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REPORT

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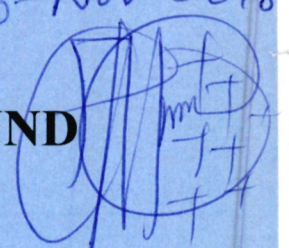
THE AUDITOR-GENERAL

ON

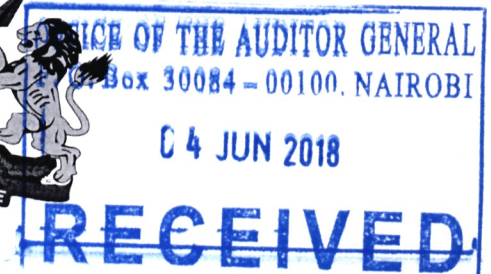
*Paper Laid on the
Table of the
House by the
Leader of
the Majority Party
on Tuesday*

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KITUI WEST CONSTITUENCY**

06-Nov-2018



**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KITUI WEST CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

AMENDED

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

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC).....	3
III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES	5
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	6
V. STATEMENT OF ASSETS.....	7
VI. STATEMENT OF CASHFLOW	8
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	9
VIII. SIGNIFICANT ACCOUNTING POLICIES	11
IX. NOTES TO THE FINANCIAL STATEMENTS	13

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2014. 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 constituencies for purposes of infrastructural development, wealth creation and fight against poverty in the constituency level.

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder (F.A.M)	Nicholas N. Kimanzi
3.	District Accountant	Antony M. Mutwii

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of KITUI WEST 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) KITUI WEST NG-CDF Headquarters

P.O. Box 244-90205
NGUNSTE HOUSE PG 1
Kabati – Tulia Road
Kabati Market, KENYA

***NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY***

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

(f) KITUI WEST NG-CDF Contacts

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E-mail: kituiwestcdf@yahoo.com
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(g) KITUI WEST NG-CDF Bankers

Equity Bank
Kitui
0720 262 084 328
Kitui Town

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

INTRODUCTION

Kitui West Constituency is one of the constituencies that were created in 2013 and was curved from the old Kitui West Constituency. It comprises of a population of about 102,316 with a poverty head count of 26.53 as per the 2009 census.

The NG-CDFC has always dedicated time to ensure prudent allocation of resources received from the NG-CDF Board within the four wards in the constituency. Since its inception, the NG-CDFC has completed several development projects that are geared towards infrastructural development, wealth creation and fighting against poverty in the constituency.

During the financial year 2016/2017, the NG-CDFC was able to utilize 79% of its allocated resources. At the closure of the financial year, the constituency had unutilised fund amounting to Kshs. 5,954,133.32 out of the funds received of Kshs. 106,645,106.60. The implementation of funded projects was slow due to delay in disbursement of funds by the NG-CDF Board.

2016 /2017 FINANCIAL YEAR ACHIEVEMENTS

During the financial year 2016/2017, NG-CDF contributed towards acquisition of three school buses. The buses are a blessing to the students as they enable them to travel easily and comfortably whenever they have functions. NG-CDF was able to rehabilitate and construct 55 classrooms which gave learners conducive learning environment. One dispensary was also completed during the year which brought health services closer to the people. To facilitate effective monitoring and evaluation of NG-CDF projects, the NG-CDFC acquired a motor vehicle during the financial year. Last but not the least, the NG-CDFC started the process of constructing the CDF offices which when completed will go a long way in improving service delivery to the public and working environment for the staff.

EMERGING ISSUES

During the financial year 2016/2017, NG-CDF was unable to proceed with some of the projects it had been engaging in due to devolution of some departments such as health and water. The public confidence in NG-CDF declined due to the court case that was challenging the legality of the fund. The performance contracting that was introduced for NG-CDFCs improved the performance of NG-CDFC to a greater extent. During the financial year, Kitui West NG-CDFC was the best evaluated constituency in Eastern Region and sixth nationally. By the closure of the year, the NG-CDF Board had released only 80% of the total budget for the year, thus creating uncertainty on the implementation of the remaining projects given the fact that the country was going to the general elections in August 2017.

IMPLEMENTATION CHALLENGES

Political influence from some opinion leaders to some extent became a challenge in the allocation of resources within the constituency. Such influence could affect the fair distribution of resources. Failure to involve the technical department in the implementation of NG-CDF projects by the PMCs was a major challenge during the year. This is however prompted by the fact that there are no enough officers in the technical departments.

***NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY***

Reports and Financial Statements

For the year ended June 30, 2017

The projects were spread thinly during the year. This resulted to underfunding and majority of these projects remained incomplete.

