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OFFICE OF THE AUDITOR-GENERAL



REPORT

THE NATIONAL ASSEMBLY
PAPERS AND

13 NOV 2018

OF

TABLED BY:

MAJORITY LEADER

CLERK-AT
THE-TABLE:

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MATHIOYA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MATHIOYA CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

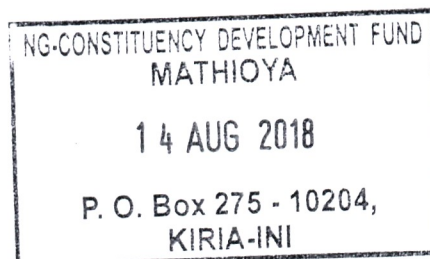
**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

NG-CONSTITUENCY DEVELOPMENT FUND
MATHIOYA
14 AUG 2018
P. O. Box 275 - 10204,
KIRIA-INI

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
MATHIOYA 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 CABINET SECRETARY	3
III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW.....	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	25
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26



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The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2013.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

(b) Key Management

The Mathioya 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 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mary Kyengo
3.	Accountant	Joseph Kagunu
4.		

(d) Fiduciary Oversight Arrangements

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

NGCDF Office Building.
P.O Bo 275-10204
Kiriaini

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHIOYA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(f) MATHIOYA NGCDF Contacts

E-mail:mathioya@ngcdf.go.ke

Website: www.mathioya.go.ke

(g) MATHIOYA NGCDF Bankers

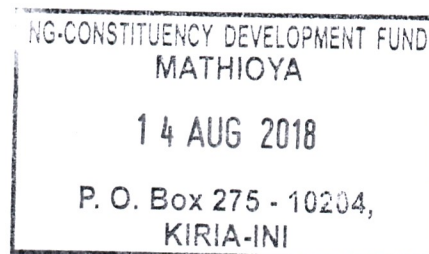
1. Equity Kiriaini
P.O Box 217
Kiriaini
...
...

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHIOYA
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 NGNGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Mathioya.

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

The NGNGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHIOYA
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 by the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the Mathioya NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer in charge of the Mathioya 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 Mathioya 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 14/8/2018 2017.



Fund Account Manager



Chairman



REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MATHIOYA 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 - Mathioya Constituency set out on pages 5 to 26 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 - Mathioya 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 2015 of the Laws of Kenya.

In addition, as required by Article 229(6) of the Constitution, 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 - Mathioya 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 - Mathioya 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. There were no key audit matters to report in the year under review.

Other Matters

1. Project Implementation Analysis

A review of project implementation status report revealed that the CDF management had identified and allocated funds in 2016/2017 amounting to Kshs.104,901,281 to complete eighty three (83) projects. However, only seventy five (75) projects worth Kshs.90,337,199 were implemented during the year as summarized below:

Project Category	No. of Projects Budgeted	No. of Projects Implemented	Projects not Started	Amount Budget Amount - Kshs.	Amount Spent - Kshs.	Actual as % of Budget
Transfer to Other Government Units	51	48	3	29,616,380	22,826,380	77%
Other Grants and Transfers	32	27	5	75,284,901	67,510,819	90%
Total	83	75	8	104,901,281	90,337,199	86%

However, the underutilization of budget during the year was not explained. Further, failure to implement projects in time denies the community benefits that would have accrued from the projects intended to improve their standard of living.

2. Unconfirmed Bursary for Aviation Training

As previously reported, the NG-CDF initiated the Mathioya Aviation Scholarship bursary program for eight (8) students from eight divisions within the Constituency. The programme was approved by Mathioya Constituency Bursary Committee executive meeting on 1 July 2014. The total cost of the programme was to be Ksh.24,000,000 over four years. As at 30 June 2017, the CDF management had paid a total of Ksh.24,097,721 to the Kenya School of Aviation which includes Ksh.4,292,904 incurred in 2016/2017 for fees and exams. However, the following observations were noted:

- i. It was not clear how Kenya School of Aviation was considered since there was no evidence of competitive tendering by various aviation schools as per the requirement of the Public Procurement and Disposal Act. Further, contract agreement between the CDF and Kenya School of Aviation was not presented for audit verification.
- ii. Audit review revealed that the Fund did not designate the aviation training programme funding from the normal bursary programme funding during the

budgeting process. This programme was funded from the tertiary institutions bursary allocation.

