


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

PARLIAMENT
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 OF THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 DEC 2018	DAY: Wednesday
BY: Hon. Aden Doale, MP - Leader of Majority Party	
CLERK-AT THE-TABLE: Rachel Kaino - Principal Clerk Assistant	

THE AUDITOR-GENERAL

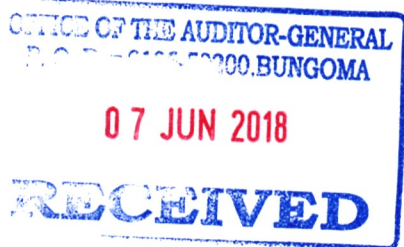
ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
WEBUYE WEST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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



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

Reports and Financial Statements

For the year ended June 30, 2017

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

- i. Constituencies Development Fund Board (NGCDFB)
- ii. NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	George Shibanda
3.	Accountant	Ezekiel Mugita

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of WEBUYE WEST Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) WEBUYE WEST NGCDF Headquarters

NG-CDF Office Building.
P.O Box 522-50205
WEBUYE



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

Reports and Financial Statements

For the year ended June 30, 2017

(f) WEBUYE WEST NGCDF Contacts

Telephone: (254) 704968749
E-mail: webuyewest@NGCDF.go.ke
Website: www.webuyewest.go.ke

(g) WEBUYE WEST NGCDF Bankers

Co-operative Bank
P.O Box 221-50205
WEBUYE

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



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

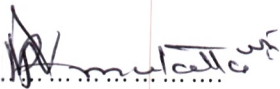
**Reports and Financial Statements
For the year ended June 30, 2017**

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

The NG-CDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF has improved the Education and Security infrastructures of WEBUYE WEST. Most projects were implemented under education sector. The constituency received an allocation of Ksh 77,311,921 a total of Ksh 4,670,344 was not disbursed to the constituency the constituency spent Ksh 91,247,306 against a Budget of Ksh 91,754,069.

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

The NG-CDFCs wish that the issues of having the project on going for more than 2 years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers. The constituency had increased public participation in project Identification which enhanced project ownership; this will be enhanced in the next financial year.

Sign 
CHAIRMAN NGCDFC



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

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

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

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

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

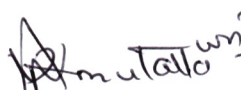
Approval of the financial statements

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

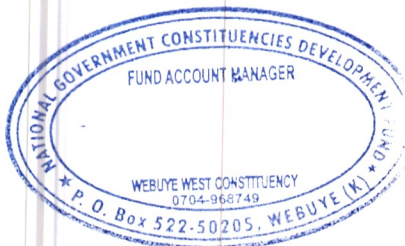
30 AUGUST 2017



Fund Account Manager



Chairman



REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Webuye West Constituency set out on pages 7 to 20, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

Basis for Opinion

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

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

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., I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

During the year under review, the Fund spent Kshs.91,247,306 against a aggregate budget of Kshs.96,338,700 resulting to under-absorption of Kshs.5,091,395 or 5% as highlighted below:

Receipt/Expense Item	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Budget Utilisation Difference Kshs.	% of Utilisation
Receipts				
Transfers from CDF Board	96,338,700	91,754,069	4,584,631	95.24%
Payments				
Compensation of Employees	3,212,714	2,594,002	618,712	80.74%
Use of goods and services	8,362,132	8,354,812	7,320	99.91%
Transfers to Other Government Units	48,501,557	48,501,557	0	100.00%
Other grants and transfers	29,714,571	27,251,097	2,463,474	91.71%
Acquisition of Assets	6,345,756	4,345,837	1,999,919	68.48%
Other Payments	201,970	200,000	1,970	99.02%
Total	96,338,700	91,247,306	5,091,395	94.72%

2. Project Implementation Status

The Fund had planned to implement a total of 48 projects through various Project Management Committees (PMCs) during the financial year under review. Review of the status of the projects indicated that as at 30 June 2017, eight (8) projects equivalent to 17% of the portfolio were ongoing while 40 or 83% had been completed as at the time of audit as highlighted below:

Sector	Total Project Cost Kshs.	Ongoing	Completed	Total	% Of Complete Projects
Education	40,283,557	6	20	26	77%
Bursary	20,474,138	-	1	1	100%
Security	200,000	-	4	4	100%
Environment	1,000,000	-	1	1	100%
CDF Offices	4,094,827.60	-	3	3	100%
Sports	1,115,369	-	3	3	100%

Emergency	4,998,423	-	3	3	100%
M&E	4,645,605	2	1	3	33%
Administration	500,000	0	4	4	100%
Total	77,311,920	8	40	48	83%
%		17%	83%		

Consequently, the Fund did not achieve its project completion targets during the year under review and could therefore not provide the constituents with all the services planned and budgeted for the year.