In view of the above challenges, the NG-CDFC is advised to allocate sufficient funds to the projects to avoid stalled projects. On the other hand, the on-going/incomplete projects should take precedence in the allocation of project funds.



CHAIRMAN NG-CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES

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

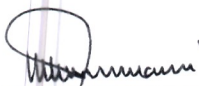
The Accounting Officer in charge of the *Kitui West National Government Constituency Development Fund* is responsible for the preparation and presentation of the Kitui West *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the Kitui West *NG-CDF* for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *NG-CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *NG-CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the *Kitui West NG-CDF* accepts responsibility for the *NG-CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NG-CDF's* financial statements give a true and fair view of the state of *NG-CDF's* transactions during the financial year ended June 30, 2017, and of the *NG-CDF's* financial position as at that date. The Accounting Officer in charge of the *Kitui West NG-CDF* further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *NG-CDF's* financial statements were approved and signed by the Accounting Officer on 18th July, 2017.



Fund Account Manager



Chairman- NG-CDFC

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund- Kitui West Constituency set out on pages 6 to 31, which comprise statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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- Kitui West Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

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

Basis for Qualified Opinion

1.0 Unsupported Bursary Fund

Note 7 to the financial statements reflects other grants and other payments totaling to Kshs.36,540,984 which included bursary disbursements to secondary, tertiary and special schools of Kshs.12,073,000, Kshs.10,508,525 and Kshs.44,000 respectively all totaling to Kshs.22,625,525 as at 30 June 2017. However, out of the Kshs.22,625,525 bursaries disbursed only bursaries totaling to Kshs.4,703,000 were acknowledged by the respective beneficiary institutions through issuance of receipts

while the balance of Kshs.17,922,525 remained unacknowledged by the recipient institutions.

Consequently, the propriety, accountability and value for money of the Kshs.17,922,525 could not be ascertained as at 30 June 2017.

2.0 Doubtful Expenditure on Bench Marking

During the year under review, the Fund spent Kshs. 905,400 toward benchmarking and team building tour in Mombasa for fourteen members including Constituency Development Fund Committee Members. However, an amount of Kshs. 220,000 was paid to Gasara Hotel vide R/N 818 dated 19 April 2017 to cater for accommodation of 11 people for 4 days who had earlier been paid a total of Kshs. 570,000 as daily subsistence allowance for the same purpose.

In the circumstance, the propriety and value for money of Kshs.570,000 paid as subsistence allowance could not be ascertained as at 30 June 2017.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Kitui West 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 and Other Matter sections of my report, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Budget and Budgetary Control

During the year under review, the Fund approved a budget of Kshs.136,976,131 comprising of Kshs.81,896,552 for the year under review and Kshs.55,079,579 brought forward from the previous year. However, the Fund received Kshs.106,648,107 from the National Government Constituency Development Fund Board resulting to a revenue shortfall of Kshs.30,328,024 being fund not received from the Board.

Further, out of the total budget of Kshs.136,976,131, only Kshs.105,076,722 (77%) was utilized to fund both recurrent and development items. An amount of Kshs.31,899,408 budgeted to be spent during the financial year ended 30 June 2017 was therefore not spent as follows;

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	Performance
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	%
Transfers from CDF Board	81,896,552	55,079,579	136,976,131	106,645,107	30,331,024	78
Total Receipts	81,896,552	55,079,579	136,976,131	106,645,107	30,331,024	
Compensation of Employees	1,604,800	1,346,817	2,951,617	2,019,622	931,995	68
Use of goods and services	5,765,890	4,764,837	10,530,727	8,754,429	1,776,298	83
Transfers to Other Government Units	35,020,000	17,700,000	52,720,000	39,400,000	13,320,000	75
Other grants and transfers	27,844,828	24,567,272	52,412,100	36,540,984	15,871,116	70
Other Payment	753,566	0	753,566	753,566	0	100
Acquisition of Assets	10,907,468	6,700,653	10,907,468	17,608,121	0	100
TOTALS	81,896,552	55,079,579	136,976,131	105,076,722	31,899,408	77

In the circumstances, the residents of Kitui West Constituency did not receive promised and expected services equivalent to the unspent funds totaling to Kshs.31,899,408 as at 30 June 2017.