- iii. Use of bursary of Kshs.24,097,721 to fund aviation courses for only eight students within the constituency was noted to be limited and unfair to other deserving students in secondary school and tertiary institutions. This is against the CDF bursary management guidelines which emphasizes that the bursary management should be geared to achieving equity and wide coverage to the orphans, self-sponsored without guardians or parents and socially/economically disadvantaged including vulnerable students. Consequently, value for money for the expenditure so far spent on this programme could not be confirmed.

3. Stalled Project-Gatunguru Dispensary

A review of project implementation status report revealed that during the financial year 2015/2016, the CDF management allocated Kshs.2,000,000 for the construction of Gatunguru Dispensary. However, physical inspection of progress of works revealed that construction had stalled at walling level and the contractor was not on site at the time of audit in July 2018. Further, the CDF did not allocate for completion of the project in 2016/2017 as health service is a devolved function of the County Governments. The CDF management has not provided steps being taken to ensure the construction is completed to avoid waste of public funds so far spent on the project.

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 applicable basis of accounting unless the management intends to cease operations of the Fund, or have no realistic alternative but to do so.

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

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

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

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

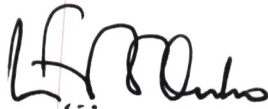
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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 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

15 October 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHIOYA
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	101,116,621.60	95,844,722.00
Proceeds from Sale of Assets	2	0.00	
Other Receipts	3	16,000	
TOTAL RECEIPTS		101,132,621.60	95,844,722.00
PAYMENTS			
Compensation of employees	4	1,673,434.65	1,097,916.60
Use of goods and services	5	8,319,336.59	6,798,943.94
Transfers to Other Government Units	6	22,826,380.00	35,468,432.76
Other grants and transfers	7	67,210,819.52	46,437,899.50
Acquisition of Assets	8	0.00	7,168,272.00
Other Payments	9	0.00	0.00
TOTAL PAYMENTS		100,029,970.76	96,971,464.80
SURPLUS/DEFICIT		1,102,650.84	(1,126,742.80)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mathioya NGCDF financial statements were approved on 12/8/18 2017 and signed by:


Chairman - NGCDFC


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHIOYA
CONSTITUENCY**


Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	5,441,705.17	3,144,852.09
Cash Balances (cash at hand)	10B	0.00	0.00
Outstanding Imprests	11	0.00	
TOTAL FINANCIAL ASSETS		5,441,705.17	3,144,852.09
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	3,144,852.09	4,271,594.89
Surplus/Defict for the year		1,102,650.84	-1,126,742.80
Prior year adjustments	14	1,194,202.00	0.00
NET LIABILITIES		5,441,704.93	3,144,852.09
		0.24	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mathioya NGCDF financial statements were approved on 14/8/2018 2017 and signed by:


Chairman - NGCDFC


Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MATHIOYA
CONSTITUENCY**

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

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	101,116,621.60	95,844,722.00
Other Receipts	3	16,000.00	0.00
		101,132,621.60	95,844,722.00
Payments for operating expenses			
Compensation of Employees	4	1,673,434.65	1,097,916.60
Use of goods and services	5	8,319,336.59	6,798,943.94
Transfers to Other Government Units	6	22,826,380.00	35,468,432.76
Other grants and transfers	7	67,210,819.52	46,437,899.50
Other Payments	9	0.00	0.00
		100,029,970.76	89,803,192.80
Adjusted for:			
Adjustments during the year	14	1,194,202.00	0.00
Net cash flow from operating activities		2,296,852.84	6,041,529.20
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	9	0.00	(7,168,272.00)
Net cash flows from Investing Activities		0.00	(7,168,272.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		2,296,852.84	(1,126,742.80)
Cash and cash equivalent at BEGINNING of the year	13	3,144,852.09	4,271,594.89
Cash and cash equivalent at END of the year		5,441,704.93	3,144,852.09

