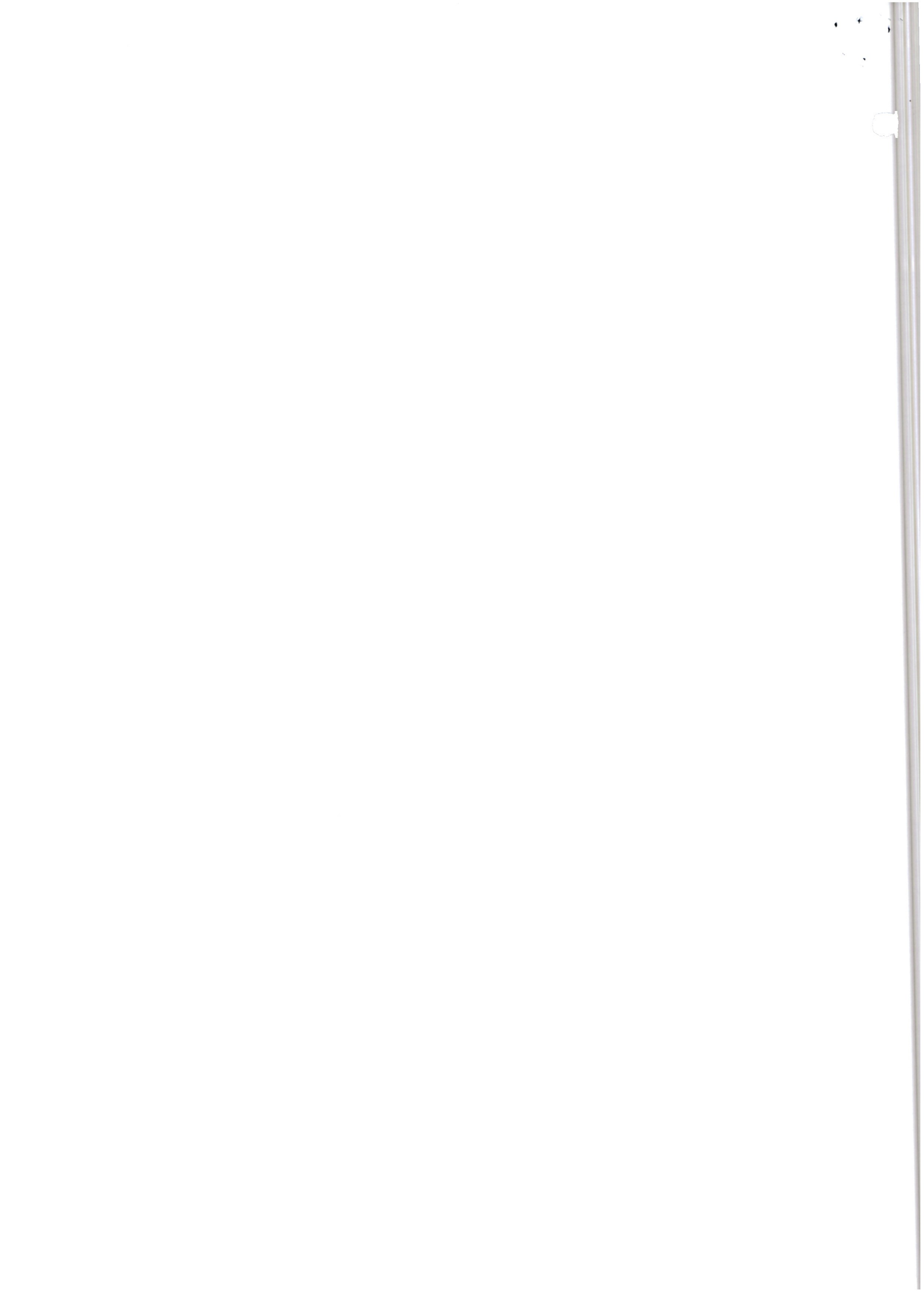


NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets

	2016 - 2017 Kshs	2015 - 2016 Kshs
Construction of Buildings-Perimeter wall	1,500,000	1,500,000
Office furniture	500,000	
Total	2,000,000	1,500,000

