

REPUBLIC OF KENYA



*Paper Laid by the
Leader of Majority Party
upf
Tuesday 11/10/2018*

OFFICE OF THE AUDITOR-GENERAL



REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KWANZA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
KWANZA CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KWANZA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC).....	3
III. STATEMENT OF CDF 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
VII SIGNIFICANT ACCOUNTING POLICIES.....	9-10
IX. NOTES TO THE FINANCIAL STATEMENTS.....	11-34

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015.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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mathew .K. Tanui
3.	Accountant	David .O. Omweno

(d) Fiduciary Oversight Arrangements

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

(e) KWANZA NG-CDF Headquarters

P.O. Box 2015
Kwanza CDF Building/House/Plaza
Kwanza Centre

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

(f) KWANZA NG-CDF Contacts

Telephone: (254) 725 732 332
E-mail: kwanza@cdf.go.ke
Website: www.kwanza.cdf.go.ke

(g) KWANZA NG-CDF Bankers

1. Cooperative Bank of Kenya
P.O BOX 1050-30200
KITALE

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

The Kwanza National Government Constituency Development Fund in the financial year 2016/2017 was allocated Kshs. 81,896,552 (Eighty one million eight hundred and ninety six thousand five hundred and fifty two shillings only)

During the financial year 100% of the allocation was disbursed to the constituency. The constituency was further disbursed with Kshs. 61,704,337 (Sixty one million seven hundred and four thousand three hundred and thirty seven shillings only) being undisbursed funds for financial year 2015/2016. Therefore the constituency received a total amount of Kshs. 143,600,889 (one hundred and forty three million six hundred thousand eight hundred and eighty nine shillings only)

The NG-CDFC was able to timely transfer the disbursed funds to project management committees. The NG-CDFC has also been able to carry out monitoring and evaluation to over 90% of the funded projects.

Kwanza NG-CDF key Achievements

The following are key achievements for Kwanza Constituency

1. Access of education by poor and needy students through bursary
2. Improvement of learning Facilities
3. Increased enrolment in Schools and improved performance through creation of conducive learning environment
4. Community Empowerment through community employment in full and labour based contracts.

Implementation challenges and way forward

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.
2. Inadequacy of qualified NG-CDFC staff. The NGCDF Board should employ and deploy more staff to the constituency to assist the fund account manager in project implementation and reports preparation.
3. Inadequate NG-CDFC facilitation. Sitting allowances for committees to be revised to improve motivation.

Sign



CHAIRMAN NG-CDFC



III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

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

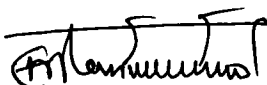
The Accounting Officer in charge of the KWANZA National Government Constituency Development Fund is responsible for the preparation and presentation of the KWANZA NG-CDF financial statements, which give a true and fair view of the state of affairs of the KWANZA NG-CDF for and as at the end of the financial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

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

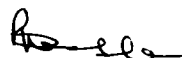
The Accounting Officer in charge of the KWANZA NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes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

Approval of the financial statements

The NG-CDF's financial statements were approved and signed by the Accounting Officer on 28/07/2017 2017.



Fund Account Manager



Chairman NG-CDFC

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KWANZA 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 - Kwanza Constituency set out on pages 5 to 34, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kwanza 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, based on the procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way

Basis for Qualified Opinion

1.0 Transfer to Primary Schools

Included transfer to other government entities figure of Kshs.76,700,000 reflected in note 6 to the financial statements is transfer to primary schools of Kshs.35,900,000 which include Kshs.3,300,000 for construction and renovation of classrooms. However, actual expenditure returns were not provided for audit review. Under the circumstance, the validity and propriety of the transfer to primary schools amount of Kshs.3,300,000 could not be confirmed.

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

2.0 Cash and Cash Equivalent

The statement of assets as at 30 June 2017 reflects bank balances figure of Kshs.8,187,382. A review of the bank reconciliation statement for the month of June 2017 revealed cheques totaling to Kshs.68,934 which had become stale but had not been reversed in the cashbook. No explanation has been provided for this anomaly. Under the circumstances, the validity and accuracy of the bank balances of Kshs.8,187,382 could not be confirmed.