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mathioya NGCDF financial statements were approved on 14/8/18 2017 and signed by:



Chairman NGCDF



Fund Account Manager

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	53,313,197	135,209,749	104,261,474	30,948,275	77.1%
Proceeds from Sale of Assets			-	-	-	
Other Receipts			-	16,000	(16,000)	
TOTAL	81,896,552	53,313,197	135,209,749	104,277,474	30,932,275	77.1%
PAYMENTS						
Compensation of Employees	1,850,000	864,375	2,714,375	1,673,435	1,040,940	61.7%
Use of goods and services	5,520,689	5,724,416	11,245,105	8,319,337	2,925,768	74.0%
Transfers to Other Government Units	20,166,380	10,000,000	30,166,380	22,826,380	7,340,000	75.7%
Other grants and transfers	53,484,483	34,972,398	88,456,880	67,210,820	21,246,061	76.0%
Acquisition of Assets	200,000	1,752,009	1,952,009	-	1,952,009	0.0%
Other Payments	675,000		675,000		675,000	
TOTAL	81,896,552	53,313,197	135,209,749	100,029,971	35,179,778	74.0%

NG-CONSTITUENCY DEVELOPMENT FUND
MATHIOYA
14 AUG 2018

P. O. Box 275 - 10204,
KIRIAINI

CONSTITUENCIES DEVELOPMENT FUND – GILGIL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. Acquisition of assets - The NGCDFC is in the process of purchasing furniture for the office.

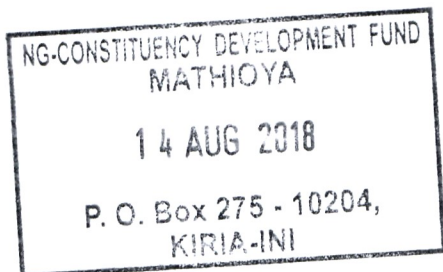
The MATHIOYA NGCDF financial statements were approved on 14/8/18 2017 and signed by:



Chairman NGCDF



Fund Account Manager



VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

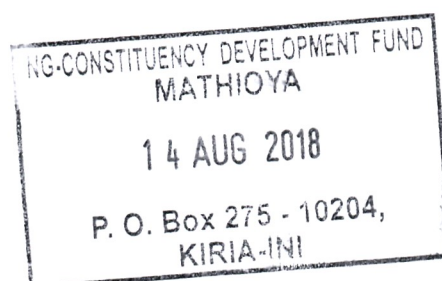
The NGCDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NGCDF. In addition, the NGCDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NGCDF.

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.



CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA 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
Normal Allocation	A759699		20,922,361.00
	A820614		10,000,000.00
	A796332		10,000,000.00
	A724050		2,500,000.00
	A820846		29,000,000.00
	A790758		23,422,361.00
	A825801	50,168,345.00	
	A 829922	4,094,827.60	
	A855127	36,853,449.00	
	A839688	10,000,000.00	
Conditional grants			0.00
	AIE NO...	0.00	
Receipt from other Constituency	AIE NO...	0.00	
TOTAL		101,116,621.60	95,844,722.00

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Receipts from the Sale of Buildings		0.00	
Receipts from the Sale of Vehicles and Transport Equipment		0.00	0.00
Receipts from the Sale Plant Machinery and Equipment		0.00	
Receipts from the Sale of office and general equipment		0.00	
	Total	0.00	0.00

NG-CONSTITUENCY DEVELOPMENT FUND
MATHIOYA
14 AUG 2018
P. O. Box 275 - 10204,
KIRIA-INI

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 OTHER RECEIPTS		
Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Interest Received	0.00	0.00
Other Receipts Not Classified Elsewhere (AIA)	16,000.00	0.00
Total	16,000.00	0.00
4 COMPENSATION OF EMPLOYEES		
Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,652,434.65	1,066,654.20
Basic wages of casual labour	0.00	-
Personal allowances paid as part of salary	0.00	
House allowance	0.00	-
Transport allowance		-
Leave allowance	0.00	-
Other personnel payments	0.00	-
Employer contribution to NSSF	21,000.00	31,262.40
gratuity		
Total	1,673,434.65	1,097,916.60

