

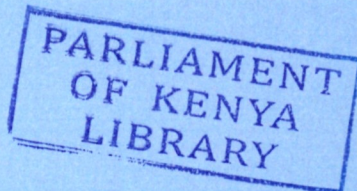
REPUBLIC OF KENYA



*Papers Laid by the
Speaker of the National Assembly
11/10/17*

OFFICE OF THE AUDITOR-GENERAL

REPORT



OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KALOLENI 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)

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The NG- Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The NG-CDF Act 2015 aligns the Fund with the Constitution of Kenya 2010 and the Public Finance Management Act 2012 that lay emphasis on citizen participation in public finance management and decision making, transparency and accountability together with equity in public resource utilization. The overall management of the Fund is the responsibility of the NG- Constituencies Development Fund Board.

(b) Key Management

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

- i. NG-Constituencies Development Fund Board (NG-CDFB)
- ii. NG-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.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Anthony Munyao
3.	District Accountant	Eric Mutuku

(d) Fiduciary Oversight Arrangements

The Kaloleni NG-CDFC members as gazetted

1. Milton Yaa ~~Raya~~.....Chairman
2. Elvina Malombo Sanga.....Secretary
3. Theresia Raphael Kenga.....Member
4. Stephen Ngala Kahindi.....Member
5. Matano Nodoro Charo.....Member
6. Mwalimu Shikari Kombe.....Member
7. Antonina Rehema Kiti.....Member
8. Laukadia Nyambura Muteke.....Member
9. Fund Account Manager.....Ex-Officio
10. National Government Rep.....Member

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

(e) Entity Headquarters

Kaloleni NG- CDF

P.O. Box.222-80105
NG-CDF-Building-Opposite Kaloleni bus stage.
Kaloleni-giriama, Kenya
Telephone: +254726464606
E-mail: ngcdfkaloleni@ngcdf.go.ke
Website: www.ngcdfkaloleni.go.ke

(f) Entity Contacts

Telephone: 0726464606
E-mail: ngcdfkaloleni@ngcdf.go.ke

(g) Entity Bankers

Cooperative Bank of Kenya Ltd
Mariakani Branch,
A/C No. 01141253838300
P.O.BOX
MARIAKANI

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO - 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 (NGCDFC)

Kaloleni National Government - Constituency Development Fund (NG-CDF) committee established by gazette notice of May 17th 2016, following the repeal of CDF act 2003 that now run independent from political party or religious affiliation separating the functions of these entities as provided for in the act 2015.

ARCHIEVEMENTS:

The Kaloleni NG-CDF through public participation in identifying development projects have achieved exactly what CDF was established for? The following are among major areas of success:-

- 1) Bursary: - Distributed the maximum of twenty five percent (25%) to the needy and bright students in the constituency.
- 2) Renovations of school classrooms, science laboratories and toilets.
- 3) Construction of:- Schools buildings such as classrooms, staff houses, toilets and purchase of desks
- 4) Sports: - Support sports programs and nurturing of young talent for development of constituency.
- 5) Construction & Renovations of Administration security offices i.e. Chiefs' and Assistant County Commissioners' (ACC)
- 6) Environment: Purchased and Planted seedlings at various primary and secondary schools to act as windbreakers, environment beautification and shade to students.

CHALLENGES

The NG-CDF fund has positively touched many lives in the constituency, however not without a share of challenges;-

- 1) This financial year was culminated with reduced budget that has affected areas such as administration, delayed disbursement of funds from NG-CDF board.
- 2) The bursary funds vote has always been minimal despite the fact that it is the most popular vote in constituency bursary development.
- 3) Disbursement of funds from the board has been in piecemeal despite the constituency committee fulfilling the board requirements.

WAY FORWARD

There should be an increase on bursary vote aid allocation and financing allocation in constituency.


+ **Milton YaaBaya**

Kaloleni NG-CDFC Chairman

III. STATEMENT OF CONSTITUENCY 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 entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the International Public Sector Accounting Standards Board of Kenya from time to time.

The Fund Account Manager in charge of the KALOLENI *NG-CDF* is responsible for the preparation and presentation of the Constituency's financial statements, which give a true and fair view of the state of affairs of the Constituency as at the end of the financial year ended on June 30th, 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 constituency;
- (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 constituency;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Fund Account Manager in charge of the KALOLENI *NG-CDF* accepts responsibility for the Constituency'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) and relevant legal framework of the Government of Kenya. The Fund Account Manager is of the opinion that the KALOLENI *NG-CDF* financial statements give a true and fair view of the state of Constituency's transactions during the financial year ended June 30th, 2017, and of the Constituency's financial position as at that date. The Fund Account Manager in charge of the KALOLENI *CDF* further confirms the completeness of the accounting records maintained for the Constituency, which have been relied upon in the preparation of the Constituency financial statements as well as the adequacy of the systems of internal financial control.

