
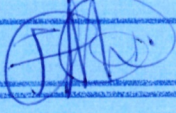


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	11 JUN 2019
<b>REPORT</b> TUESDAY	
TABLED BY:	MAJORITY LEADER
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**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2018**



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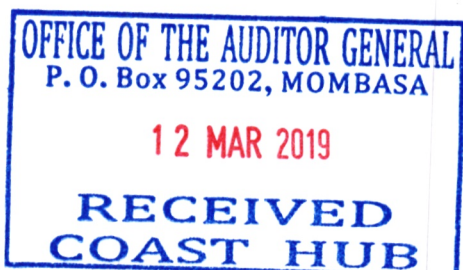
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- MVITA  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

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Table of Content	Page
I. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC).....	5
II. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES.....	7
III. STATEMENT OF RECEIPTS AND PAYMENTS .....	8
IV. STATEMENTS OF FINANCIAL ASSETS.....	9
IV. STATEMENT OF CASHFLOW.....	10
V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	11
VI. SIGNIFICANT ACCOUNTING POLICIES.....	12
IX. NOTES TO THE FINANCIAL STATEMENTS.....	16

**KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The NG-Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. 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 a specific portion of the national annual budget is devoted to the constituencies for infrastructural development, wealth creation and in the fight against poverty at the constituency level.

**(b) Key Management**

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

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>□ Designation</b>	
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Monica Mwai</b>
3.	Accountant	<b>Julius Mugambi</b>
4.	Chairman	<b>Omar Sharriff</b>
5.	Alternate	<b>Jamal Ali</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) MVITA NG-CDF Headquarters**

P.O. Box 43258-80100  
Mombasa House  
Majengo, Behind Segal Market  
Mombasa, KENYA

**(f) MVITA NG-CDF Contacts**

E-mail: [cdfmvita@ngcdf.go.ke](mailto:cdfmvita@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) MVITA NG-CDF Bankers**

1. Equity Bank  
Digo Road Branch  
P.O. Box 90016-80100  
Mombasa, Kenya

**(h) Independent Auditors**

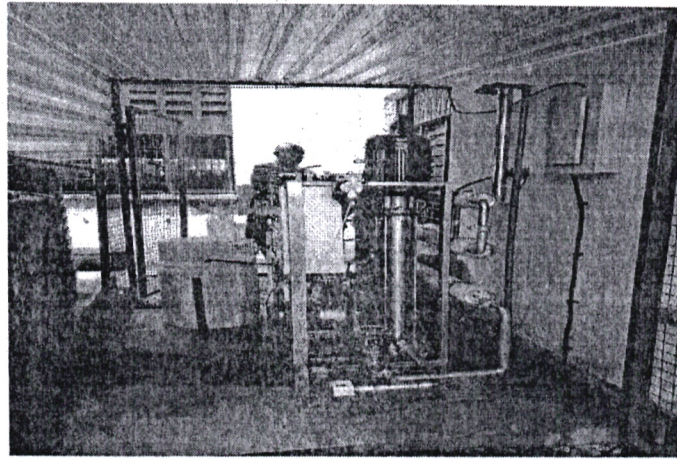
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

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

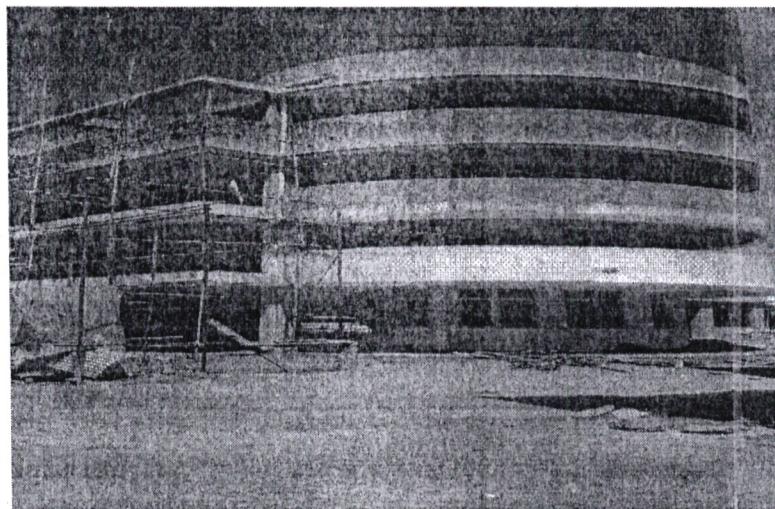
**I. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

Mvita is among six constituencies within Mombasa County. It has eleven locations and five wards. Mvita being a city constituency and an island, many people come from neighbouring constituencies to work during the day while they live outside the constituency, as a result showing a higher number of registered voters compared to population.



**Water purifier at Mama Ngina Girls**

We are glad to present to you financial statements for Mvita NG-CDF for year ending 30<sup>th</sup> June 2018. We have managed to complete quite a number of projects which were on going as well as start new ones. For 2017/2018, we have so far received 50% of the funds and we are hoping to receive and consume the balance of it in the next few months.



**Ronald Ngala Primary social Hall –ongoing project**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MVITA  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

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**Challenges**

Some of the challenges that we have been facing re delay in receipt of funds from the NG-CDF Board, delay in receipt of bill of quantities from Regional works Officer and issues of land ownership for new projects. Devolving some projects like toilet construction has also affected the constituency since the amount allocated could not be enough and more funds cannot be added. As a result the pmcs are advised to re-allocate the funds to other projects which they have not identified to date thus delay in consumption of funds.