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 its services, disclosing, as applicable, matters related to sustainability of services and using the going concern accounting assumption unless the management is aware of the intention to liquidate the Fund or cease its operations. Management is responsible for submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

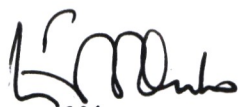
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NG-CDF's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

17 October 2018

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

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

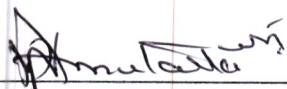
Reports and Financial Statements

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	77,311,921	117,610,824
TOTAL RECEIPTS		77,311,921	117,610,824
PAYMENTS			
Compensation of employees	2	2,594,002	3,146,350
Use of goods and services	3	8,354,812	5,122,684
Transfers to Other Government Units	4	48,501,557	92,273,080
Other grants and transfers	5	27,251,098	24,987,365
Acquisition of Assets	6	4,345,838	5,843,697
Other payment	7	200,000	-
TOTAL PAYMENTS		91,247,306	131,373,176
DEFICIT		(13,935,386)	(13,762,352)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WEBUYE WEST NGCDF financial statements were approved on 3/8/17 and signed by:



Chairman - NGCDFC



Fund Account Manager



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

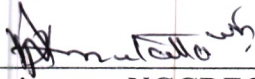
Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	506,412	14,441,798
TOTAL FINANCIAL ASSETS		506,412	1,444,798
REPRESENTED BY			
Fund balance b/fwd	9	14,441,798	28,204,150
Deficit for the year		(13,935,386)	(13,762,352)
NET LIABILITIES		506,412	14,441,798

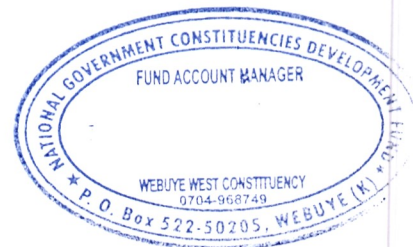
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WEBUYE WEST NGCDF financial statements were approved on 3/8/17 and signed by



Chairman - NGCDFC



Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- WEBUYE WEST
CONSTITUENCY

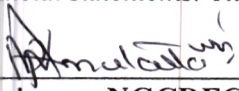
Reports and Financial Statements


For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016-2017	2015 - 2016
Transfers from CDF Board	1	77,311,921	117,610,824
		77,311,921	117,610,824
Payments for operating expenses			
Compensation of Employees	2	2,594,002	3,146,350
Use of goods and services	3	8,354,812	5,122,684
Transfers to Other Government Units	4	48,501,557	92,273,080
Other grants and transfers	5	27,251,098	24,987,365
Other payment	7	200,000	
		86,701,469	125,529,479
Net cash flow from operating activities		(9,389,548)	(7,918,655)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	4,345,838	(5,843,697)
Net cash flows from Investing Activities		4,345,837	(5,843,697)
NET INCREASE IN CASH AND CASH EQUIVALENT		(13,935,386)	(13,762,352)
Cash and cash equivalent at BEGINNING of the year	9	14,441,798	28,204,150
Cash and cash equivalent at END of the year	8	506,412	14,441,798

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WEBUYE WEST NGCDF financial statements were approved on 3/8/17