The Fund Account Manager in charge of the KALOLENI *NG-CDF* confirms that the entity has complied fully with applicable Government Regulations and that the Constituency'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 Fund Account Manager confirms that the Constituency'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 KALOLENI *NG-CDF* financial statements were approved and signed on 28/7/2017


MR. MILTON BAYA
Chairman NG-CDFC


MR. ANTHONY MUNYAO
Fund Account Manager



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES' DEVELOPMENT FUND – KALOLENI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies' Development Fund - Kaloleni Constituency set out on pages 7 to 26, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation – recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies' Development Fund - Kaloleni 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 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 Matters 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. Use of Goods and Services

The statement of receipts and payments for the year ended 30 June 2017 reflects use of goods and services of Kshs.7,371,426. However, the schedules availed in support of the same lacked details of actual payees and specific details of items purchased or services rendered. The following further observations were made:

1.1 Committee Allowances

Note 5 to the financial statements reflects committee allowances of Kshs.2,885,000. However, payment vouchers availed for audit review amounted to Kshs.5,134,548,

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

resulting in a variance of Kshs.2,249,000 and which has not been explained or reconciled. Further, the expenditure was not supported with bus/work tickets as evidence of journeys travelled, nature of allowances paid, amount paid per person per year and dates of the meetings. The trips indicated in the support schedule were not availed for audit review. The management has also not explained the source of extra funds of Kshs.2,249,000.

Consequently, regularity, accuracy and completeness of the Kshs.5,134,548 on the entire committee allowances could not be confirmed.

1.2 Routine Maintenance – Vehicles and Other Transport Equipment

Note 5 to the financial statements reflects routine maintenance – vehicles and other transport equipment expenditure of Kshs 395,200 in respect of service and repair of motor vehicles. However, pre and post service mechanical inspection report to confirm repair work done were not availed for audit review and the repaired defects were not recorded in the work ticket.

Consequently, propriety and completeness of Kshs.395,200 on routine maintenance – vehicles and other transport equipment could not be confirmed.

2. Transfers to Other Government Units

The statement of receipts and payments for the year ended 30 June 2017 reflects transfers to other Government units of Kshs.85,666,947. However, the following observations were made:

2.1 Transfers to Primary and Secondary Schools – Renovation

Note 6 to the financial statements reflects transfers to primary schools of Kshs.39,300,000 and transfers to secondary schools of Kshs.37,330,606, all amounting to Kshs.76,630,606. Included in this amount is Kshs.20,000,000 on renovation of twenty(20) schools, each of which was allocated Kshs.1,000,000 for renovation of four(4) classrooms. However, names of eighteen (18) schools which received Kshs.18,000,000, nature of renovation work, bills of quantities(BQs) and inspection and acceptance committee reports to confirm quality and quantity of work done were not availed for audit verification.

Consequently, regularity of the Kshs.18,000,000 transferred to primary and secondary schools for renovations could not be confirmed.

2.2 Transfers to Tertiary Institutions

Note 6 to the financial statements reflects transfers to tertiary institutions of Kshs.8,825,000 in respect of Constituency Desks Project for seventy-six(76) schools. Records availed for audit review indicated that 1,183 desks costing Kshs.5,855,850 at Kshs.4,950 each were delivered to sixteen(16) schools. However, the number of desks supplied to the remaining sixty (60) schools, supporting delivery notes and inspection and acceptance committee reports were not availed for audit verification. Further, the

supporting quotations availed for audit review showed that only five hundred and seventy (570) desks at Kshs.4,950 each, all amounting to Kshs.2,821,500 were required for the project resulting to a difference of Kshs.6,003,500 which was not explained.

Consequently, validity and regularity of the Kshs.8,825,000 transferred to tertiary institutions could not be confirmed.

2.3 Transfers to Secondary Schools – School Bus

Note 6 to the financial statements reflects transfers to secondary schools of Kshs.37,330,606, out of which Kshs.12,000,000 was transferred to Chanagande Secondary School and Tsangatsini Secondary School for purchase of school buses at Kshs.6,000,000 each. However, the tender advertisement for the procurement was not availed for review. This is contrary to the Public Procurement and Disposal (Amendment) Regulations, 2013 Threshold Matrix for Class C Procuring Entities, which sets a minimum of Kshs.4,000,000 for use of open tender method of procurement.

Consequently, regularity of expenditure of Kshs.12,000,000 on transfers to other government units could not be confirmed.