2. Project Implementation Status

The approved budget for development projects was apportioned among various sectors in the constituency namely; primary schools, secondary schools, security, sports, environment, emergency projects, administration and committee expenses. However, out of 111 projects that were budgeted to be undertaken during the year, 94 projects totaling to Kshs.40,215,509 were completed, while 17 projects totaling to Kshs.22,407,468.42 were still ongoing as at 30 June 2017 as analyzed below:

Sector	Projects Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of Projects
Education	Completed	27,500,000	27,500,000	44
	Not Started	-	-	0
	On-Going	11,400,000	11,400,000	15

	Sub- Total	38,900,000	38,900,000	59
Health	Completed	500,000	500,000	1
	Not Started	-	-	0
	On-Going	-	-	0
	Sub- Total	500,000	500,000	1
Sports	Completed	2,013,937	2,013,937	1
Emergency	Completed	6,586,084	6,586,084	34
Security	Completed	300,000	300,000	1
	Not Started	-	-	0
	On-Going	1,000,000	1,000,000	2
	Sub- Total	1,300,000	1,300,000	3
Environment	Completed	2,013,937	2,013,937	8
Others	Completed	7,887,635	7,887,635	4
	On-Going	10,007,468.42	10,007,468.42	1
	Sub- Total	17,895,103.42	17,895,103.42	5
Grand Total		69,209,061.42	69,209,061.42	111

In the circumstance, it was not possible to ascertain that the Fund would implement all projects as budgeted and constituents will get value for money.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the

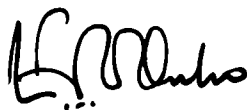
provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue offering 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 consolidated/ 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 Offering 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 of the fund's activities 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

23 August 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

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

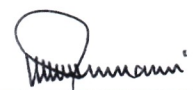
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015-2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	106,645,106.60	50,000,000.00
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	3,000.00	0
TOTAL RECEIPTS		106,648,106.60	50,000,000.00
PAYMENTS			
Compensation of employees	4	2,019,622.04	1,322,683.00
Use of goods and services	5	8,754,429.00	6,371,444.00
Transfers to Other Government Units	6	39,400,000.00	57,437,931.00
Other grants and transfers	7	36,540,984.00	32,086,255.00
Acquisition of Assets	8	17,608,121.42	316,000.00
Other Payments	9	753,566.00	1,431,434.00
TOTAL PAYMENTS		105,076,722.46	98,965,747.00
SURPLUS/DEFICIT		1,571,384.14	(48,965,747.00)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI WEST NG-CDF financial statements were approved on 18th July, 2017 and signed by:



Chairman - NG-CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
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 cash book)	10A	5,954,133.32	4,382,749.18
Cash Balances (cash at hand)	10B	0	0
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		<u>5,954,133.32</u>	<u>4,382,749.18</u>
REPRESENTED BY			
Retention	12	0	0
Fund balance b/fwd	13	4,382,749.18	53,348,496.18
Surplus/Deficit for the year		1,571,384.14	(48,965,747.00)
Prior year adjustments	14	0	0
NET LIABILITIES		<u>5,954,133.32</u>	<u>4,382,749.18</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI WEST NG-CDF financial statements were approved on 18th July, 2017 and signed by:



Chairman - NG-CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUI WEST
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 NG-CDF Board	1	106,645,106.60	50,000,000.00
Other Receipts	3	3,000.00	0
Payments for operating expenses			
Compensation of Employees	4	2,019,622.04	1,322,683.00
Use of goods and services	5	8,754,429.00	6,371,444.00
Transfers to Other Government Units	6	39,400,000.00	57,437,931.00
Other grants and transfers	7	36,540,984.00	32,086,255.00
Other Payments	9	753,566.00	1,431,434.00
Adjusted for:			
Adjustments during the year	14	0	0
Net cash flow from operating activities		19,179,505.56	(48,649,747.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	17,608,121.42	316,000.00
Net cash flows from Investing Activities		(17,608,121.42)	(316,000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,571,384.14	(48,965,747.00)
Cash and cash equivalent at BEGINNING of the year	13	4,382,749.18	53,348,496.18
Cash and cash equivalent at END of the year	10 A	5,954,133.32	4,382,749.18

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KITUI WEST NG-CDF financial statements were approved on 18th July, 2017 and signed by:



Chairman NG-CDFC



Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI WEST CONSTITUENCY

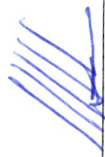
**Reports and Financial Statements
For the year ended June 30, 2017**