.....  
**OMAR SHARIFF - CHAIRMAN NG-CDFC**

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

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**II. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for National Government Entity shall prepare financial statements in respect of that Fund. 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.

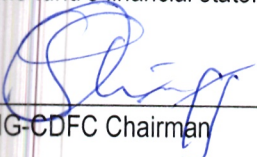
The Accounting Officer in charge of the National Government Constituencies Development Fund -Mvita Constiyueny is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2018. 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 fund; (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 fund; (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 National Government Constituency Development Fund- Mvita Constituency accepts responsibility for the Fund'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 Fund's financial statements give a true and fair view of the state of fund's transactions during the financial year ended June 30, 2018, and of the fund's financial position as at that date. The Accounting Officer charge of the Fund further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the National Government Constituencies Development Fund- Mvita Constituency confirms that the fund has complied fully with applicable Government Regulations and that the 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 fund'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 fund's financial statements were approved and signed by the Accounting Officer on 24/9/ 2018.

  
\_\_\_\_\_  
NG-CDFC Chairman

  
\_\_\_\_\_  
Fund Account Manager

# REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL CONSTITUENCIES DEVELOPMENT FUND – MVITA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

#### REPORT ON THE FINANCIAL STATEMENTS

##### Qualified Opinion

I have audited the accompanying financial statements of National Constituencies Development Fund – Mvita Constituency set out on pages 8 to 29, which comprise the statement of financial assets as at 30 June 2018, 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 – Mvita Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituency Development Fund Act No. 30 of 2015.

##### Basis for Qualified Opinion

###### 1.0 Prior Year

###### 1.1. Accuracy of the Financial Statements

As reported in 2016/2017, the statement of assets reflects comparative fund balance of Kshs.41,973,049 as at 1 July 2016. However, the opening fund balance was at variance with audited closing balance for the year 2015/2016 of Kshs.52,703,219.28 resulting to unreconciled variance of Kshs.10,730,170.28. In addition, the statement of cash flows reflects cash and cash equivalent of Kshs.41,973,050.38 as at 1 July 2016 while the 2015/2016 audited accounts reflected cash and cash equivalents of Kshs.52,703,219.54 as at 30 June 2016 resulting to unreconciled variance of Kshs.10,730,169.16. As a result, the statement of cash flow was inaccurate.

In the circumstances, the accuracy and completeness of the fund balance brought forward of Kshs.41,973,049 and cash and cash equivalent of Kshs.41,973,050.38 as at 1 July 2016 could not be confirmed. This has not been corrected in the year under audit and therefore, bank balance of Kshs.16,431,097 as at 30 June 2018 is not accurate.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Mvita Constituency for the year ended 30 June 2018*

## **1.2. Bank Balances**

As reported in 2016/2017, the statement of assets reflects bank balance of Kshs.16,431,097 as at 30 June 2018 (2016/2017 – Kshs.14,549,113). However, included in bank reconciliation statement are casting errors amounting to Kshs.114,770.57 dating all the way back to the year 2012. In addition, included in outstanding cheques of Kshs.322,269 are three (3) stale cheques totaling 273,390 issued in the month of February and June 2017 and which had not been reversed in the cash book as at time of audit February, 2019. It has not been clearly explained why the errors and the long outstanding cheques have not been corrected and updated in the cashbook for this long.

Further, the audit also noted a payment in the bank of Kshs.190,630 made in August 2017 and which had not been recorded in the cash book as at 30 June 2018. Therefore overstating the cash book balance of Kshs.16,431,097 as at 30 June 2018.

Consequently, the accuracy and completeness of bank balance of Kshs.16,431,097 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Constituencies Development Fund – Mvita 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 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 other key audit matters to communicate in my report.

### **Other Matters**

#### **1.0 Budgetary Controls and Performance**

##### **1.1. Revenue Budget**

According to the 2017/2018 National Constituencies Development Fund Board's Constituencies allocation, Mvita Constituency was allocated Kshs.98,189,655. However, according to the statement of receipts and payments, the Fund received a total of Kshs.73,515,516 as transfers from the National Constituencies Development Fund Board resulting to a shortfall of Kshs.24,674,139 or 25% of the targeted revenue.

This may have affected implementation of planned projects for the benefit of the residents of Mvita Constituency. There is need to do proper budgeting on priority basis.

## 1.2. Expenditure Budget

The summary statement of appropriations reflect a final budget a final budget of Kshs.142,849,112 for the financial year 2017/2018 against total actual expenditure of Kshs.71,643,532 resulting to under absorption of Kshs.71,205,580 or 50% as summarized below:

Budget line	Final Budget	Expenditure	Unspent Balance	% of Utilization
Compensation of Employees	3,767,707	2,087,787	1,679,920	55%
Use of goods and services	5,069,362	4,177,515	891,847	82%
Transfers to Other Government Units	50,484,738	45,392,240	5,092,498	90%
Other grants and transfers	74,173,251	19,985,990	54,187,261	27%
Other payments	9,354,054	0	9,354,054	0%
<b>Total</b>	<b>142,849,112</b>	<b>71,643,532</b>	<b>71,205,580</b>	<b>50%</b>

The Fund had a total under-expenditure of Kshs.71,205,580 representing 50% of the budget. This implies that public funds were lying idle at the expense of other deserving areas. Although the management has attributed the situation to delays in receiving funds from the National Government Constituencies Development Fund Board, this may affect delivery of goods and services to the residents of Mvita Constituency contrary to values and principles of public service as provided for under Article 232 (1- c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.