3. Other Grants and Transfers

3.1 Irregular Funding of Projects

The statement of receipts and payments reflects other grants and transfers of Kshs.52,900,760. Included in this amount is Kshs.6,250,000 for emergency projects which includes Kshs.5,750,000 on water projects.

However, water projects fall under devolved functions, hence expenditure of Kshs.5,750,000 on the same is contrary to the requirement of Section 24 of the National Government Constituencies Development Fund Act, 2015 which provides that 'a project under this Act shall only be in respect of works and services falling within the functions of the National Government under the Constitution'. Further, evidence that the opinion of the Constituencies Development Fund Committee was sought to spend on emergency projects was not availed for audit verification. This is contrary to Section 8(3) of the National Government Constituencies Development Act, 2015 which defines an emergency as an 'urgent, unforeseen need for expenditure for which it is in the opinion of the Committee cannot be delayed until the next financial year without harming the public interest of the constituents'.

Further, the bank statements to confirm receipt of the funds, bills of quantities, quotations, contract agreements, certificates of completion and inspection and acceptance committee reports were not availed for audit review.

Consequently, the expenditure amounting to Kshs. 5,750,000 on emergency projects was irregular.

3.2 Security Projects

3.2.1 Kawala/ Kadzonzo Assistant Chief's Office

Note 7 to the financial statements reflects Kshs.19,500,000 in respect of security projects. The amount includes Kshs.2,000,000 on construction of Kawala/ Kadzonzo Assistant Chief's office at a contract sum of Kshs.1,832,202. Although available records indicate that the office is situated on land whose ownership is in dispute, it was explained that the court has ruled in favour of the Government. However, the court ruling was not availed for audit verification.

Consequently, propriety of the Kshs.2,000,000 on security projects could not be confirmed.

3.2.2 Tsangatsini Chief's Office

Note 7 to the financial statements reflects Kshs.19,500,000 in respect of security projects. Out of that amount, 2,000,000 was for construction of Tsangatsini Chief's Office. However, the project's tender documents, bank statements and certificates of completion were not availed for audit review. Further, when the project was inspected in the month of June 2018, it was complete and in use with second retention money amounting to Kshs.92,000 already released.

Consequently, propriety and completeness of Kshs.4,000,000 on security projects for the year ended 30 June 2017 could not be confirmed.

3.3 Sports Projects

Note 7 to the financial statements reflects sports projects expenditure of Kshs.1,564,630. However, bank statements, counter receipt vouchers (S.13), counter requisition and issue vouchers (S.11) and stores ledger cards (S.3) to confirm receipt, recording and issuance of the items for official use and list of beneficiaries were not availed for audit review.

Consequently, propriety and completeness of the Kshs.1,564,630 on sports projects could not be confirmed.

3.4 Environment Projects

Note 7 to the financial statements reflects environment projects expenditure amounting to Kshs.4,164,630 which was paid to a supplier for supply of certified tree seedlings for distribution to fifteen (15) institutions equally at a contract sum of Kshs.1,556,034. The supplier was overpaid by Kshs.2,608,596 being excess of amount paid over the contract sum. Further, delivery notes for 1,284 tree seedlings were not signed by recipients nor inspection and acceptance committee reports and distribution lists of the tree seedlings availed for audit review.

Consequently, propriety, accuracy and completeness of Kshs.4,164,630 on environment projects could not be confirmed.

6. Bank Balance

The statement of financial assets as at 30 June 2017 reflects a bank balance of Kshs.7,220,750. The Fund's bank reconciliation statement as at 30 June 2017 availed in support of this balance reflects un-presented cheques of Kshs.1,224,493, out of which Kshs.5,193 is in respect of stale cheques not reversed in cash book. Subsequent bank statements to confirm when cheques amounting to Kshs.1,219,300 were subsequently cleared by the banks were not availed for audit review. Further, certificate of bank balance as 30 June 2017 was not availed for audit review.

Consequently, the accuracy, validity and completeness of the bank balance of Kshs.7,220,750 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituency Development Fund – Kaloleni Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Budgetary Performance and Analysis

During the year under review, the Fund had expenditure budget of Kshs.186,352,698 against actual expenditure of Kshs.148,183,673 or 79.5%, resulting in an under expenditure of Kshs.38,169,025 (20.5%) as detailed below:

Item	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Expenditure (Kshs.)	%
Compensation of Employees	3,317,960	2,095,999	1,221,961	37
Use of Goods and Services	14,850,336	7,371,426	7,478,910	50
Transfers to Other Government Units	96,181,035	85,666,948	10,514,087	11
Other Grants and Transfers	71,854,827	52,900,760	18,954,067	26
Acquisition of Assets	148,540	148,540	0	0
Total	186,352,698	148,183,673	38,169,025	20.5

The under expenditure of Kshs.38,169,025 or 20.5% indicates a budget which was not implemented in accordance with the provisions of Section 220(1) of the Constitution

of Kenya which requires budgets of national government to contain estimates of revenue and expenditure, differentiating between recurrent and development and proposals for financing any budget deficit for the period to which they apply. Further, it contravenes Section 35(1) of the Public Finance Management Act, 2012 which requires the budget process for the national Government to comprise among other things integrated long term and medium term planning, planning and determining financial and economic policies and priorities at the national level over the medium term and implementing the budget. As such, delivery of goods and services to residents of Kaloleni Constituency may have been curtailed.