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	81,896,551.71	55,079,579.18	136,976,130.89	106,645,106.60	30,331,024.29	78
Proceeds from Sale of Assets	0	0	0	0	0	
Other Receipts	0	0	0	3,000.00	(3,000.00)	
Total Receipts	81,896,551.71	55,079,579.18	136,976,130.89	106,648,106.60	30,328,024.29	78
PAYMENTS						
Compensation of Employees	1,604,800.00	1,346,817.00	2,951,617.00	2,019,622.04	931,994.96	68
Use of goods and services	5,765,889.70	4,764,837.18	10,530,726.88	8,754,429.00	1,776,297.88	83
Transfers to Other Government Units	35,020,000.00	17,700,000.00	52,720,000.00	39,400,000.00	13,320,000.00	75
Other grants and transfers	27,844,827.59	24,567,272.00	52,412,099.59	36,540,984.00	15,871,115.59	70
Acquisition of Assets	10,907,468.42	6,700,653.00	17,608,121.42	17,608,121.42	0	100
Other Payments	753,566.00	0	753,566.00	753,566.00	0	100
TOTALS	81,896,551.71	55,079,579.18	136,976,130.89	105,076,722.46	31,899,408.43	77

The KITUI WEST NG-CDF financial statements were approved on 18th July, 2017 and signed by:

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



Chairman NG-CDF



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUI WEST
CONSTITUENCY**

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *NG-CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2017.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
NG-CDF Board			
AIE NO. 2015/2016/912	50,696,830.00		30,000,000.00
AIE NO. 2016/2017/128	4,094,827.60		20,000,000.00
AIE NO. 2016/2017/354	36,853,449.00		
AIE NO. 2016/2017/491	10,000,000.00		
AIE NO. 2016/2017/492	5,000,000.00		
		106,645,106.60	50,000,000.00
TOTAL		106,645,106.60	50,000,000.00

2. PROCEEDS FROM SALE OF ASSETS

	2016 – 2017	2015 – 2016
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	3,000.00	0
Other Receipts Not Classified Elsewhere	0	0
Total	3,000.00	0

4. COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,165,135.51	1,044,083.00
Basic wages of casual labour	77,300.00	38,000.00
Employer Contribution to NSSF	17,200.00	12,600.00
Personal allowances paid as part of salary		
House allowance	142,400.00	135,000.00
Transport allowance	98,000.00	93,000.00
Gratuity	519,586.53	0
Total	2,019,622.04	1,322,683.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 – 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	111,357.00	84,869.00
Office Rent	360,000.00	300,000.00
Communication, supplies and services	677,941.00	101,000.00
Domestic travel and subsistence	1,247,800.00	1,160,300.00
Training expenses	1,469,400.00	375,000.00
Hospitality supplies and services	450,093.00	550,791.00
Committee expenses	3,061,000.00	2,871,400.00
Office and general supplies and services	1,139,122.00	918,844.00
Other operating expenses	11,220.00	9,240.00
Routine maintenance- other assets	226,496.00	0
TOTAL	8,754,429.00	6,371,444.00

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	23,200,000.00	32,337,931.00
Transfers to secondary schools	15,700,000.00	23,300,000.00
Transfers to tertiary institutions	0	600,000.00
Transfers to health institutions	500,000.00	1,200,000.00
TOTAL	39,400,000.00	57,437,931.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – Secondary schools	12,073,000.00	6,732,000.00
Bursary – Tertiary institutions	10,508,525.00	5,823,225.00
Bursary – Special schools	44,000.00	20,000.00
Mocks/CAT	2,768,085.00	0
Water projects	0	11,498,619.00
Security projects	1,000,000.00	3,450,000.00
Roads projects	0	700,000.00
Sports projects	2,013,937.00	1,902,411.00
Environment projects	2,013,937.00	0
Emergency projects	6,119,500.00	1,960,000.00
Total	36,540,984.00	32,086,255.00

8. ACQUISITION OF ASSETS

Non-Financial Assets

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Office Furniture and General Equipment	0	131,000.00
Purchase of photocopier	0	185,000.00
Construction of Buildings	10,007,468.42	0
Purchase of Vehicles	6,700,653.00	0
Purchase of ICT Equipment, Software and other ICT Assets	900,000.00	0
Total	17,608,121.42	316,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Constituency Strategic Plan	753,566.00	1,431,434.00
	753,566.00	1,431,434.00

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 – 2017	2015 - 2016
	Kshs	Kshs
<i>Equity Bank, 0720 262 084 328.</i>	5,954,133.32	4,382,749.18
Total	5,954,133.32	4,382,749.18

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 – 2017	2015 - 2016
	Kshs	Kshs
Location 1	0	0
Total	0	0

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
N/A	N/A	0	0	0
Total				0

12: RETENTION

	2017 - 2016	2015 - 2016
	Kshs	Kshs
Supplier	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank Accounts	4,382,749.18	53,348,496.18
Cash in hand	0	0
Imprest	0	0
Total	4,382,749.18	53,348,496.18