Chairman NGCDF


Fund Account Manager

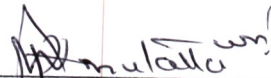


NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	14,442,148	96,338,700	91,754,069	4,584,631	95.20%
TOTAL	81,896,552	14,442,148	96,338,700	91,754,069	4,584,631	95.20%
PAYMENTS						
Compensation of Employees	3,212,714		3,212,714	2,594,002	618,712	80.70%
Use of goods and services	7,485,740	876,397	8,362,132	8,354,812	7,320	99.90%
Transfers to Other Government Units	40,281,557	8,220,000	48,501,557	48,501,557	-	100%
Other grants and transfers	29,714,571	-	29,714,571	27,251,098	2,463,473	91.70%
Acquisition of Assets	1,000,000	5,345,756	6,345,756	4,345,838	1,999,918	68.50%
Other payment	201,970	-	201,970	200,000	1,970	99%
TOTAL	81,896,552	14,442,153	96,338,700	91,247,307	5,091,393	94.70%

The WEBUYE WEST NGCDF financial statements were approved on 3/5/17 and signed by:


 Chairman NGCDF


 Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- WEBUYE 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 NGCDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- WEBUYE WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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



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

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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016-2017 Kshs	2015 - 2016 Kshs
Normal allocation- AIE no		
A724175	-	10,000,000
A796395	-	10,000,000
A820667	-	10,000,000
A820858	-	28,000,000
A825615	-	30,000,000
A825559		29,610,824
A839535	4,094,827	-
A855111	36,853,449	-
A855573	36,363,644	-
	77,311,920	117,610,824

2. COMPENSATION OF EMPLOYEES

	2016-2017 Kshs	2015-2016 Kshs
Basic wages of contractual employees	2,445,222	1,490,000
Basic wages of casual labour	-	516,490
House allowance	-	355,000
Employer contribution to NSSF gratuity	148,780	75,480
	-	709,380
Total	2,594,002	3,146,350



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3. USE OF GOODS AND SERVICES

Description	2016/2017	2015/2016
	Kshs	Kshs
Utilities, supplies and services	325,513	15,000
Office rent	-	170,690
Communication, supplies and services	-	198,000
Training expenses	1,932,200	784,000
Other committee expenses	389,200	734,000
Committee allowance	2,275,699	1,497,643
Specialised materials and services	-	25,000
Office and general supplies and services	127,187	373,077
Fuel ,oil & lubricants	900,000	900,000
Other operating expenses	2,001,999	22,400
Routine maintenance – vehicles and other transport equipment	405,014	402,874
Total	8,354,812	5,122,684

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016/2017	2015/2016
	Kshs	Kshs
Transfers to primary schools	33,604,892	27,360,604
Transfers to secondary schools	14,896,665	52,052,476
Transfers to tertiary institutions	-	10,000,000
Transfers to health institutions	-	2,860,000
-TOTAL	48,501,557	92,273,080



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5. OTHER GRANTS AND OTHER PAYMENTS

	2016/2017 Kshs	2015/2016 Kshs
Bursary – secondary schools	12,001,996	3,203,190
Bursary – tertiary institutions	7,995,996	2,392,404
Water projects	-	3,022,414
Security projects	2,745,606	2,675,000
Roads projects	-	8,036,557
Sports projects	497,500	1,757,800
Emergency Projects	4,000,000	3,900,000
Total	27,251,098	24,987,365

6. ACQUISITION OF ASSETS

Non-Financial Assets	2016/2017 Kshs	2015/2016 Kshs
Construction of Buildings	3,345,838	5,843,697
Purchase of office furniture and fittings	1,000,000	-
Total	4,345,838	5,843,697

7.0 OTHER PAYMENT

	2016/2017 Kshs	2015/2016 Kshs
Other payments	200,000	-
Total	2,000,000	-

8.0 BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2016/2017 Kshs	2015/2017 Kshs
Co-op Bank A/c 01120534809500	506,412	14,441,798
Total	506,412	14,441,798

9. BALANCES BROUGHT FORWARD

	2016/2017 Kshs	2015/2016 Kshs
Bank accounts	14,441,798	28,204,150
Total	14,441,798	28,204,150



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10. OTHER IMPORTANT DISCLOSURES

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/2017	Historical Cost (Kshs) 2015/2016
Land	1,500,000	1,500,000
Buildings and structures	20,474,723	17,128,886
Transport equipment	4,616,600	4,616,600
Office equipment, furniture and fittings	1,251,451	251,451
ICT Equipment, Software and Other ICT Assets	382,600	382,600
Total	28,225,375	23,879,537