3.0 Project Management Committee Bank Account Balances

Note 15.4 to the financial statements reflects project management committee bank account balances amounting to Kshs.6,987,967 as at 30 June 2017 as disclosed under annex 4 in respect of unutilized fund balances. However, cashbooks, bank reconciliation statements, bank confirmation certificates and bank statements in support of the balance of Kshs.6,987,967 were not availed for audit review. Consequently, the accuracy, validity and existence of the disclosed project management committee balance of Kshs.6,987,967 could not be confirmed.

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

Other Matter

1.0 Budgetary Control and Performance

1.1 Budget Absorption

During the year under review, the constituency had a total budget of Kshs.150,989,026 but incurred expenditure of Kshs.142,801,644 resulting in under-expenditure of Kshs.8,187,382 or 5.42% of the budget as summarized below:

Item	Budget 2016/2017	Actual 2016/2017	Under Absorption	% Under Absorption
	Kshs. '000'	Kshs. '000'		
Compensation of Employees	2,914,540.00	2,781,820.00	132,720.00	4.55
Use of goods and services	10,027,403.00	9,039,300.00	988,103.00	9.85
Transfer to other Government units	82,800,000.00	76,700,000.00	6,100,000.00	7.37
Other grants and transfers	54,947,083.00	54,013,919.00	933,164.00	1.70
Acquisition of Assets	300,000.00	266,605.00	33,395.00	11.13
Total	150,989,026.00	142,801,644.00	8,187,382.00	5.42

Funds not utilized imply that approved programs were not implemented, and thus the budget did not fully meet the objectives of improving delivery of services to the residents.

1.2 Project Implementation

During the financial year 2016/2017, Kshs.92,600,412 was allocated for the implementation of 199 projects as detailed in the attached list below;

S/No	Project Name	Sub-Project Activities	Allocation (Kshs.)	Disbursement (Kshs.)	Cumulative Achievement %	Implementation Status
Completed Projects						
1	St Emmanuel Primary	Construction of latrines	200,000	200,000	100%	Complete
2	Mwangaza Primary School	Construction of latrines	150,000	150,000	100%	Complete
3	Tembelela Drainage	Excavation of drainage	100,000	100,000	100%	Complete
4	Pombo Pri. School	Repair of leaking roof	150,000	150,000	100%	Complete
5	Namanjalala/Chemusus	Excavation of drainage	150,000	150,000	100%	Complete
6	Marrum Primary School	Repair of roof blown off by wind	150,000	150,000	100%	Complete
7	Maridadi Drainage	Excavation of drainage	150,000	150,000	100%	Complete
8	Gesarate Youth Polytechnic	Fencing of proposed polytechnic.	200,000	200,000	100%	Complete
9	Kobos Secondary School	Electrical wiring	200,000	200,000	100%	Complete
10	St Francis S.S Kolongolo	Repayment of School bus loan	230,000	230,000	100%	Complete
11	St Francis S.S Kolongolo	Repayment of School bus loan	1,000,000	1,000,000	100%	Complete

12	Misanga S.A High School	Equipping the school with basic items	110,000	110,000	100%	Complete
13	St Francis Kolongolo Boys	Repayment of School bus loan	360,000	360,000	100%	Complete
14	Makunga Primary School	Construction of pit latrines	150,000	150,000	100%	Complete
15	Misanga Primary School	Construction of pit latrines	150,000	150,000	100%	Complete
16	Soymining Primary School	Construction of pit latrines	150,000	150,000	100%	Complete
17	Ndalala Primary School	Construction of pit latrines	150,000	150,000	100%	Complete
18	Luuya Primary School	Repair of roof blown by wind	50,000	50,000	100%	Complete
19	Biketi Dispensary	Purchase of furniture and equipment	150,000	150,000	100%	Complete
20	Korosiot Primary School	Construction of pit latrine	150,000	150,000	100%	Complete
21	Maziwa Primary School	Construction of pit latrine	150,000	150,000	100%	Complete
22	Kitale Ndogo Primary School	Construction of pit latrine	150,000	150,000	100%	Complete
23	Laissa Primary School	Construction of pit latrine	150,000	150,000	100%	Complete
24	Ainasit Primary School	Construction of pit latrine	150,000	150,000	100%	Complete
25	Kwanza Health Centre	Construction of pit latrine	100,000	100,000	100%	Complete
26	Lurare Primary School	Construction of pit latrines	150,000	150,000	100%	Complete
27	Makhonge Secondary School	Construction of pit latrines	150,000	150,000	100%	Complete
28	Maridadi Drains Group	Excavation of drainages at Maridadi	250,000	250,000	100%	Complete
29	Kobos Secondary School	Repair of dormitory roof(blowed by wind)	400,000	400,000	100%	Complete
30	Bishop Muge Primary School	Construction of one classroom	500,000	500,000	100%	Complete
31	Maziwa Primary School	Construction of modern latrine	300,000	300,000	100%	Complete
32	Lessos Primary School	Construction of pit latrine	200,000	200,000	100%	Complete
33	Kimunon Drainage	Excavation of drainage	200,000	200,000	100%	Complete
34	Luuya Primary School	Construction of pit latrine	200,000	200,000	100%	Complete
35	St. Peter's Secondary Kapomboi	Construction of pit latrine	200,000	200,000	100%	Complete
36	Kwanusu Primary School	Construction of pit latrine	200,000	200,000	100%	Complete