## 1.3. Project Implementation Status

According to the project implementation status report as at 30 June 2018, the following twelve (12) projects with a total budget of Kshs.38,169,267 were not implemented during the period under review:

No.	Project Name	Activity	Funds Disbursed (Kshs.)	Implementation Status
1	Mwembe Tayari toilet	Construction of a public toilet	1,000,000	not started
2	Shimanzi toilet	Construction of a public toilet	1,000,000	not started
3	Old town toilet	Construction of a public toilet	1,000,000	not started
4	Tudor toilet	Construction of a public toilet	1,000,000	not started
5	Tononoka toilet	Construction of a public toilet	1,000,000	not started
6	Star of the sea high school	Installation of windows, doors and furniture for the dining hall	1,300,000	not started

No.	Project Name	Activity	Funds Disbursed (Kshs.)	Implementation Status
7	Allidina Visram	Purchase of water purifier model nyati 11 500 reverse osmosis plant with a purifying capacity of 500 litres per hour.	1,500,000	not started
8	Sharrif Nassir Girls High School	Construction of Social Hall and 2classrooms with finishes.	3,000,000	not started
9	Mvita Primary School	Construction of a youth recreation centre consisting a football pitch(seven a side)and swimming pool.	2,696,854	not started
10	Ronald Ngala Primary School	Construction of a modern school football pitch.	9,995,386	not started
11	Mvita Stima Secondary	Conversion of Ziwani Primary into Secondary	10,000,000	not started
12	Constituency Innovation Hubs	Installation of Satelite antenna, Router, Digital access kit at 4 sites	4,677,027	not started
	<b>Total</b>		<b>38,169,267</b>	

Although two (2) of the projects had been implemented by the time of audit in the month of January, 2019, delayed implementation of projects denies residents intended benefits. Non-implementation of development projects affects delivery of goods and services to the public and the intended purpose of the project may not be realized. It also casts doubt on the effectiveness of the project monitoring and evaluation carried out by the Mvita Constituency Development Fund Committee (CDFC).

#### 1.4. Project Inspection

Audit inspection of seven (7) projects with a total of Kshs.23,200,000 during the month of January 2019 indicated the following state of affairs of the following specific projects: -

No.	Name of Projects	Activity	Amount (Kshs)	Observations
1	Sharif Nassir Girls Secondary	Construction of 2 classroom and social hall	3,000,000	Construction in progress Project not branded
2	Sharif Nassir Girls Secondary School	Construction of Laboratory finishes, Gas fittings, painting, and furniture.	1,600,000	Project complete but not branded

No.	Name of Projects	Activity	Amount (Kshs)	Observations
3	Mama Ngina Girls Secondary School	Purchase of water purifier	1,600,000	Plant delivered and in operation. Project not branded
4	Ronald Ngala Primary School	Construction of three storey building	11,000,000	Construction not complete. Project not branded
5	Mombasa Technical Training Institute	Purchase of Equipment's for Radio Studio	4,000,000	Studio not in operation
6	Tudor Primary School	Fish pond	1,000,000	Project is stalled and not branded
7	Makande Primary School	Fish pond	1,000,000	Project is stalled and not branded
	<b>Total</b>		<b>23,200,000</b>	

The above observations casts doubt on the project supervision undertaken and value for money for public funds. In addition, public funds are going to waste on stalled projects at the expenses of service delivery to the residents. Further, it becomes difficult to confirm the project financiers where the project is not branded. The management should therefore put in place measures to ensure projects are implemented within the set timeframes in order for the public to realize value for money.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion / Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### Basis for Conclusion

#### 1.0 Transfer to Other Government Entities

Included in transfer to other government entities of Kshs.45,392,240 for the year ended 30 June 2018 as detailed in note 6 to the financial statements is transfers to primary schools of Kshs.34,692,240. Transfers to primary schools of Kshs.34,692,240 include two disbursements totaling Kshs.9,995,386 to Ronald Ngala Primary School for the construction of a modern football pitch. However, audit verifications revealed that the second disbursement of Kshs.5,995,386 was paid before the project management

committee submitted returns on how the first tranche of Kshs.4,000,000 was spent. This is contrary to Section 11 (1 -y) of National Government Constituency Development Fund Regulations, 2016 which states that Constituency Committee shall ensure that the returns are received from project management committees before funding is released for each phase of the project being implemented.

In the circumstances, the management was in breach of the law.

## 2.0 Bank Balances in Closed Projects

Annex 5 to the financial statements reflects bank balances of Kshs.48,227,265.88 in various project management committees' bank accounts as at 30 June 2018. The annex includes balances for six (6) closed projects totaling of Kshs.2,007,525 and which had not been refunded to the Fund's main account as detailed below:

No.	PMC	Balance as at 30/06/2018 (Kshs.)
1	Makupa Primary School	159,928
2	Tudor Primary School	125,864
3	Mbheni Primary School	465,081
4	Sacred Heart Primary School	391,303
5	Ronald Ngala Primary School	517,052
6	Sereni Primary School Library	348,297
	<b>Total</b>	<b>2,007,525</b>

This is contrary to Section 12 (8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account. Therefore, the management was in breach of the laws.