2. Projects Implementation Status

The projects implementation status report as at 30 June 2017 for National Government Constituencies Development Fund – Kaloleni Constituency availed for audit review did not indicate the total budgetary allocations for each project, total disbursements and expenditure on each project as at 30 June 2017 and the percentage of completion. As such, it was not possible to ascertain the number of projects implemented, activities undertaken, funding levels and stages of completion as at 30 June 2017.

3. Projects Verification

During the audit, thirteen (13) projects costing Kshs.28,825,000 were inspected in the month of June 2018 and anomalies/defects found in nine(9) with a cost of a Kshs.14,000,000 as detailed below:

No	Project	Activity	Amount (Kshs.)	Anomalies/Defects Noted
1	Kizurini Primary School	Renovation of classrooms	1,000,000	The expenditure was not supported with Bill of Quantities, contract agreement, quotations and certificates of completion. Further, the specific sections renovated could not be identified by the management for audit verification.
2	Nguluweni Primary School	Construction of 2 classroom block	3,000,000	The expenditure was not supported with architectural drawings, Bill of Quantities, quotations, contract agreement and certificates of completion. The project was complete when it was verified.
3	Chanagande Primary School	Renovation of 4 classrooms	1,000,000	The expenditure was not supported with Bill of Quantities, quotations, contract agreement and certificates of completion. Further, sections renovated could not be identified by the management for audit verification.
4	Mwandaza Primary School	Renovation of 4 classrooms	1,000,000	The expenditure was not supported with Bill of Quantities, quotations, contract agreement and certificates of completion. Further, sections renovated could not be identified by the management for audit verification.
5	Birini Mwamleka Primary School	Renovation of 4 classrooms	1,000,000	The expenditure was not supported with Bill of Quantities, quotations, contract agreement and certificates of completion. During the project audit visit, sections renovated could not be identified by the management for audit verification.

6	Mtsengo Primary School	Renovation of 4 classrooms	1,000,000	The expenditure was not supported with Bill of Quantities, quotations, contract agreement and certificates of completion nor sections renovated identified by the management for audit verification.
7	Kizurini Secondary School	Renovation of 2 classrooms	500,000	The expenditure was not supported with Bill of Quantities, quotations, contract agreement and certificates of completion nor sections renovated identified by the management for audit verification
8	Chanagande Secondary School	Construction of a dormitory	4,000,000	The expenditure was not supported with architectural drawings, Bill of Quantities, quotations, contract agreement and certificates of completion. During project audit inspection, the dormitory was complete but not in use.
9	St. John's Secondary School	Completion of a laboratory block	1,500,000	The expenditure was not supported with architectural drawings, Bill of Quantities, quotations, contract agreement and certificates of completion. At the time of audit inspection of the project, the laboratory was complete. However, the management could not identify the sections on which the funds were spent.
	TOTAL		14,000,000	

Consequently, the propriety and value for money for Kshs.14,000,000 spent on the projects for the year ended 30 June 2017 could not be confirmed.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance 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 National Government Constituencies Development Fund - Kaloleni Constituency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing National Government Constituencies Development Fund - Kaloleni Constituency'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.

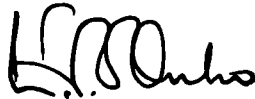
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 National Government Constituencies Development Fund - Kaloleni Constituency'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 National Government Constituencies Development Fund - Kaloleni Constituency 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 National Government Constituencies Development Fund - Kaloleni Constituency to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of National Government Constituencies Development Fund - Kaloleni Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

13 July 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2017


	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	115,179,804	122,950,679
Proceeds from Sale of Assets	2	-	
Other Receipts	3	140,000	80,000
TOTAL RECEIPTS		115,319,804	123,030,679
PAYMENTS			
Compensation of employees	4	2,095,999	1,291,510
Use of goods and services	5	7,371,426	8,318,949
Transfers to Other Government Units	6	85,666,947	53,037,138
Other grants and transfers	7	52,900,760	30,932,932
Acquisition of Assets	8	148,540	2,003,546
Other Payments	9	-	-
TOTAL PAYMENTS		148,183,672	95,584,075
SURPLUS/ DEFICIT		(32,863,868)	27,446,604

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Kaloleni NG-CDF financial statements were approved on 28/7/2017 by


Milton Baya

Chairman NG-CDF


Anthony Munyao

Fund Account Manager.