37	Tumaini Cbo Drainage	Excavation of drainage	150,000	150,000	100%	Complete
38	Sinani Nabulala Cbo	Excavation of drainage	150,000	150,000	100%	Complete
39	Lusaka Cbo	Excavation of drainage	100,000	100,000	100%	Complete
40	Bidii Primary School	renovation of 3 classrooms	500,000	500,000	100%	On-Going
41	Matisi- Liavo Road	culvert installation	293,712	293,712	100%	Complete
42	Mile 11 - Keiyo Road	culvert installation	176,227	176,227	100%	Complete
43	Bidii Primary School	Construction of one classroom	500,000	500,000	100%	Complete
44	Matisi - Liavo Road	600m culvert installation	293,712	293,712	100%	Complete
45	Mile 11 -Keiyo Road	900m culvert installation	176,227	176,227	100%	Complete
46	Pombo Primary School	Construction of pit latrines	200,000	200,000	100%	Complete
47	Marinda Riverside C.D.O	Excavation of drainage	150,000	150,000	100%	Complete
48	Water Supply Primary School	Construction of pit latrines	150,000	150,000	100%	Complete
49	Tuangaliane Mifungu Group C.B.O	Drainage excavation	150,000	150,000	100%	Complete
50	Bondenii Cbo	Drainage excavation	150,000	150,000	100%	Complete
51	Wewana Drainage	Drainage excavation	200,000	200,000	100%	Complete
52	Lusaka Cbo	Drainage excavation	150,000	150,000	100%	Complete
53	Aic Kapsitwet Scondary School	Construction of pit latrines	350,000	350,000	100%	Complete
54	Kapomboi Drainage Cbo	Drainage excavation	150,000	150,000	100%	Complete
55	Constituency Sports	Carry out constituency sports tournament	500,000	500,000	100%	Complete
56	Bursary Secondary Schools	Payment of bursary to needy students	13,131,034	13,131,034	100%	Complete
57	Bursary Tertiary Institutions	Payment of bursary to needy students	9,400,000	9,400,000	100%	Complete
58	Road No.341- Vetinery-Mailii Nane	Road improvement 8km	3,600,000	3,600,000	100%	Complete
59	Sande Primary School	Purchase of one acre of land	400,000	400,000	100%	Complete
60	Kipsoen Primary	Renovation of two classrooms	400,000	400,000	100%	Complete
61	Bishop Muge Primary School	Renovation of two classrooms	400,000	400,000	100%	Complete