## 3.0 Unutilized Funds

Included in the list of project management committees' bank balances of Kshs.48,227,265.88 at annex 5 to the financial statements are six (6) projects with total disbursement of Kshs.15,000,000 as disbursed in the year 2016 as detailed below:

No.	Project Name	Activity	Date of Disbursement	Amount (Kshs.)
1	Mwembe Tayari public toilet	Construction of a toilet	06/12/2016	1,000,000
2	Shimanzi public toilet	Construction of a toilet	06/12/2016	1,000,000
3	Old town public toilet	Construction of a toilet	20/12/2016	1,000,000
4	Tudor public toilet	Construction of a toilet	20/12/2016	1,000,000

No.	Project Name	Activity	Date of Disbursement	Amount (Kshs.)
5	Tononoka public toilet	Construction of a toilet	20/12/2016	1,000,000
6	Mvita Stima Secondary	Conversion of Ziwani Primary into Secondary	06/12/2016	10,000,000
	<b>Total</b>			<b>15,000,000</b>

Information available indicates that the toilet projects could not be implemented because the activity falls under devolved functions. In addition, the Kshs. 10,000,000 for conversion of Ziwani Primary into a secondary school has been lying in the project management committee's bank account since year 2016 after the NG-CDF Board declined to approve request to reallocate the funds to construct of student hostels at Technical University of Mombasa. The management has not clearly explained why the above funds have not been returned to the main account to await reallocation. This implies allocation of funds to non-priority projects at the expense of more deserving projects that would improve service delivery to the residents of Mvita Constituency.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash basis) and for such internal control as management determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of the National Constituencies Development Fund – Mvita Constituency to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the National Constituencies Development Fund – Mvita Constituency financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

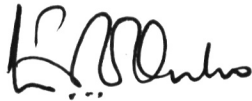
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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.
- 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 – Mvita 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 National Government Constituencies Development Fund – Mvita Constituency 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 National Government Constituencies Development Fund – Mvita Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**11 April 2019**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MVITA  
CONSTITUENCY**

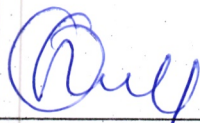
**Reports and Financial Statements**

**For the year ended June 30, 2018**

**III. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	73,515,516.00	104,031,659.60
Proceeds from Sale of Assets	2	-	
Other Receipts	3	10,000.00	74,000.00
<b>TOTAL RECEIPTS</b>		<b>73,525,516.00</b>	<b>104,105,659.60</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,087,787.00	3,371,987.00
Use of goods and services	5	4,177,515.00	8,208,682.03
Transfers to Other Government Units	6	45,392,240.00	70,745,970.00
Other grants and transfers	7	19,985,990.00	56,233,128.00
Acquisition of Assets	8	-	
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>71,643,532.00</b>	<b>138,559,767.03</b>
<b>SURPLUS/DEFICIT</b>		<b>1,881,984.00</b>	<b>(34,454,107.43)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mvita NG-CDF financial statements were approved on 24/9/2018 and signed by:



Chairman -NG-CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MVITA  
CONSTITUENCY**

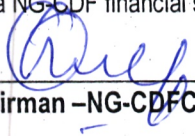
**Reports and Financial Statements**

**For the year ended June 30, 2018**

**IV STATEMENTS OF FINANCIAL ASSETS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	16,431,097	14,549,113
Cash Balances (cash at hand)	10B	-	-
Total cash and cash equivalent		16,431,097	14,549,113
	11	-	
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>16,431,097</u></b>	<b><u>14,549,113</u></b>
Financial liabilities			
Accounts payables - Deposits and Retention	12	-	-
<b>NET FINANCIAL ASSETS</b>		<b>16,431,097</b>	<b>14,549,113</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	14,549,113	41,973,049
Surplus/Deficit for the year		1,881,984	(34,454,107)
Prior year adjustments	14		7,030,170
<b>Net Financial Assets</b>		<b><u>16,431,097</u></b>	<b><u>14,549,113</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mvita NG-CDF financial statements were approved on 24/9/18 2018 and signed by:

  
Chairman -NG-CDFC

  
Fund Account Manager

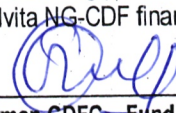
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MVITA  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

**IV. STATEMENT OF CASHFLOW**

Receipts for operating income	Note	2017 - 2018	2016 - 2017
Transfers from CDF Board	1	73,515,516.00	104,031,659.60
Other Receipts	3	10,000.00	74,000.00
		<b>73,525,516.00</b>	<b>104,105,659.60</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,087,787.00	3,371,987.00
Use of goods and services	5	4,177,515.00	8,208,682.03
Transfers to Other Government Units	6	45,392,240.00	70,745,970.00
Other grants and transfers	7	19,985,990.00	56,233,128.00
Other Payments	9	-	-
		<b>71,643,532.00</b>	<b>138,559,767.03</b>
<b>Adjusted for:</b>			
Adjustments during the year	14		7030,169.90
<b>Net cash flow from operating activities</b>		<b>1,881,984.00</b>	<b>(27,423,937.53)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>1,881,984.00</b>	<b>(27,423,937.53)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>14,549,112.85</b>	<b>41,973,050.38</b>
<b>Cash and cash equivalent at END of the year</b>		<b>16,431,096.85</b>	<b>14,549,112.85</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.  
The Mvita NG-CDF financial statements were approved on 24/9/18 2018 and signed by:


  
Chairman CDFC — Fund Account Manager

**AT AL EN ON UF S L EN NI VI OI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**V. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,345	56,038,767	142,849,112	88,074,629	54,774,483	62%
Proceeds from Sale of Assets			-	-	-	
Other Receipts	-	-	-	10,000	(10,000)	
<b>TOTAL</b>	<b>86,810,345</b>	<b>56,038,767</b>	<b>142,849,112</b>	<b>88,084,629</b>	<b>54,764,483</b>	<b>62%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,084,948	682,759	3,767,707	2,087,787	1,679,920	55%
Use of goods and services	4,727,983	341,379	5,069,362	4,177,515	891,847	82%
Transfers to Other Government Units	35,895,385	14,589,353	50,484,738	45,392,240	5,092,498	90%
Other grants and transfers	38,425,001	35,748,250	74,173,251	19,985,990	54,187,261	27%
Acquisition of Assets	-		-	-	-	#DIV/0!
Other Payments	4,677,027	4,677,027	9,354,054		9,354,054	
<b>TOTAL</b>	<b>86,810,345</b>	<b>56,038,767</b>	<b>142,849,112</b>	<b>71,643,532</b>	<b>71,205,580</b>	<b>50%</b>

The Mvita NG-CDF financial statements were approved on 24/9 2018 and signed by:

  
 \_\_\_\_\_  
 Chairman NG-CDF

  
 \_\_\_\_\_  
 Fund Account Manager

**VI. 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 fund. 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 fund.

**2. Recognition of revenue and expenses**

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

**3. In-kind contributions**

In-kind contributions are donations that are made to the fund 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 fund 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 – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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**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 fund 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 fund'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 fund'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, 2018.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**VII. NOTES TO THE FINANCIAL STATEMENTS**

<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>				
	Description		<b>2017 - 2018</b>	<b>2016 -2017</b>
			<b>Kshs</b>	<b>Kshs</b>
<b>1330407</b>	Normal Allocation	AIE NO.A855949	5,500,000.00	
		AIE NO. A892604	30,110,344.00	
		AIE NO. A825708	37,905,172.00	
		AIE NO. A829943		4,094,027.60
		AIE NO. A839552		46,384,183.00
		AIE NO. A825708		3,700,000.00
		AIE NO. A855560		36,853,449.00
		AIE NO. A855595		3,000,000.00
		AIE NO. A839691		10,000,000.00
<b>1330408</b>	Conditional grants			-
		AIE NO...	-	
<b>1330409</b>	Receipt from other Constituency	AIE NO...	-	
	<b>TOTAL</b>		<b>73,515,516.00</b>	<b>104,031,659.60</b>

<b>3 OTHER RECEIPTS</b>				
	Description		<b>2017 - 2018</b>	<b>2016 -2017</b>
			<b>Kshs</b>	<b>Kshs</b>
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of tender documents		10,000	74,000
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	<b>Total</b>		<b>10,000</b>	<b>74,000</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>2110000 4 COMPENSATION OF EMPLOYEES</b>				
	<b>Description</b>		<b>2017 - 2018</b>	<b>2016-2017</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees		1,500,071.00	1,960,158.00
2110202	Basic wages of casual labour		-	-
	<b>Personal allowances paid as part of salary</b>		-	-
2110301	House allowance		324,156.00	247,848.00
2110314	Transport allowance		182,000.00	201,000.00
2110320	Leave allowance		40,000.00	
2110326	Other personnel payments		20,000.00	126,000.00
2120101	Employer contribution to NSSF		21,560.00	26,800.00
2710120	gratuity		-	810,181.00
	<b>Total</b>		<b>2,087,737.00</b>	<b>3,371,987.00</b>

<b>2200000 5 USE OF GOODS AND SERVICES</b>				
	<b>Description</b>		<b>2017 - 2018</b>	<b>2016 -2017</b>
			<b>Kshs</b>	<b>Kshs</b>
2210104	Office rent	680,000.00	680,000.00	
2210300	Domestic travel and subsistence		-	
2210500	Printing, advertising and information supplies & services		96,181.00	285,252.00
2210700	Training expenses		864,000.00	1,198,000.00
2210800	Hospitality supplies and services		517,519.00	346,500.00
2210802	Other committee expenses	1,317,300.00	2,497,560.03	
2210809	Committee allowance	674,000.00	2,654,100.00	
2211100	Office and general supplies and services			474,600.00
2211300	Other operating expenses		28,515.00	72,670.00
	<b>Total</b>		<b>4,177,515.00</b>	<b>8,209,882.03</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			
	<b>Description</b>		<b>2017 - 2018</b>	<b>2016 -2017</b>
			<b>Kshs</b>	<b>Kshs</b>
2630204	Transfers to primary schools		34,692,240.00	50,543,345.00
2630205	Transfers to secondary schools		10,700,000.00	16,202,625.00
2630206	Transfers to Tertiary institutions		-	4,000,000.00
2630207	Transfers to Health institutions		-	
	<b>TOTAL</b>		<b>45,392,240.00</b>	<b>70,745,970.00</b>