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

5 USE OF GOODS AND SERVICES		
Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	65,304.00	862,500.00
Office rent	0.00	
Communication, supplies and services		6,960.00
Domestic travel and subsistence		
Printing, advertising and information supplies & services	475,000.00	
Rentals of produced assets	0.00	
Training expenses		
Hospitality supplies and services	0.00	
Other committee expenses	2,414,876.00	
Committee allowance	2,222,000.00	3,873,750.00
Insurance costs	0.00	
Specialised materials and services	0.00	
Office and general supplies and services	2,274,216.39	940,362.00
Fuel ,oil & lubricants	500,000.00	600,000.00
Other operating expenses		259,949.24
Routine maintenance – vehicles and other transport equipment	367,940.20	146,289.80
Routine maintenance – other assets	0.00	109,132.90
	0.00	
Total	8,319,336.59	6,798,943.94

6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	13,176,380.00	20,710,000.00
Transfers to secondary schools	6,500,000.00	9,200,000.00
Transfers to Tertiary institutions	1,200,000.00	
Transfers to Health institutions	1,950,000.00	5,558,432.76
TOTAL	22,826,380.00	35,468,432.76

CONSTITUENCY DEVELOPMENT FUND
 MATHIOYA
 14 AUG 2018
 P. O. Box 275 - 10204,
 KIRIA-INI

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 OTHER GRANTS AND OTHER PAYMENTS		
Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	13,958,352.00	17,937,874.00
Bursary -Tertiary	13,364,904.00	0.00
Bursary-Special schools	0.00	0.00
Mocks & CAT	0.00	0.00
water	0.00	700,000.00
Agriculture (food security)	0.00	
Electricity projects	10,965,912.00	
Security	3,100,000.00	10,065,705.00
Roads	1,500,000.00	600,000.00
Sports	3,229,702.81	1,545,000.00
Other capital grants and transfer	12,814,921.51	15,589,320.50
Emergency Projects (specify)	8,277,027.20	
Total	67,210,819.52	46,437,899.50

8 ACQUISITION OF ASSETS		
Non Financial Assets	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	0.00
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles	0.00	5,750,000.00
Purchase of Bicycles & Motorcycles	0.00	0.00
Overhaul of Vehicles	0.00	0.00
Purchase of office furniture and fittings	0.00	1,418,272.00
Purchase of computers ,printers and other IT equipments	0.00	0.00
Purchase of photocopier	0.00	0.00
Purchase of other office equipments	0.00	0.00
Purchase of soft ware	0.00	0.00
Acquisition of Land	0.00	0.00
		0.00
Total	0.00	7,168,272.00

CONSTITUENCIES DEVELOPMENT FUND – GILGIL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Other Payments		
specify	0.00	0.00
specify	0.00	0.00
specify	0.00	0.00
TOTAL	0.00	0.00

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency		2016 - 2017	2015 - 2016
	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
Equity Kiriaini Branch	0050290920356	5,441,705.17	3,144,852.09
		0.00	0.00
		0.00	0.00
Total		5,441,705.17	3,144,852.09

10B: CASH IN HAND)		
	2016 - 2017	2015 - 2016
	Kshs (30/6/2015)	Kshs (30/6/2015)
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other receipts (specify)	0.00	0.00
Total	0.00	0.00
	[Provide cash count certificates for each]	

~~24~~

16

CONSTITUENCY DEVELOPMENT FUND
 MATHIOYA
 14 AUG 2018
 P. O. Box 275 - 10204,
 KIRIA-INI

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS				
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2015)</i>
	Date imprest taken	Kshs	Kshs	Kshs
			0.00	-
		0.00	0.00	-
		0.00	0.00	-
		0.00	0.00	-
		0.00	0.00	-
		0.00	0.00	-

12 Retention				
Supplier/Contractor	PV no	2016 - 2017	2015 - 2016	

13 BALANCES BROUGHT FORWARD			
		2016 - 2017	2015 - 2016
		Kshs (1/7/2015)	Kshs (1/7/2014)
Bank accounts		3,144,852.09	4,271,594.89
Cash in hand		0.00	-
Imprest			-
Total		3,144,852.09	4,271,594.89
	[Provide short appropriate explanations as necessary]		