ANNEX 2 –PMC BANK BALANCES AS AT 30 TH JUNE 2017						
	FINANCI AL YEAR	PMC	BANK	A/C NO	Bank Balance 2016/2017	Bank balance 2015/2016
1.	2016/2017	WEBUYE SA PRIMARY SCH	COOPERATIV E BANK	1141609399900	1,028,916	331,216
2.	2016/2017	LUKHUNA PRIMARY SCH	COOPERATIV E BANK	1139609838400	2,336,573	56,472
3.	2016/2017	WITTY CHENG'OLI PRIMARY SCH	COOPERATIV E BANK	1139609374500	283,045	53,248
4.	2016/2017	KHALUMULI PRIMARY SCH	COOPERATIV E BANK	1139610425400	231,179	319,070
5.	2016/2017	MATULO FYM PRY	KCB BANK	112763080	1,937.00	1,937
6.	2016/2017	NAMAWANGA PRY SCH	COOPERATIV E BANK	01139744105200	1,249,000	-
7.	2016/2017	MILANI PRY SCH	COOPERATIV E BANK	1139610297500	229,362	557,710
8.	2016/2017	WEBUYE DEB PRY SCH	KCB BANK	1133630553	210,000	642,598
9.	2016/2017	BUNANG'ENI PRY SCH	COOPERATIV E BANK	1139744103300	3,266,573	-
10.	2016/2017	BITUYU PRY SCH	COOPERATIV E BANK	1139610847800	19,173	19,172
11.	2016/2017	WEBUYE MUSLIM PRY SCH	COOPERATIV E BANK	1139610841200	1,771,791	1,509,573
12.	2016/2017	SAWA PCU PRY SCH	COOPERATIV E BANK		250,000	-



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13.	2016/2017	KAKIMANYI PRY SCH	COOPERATIVE BANK	1139610119500	1,978.70	533,049
14.	2016/2017	WENYILA PRY SCH	KCB BANK	1115773240	42,654	271,332
15.	2016/2017	ST ANTHONY SCHOOL FOR THE DEAF	KCB BANK	1115864203	360	-
16.	2016/2017	YALUSI PRIMARY	COOPERATIVE BANK	0	1,877,000	-
17.	2016/2017	MATISI PRIMARY	KCB BANK	1136588973	321.0	-
18.	2016/2017	KUYWA PRY SCH	COOPERATIVE BANK	1139609438900	4,645	4,645
19.	2016/2017	LUTASO PRIMARY	KCB BANK	1136589368	320	-
20.	2016/2017	SITIKHO PRIMARY SCH	COOPERATIVE BANK	1139610440200	0.00	-
21.	2016/2017	MAKHONGE PRIMARY	COOPERATIVE BANK	1139609397401	6,773.85	1,996
22.	2016/2017	SIRENDE SECONDARY SCH	COOPERATIVE BANK	1141470430700	105,833	5,833
23.	2016/2017	NAMAWANGA SECONDARY SCH	COOPERATIVE BANK	1139610005300	0	603,455
24.	2016/2017	NAMAWANGA SECONDARY SCH	COOPERATIVE BANK	1139049922103	311,594	35,864
25.	2016/2017	BRENDAH GIRLS MISIKHU SECONDARY SCH	COOPERATIVE BANK	1139610275600	1,200	515,213
26.	2016/2017	BRENDAH GIRLS MISIKHU SECONDARY SCH	COOPERATIVE BANK	1139610618100	80,944	80,944
27.	2016/2017	MISIKHU FRIENDS BOYS HIGH SCH	COOPERATIVE BANK	1139610079900	199,146	1,684,049
28.	2016/2017	KITUNI HIGH SCHOOL	COOPERATIVE BANK	1139610119500	0	417,161
29.	2016/2017	KITUNI HIGH SCHOOL	COOPERATIVE BANK	1139609457100	5,612	5,612
30.	2016/2017	SIRISIA BOK SEC SCHOOL	COOPERATIVE BANK	1139610281100		180,181
31.	2016/2017	NGWELO SEC SCHOOL	COOPERATIVE BANK	1139058700201	2,183,529	176,130
32.	2016/2017	SITIKHO SECONDARY SCH	COOPERATIVE BANK	1139610440200	9,888	342,161
33.	2016/2017	TOWNSHIP CHIEFS OFFICE	COOPERATIVE BANK	1141610166100	66,760	16,155
34.	2016/2017	SIRENDE ASSISTANT CHIEF	COOPERATIVE BANK	1141610425000	673,361	699,463
35.	2016/2017	BOKOLI CHIEF OFFICE	COOPERATIVE BANK	1139049922103	300,000	-
36.	2015/2016	MOYOKWE PRIMARY SCH	COOPERATIVE BANK	1139049943103	85,792	85,792
37.	2015/2016	NDURUSIA PEFA PRIMARY SCH	COOPERATIVE BANK	1139610005300	403,456	477,498