<b>2640000</b>	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>			
	<b>Description</b>		<b>2017 - 2018</b>	<b>2016 -2017</b>
			<b>Kshs</b>	<b>Kshs</b>
2640101	Bursary -Secondary		-	12,127,518.00
2640102	Bursary -Tertiary		18,109,990	16,633,848.00
2640104	Bursary-Special schools		240,000.00	
2640105	Mocks & CAT		-	2,265,000.00
2640504	water		-	-
2640505	Health		-	-
2640506	Electricity projects		-	-
2640507	Security		-	5,550,000.00
2640508	Roads		-	9,832,254.00
2640509	Sports		1,636,000.00	2,291,681.00
2640510	Other capital grants and transfer		-	5,000,000.00
2640200	Emergency Projects (specify)		-	2,532,827.00
	<b>Total</b>		<b>19,985,990.00</b>	<b>56,233,128.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

3100000	8 ACQUISITION OF ASSETS			
	<u>Non Financial Assets</u>		2017 - 2018	2016 - 2017
			Kshs	Kshs
3111001	Purchase of Office furniture and fittings		-	-
3111002	Purchase of computers ,printers and other IT equipments		-	-
	<b>Total</b>		-	-

10A: Bank Balances (cash book bank balance)				
Name of Bank, Account No. & currency			2017 - 2018	2016 - 2017
	Account Number		Kshs (30/6/2018)	Kshs (30/6/2017)
<i>Equity Bank Digo Road Branch Mombasa</i>	460297599144		16,431,096.85	14,549,112.85
<b>Total</b>			<b>16,431,096.85</b>	<b>14,549,112.85</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

11: Cash in Transit				
Name of Bank, Account No. & currency		Account Number	2017 - 2018 Kshs (30/6/2018)	2016 - 2017 Kshs (30/6/2017)
			-	-
<b>Total</b>				

13 BALANCES BROUGHT FORWARD				
			2017 - 2018 Kshs (1/1/2017)	2015 - 2016 Kshs (1/7/2016)
	Bank accounts		14,549,112.85	41,973,050.38
	Cash in hand		-	-
<b>Total</b>			<b>14,549,112.85</b>	<b>41,973,050.38</b>

14				
		PRIOR YEAR ADJUSTMENTS	2017 - 2018 Kshs	2016 - 2017 Kshs
	Bank accounts			
	Reallocation of funds		-	7,030,169.90
	Imprest		-	-
			-	-
<b>Total</b>				<b>7,030,169.90</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
 CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2018**

	OTHER IMPORTANT DISCLOSURES		
<b>15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Supply of services		-	340,000.00
<b>TOTAL</b>		-	<b>340,000.00</b>

<b>15.2: PENDING STAFF PAYABLES (See Annex 2)</b>			
		<b>2016 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
Senior management		-	-
Middle management		449,700.00	212,350.00
<b>TOTAL</b>		<b>449,700.00</b>	<b>212,350.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>15.3: OTHER PENDING PAYABLES (See Annex 3)</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
	Amounts due to other Government entities (see attached list)	<b>3,241,796.00</b>	627,862.00
	Others (specify)	13,288,766.85	3,000,000.00
	<b>TOTAL</b>	<b>16,431,096.85</b>	<b>3,627,862.00</b>

<b>15.4: Pmc account balances (See Annex 5)</b>			
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
	PMC balances	48,227,265.88	31,974,158.50
	<b>TOTAL</b>	<b>48,227,265.88</b>	<b>31,974,158.50</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS  
PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2,018	Outstanding Balance 2,017
		b	c	d=a-c	
Supply of services					
10. Office rent					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**ANNEX 2 - ANALYSIS OF PENDING STAFF  
PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017
		a	b	c	d=a-c	
<b>Middle Management</b>						
4. MduduBakari	j		Apr-14		114,220.00	57,110.00
5. EvelyneTatu	h		Jan-17		72,000.00	36,000.00
6. WahidaAbdalla	h		Feb-18		25,000.00	-
7. Mohamed Hussein	j		Apr-14		54,000.00	27,000.00
8. Stella Matunda	J		february 2016		184,480.00	92,240.00
<b>Sub-Total</b>		-		-	<b>449,700.00</b>	<b>212,350.00</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MVITA  
 CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017
		a	b	c	d=a-c	
<b>Amounts due to other Government entities</b>						
1. Sharriff Nassir Girls	Construction of classrooms	500,000			500,000	
2. Enviroment	Planting of trees	2,741,796			2,741,796	
3.						
<b>Sub-Total</b>		<b>3,241,796</b>			<b>3,241,796</b>	
<b>Others (specify)</b>						
8. Committee allowance	Paying allowance to cdfc/interconstitue ncy visit	2,500,000			2,500,000	
9. compensation of employees	Paying staff salaries and gratuity	2,500,000			2,500,000	
10. social Security prog	Support	8,189,300.85			8,189,300.85	
<b>Sub-Total</b>		<b>13,189,300.85</b>			<b>13,189,300.85</b>	
<b>Grand Total</b>		<b>16,431,096.85</b>			<b>16,431,096.85</b>	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – MVITA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost	Historical Cost
	(Kshs) 2017/18	(Kshs) 2016/17
Land		
Buildings and structures		
Transport equipment	176,320	176,320
Office equipment, furniture and fittings	556,148	556,148
ICT Equipment, Software and Other ICT Assets	1,482,910	1,482,910
Other Machinery and Equipment	135,000	135,000
<b>Total</b>	<b>2,350,378</b>	<b>2,350,378</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MVITA  
 Reports and Financial Statements  
 For the year ended June 30, 2018

ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018

PMC	Bank	Bank Balance 2017/18	Bank Balance 2016/17
Makupa primary library	Equity	159,928	159,928
Tudor primary library	Equity	125,864	125,864
Mbheniprimary library	Equity	465,081	465,081
Sacred heart primary library	Equity	391,303	391,303
Ronald ngala primary library	Equity	517,052	517,052
Seraniprimary library	Equity	348,297.50	348,297.50
Ronald ngala social hall	Gulf African Bank	6,300,500	7,300,000
Tononoka toilet	Equity	1,000,000	1,000,000
Tudor toilet	Equity	1,000,000	1,000,000
Majengo toilet	Equity	1,000,000	1,000,000
Old town toilet	Equity	1,000,000	1,000,000
shimanzi	Equity	1,000,000	1,000,000
Mvitastima secondary	Equity	10,000,000	10,000,000
Mbheni/bondeni complex	Equity	2,000,000	5,519,663
Allidina High school	Equity	1,500,000	0
Sharriff girls high school social hall	Equity	3,000,000	0
Star Of the Sea	Equity	1,300,000	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MVITA**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

<b>PMC</b>	<b>Bank</b>	<b>Bank Balance 2017/18</b>	<b>Bank Balance 2016/17</b>
Ronald Ngala football Pitch	Equity	9,995,386,38	0
Sharrif Nassir girls labaratory	Equity	1,600,000	0
Majengo primary school	Equity	827,000	2,147,000
Mvita Primary	Equity	2,696,854	0
Serani Secondary school	Equity	2,000,000	
<b>Total</b>		<b>48,227,265.88</b>	<b>31,974,158.50</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- MVITA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**MVITA ASSET REGISTER**

**AS AT 30TH JUNE 2018**

Constit. Code	Asset Name/ Description	Asset Tag No.	Serial Number	Acquist Date	Physical Location	Current Condition
10604	OFFICE DESK	CDF/10604/001	NONE	2006	CDF OFFICE	
10604	OFFICE DESK	CDF/10604/002	NONE	2006	CDF OFFICE	BROKEN
10604	OFFICE DESK	CDF/10604/003	NONE	2006	CDF OFFICE	GOOD
10604	NOTICE BOARD	CDF/10604/004	NONE	2006	CDF OFFICE	GOOD
10604	CASH BOX	CDF/10604/005	NONE	2006	CDF OFFICE	GOOD
10604	MONITOR, CPU, KEYBOARD, MOUSE	CDF/10604/006	64180-58J-32J1, CN-OTC670- 70821-570-F14H, CNOW7657- 37172-57E-0620,528068934			
10604	UPS	CDF/10604/007	NONE	2006	CDF OFFICE	NOT WORKING
10604	MONITOR, CPU, KEYBOARD, MOUSE	CDF/10604/008	64180-585-32HU, CN-OTC670- 70821-57E-B2RX, CNOW7657- 32172-57J-02RS	2006	CDF OFFICE	NOT WORKING
10604	UPS	CDF/10604/009	NONE	2006	CDF OFFICE	NOT WORKING
10604	CPU, KEYBOARD, MOUSE			2006	CDF OFFICE	NOT WORKING
10604	UPS	CDF/10604/010	NONE	2006	CDF OFFICE	NOT WORKING
10604	MONITOR, CPU, KEYBOARD, MOUSE	CDF/10604/011	CN-OW9598-64180-58J-32GW	2006	CDF OFFICE	NOT WORKING
10604	SYSTEM UNIT, KEYBOARD MOUSE	CDF/10604/012	0043-691-256-199	2006	CDF OFFICE	NOT WORKING
10604	UPS	CDF/10604/013	AN6G02020	2006	CDF OFFICE	NOT WORKING
10604	MONITOR, SYSTEM UNIT, KEYBOARD, MOUSE	CDF/10604/014	CNOW9598-64180- 572J-0BU	2006	CDF OFFICE	NOT WORKING
10604	UPS	CDF/10604/015	AN6G02017	2006	CDF OFFICE	NOT WORKING
10604	SAMSUNG PRINTER	CDF/10604/016	KRKIJC9602669 ASJ84YC90970	2006	CDF OFFICE	NOT WORKING