FUND ACCOUNT MANAGER
 C. D. F. KALOLENI
 P. O. Box 222 301
 KALOLENI

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

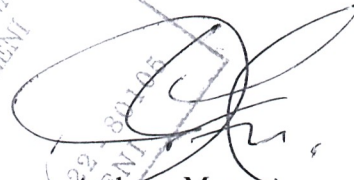
**VI. STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES AS AT YEAR
 END 30TH JUNE, 2017**

	Note	2016-2017	2015-2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	7,220,750	40,084,618
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		7,220,750	40,084,618
REPRESENTED BY			
Fund balance b/fwd 1st July 2016	12	40,084,618	12,943,807
Surplus/Deficit for the year		(32,863,868)	27,446,604
Prior year adjustments	13	-	(305,793)
NET LIABILITIES		7,220,750	40,084,618

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kaloleni NG- CDF financial statements were approved on 28/7/2017. and signed by:


Milton Baya

Chairman – NG-CDFC


Anthony Munyao
 Fund Account Manager

FUND ACCOUNT MANAGER
 C. D. F. KALOENI
 P. O. Box 222, 80105
 KALOENI

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

VII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2017

Receipts for operating income	NOTE	2016-2017	2015-2016
Transfers from CDF Board	1	115,179,804	122,950,679
Other Receipts-Rent Income	3	140,000	80,000
Sub total		115,319,804	123,030,679
Payments for operating expenses			
Compensation of Employees	4	2,095,999	1,291,510
Use of goods and services	5	7,371,426	8,318,949
Transfers to Other Government Units	6	85,666,947	53,037,138
Other grants and transfers	7	52,900,760	30,932,932
Other Payments	9	-	-
		148,035,132	93,580,529
Adjusted for:			
Adjustments during the year		-	305,793
sub total		148,035,132	93,886,322
Net cash flow from operating activities		(32,715,327)	29,144,357
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	148,540	(2,003,546)
Net cash flows from Investing Activities		(148,540)	(2,003,546)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(32,863,868)	27,140,811
Cash and cash equivalent at BEGINNING of the year	12	40,084,618	12,943,807
Cash and cash equivalent at END of the year		7,220,750	40,084,618

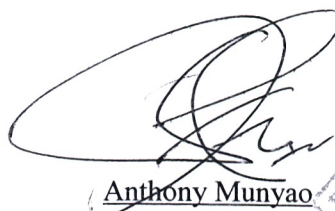
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kaloleni NG- CDF financial statements were approved on 28/7/2017 and signed by:



Milton Baya

Chairman – NG-CDFC

CHAIRMAN
KALOLENI C.D.F



Anthony Munyao

Fund Account Manager

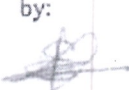
FUND ACCOUNT MANAGER
C. D. F. KALOLENI
P. O. Box 222 - 80105
KALOLENI

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALO LENI CONSTITUENCY,
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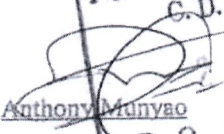
I. SUMMARY STATEMENT OF APPROPRIATION – RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,551.72	104,316,146.30	186,212,698.02	115,179,804.90	71,032,893.12	62
Proceeds from Sale of Assets			-	-	-	
Other Receipts	-	140,000.00	140,000.00	140,000.00	-	100
	81,896,551.72	104,456,146.30	186,352,698.02	115,319,804.90	71,032,893.12	
PAYMENTS						
Compensation of Employees	3,317,960.00	0	3,317,960.00	2,095,999.00	1,221,961.00	63
Use of goods and services	4,052,729.60	10,797,606.30	14,850,335.90	7,371,426.00	7,478,909.90	50
Transfers to Other Government Units	39,681,034.61	56,500,000.00	96,181,034.61	85,666,947.50	10,514,087.11	89
Other grants and transfers	34,844,827.49	37,010,000.00	71,854,827.49	52,900,760.00	18,954,067.49	74
Social Security Benefits	0	0	-	-	-	
Acquisition of Assets	-	148,540.00	148,540.00	148,540.00	-	100
Other Payments	0	0	-	-	-	
TOTALS	81,896,551.70	104,456,146.30	186,352,698.00	148,183,672.50	(32,863,867.52)	80

The accounting policies and explanatory notes to these financial statements form an integral part of these financial statements. The Kaloleni NG- CDF financial statements were approved and signed by:


Milton Baya

Chairman – NG-CDFC


FUND ACCOUNT MANAGER
C. D. F KALO LENI
P.O. Box 222 - 80105
KALO LENI

IX. 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. 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 recognizes transactions and events only when cash is received or paid by the NG-CDF.