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38.	2015/2016	BEN KAPTEN PRIMARY SCH	COOPERATIV E BANK	113960945900	50,516.00	514,214
39.	2015/2016	BEN KAPTEN PRIMARY SCH	COOPERATIV E BANK	113960945900	-	-
40.	2015/2016	SIRISIA BOK PRIMARY SCH		-		-
41.	2015/2016	WAMANG'OLI PRIMARY SCH	COOPERATIV E BANK	1138260614	187,161.50	187,162
42.	2015/2016	MATULO FR SEC SCH	COOPERATIV E BANK	1139011798501	110,019	110,019
43.	2015/2016	MISIKHU RC PRIMARY SCH	COOPERATIV E BANK	1139610281100	22,382	1,282
44.	2015/2016	NAMBAMI PRIMARY SCH	COOPERATIV E BANK		150,900	1,220,000
45.	2015/2016	SIKIMBILO PRY SCH	COOPERATIV E BANK	01139049306302	2,200	6,800,000
46.	2015/2016	MANGANA PRY SCHOOL	COOPERATIV E BANK	1139610053600	0	544,959
47.	2015/2016	NAMBALAYI DEB PRY SCH	COOPERATIV E BANK	1139610043200	194,107	27,833
48.	2015/2016	MUKITE PRIMARY SCH	COOPERATIV E BANK	1139610078800	0	40,500
49.	2015/2016	WEBUYE DEB SEC SCH	COOPERATIV E BANK	1139610425400	1,219,572.5 0	154,229
50.	2015/2016	MUKITE PRIMARY SCH	COOPERATIV E BANK	1139050359601	6,573	6,573
51.	2015/2016	KUYWA SEC SCH	COOPERATIV E BANK	1139050997502	3,914	3,914
52.	2015/2016	NAMBAMI SECONDARY SCH	COOPERATIV E BANK	1139610053600	1,117	544,959
53.	2015/2016	BUNJOSI SECONDARY SCH	COOPERATIV E BANK	01139610078800	48,120.65	268,716
54.	2015/2016	KHALUMULI SECONDARY SCH	COOPERATIV E BANK	1139411908600	12,329	149,772
55.	2015/2016	LUGULU DAY SECONDARY SCH	COOPERATIV E BANK	1139435082302	1,350	16,053
56.	2015/2016	LUGULU DAY SECONDARY SCH	COOPERATIV E BANK	1139609483301	334	334
57.	2015/2016	SITIKHO SECONDARY SCH	COOPERATIV E BANK	1139011798501	9,888.10	-
58.	2015/2016	CHEBOSI SA SECONDARY SCH	COOPERATIV E BANK	1139049922501	335,027	335,027
59.	2015/2016	CHEBOSI SA Pr. SCH	COOPERATIV E BANK	1139049922502	3,940	844,094
60.	2015/2016	CHEBOSI GIRLS SEC SCH	COOPERATIV E BANK	1139610079300	0	999,149
61.	2015/2016	CHEBOSI GIRLS SEC SCH	COOPERATIV E BANK	1139435082302	16,054	16,054