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank Accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2016-2017	2015-2016
	Kshs	Kshs
Amounts due to other Government entities	13,320,000.00	17,700,000.00
Amounts due to other grants and other transfers	15,871,115.59	24,567,272.00
Compensation of employees	931,994.96	1,346,817.00
Use of goods and services	1,776,297.88	4,764,837.18
Acquisition of Assets	0	6,700,653.00
Total	31,899,408.43	55,079,579.18

15.4: PMC ACCOUNT BALANCES (See Annex 5)

	2016-2017	2015-2016
	Kshs	Kshs
PMC Account Balances	23,450,298.87	0
	23,450,298.87	0

15.5: AMOUNT DUE FROM NG-CDF BOARD

	2016-2017	2015-2016
	Kshs	Kshs
Amount due from NG-CDF Board	25,948,275.11	50,696,830.00
	25,948,275.11	50,696,830.00

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	B	C	d=(a+e)-c	E	
Amounts due to other Government entities		35,020,000.00		39,400,000.00	13,320,000.00	17,700,000.00	
Sub-Total		35,020,000.00		39,400,000.00	13,320,000.00	17,700,000.00	
Amounts due to other grants and other transfers		27,844,827.59		36,540,984.00	15,871,115.59	24,567,272.00	
Sub-Total		27,844,827.59		36,540,984.00	15,871,115.59	24,567,272.00	
Others (specify)							
Compensation of employees		1,604,800.00		2,019,622.04	931,994.96	1,346,817.00	
Use of goods and services		5,765,889.70		8,754,429.00	1,776,297.88	4,764,837.18	
Acquisition of Assets		10,907,468.42		17,608,121.42	0	6,700,653.00	
Other Payments		753,566.00		753,566.00	0	0	
Sub-Total		19,031,724.12		29,135,738.46	2,708,292.84	12,812,307.18	
Grand Total		81,896,551.51		105,076,722.46	31,899,408.43	55,079,579.18	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

a. FIXED ASSETS REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
3 Wooden Coffee Tables	60,000.00	60,000.00
8 Assorted Curtains	80,000.00	80,000.00
3 Steel Reception Chairs	90,000.00	90,000.00
6 Leather High Back Chairs	90,000.00	90,000.00
1 Wooden Conference Table	70,000.00	70,000.00
8 Leather Conference Chairs	80,000.00	80,000.00
7 Leather Visitors Chairs	70,000.00	70,000.00
1 Wooden Workstation	25,000.00	25,000.00
1 Wooden Round Table	20,000.00	20,000.00
2 Wooden Tables	43,000.00	43,000.00
2 Wooden Book Cabinets	30,000.00	30,000.00
1 Watchman's Leather Chair	5,000.00	5,000.00
2 Wooden Coat Hungers	10,000.00	10,000.00
4 Steel Cabinets	80,000.00	80,000.00
2 Executive Wooden Tables	120,000.00	120,000.00
2 Executive Wooden Chairs	80,000.00	80,000.00
1 Secretarial Velvet Chair	12,000.00	12,000.00
1 Wooden Reception Unit	25,000.00	25,000.00
10 Hardened Steel Padlocks	20,000.00	20,000.00
2 HP Printers	40,000.00	40,000.00
1 Kyocera Photocopier	80,000.00	80,000.00
1 Canon Scanner	15,000.00	15,000.00
2 Dell Desktop Computers	100,000.00	100,000.00
2 Mercury UPS	30,000.00	30,000.00
1 '24" Flat Screen LG TV	25,000.00	25,000.00
1 LG DVD Machine	12,000.00	12,000.00
1 TV Antennae	3,500.00	3,500.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