2. Recognition of revenue and expenses

The NG-CDF recognizes 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 recognizes 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 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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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 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 CONSTITUENCY DEVELOPMENT FUND – KALOENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
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X. NOTES TO THE FINANCIAL STATEMENT

1. TRANSFERS FROM NG-CDF BOARD, AIEs RECEIVED

Description	Notes	2016/2017	2015/2016
Description		Kshs	Kshs
NG-CDF Board – Balances b/f		64,231,528	28,950,679
AIE NO. A829579		4,094,827	10,000,000
AIE NO. A855240		36,853,449	20,000,000
AIE NO. A839671		10,000,000	20,000,000
		-	24,000,000
		-	20,000,000
		115,179,804	122,950,679

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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3. OTHER RECEIPTS

Description	2016 - 2017	2015- 2016
	Kshs	Kshs
Interest Received	-	-
Rents	140,000	80,000
Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
Total	140,000	80,000

4. COMPENSATION FOR EMPLOYEES

Description	2016 – 2017	2015- 2016
	Kshs	Kshs
Basic wages of contractual employees	1,841,799	1,068,000
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Gratuity	254,200	223,510
Total	2,095,999	1,291,510

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
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5. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015- 2016
	Kshs	Kshs
Utilities, supplies and services	222,201	63,997
Office rent	-	-
Communication, supplies and services	41,900	1,606,550
Domestic travel and subsistence	270,126	183,150
Printing, advertising and information supplies & services	239,423	55,157
Rentals of produced assets	-	-
Training expenses	617,600	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	406,333	269,695
Fuel ,oil & lubricants	500,000	1,000,000
Other operating expenses- cleaning services	1,793,643	147,241
Routine maintenance – vehicles and other transport equipment	395,200	492,628
Routine maintenance – vehicles and other transport equipment		33,030
Other committee expenses		3,253,500
Committee allowance	2,885,000	1,214,000
Total	7,371,426	8,318,948

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

6. TRANSFER TO OTHER GOVERNMENT ENTITY

DESCRIPTION		2016 -2017	2015- 2016
		Kshs	Kshs
Transfers to primary schools		39,300,000	31,393,294
Transfers to secondary schools		37,330,606	11,000,000
Transfers to Tertiary institutions		8,825,000	10,000,000
Transfers to Health institutions		211,341	643,844
TOTAL		85,666,947	53,037,138

7. OTHER GRANTS AND PAYMENTS

Description		2016 - 2017	2015- 2016
		Kshs	Kshs
Bursary -Secondary		20,478,500	14,778,000
Bursary -Tertiary		943,000	6,962,932
Bursary-Special schools			662,000
Mocks & CAT			-
water			-
Agriculture (food security)			-
Electricity projects			-
Security		19,500,000	-
Roads			-
Sports		1,564,630	3,400,000
Environment		4,164,630	2,400,000
Emergency - water project		6,250,000	2,730,000
TOTAL		52,900,760	30,932,932

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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8. ACQUISITION OF ASSETS.

Non-Financial Assets		2016 - 2017	2015- 2016
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	2,003,546
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings		-	-
Purchase of computers ,printers and other IT equipment		148,540	-
Purchase of photocopier		-	-
Purchase of other office equipment		-	-
Purchase of soft ware		-	-
Acquisition of Land		-	-
		-	-
TOTAL		148,540	2,003,546

9. OTHER PAYMENTS

9	Other Payments		
Specify			-
Specify			-
Specify		-	-
TOTAL		-	-

10A. BANK BALANCES (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2016 - 2017	2015- 2016
		Kshs	Kshs
Cooperative Bank of Kenya Ltd Mariakani Branch,	A/C No. 01141253838300	7,220,750	40,084,618
		-	-
		-	-
Total		7,220,750	40,084,618

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOENI CONSTITUENCY.
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10B: CASH IN HAND

			2016 - 2017	2015- 2016
			Kshs	Kshs
Location 1			-	-
Location 2			-	-
Location 3			-	-
Other receipts (specify)			-	-
TOTAL				

11.: OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Total				-

12. BALANCES BROUGHT FORWARD

		2016 - 2017	2015- 2016
		Kshs	Kshs
Bank accounts		40,084,618	12,117,007
Cash in hand			-
Imprest			826,800
Total		40,084,618	12,943,807

13. PRIOR YEAR ADJUSTMENTS

		2016 - 2017	2015- 2016
		KSHS	KSHS

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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Bank accounts	Reversed cheques	-	(305,793)
Cash in hand		-	-
Imprest		-	-
TOTAL		-	(305,793)