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62.	2015/2016	MATULO GIRLS SECONDARY SCH	COOPERATIVE BANK	1139610453100		287,268
63.	2015/2016	MILANI FRIENDS SEC SCH	COOPERATIVE BANK	1141411179001	1,369	5,655
64.	2015/2016	MILANI FRIENDS SEC SCH	COOPERATIVE BANK	1139610079300	1,369	999,150
65.	2015/2016	ST MARYS BOKOLI SEC SCH	COOPERATIVE BANK	1139610453100	203,522	697,426
66.	2015/2016	MAHANGA SECONDARY SCH	COOPERATIVE BANK		2,352	1,000
67.	2015/2016	MATILI TECHNICAL TRAINING INSTITUTE	COOPERATIVE BANK	1141610835900	0	138,912
68.	2015/2016	MATULO DISPENSARY	COOPERATIVE BANK	1135077770	125,000	336,912
69.	2015/2016	MATULO DISPENSARY	COOPERATIVE BANK	114141179001	11,353	125,848
70.	2015/2016	MILO HEALTH CENTRE	COOPERATIVE BANK	1141610166100	1,250	-
71.	2015/2016	MAHANGA DISPENSARY	COOPERATIVE BANK	1141610094100	1,463	1,463
72.	2015/2016	BUNJOSI DISPENSARY	COOPERATIVE BANK	1141610835900	70,913	793,913
73.	2015/2016	BUKHOLI POLICE POST	COOPERATIVE BANK	1141744032200	1,913	835,213
74.	2015/2016	MIENDO CHIEFS OFFICE	COOPERATIVE BANK	1141610837400	2,913	2,913
75.	2014/2015	SAMBU PEFA LUKUKU	COOPERATIVE BANK	113910544100	500,058	500,058
76.	2014/2015	NAMILIMO PRIMARY SCHOOL	COOPERATIVE BANK	1139050147801	44,714	44,714
77.	2014/2015	SIRENDE PRIMARY	COOPERATIVE BANK	1139609459200	1,220	156,220
78.	2014/2015	ST ANNES MALOHO PRI SCH	COOPERATIVE BANK	1139609010700	39,138	39,138
79.	2014/2015	ST THOMAS MISIKHU RC PRY SH	COOPERATIVE BANK	1139011798802	22,769	2,769
80.	2014/2015	BOKOLI TECHNICAL INSTITUTE	COOPERATIVE BANK	1139609029200	1,748	1,748
81.	2014/2015	YALUSI SEC SCH	COOPERATIVE BANK	1139609061401	117,841	117,850
82.	2014/2015	KITUNI DISPENSARY	COOPERATIVE BANK	1141534746300	1,223	3
83.	2014/2015	BOKOLI FYM PRY SCH	COOPERATIVE BANK	1139609458100	1,202	83,202
84.	2014/2015	MILO GIRLS SEC SCH	COOPERATIVE BANK	1139534780500	601	60,601
85.	2014/2015	BUNANG'ENI SEC SCH	COOPERATIVE BANK	1139534724300	194,415	194,415
86.	2014/2015	CHEBINI PEFA PRY SCH	COOPERATIVE BANK	1139049487903	1,183	1,183
87.	2014/2015	MATULO RC PRY SCH	COOPERATIVE BANK	1139534687400	465	465



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88.	2014/2015	MIENDO FR SEC SCH	COOPERATIV E BANK	1139049437902	158,412	158,412
89.	2014/2015	MUNGAKH PRY SCH	COOPERATIV E BANK	1141470690800	894	894
90.	2014/2015	WAMANG'OLI PRY SCH	COOPERATIV E BANK	1139610119500	187,162	82,912
	TOTAL				15,573,167	28,082,616

10.0 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	Issue observation from Auditor	Management comments	Focal point person to resolve the issue (Name and designation)	Status (resolved/not resolved)	Timeframe; (time frame when I expect the issue to be resolved)
1.0	Budgetary Control and performance- Under expenditure of Ksh 14,441,258 or 90% utilization	The fund experienced delays in the disbursement this majorly contributed to the performance	George Shibanda Fund account manager.	Resolved (all funds utilized in the financial year 2016/2017 as in the financial statements abobove) but no submission done to Public accounts committee yet.	10th July 2017
2.0	Project Implementation- 31 projects completed, 36 were ongoing	The fund experienced delays in the disbursement this majorly contributed to the performance	George Shibanda Fund account manager.	Resolved (all ongoing projects completed) but no submission done to Public accounts committee yet.	10th July 2017