2 Ramtons Water Dispenser	34,000.00	34,000.00
1 Ramtons Fridge	25,000.00	25,000.00
1 Heavy Duty Punching Machine	3,500.00	3,500.00
1 Heavy Duty Stapler	2,500.00	2,500.00
6 Paper Punching Machines	2,700.00	2,700.00
2 Wall Clocks	3,000.00	3,000.00
2 HP Laptops	100,000.00	100,000.00
6 Office Trays	6,000.00	6,000.00
2 Casio Calculators	3,000.00	3,000.00
5 Desk Pen/ Pin Holders	1,500.00	1,500.00
5 Staplers	2,500.00	2,500.00
2 NG-CDF Office Signboards	40,000.00	40,000.00
3 Office Stamps	15,000.00	15,000.00
2 Dual Computer Speakers	1,300.00	1,300.00
1 Cooking Meko	6,500.00	6,500.00
2 Huawei Telephone Headsets	10,000.00	10,000.00
2 Door Bells	4,000.00	4,000.00
1 kyocera Photocopier	185,000.00	185,000.00
1 Executive Office Table	36,000.00	36,000.00
1 Executive office chair	35,000.00	35,000.00
1 Tender Box	15,000.00	15,000.00
1 Bench	20,000.00	20,000.00
1 Noticeboard	18,000.00	18,000.00
2 Suggestion/Complaint Boxes	7,000.00	7,000.00
MIS Installation	900,000.00	0
WiFi Connection	233,972.00	0
Office Telephone System	339,209.00	0
NG-CDF Motorvehicle	6,700,653.00	0
Kitui West NG-CDF Office (Work in Progress)	10,007,468.43	0
TOTAL	20,073,302.43	1,892,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Kasue Primary School	National Bank	01024100619200	501,095.00	0
Kithuiani Primary School	KCB	1210615096	500,000.00	0
Kwa Ndila Primary School	Equity Bank Ltd	0720271471358	500,000.00	0
Ngengekani Primary School	KCB	1200029771	1,150.00	0
Ukuni Primary School	National Bank	01024117802900	690.00	0
St. Patricks Kalindilo Secondary School	National Bank	01020100625400	138,029.80	0
Muthale Primary School	National Bank	01024117829800	500,240.00	0
Misyini Primary School	National Bank	0102418692900	500,250.00	0
Maseki Primary School	National Bank	01024100620400	500,450.00	0
Mangelu Primary School	National Bank	01024117833700	27,620.00	00
Kyeni Primary School	National Bank	01024132044600	500,250.00	0
Kwa Musyimi Primary School	National Bank	01024128680400	250.00	0
Kivani Primary School	National Bank	01024128679300	2,565.00	0
Kaluni Primary School	National Bank	01024128609600	280.00	0
Kalinditi Primary School	National Bank	01024100600500	1,255.00	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Kakumuti Primary School	National Bank	01024117806900	501,005.00	0
Mavalo Primary School	National Bank	01024132031700	1,090.00	0
Emivia Primary School	National Bank	01024128680700	144,355.00	0
Kithumula Primary School	Equity Bank Ltd	0720271468490	500,000.00	0
Mikuyu Mikya Primary School	Equity Bank Ltd	0720267148948	5.00	0
Nzinia Assistant Chief's Office	Equity Bank Ltd	0720271476099	206,305.00	0
Kyondoni Ap-Line	Equity Bank Ltd	0720271501684	477,000.00	0
Matinyani Police Headquarters	Equity Bank Ltd	0720271611245	2,477.00	0
Kasakini Primary School	Equity Bank Ltd	0720162485434	120,948.95	0
Utoo Primary School	Equity Bank Ltd	0720271259673	745.00	0
Syokithumbi Primary School	Equity Bank Ltd	0720272986610	500,000.00	0
St. Peters Ngegekani sec. School	Equity Bank Ltd	0720271507722	722.00	0
Kasakini Primary School	Equity Bank Ltd	0720162485434	120,948.95	0
Nzinia Primary School	Equity Bank Ltd	0720271458879	1,490.00	0
Ndiuni Primary School	Equity Bank Ltd	0720271461312	901.00	0
Ndiuni Primary School- Mithumu Water line	Equity Bank Ltd	0720272150341	1,980.00	0
Mwangya Primary School	Equity Bank Ltd	0720266838732	14,560.00	0
Mwaani Primary School	Equity Bank Ltd	0720272734869	25.00	0
Muthi Primary School	Equity Bank Ltd	0720262235179	0.00	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Mbuini Primary School	Equity Bank Ltd	0720266680975	74,700.00	0
Matinyani DEB Primary School	Equity Bank Ltd	0720269970286	7.00	0
Matinyani AP-Line	Equity Bank Ltd	0720272300081	0.00	0
Maselele Primary School	Equity Bank Ltd	0720272223413	150,000.00	0
Kyondoni Primary School	Equity Bank Ltd	0720266791438	40,453.00	0
Kyenge Primary School	Equity Bank Ltd	0720270060591	500,160.00	0
Kyamutimba Primary School	Equity Bank Ltd	0720271487039	500,000.00	0
Kwa Nyingi Primary School	Equity Bank Ltd	0720271475275	19,034.00	0
Kwa Mumo Assistant Chief's Office	Equity Bank Ltd	0720271682942	41,260.00	0
Kwa Mutonga Primary School	Equity Bank Ltd	0720266840973	500,580.00	0
Kyaani Ap-Line	Equity Bank Ltd	0720271771765	2,380.30	0
Kivulu Primary School	Equity Bank Ltd	0720268442233	185.00	0
Kalimani Primary School	Equity Bank Ltd	0720271771436	500,000.00	0
Kitui West NG-CDF Office Construction PMC	Equity Bank Ltd	0720272284375	9,893,358.42	0
Kitamwiki Primary School	Equity Bank Ltd	0720270553334	2,015,505.00	0
Kiamani Primary School	Equity Bank Ltd	0720266621282	2,160.00	0