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	PRIOR YEAR ADJUSTMENTS	2016 - 2017	2015 - 2016
		Kshs	Kshs
Bank accounts			
Cash in hand		1,194,202.00	0.00
Imprest		0.00	0.00
		0.00	0.00
Total		1,194,202	0.00

	OTHER IMPORTANT DISCLOSURES	
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)	2016 - 2017	2015 - 2016
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
TOTAL	0.00	0.00

15.2: PENDING STAFF PAYABLES (See Annex 2)	Kshs	Kshs
Senior management	0.00	0.00
Middle management	0.00	0.00
Unionisable employees	0.00	0.00
Others (specify)	0.00	0.00
	0.00	0.00

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	0.00	0.00
Amounts due to other grants and other transfers (see attached list)	2,159,258.41	50,930,861.00
Others (specify)	3,266,445.98	0.00
	5,425,704.39	50,930,861.00

CONSTITUENCY DEVELOPMENT FUND
MATHIOYA
14 AUG 2018
P. O. Box 275 - 10204,
KIRIA-INI
18

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	23,232,697	-
	<u>23,232,697</u>	<u>-</u>

15.5: Amount due from the Board

(see attached list)

Ksh.	Ksh.
30,948,275	-
<u>30,948,275</u>	<u>-</u>



CONSTITUENCIES DEVELOPMENT FUND – GILGIL CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description
Amounts due to other Government entities	
1.	
2.	
3.	
Sub-Total	
Amounts due to other grants and other transfers	
4. Emergency	956,137
5. Security	363
6. Water	1,150,000
7. Other projects	49,450
8. Bursary	3,308
Sub-Total	2,159,258
Others (specify)	
9. Acquisition of assets	1,752,009
10. Use of goods and services	1,514,437
11.	
Sub-Total	3,266,446
Grand Total	5,425,704

CONSTITUENCY DEVELOPMENT FUND
 MATHIOYA
 14 AUG 2018
 P. O. Box 275 - 10204,
 KIRIA-INI

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	N/A	N/A
Buildings and structures	10,000,000	10,000,000
Transport equipment	8,495,932	8,495,932
Office equipment, furniture and fittings	654,000	654,00
ICT Equipment, Software and Other ICT Assets	267,672	267,672
Other Machinery and Equipment	387,160	387,160
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	19, 804,764	19,804,764

Prepared by: DEVELOPMENT FUND
 MATHIOYA
 Mary Kyengo
 AUG 2018
 Fund Account Manager
 Mathioya
 KIRIA-INI

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA 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 as at 30 th June 2017	Bank balance 2015/16
Kihuro Primary School	Equity	0050272278904	21,067	-
Kiriko Primary School	Equity	0050263413929	145,461	-
Kirimahiga Primary School	Equity	0050272110695	33,120	-
Yakarengo sec school	Equity	0050262286969	523,398	-
Kirimiga Primary School	Equity	0050263419244	76,046	-
Kirithiru Primary School	Equity	0050272483739	183,576	-
Mananga Primary School	Equity	0050272223207	8,714	-
Mioro Primary School	Equity	0050261918577	300,027	-
Muthangari Primary School	Equity	0050190861567	700,393	-
Nguru Ini Primary School	Equity	0050299829279	300,942	-
Nyakianga Primary School	Equity	0030201549634	301,147	-
Nyangiti Primary School	Equity	0050262357929	302,293	-
Ruiru Primary School	Equity	0050263413257	300,140	-
Ruru Primary School	Equity	0050272859641	18,756	-
Thuita Primary School	Equity	0050294592361	500,907	-
Kamune Primary school	Equity	0050101513160	4,515	-
Thuita primary	Equity	0050294592361	500,907	-
Chui Primary school	Equity	0030290810015	399,308	-
Kagumoini primary	Equity	0050292990922	52,813	-
Gikindu Primary School	Equity	0050294624753	300,055	-
Matuto dispensary	Equity	0050299600402	252,319	-
Kagumo-ini Dispensary	Equity	0050263678878	1,360	-
Kiriko sec.	Equity	0050190158500	17,976	-
Kamacharia sec.	Equity	0050190055788	44,743	-
Kambara sec	Equity	0050293189125	963,435	-
Runyeki sec.	Equity	0050262379652	1,803,210	-
Gitongu Secondary School	Equity	0050260560283	126,405	-