62	Karaus Primary School	Renovation of two classrooms	400,000	400,000	100%	Complete
63	Makhonge Primary	Construction of one classroom	500,000	500,000	100%	Complete
64	Mukuyuni Primary	Renovation of one classroom	200,000	200,000	100%	Complete
65	Kwanusu Primary	Construction of one classroom	500,000	500,000	100%	Complete
66	Sande Primary School	Construction of one classroom	500,000	500,000	100%	Complete
67	Siambe Primary	Construction of one classroom	500,000	500,000	100%	Complete
68	Malomonye Primary	Renovation of 4 classrooms	500,000	500,000	100%	Complete
69	Milimani Junieur Primary	Construction of one classroom	500,000	500,000	100%	Complete
70	Gesarate Primary	Construction of one classroom	500,000	500,000	100%	Complete
71	Kaibei Primary	Construction of one classroom	500,000	500,000	100%	Complete
72	St.Lwanga Primary	Construction of one classroom	500,000	500,000	100%	Complete
73	Fk 1 Mandarara Primary	Construction of two classroom	1,000,000	1,000,000	100%	Complete
74	Soymining Primary School	Construction of one classroom	500,000	500,000	100%	Complete
75	Section Six Primary	Construction of one classroom	500,000	500,000	100%	Complete
76	Maziwa Primary	Construction of one classroom	500,000	500,000	100%	Complete
77	St. Francis Kolongolo Boys	Bus loan repayment	500,000	500,000	100%	Complete
78	Kapko Central Girls	Construction of dormitory	1,000,000	1,000,000	100%	Complete
79	Soymining Secondary	Construction of twin laboratory	1,000,000	1,000,000	100%	Complete
80	Kobos Boys Secondary	Bus loan repayment	3,000,000	3,000,000	100%	Complete
81	St.Martins' Makhonge Sec.	Construction of two classrooms	1,000,000	1,000,000	100%	Complete
82	St.Philips'-Kipsoen	Construction of one classroom	500,000	500,000	100%	Complete
83	Kwanza Administration Police Camp	Construction of houses	1,500,000	1,500,000	100%	Complete
84	Liyavo Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
85	Misanga Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
86	Namanjalala Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
87	Kitale Ndogo Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
88	Lurare Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete

89	St.Emmanuel Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
90	Tembelela Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
91	Zea Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
92	Soymining Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
93	Kapkoi Rc Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
94	Kolongolo Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
95	Bondeni Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
96	Keese Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
97	Kipsoen Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
98	Gesarate Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
99	Misanga Secondary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
100	Meteitei Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
101	Nasianda Friends School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
102	Kapkoi Girls Secondary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
103	St. Francis Kolongolo Boys	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
104	St.Charles Lwanga Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
105	Mwangaza Secondary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
106	Chief Mutende Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
107	Kaibei Central Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
108	Kambi Nairobi Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
109	Makhonge Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
110	Laissa Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
111	Milima A Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
112	Kwanusu Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
113	Mukuyuni Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
114	Karaus Secondary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
115	Makunga Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete

116	Bidii Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
117	Pombo Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
118	Lessos Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
119	Aic Lessos Secondary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
120	Maziwa Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
121	Fk 1 Mandarara Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
122	Kitubo Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
123	Kapsitwet Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
124	St.Michael Liyavo Girls School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
125	Muongano Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
126	Milimani Juniour Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
127	Ukingoni Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
128	Matisi Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
129	Milimani Secondary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
130	Malomonye Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
131	Water Supply Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
132	St.Maurice Lunyu Girls School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
133	Maridadi Primary School	Tree planting (1000 seedlings)	20,000	20,000	100%	Complete
134	Dr.Noah Wekesa Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
135	Milimani Juniour Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
136	Bayakte Community Care Group	Renovation of milk cooler plant	200,000	200,000	100%	Complete
137	Chief Mutende Primary School	Construction of a pit latrine	200,000	200,000	100%	Complete
138	Muongano Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
139	Kasagat Boarding Primary	Electrical wiring	170,000	170,000	100%	Complete
140	Kipsoen Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
141	Mirembe Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
142	Mukuyuni Secondary School	Construction of a pit latrine	150,000	150,000	100%	Complete

143	Advocate For Youth Organization	Excavation of drainage	200,000	200,000	100%	Complete
144	Kwanza Sub-County Education Project	Renovation of D.E.O's office	320,000	320,000	100%	Complete
145	Minasi Cbo	Excavation of drainage	300,000	300,000	100%	Complete
146	Kobos Boys Secondary School	School bus loan repayment	600,000	600,000	100%	Complete
147	Aic Mwangaza Secondary School	Construction of a pit latrine	150,000	150,000	100%	Complete
148	Ainasit Primary School	Purchase of desks	126,000	126,000	100%	Complete
149	Umoja Centre	Construction of a pit latrine	100,000	100,000	100%	Complete
150	Matisi Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
151	Kitale Ndogo Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
152	Kapomboi Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
153	Bondeni Primary School	Construction of a pit latrine	200,000	200,000	100%	Complete
154	Liyavo Primary School	Renovation of five classrooms	600,000	600,000	100%	Complete
155	Milimani Secondary School	Construction of a pit latrine	200,000	200,000	100%	Complete
156	Bwayi Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
157	Kolongolo Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
158	Bidii Primary School	Construction of a pit latrine	150,000	150,000	100%	Complete
159	St.Maurice Lunyu Girls School	Completion of two classrooms	300,000	300,000	100%	Complete
160	Ngeny Primary School	Construction of a pit latrine	400,000	400,000	100%	Complete
161	Aic Kapkai Secondary School	Purchase of desks	400,000	400,000	100%	Complete
162	Maridadi Drainage Group	Excavation of drainage	300,000	300,000	100%	Complete
163	Kwanza Police Post	Completion of police residential units	200,000	200,000	100%	Complete
164	Abasco General Contractors Ltd	Renovation of kwanza cdpc office	113,500	113,500	100%	Complete
		Sub Total	63,350,412	63,350,412		
Partially Completed Projects						
1	Soymining Primary School	Completion of 1 classroom	200,000	200,000	90%	On going
2	Bondeni Primary	Construction of one classroom	500,000	500,000	90%	On going
3	Kitubo Dispensary	Construction of pit latrines	150,000	150,000	80%	On going