Kathivo Primary School	Equity Bank Ltd	0720266872482	508,684.00	0
Kasakini Primary School	Equity Bank Ltd	0720162485434	120,948.95	0
Kakeani Chief's Office	Equity Bank Ltd	0720271699288	39,209.00	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Kakumuti Primary School	National Bank	01024117806900	501,005.00	0
Mavalo Primary School	National Bank	01024132031700	1,090.00	0
Emivia Primary School	National Bank	01024128680700	144,355.00	0
Kithumula Primary School	Equity Bank Ltd	0720271468490	500,000.00	0
Mikuyu Mikya Primary School	Equity Bank Ltd	0720267148948	5.00	0
Nzinia Assistant Chief's Office	Equity Bank Ltd	0720271476099	206,305.00	0
Kyondoni Ap-Line	Equity Bank Ltd	0720271501684	477,000.00	0
Matinyani Police Headquarters	Equity Bank Ltd	0720271611245	2,477.00	0
Kasakini Primary School	Equity Bank Ltd	0720162485434	120,948.95	0
Utoo Primary School	Equity Bank Ltd	0720271259673	745.00	0
Syokithumbi Primary School	Equity Bank Ltd	0720272986610	500,000.00	0
St. Peters Ngegekani sec. School	Equity Bank Ltd	0720271507722	722.00	0
Kasakini Primary School	Equity Bank Ltd	0720162485434	120,948.95	0
Nzinia Primary School	Equity Bank Ltd	0720271458879	1,490.00	0
Ndiuni Primary School	Equity Bank Ltd	0720271461312	901.00	0
Ndiuni Primary School- Mithumu Water line	Equity Bank Ltd	0720272150341	1,980.00	0
Mwangya Primary School	Equity Bank Ltd	0720266838732	14,560.00	0
Mwaani Primary School	Equity Bank Ltd	0720272734869	25.00	0
Muthi Primary School	Equity Bank Ltd	0720262235179	0.00	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Mbuini Primary School	Equity Bank Ltd	0720266680975	74,700.00	0
Matinyani DEB Primary School	Equity Bank Ltd	0720269970286	7.00	0
Matinyani AP-Line	Equity Bank Ltd	0720272300081	0.00	0
Maselele Primary School	Equity Bank Ltd	0720272223413	150,000.00	0
Kyondoni Primary School	Equity Bank Ltd	0720266791438	40,453.00	0
Kyenge Primary School	Equity Bank Ltd	0720270060591	500,160.00	0
Kyamutimba Primary School	Equity Bank Ltd	0720271487039	500,000.00	0
Kwa Nyingi Primary School	Equity Bank Ltd	0720271475275	19,034.00	0
Kwa Mumo Assistant Chief's Office	Equity Bank Ltd	0720271682942	41,260.00	0
Kwa Mutonga Primary School	Equity Bank Ltd	0720266840973	500,580.00	0
Kyaani Ap-Line	Equity Bank Ltd	0720271771765	2,380.30	0
Kivulu Primary School	Equity Bank Ltd	0720268442233	185.00	0
Kalimani Primary School	Equity Bank Ltd	0720271771436	500,000.00	0
Kitui West NG-CDF Office Construction PMC	Equity Bank Ltd	0720272284375	9,893,358.42	0
Kitamwiki Primary School	Equity Bank Ltd	0720270553334	2,015,505.00	0
Kiamani Primary School	Equity Bank Ltd	0720266621282	2,160.00	0
Kathivo Primary School	Equity Bank Ltd	0720266872482	508,684.00	0
Kasakini Primary School	Equity Bank Ltd	0720162485434	120,948.95	0
Takeani Chief's Office	Equity Bank Ltd	0720271699288	39,209.00	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
AIC Kiuwani Primary School	Equity Bank Ltd	0720266563664	14,921.00	0
Kangij Primary School	Equity Bank Ltd	0720271495924	57,587.00	0
Kangungi Primary School	Equity Bank Ltd	0720266577103	500,042.00	0
St. Marys Kavole Primary School	Co-operative Bank	01139304794800	701,296.50	0
Sangala Primary School	Co-operative Bank	01139304888500	499,572.50	0
Kalia Primary School	Co-operative Bank	01139304890600	499,572.50	0
Total			23,450,298.87	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 6 - 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)
1.0	Failure by Kitui West CDF to implement the budgeted projects amounting to Kshs. 53,348,496.36 denied the residents of Kitui West Constituency equivalent promised and expected services.	The disbursement of funds to the constituencies is the responsibility of the NG-CDF Board, thus Kitui West CDF is not responsible for the delayed disbursements.	Mr. Yusuf Mbuno. The CEO, NG-CDF Board.	Resolved	N/A
2.0	Review of the Project Implementation Status Report revealed that the fund had budgeted to implement a total of 243 projects during the year out of which 202 projects were completed, 7 had not started and 34 were on-going as at the end of the Financial Year on 30 th June, 2016. In the circumstances it has not been possible to ascertain that the fund would implement all the projects as	Out of the 7 projects that had not started, 6 have since been completed. These are; 1. Nzalae Dispensary 2. Katheka – Tulia Water Project 3. Kangondi AP Line 4. Kauma AP Line 5. Kalia Ass. Chief's Office 6. Kitamwiki Pri. School	Nicholas N. Kimanzi. FAM	Partially resolved	30 th June, 2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY

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

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)
	budgeted.	The 7 th Project Kathivo			
		Chief's Office is awaiting the NG-CDF approval to re-allocate the funds to another project			
3.0	During the year under review, Kshs. 2.5 million was paid to construct a science laboratory and fencing at Mutonguni Girls Sec. School. However, the BQs indicated that the funding required to complete the project was Kshs. 3,981,966. To complete the project with the allocation of Kshs. 2.5 million, variations of the contract were made without the approval of the Public Works Officer who had prepared the BQs. In addition, barbed wire was used for fencing instead of the chain-link while the ceiling, floor paint, gas piping, water piping and sinks were not done as indicated in the BQs. Even after the Kshs. 2.5 million was incurred on	The following works have been completed in the Science Laboratory; gas piping, water piping and sinks. The project is now complete and in use. Chain- link is yet to be fixed on the barbed wire fence. Kitui West NG-CDF will allocate more funds to complete the fencing project.	Mr. Wilfred Keli. Kitui West NG-CDFC Chairman. Mrs. Elizabeth Nguu. Principal, Mutonguni Girl's Sec. School	Partially resolved	30 th June, 2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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)
4.0	<p>the works, the project remains incomplete. In the circumstances, the propriety of the expenditure of Kshs. 2.5 million could not be confirmed.</p> <p>During the year under review, the CDF transferred Kshs. 40,142,759 (Note 7) to other government entities. Included in the balance were transfers of Kshs. 3,000,000 donated to Katutu Girls Sec. School to assist in the purchase of a school bus at a total cost of Kshs. 6,000,000. The amount of Kshs. 3,000,000 was disbursed on 7 July 2015 against a pro-forma invoice. Records made available indicated that the supplier was one of the three firms who had quoted for the job. However, no supporting documents were presented to show how the three firms were identified. Further, the purchase of the bus at Kshs. 6,000,000 required an open tender as stipulated in the Public Procurement and Disposal Act, 2005 and the Regulations of</p>	<p>The school is a procuring entity. The BOM had approved the restricted procurement method vide minute 1/13/06/2015 during a meeting held on 13/06/2015. Kitui West CDF partially financed the project to the tune of Kshs. 3,000,000. Since the total cost of the project qualified for an open tender, it was the responsibility of the procuring institution to use the right procurement method.</p> <p>The FAM through the Supplies Chain Management Officer had advised them during the PMCs training to adhere to the Public Procurement and Disposal Act, 2005</p>	<p>Mrs. Martha Mulei. Principal- Katutu Girls Sec. School.</p>	<p>Resolved</p>	<p>N/A</p>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND- KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

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)
5.0	<p>2013.</p> <p>The Cash Basis of Accounting Method prescribed in the International Public Sector Accounting Standards (IPSAS) requires that a report on follow-up of the auditor's recommendations as part of the financial statements. However, although the fund had a qualified audit opinion in 2013/2014, no report on the progress on follow-up on the issues raised in the audit report was included in the financial statements for the year under review. In the circumstance, the financial statements do not comply with IPSAS (Cash basis) financial statements presentation format.</p>	<p>and the Regulations of 2013.</p> <p>From the financial year 2016/2017, Kitui West NG-CDFC has started providing follow-up of the auditor's recommendations as advised by the NG-CDF Board.</p>	<p>Mr. Nicholas N. Kimanzi. FAM.</p>	<p>Resolved</p>	<p>30th June, 2017</p>