NATIONAL CONSTITUTIONAL ELEMENT FUND - MVITA CONSTITUENCY

Reports and Financial Statements  
For the year ended June 30, 2018

10604	HP LASER JET 1020 PRINTER	CDF/10604/017	CNCKL67563	2006	CDF OFFICE	LOST
10604	HP OFFICE JET 4255	CDF/10604/018	CN58SG12XS	2006	CDF OFFICE	LOST
10604	INTERNET SERVER	CDF/10604/019	WNIUO-50	2006	CDF OFFICE	GOOD
10604	MOTOR BIKE	CDF/10604/020	F501035E501035	2006	CDF OFFICE	POOR
10604	MOTOR BIKE	CDF/10604/021	F500999E500999	2006	CDF OFFICE	POOR
10604	HELMET	CDF/10604/022	NONE	2006	CDF OFFICE	LOST
10604	HELMET	CDF/10604/023	NONE	2006	CDF OFFICE	LOST
10604	LAPTOP	CDF/10604/024	CND7100426	2007	CDF OFFICE	GOOD
10604	LAPTOP	CDF/10604/025	CND71003W1	2007	CDF OFFICE	GOOD
10604	CALCULATOR	CDF/10604/026	DJ-240	2008	CDF OFFICE	GOOD
10604	PAPER PUNCH	CDF/10604/027	DP-800	2009	CDF OFFICE	POOR
10604	STAPLER	CDF/10604/028	HD-1224	2009	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/029	CN-OU417N-64180- 03M-04YU	2010	CDF OFFICE	GOOD
10604	UPS	CDF/10604/030	3B1005X50973	2010	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/031	CN-OU417N-64180- 03V-0F5B	2010	CDF OFFICE	GOOD
10604	UPS	CDF/10604/032	3B1005X50561	2010	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/033	CNC951QHFJ	2010	CDF OFFICE	GOOD
10604	UPS	CDF/10604/034	40077600905	2010	CDF OFFICE	GOOD
10604	LAPTOP	CDF/10604/035	CNFG4351MD	2010	CDF OFFICE	GOOD
10604	LAPTOP	CDF/10604/036	7VZ0BL1	2010	CDF OFFICE	GOOD
10604	LAPTOP	CDF/10604/037	5WZ0BL1	2010	CDF OFFICE	LOST
10604	HP PRINTER	CDF/10604/038	CNF9BCG11R	2011	CDF OFFICE	GOOD
10604	DIGITAL CAMERA	CDF/10604/039	NONE	2011	CDF OFFICE	GOOD
10604	HP LASER JET P2055 PRINTER	CDF/10604/040	CNCJG45966		CDF OFFICE	GOOD
10604	HARD DISK	CDF/10604/041	NONE	2011	CDF OFFICE	GOOD
10604	GAS CYLINDER	CDF/10604/042	NONE	2012	CDF OFFICE	GOOD
10604	COOKER	CDF/10604/043	NONE	2012	CDF OFFICE	GOOD

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- MVITA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

10604	EXECUTIVE TABLE	CDF/10604/044	NONE	2014	CDF OFFICE	GOOD
10604	HIGH BACK EXEC. CHAIR	CDF/10604/045	NONE	2014	CDF OFFICE	GOOD
10604	LOW BACK EXEC. CHAIR	CDF/10604/046	NONE	2014	CDF OFFICE	GOOD
10604	LOW BACK EXEC. CHAIR	CDF/10604/047	NONE	2014	CDF OFFICE	GOOD
10604	LOW BACK EXEC. CHAIR	CDF/10604/048	NONE	2014	CDF OFFICE	GOOD
10604	VISITOR'S CHAIR	CDF/10604/049	NONE	2014	CDF OFFICE	GOOD
10604	VISITOR'S CHAIR	CDF/10604/050	NONE	2014	CDF OFFICE	GOOD
10604	CLERICAL DESK	CDF/10604/051	NONE	2014	CDF OFFICE	GOOD
10604	CLERICAL DESK	CDF/10604/052	NONE	2014	CDF OFFICE	GOOD
10604	4DRAWER STEEL CABINET	CDF/10604/053	NONE	2014	CDF OFFICE	GOOD
10604	4DRAWER STEEL CABINET	CDF/10604/054	NONE	2014	CDF OFFICE	GOOD
10604	4DRAWER STEEL CABINET	CDF/10604/055	NONE	2014	CDF OFFICE	GOOD
10604	4DRAWER STEEL CABINET	CDF/10604/056	NONE	2014	CDF OFFICE	GOOD
10604	4DRAWER STEEL CABINET	CDF/10604/057	NONE	2014	CDF OFFICE	GOOD
10604	LOCKABLE STEEL CABINET	CDF/10604/058	NONE	2014	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/059	V9-0101HA	2015	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/060	V9-0101FX	2015	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/058	V9-0101FA	2015	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/062	V9-0101H9	2015	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/063	V9-0102PD	2015	CDF OFFICE	GOOD
10604	DESKTOP COMPUTER	CDF/10604/064	V9-0102ME	2015	CDF OFFICE	GOOD
10604	SMART TV 40"	CDF/10604/065		2015	CDF OFFICE	GOOD
10604	PRINTER	CDF/10604/066		2015	CDF OFFICE	GOOD
10604	SUMSUNG FRIDGE	CDF/10604/067		2015	CDF OFFICE	GOOD
10604	SCANNER	CDF/10604/068				

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**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)
1.	Budget performance analysis	There was overexpenditure on the transfer to other government unit vis a vis the budget for the year which was a result of utilization of funds received in the prior financial year but spent in the current financial year	Monica -Fam	Resolved	
2.	Project implementation	Some of the projects are complete and in use while some were ongoing. The projects which were facing some challenges hence delay in their implementation.	Monica -Fam	Resolved	
3.	Idle funds.	The funds were earmarked for reallocation to another projects.	Monica -Fam	Resolved	
4.	Compensation of employees	Misstatement of employees balances and the error has been rectified in the financial statements	Monica -Fam	Resolved	
4.2	Stalled projects	The construction of fishponds at makande and tudor primary were done in phase since the funds were little and CDFC have set aside funds for the completion of the project	Monica -Fam	Resolved	

2

11/11/11