14. OTHER IMPORTANT DISCLOSURES

14.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

		2016 - 2017	2015- 2016
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	-

14.2: PENDING STAFF PAYABLES (See Annex 2)

		2016 - 2017	2015- 2016
		Kshs	Kshs
Senior management		-	=
Middle management		-	=
Unionisable employees		-	=
Others - <u>JUNE 2016 SALARY</u>		-	102,600
		-	102,600

14.3: OTHER PENDING PAYABLES (See Annex 3)

		2016 - 2017	2015- 2016
		Kshs	Kshs
Amounts due to other Government entities (see attached list)	-		=
Amounts due to other grants and other transfers			

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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(see attached list)			
Others (<i>specify</i>)			

14.4: AMOUNT BALANCE FROM PMCs ACCOUNT (See Annex 4)

	2016-2017	2015-2016
PMCs balance	1,496,393	-

14.5: AMOUNT DUE FROM THE NG-CDF BOARD

	2016-2017	2015-2016
Amount due from the NG-CDF board	30,948,275	64,231,528

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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FOR THE YEAR ENDED JUNE 30, 2017

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2017	2016	
	A	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2017	2016	
		A	b	c	d=a-c		
Senior Management							
1.							
2.							
Sub-Total							
Middle Management							
4.							
Sub-Total							
Unionisable Employees							
5.							
Sub-Total							
Kaloleni NG-CDFC-STAFF							
Cosmas Iha Pekeshe		22,000	30/06/2016	22,000	nil	22,000	Paid on July 2016
Rabi Ramadhan		13,000	30/06/2016	13,000	nil	13,000	Paid on July 2016
Dickson Juma		14,000	30/06/2016	14,000	nil	14,000	Paid on July 2016
JameCharo		12,000	30/06/2016	12,000	Nil	12,000	Paid on July 2016
BakariChego		10,000	30/06/2016	10,000	Nil	10,000	Paid on July 2016
Harman Lungo		10,000	30/06/2016	10,000	Nil	10,000	Paid on July 2016
Nzigo Katana		10,000	30/06/2016	10,000	Nil	10,000	Paid on July 2016
Rosemary Tabu		10,000	30/06/2016	10,000	Nil	10,000	Paid on July 2016
NSSF employers contribution		1,600	30/06/2016	1,600	nil	1,600	Paid on July 2016
Sub-Total		102,600		102,600	Nil	102,600	
Grand Total						102,600	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
REPORTS AND FINANCIAL STATEMENTS
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2017	2016	
		A	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							

*NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
 REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017*

ANNEX 4. PMCs ACCOUNTS BALANCE

PMCs NAME	Financial year 2016/2017		
	BANK NAME	ACCOUNT NUMBER	BALANCES
Migundini secondary school ng-cdf project	Cooperative bank	01100250708300	-
Mwambani primary school ng-cdf project	Cooperative bank	01100250755600	4,221
Mitsikistini primary school ng-cdf project	Cooperative bank	01100250718300	87,385
Shangi primary school ng-cdf project	Cooperative bank	01100250755600	517
Kidzini primary school ng-cdf project	Cooperative bank	01100252022700	869
Migundini primary school ng-cdf project	Cooperative bank	01100252119600	1230
Kizurini primary school ng-cdf project	Cooperative bank	01100252130600	2,271
Mtulu primary school ng-cdf project	Cooperative bank	01100252138700	4,116
Mnazimmwenga primary school ng-cdf project	Cooperative bank	01100252193900	4,228
Bikidzaya primary school ng-cdf project	Cooperative bank	01100253888300	2,720
Kibaokiche primary school ng-cdf project	Cooperative bank	01100254868300	59
Walea primary school ng-cdf project	Cooperative bank	01100254941000	-
Mahenzo primary school ng-cdf project	Cooperative bank	01100254945300	-
Mariakani primary school ng-cdf project	Cooperative bank	01141764060500	203,227
Mnazimwenga secondary school ng-cdf project	Cooperative bank	01100252888500	386
Mwareni secondary school ng-cdf project	Cooperative bank	01100254870500	1,259
Tsagwa secondary school ng-cdf project	Cooperative bank	01117252217600	598,827
St John's Girls secondary school ng-cdf project	Cooperative bank	01117252797200	83,887
Mariakani chiefs office ng-cdf project	Cooperative bank	01100252176300	996
Chanagande location chiefs office	Cooperative bank	01100253925500	847
Jibana location chiefs camp ng-cdf project	Cooperative bank	01100252259100	132,841
Tsangatsini location chiefs office	Cooperative bank	01100254117700	202,076
Mbalamweni Sub-location assistant chiefs office	Cooperative bank	01100254137500	110,579
Kaloleni ng-cdf environment project	Cooperative bank	01100254086700	53,852
TOTAL			1,496,393