4	Nasianda Friends Secondary	Construction of twin laboratory	1,000,000	1,000,000	80%	On going
5	Bungoma B Primary	Construction of two classrooms	1,000,000	1,000,000	70%	On going
6	St.Emmanuel Primary	Construction of two classrooms	1,000,000	1,000,000	70%	On going
7	Lurare Primary	Construction of two classrooms	1,000,000	500,000	70%	On going
8	Pombo Primary	Construction of one classroom	500,000	500,000	70%	On going
9	Aic Lessos Secondary	Construction of library	1,000,000	1,000,000	70%	On going
10	Mwangaza Secondary	Construction of two classrooms	1,000,000	1,000,000	70%	On going
11	Kwanza Girls Secondary	Completion of kitchen	500,000	500,000	70%	On going
12	Bidii Primary	Construction of two classrooms	1,000,000	500,000	60%	On going
13	St.Monicas' Girls Secondary	Construction of laboratory	1,000,000	1,000,000	60%	On going
14	Milimani Secondary	Construction of twin laboratory	1,400,000	1,400,000	60%	On going
15	St.Annes' Umoja Girls	Construction of twin laboratory	1,400,000	1,400,000	60%	On going
16	St.Pauls' Bwayi Secondary	Construction of twin laboratory	1,400,000	1,400,000	60%	On going
17	Maridadi Secondary	Construction of twin a dormitory	1,000,000	1,000,000	60%	On going
18	Tembelela Primary	Construction of two classrooms	1,000,000	1,000,000	50%	On going
19	Biketi Friends Secondary School	Construction of twin laboratory	1,400,000	1,400,000	50%	On going
20	St.Francis Kolongolo Boys	Construction of multipurpose hall	1,000,000	1,000,000	50%	On going
21	St.Michaels'-Liyavo Girls	Completion of a dormitory	200,000	200,000	50%	On going
22	Kwanza Police Station	Construction of OCPD office	2,500,000	2,500,000	50%	On going
23	Lessos Chief's Office	Construction of chief's office	500,000	500,000	10%	On going
		Sub Total	21,650,000	20,650,000		
Not Started						
1	Milima A Primary	Renovation of one classroom	200,000	0	0%	Not Started
2	Milimani Primary	Renovation of 4 classrooms	500,000	0	0%	Not Started
3	Kapko Central Primary	Construction of one classroom	500,000	0	0%	Not Started
4	Matisi Primary	Construction of one classroom	500,000	0	0%	Not Started
5	Ukingoni Primary	Construction of one classroom	500,000	0	0%	Not Started

6	Lessos Primary	Renovation of 4 classrooms	500,000	0	0%	Not Started
7	Makunga Primary	Renovation of 4 classrooms	500,000	0	0%	Not Started
8	Maziwa Primary	Construction of one classroom	500,000	0	0%	Not Started
9	Bishop Alexander Muge Secondary	Construction of twin laboratory	500,000	0	0%	Not Started
10	Namanjalala Secondary	Construction of multipurpose hall	1,400,000	0	0%	Not Started
11	Misanga Assistant Chief's Office	Construction of chief's office	500,000	0	0%	Not Started
12	Kapkoi Police Post	Construction of administration police houses	1,500,000	0	0%	Not Started
			7,600,000	0		
199	Grand Total		92,600,412			

One hundred and sixty-four (164) projects with an estimated budget of Kshs.63,350,412 were completed, twenty-three (23) projects with an estimated budget of Kshs.21,650,000 were partially completed and twelve (12) with an estimated budget of Kshs.7,600,000 had not started as at 30 June 2017. As a result, the residents of Kwanza Constituency did not benefit from the projects that were not implemented as budgeted.