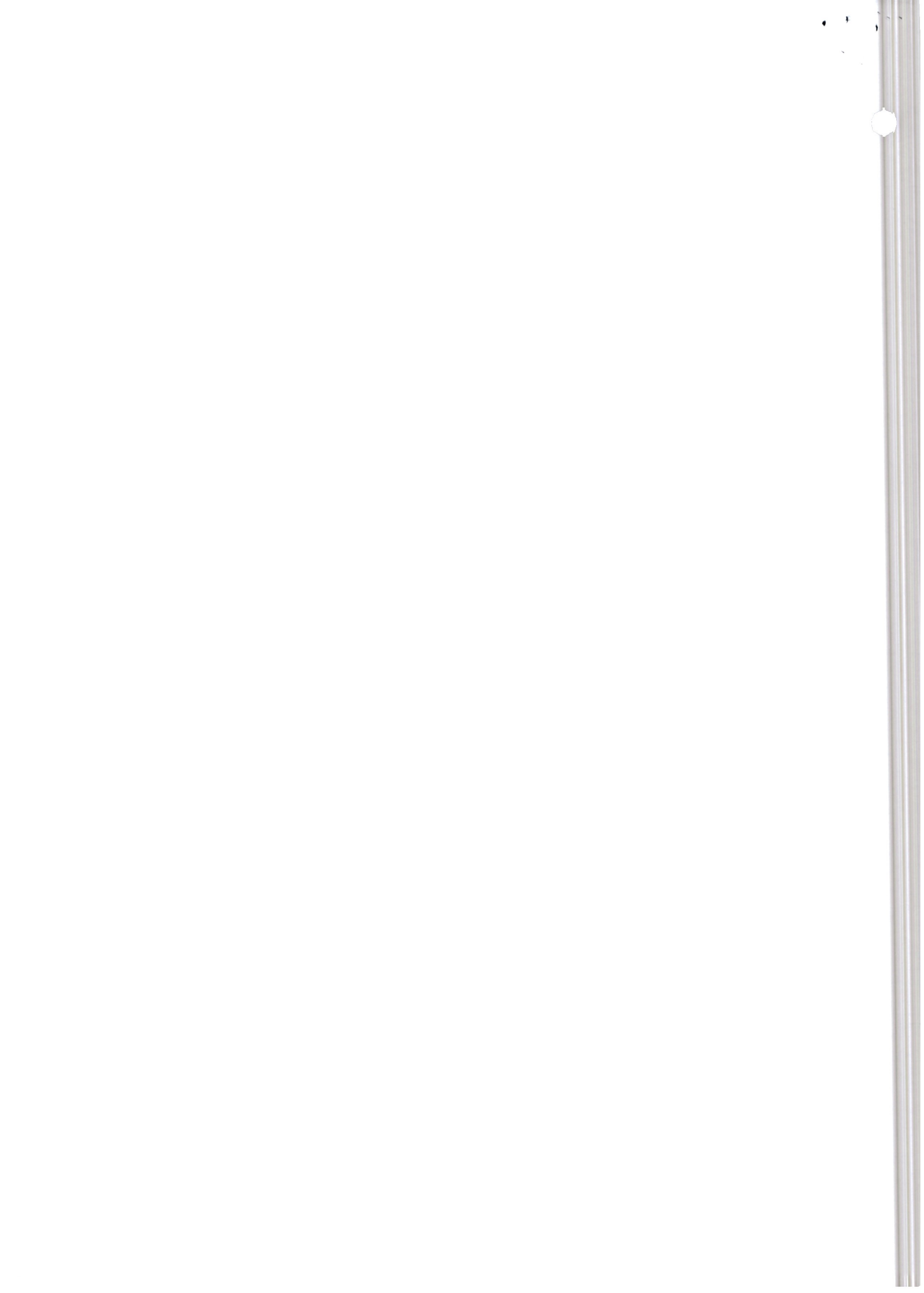


NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
Cooperative Bank Kisumu A/c 01120015436000	4,362,662	60,385,476
Total	4,362,662	60,385,476



NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDO CONSTITUENCY
Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	592,222.90	60,385,476
Cash in hand		
Imprest		
Total	<u>592,222.90</u>	<u>60,385,476</u>

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016-2017	2015-2016
	Kshs	Kshs
Reversed Cheques	224,441	0
Money received at the end last FY not captured	<u>59,793,253</u>	0
In cash book		
Total	<u>60,017,694</u>	0

NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	592,222.90	60,385,476
Cash in hand		
Imprest		
Total	592,222.90	60,385,476

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016-2017	2015-2016
	Kshs	Kshs
Reversed Cheques	224,441	0
Money received at the end last FY not captured	59,793.253	0
In cash book		0
Total	60,017,694	



Note 15
 - PMC BANK ACCOUNTS BALANCES

PMC account balances	Kshs	Kshs
	2016/2017	
PMC account Balances (see attached list)	1,275,817.50	000

1,275,817.50	000
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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)	Timeframe (Put a date when you expect the issue to be resolved)
KSM/NYD CDF/2014/2015/(3)	Unsupported payments totalling Kshs 5,157,387	Technical reports have since been obtained to support the payments	Alfred Chisaina Fund Accounts Manager	Resolved	Three weeks
KSM/NYD CDF/2014/2015/(3)	Payments totalling Kshs 139,549,200 against an approved budget of Kshs 112,532,435	Kshs 27,016,765 expenditure above the budgeted amount resulted from amounts received late in previous year which was spent in the year under review	Alfred Chisaina Fund Accounts Manager	Resolved	Three weeks



NATIONAL GOVERNMENT DEVELOPMENT FUND NYANDO CONSTITUENT
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

Prepared by:

Alfred Chisaina

Alfred Chisaina
Fund Accounts Manager
NG-Nyando CDF

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