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOLENI CONSTITUENCY.
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ANNEX 5– SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs)	Historical Cost (Kshs)
	2016 - 2017	2015- 2016
Land	-	
Buildings and structures	18,899,960	18,899,960
Transport equipment	4,200,000	4,200,000
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets	148,540	
Other Machinery and Equipment	350,000	350,000
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	23,598,500	23,449,960

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOENI CONSTITUENCY.
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15.0. 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 Anthony munyao (Fund account Manager) 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)
	Presentation of financial statements	The non-compliance issues on our financial statements were resolved fully and they complied with IPSAS 1 on presentation.	Anthony munyao (fund account manager)	Resolved	
	Inaccuracies in the financial statements	The outstanding imprest balance was cleared during the year and therefore reflected a NIL balance at the end of the year.	Anthony munyao (fund account manager)	Resolved	
		Unexplained nor reconciled variance of 1900,000.00 came as a result of building perimeter wall which was classified under building and structures.			
		The re-casted error of Kshs 3000 on the fixed assets has been corrected.			
		Statements of receipts and payments reflects transfers from the board of Kshs 122,950,679 while the summary of appropriation reflects Kshs. 135,067,686 the variance of 12,117,007 was the closing balances from the previous financial year.			
	Unsupported balances	The unsupported variances were as a results of payment vouchers which were not found but they were provided and the issues was resolved.	Anthony munyao (fund account manager)	Resolved	
	Other receipts	The financial statements that reflected a nil balance against a bank balance while the previous year reflected a closing balance of Kshs 12,117,007 with interest received of Kshs 60,746 was an error since the Kshs was for rent received and not interest received.	Anthony munyao (fund account manager)	Resolved	
	Bank balances	The payment in cashbook not yet recorded in the bank statement of Kshs 6,795,883.00 were stale cheques which were re-issued	Anthony munyao (fund account manager)	Resolved	
	Cash balances	The cash balances were surveyed by the boards of survey and the certificate were availed for audit review.	Anthony munyao (fund account manager)	Resolved	
	Acquisition of assets	The certificate of completion was not availed during the audit but it was provided after by the public works officer.	Anthony munyao (fund account manager)	Resolved	
		The amount of 2,003,546 was used for painting, re-roofing, buying of office curtains repairing of office ceiling.			
	Transfers to other government units (to primary	Variation of 855,407.00 was an additional expenditure which was approved by the tender committee and also the letter from the board to support the same	Anthony munyao (fund account manager)	Resolved	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KALOENI 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)
	school)				
	(to secondary school)	5,000,000 was a grant to kizurini secondary school for the purchase of school bus.			
	(to tertiary school)	10,000,000 was also a grant for the construction of Kaloleni technical and vocational college.			
	(to health institution)	There was purchase of maternity equipment amounting to Kshs 643,844 this was evidenced by delivery note, invoices and goods received note.			
	Propriety of expenditure amounting to Kshs 16,499,251	The expenditure was as follows: <ul style="list-style-type: none"> • Muungano primary school variations Kshs 855,407. • Kizurini secondary school bus project Kshs 5,000,000 • Kaloleni Technical college construction Kshs 10,000,000 • Maternity equipment purchase chalani dispensary Kshs 643,844. Totaling to Kshs. 16,499,251.00	Anthony munyao (fund account manager)	Resolved	
	Other grants and transfers	The emergency fund could not be confirmed but according to section 8(3) of the NG-CDF Act the projects undertaken had fulfilled the criteria for emergency the projects amounted to Kshs 2,730,000 And the projects were as followed: <ul style="list-style-type: none"> • Chalani bridge Kshs 850,000 • Madzimbani pry sch Kshs 300,000 • Kinarani pry sch Kshs 300,000 • Chanagande pry sch Kshs 300,000 • Makomboani pry sch Kshs 300,000 • Pangayambo pry sch Kshs 300,000. • Walea pry sch Kshs 380,000 	Anthony munyao (fund account manager)	Resolved	
	Budgetary control and performance	The absorption of funds was brought about when the NG-CDF office was not operational for some time due to transitions that were taking place	Anthony munyao (fund account manager)	Resolved	
	Projects implementation status	The projects which had not received funding amounted to Kshs 51,711,342. This was as a result of a delay disbursement from the board for the last AIE which came later in September.	Anthony munyao (fund account manager)	Resolved	
	Projects verification	The projects reviewed amounting to Kshs 2,400,000 which was for planting tree seedlings to various schools. But unfortunately some of them withered and hence the residents could not get the value for money.	Anthony munyao (fund account manager)	Resolved	