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017

Kamune sec. school	Equity	0050101513160	4,515	-
Wahundura day sec. school	Equity	0050263776728	402,665	-
Thuita polytechnic	Equity	0050190277801	501	-
Mioro youth poly	Equity	0050270739594	95	-
Mutitu youth poly	Equity	0050268567838	1645	-
Githua youth poly	Equity	0050270616802	2350	-
kihuro rehabilitation centre	Equity	0050262286969	94,592	-
Kiru Primary School	Equity	0050190127930	700,000	-
Kiuu Primary School	Equity	0050262408025	800,000	-
Njumbi Primary School	Equity	0030190553936	300,000	-
Gachiro Primary School	Equity	0050190133789	300,000	-
Mathioya security lighting project	Equity	0050271853123	1,848,745	-
Ngechu primary school	Equity	008000003150	5	-
Kiriaini mixed sec. school	Equity	0050201511205	500,165.10	-
Kamune social Hall	Equity	0050262613068	7,321,002.30	-
Mathioya environment project	Equity	0050270722695	44,896	-
Kihari-Gatiku Footbridge	Equity	0050269896923	56,398	-
Hawathiga Footbridge	Equity	0050269708824	40,715	-
Matuto Iyego Footbridge	Equity	0050270429405	76,635	-
Njumbi Divisional office	Equity	0050299236794	197,166	-
Gitugi Divisional office	Equity	0050299225278	2,177	-
Kiru Divisional Office	Equity	0050299215625	38,672	-
Kamacharia AP Post	Equity	0050264496156	650	-
Ngutu AP Post	Equity	0050198959409	34	-
Mihuti AP Post	Equity	0050272067681	482,405	-
mathioya youth empowerment & sports	Equity	0050297909808	58	-
Gitugi Primary School	Equity	0050263737019	700,360	-
J J Kamotho Primary School	Equity	0050101525295	60	-
Kairo Primary School	Equity	0050190846736	301,170	-
Kambara Pry	Equity	0220190140473	305,750	-
Karugiro Primary School	Equity	0050265101624	500,030	-

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 6 - FUNDS DUE FROM THE BOARD

<u>PROJECT NAME</u>	<u>AMOUNT (KSH.)</u>
Administration	974,655
M/E & capacity building	256,896
Environment	1,637,931.00
Bursary Secondary Schools	5,629,793.00
Bursary Tertiary Schools	6,700,000.00
Cdf Motor cycle	200,000.00
Mathioya Cdf Office	675,000.00
Mathioya Grid Boards Project	940,000.00
Gitugi Primary School	900,000.00
Iruri Primary School	900,000.00
Kirimiga Primary School	600,000.00
Kiru Primary School	900,000.00
Kiuu Primary School	800,000.00
Muthangari Primary School	900,000.00
Kamune Sec. School	1,000,000.00
Kiriaini Girls Sec. School	400,000.00
Kairo Divisional Headquarters	2,000,000.00
Mathioya Security Lighting Project	34,000.00
Nyakianga Divisional Headquarters	2,000,000.00
Nyakianga Police Station	500,000.00
Kamune Social Hall	3,000,000.00
TOTAL	30,948,275

NG-CONSTITUENCY DEVELOPMENT FUND
MATHIOYA
14 AUG 2018
P. O. Box 275 - 10204,
KIRIAINI

CONSTITUENCIES DEVELOPMENT FUND – MATHIOYA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

6.3 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)
	Cash and cash equivalents balance of ksh. 11,600,716 as at 30 th June 2014 could not be confirmed.	Bank reconciliation and certificate of bank balance availed to confirm cash and cash equivalents	Fund Account Manager	Resolved	

NG-CONSTITUENCY DEVELOPMENT FUND
MATHIOYA
14 AUG 2018
P. O. Box 275 - 10204,
KIRIA-INI