1.3 Project Verification

During the year under review a total of 20 projects costing Kshs.17,651,020.70 were sampled for audit verification. From the sampled projects, the following observations were noted;

No.	Payment Voucher Number	Payee	Activity	Amount (Kshs)	Observation
1	114A	Bidicon Engineering Co. Ltd.	Gravelling of road	1,780,409	Complete and in use
2	71	Bidicon Engineering Co. Ltd.	Gravelling of road	2,826,589	Complete and in use
3	77	Mongoose General Contractors	Gravelling of road	724,023	Complete and in use
4	74	St. Emmanuel Primary School	Construction of two classrooms	1,000,000	Not complete as per the bill of quantities
5	13	St. Emmanuel Primary School	Construction of one classroom	500,000	Not complete as per the bill of quantities
6	74	Fk1 Mandarara Primary School	Construction of two classrooms	1,000,000	Complete and in use
7	17	Kwanza Sub County Education	Renovation of office	320,000	Complete and in use
8	13	Maziwa Primary School	Construction of one classroom	500,000	Complete and in use

10	13	Makunga Primary School	Renovation of 4 classrooms	800,000	Complete and in use
11	95	Ngeny Primary School	Renovation of classrooms	400,000	Complete and in use
12	95	Kwanza Police Post	Completion of police post	200,000	Complete and in use
13	14	Aic Kobos Girls Secondary School	Construction of 3 classrooms	1,600,000	Complete and in use
14	14	Kapsitwet Secondary School	Construction of Library	1,000,000	Complete and in use
15	14	St Thomas Amuka Sec School	Construction of one classroom	500,000	Complete and in use
16	14	St Johns Sarura Secondary School	Construction of one classroom	500,000	Complete and in use
17	14	Maridadi Secondary School	Construction of Dormitory	1,000,000	Complete and in use
18	14	St Maurice Girls Lunyu	Completion of two classrooms	1,000,000	Complete and in use
19	14	Miteitei Secondary School	Construction of one classroom	500,000	Complete and in use
20	72	Kwanza Administration Police Camp	Construction of 6 police houses	1,500,000	Though in use, wall painting was not completed, ventilations in one house not completed, facial board was not painted in front of three houses
		Total		17,651,021	

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 continue as a going concern/sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund's or to cease operations, or have no realistic alternative but to do so.

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

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.

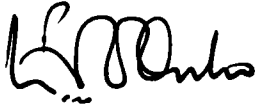
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund's to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund's 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

17 August 2018

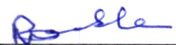
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KWANZA
CONSTITUENCY**

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

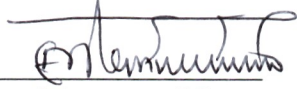
**IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED
JUNE 30,2017**

	Note	2016-2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	143,600,889	91,282,673
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		143,600,889	91,292,673
PAYMENTS			
Compensation of employees	4A	2,781,820	2,464,100
Social Security Benefits	4B	-	34,400
Use of goods and services	5	9,039,300	9,014,937
Transfers to Other Government Units	6	76,700,000	68,867,931
Other grants and transfers	7	54,013,919	43,251,401
Acquisition of Assets	8	266,605	333,000
Other Payments	9	-	37,322
TOTAL PAYMENTS		142,801,644	124,003,091
SURPLUS/DEFICIT		799,245	(32,710,418)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KWANZA NG-CDF financial statements were approved on 28/07/2017 and signed by:



Chairman – NG-CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KWANZA
CONSTITUENCY**

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

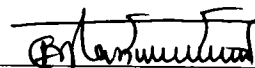
V. STATEMENT OF ASSETS AS AT JUNE 30,2017

	Note	2016-2017 Kshs	2015-2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalent			
Bank Balances (as per the cash book)	10A	8,187,382	7,388,137
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		8,187,382	7,388,137
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	7,388,137	40,108,554
Surplus/Deficit for the year	14	799,245	(32,720,417)
Prior year adjustments			
NET LIABILITIES		8,187,383	7,388,137

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KWANZA NG-CDF financial statements were approved on 28/07/17 2017 and signed by:



Chairman – NG-CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KWANZA
CONSTITUENCY**

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

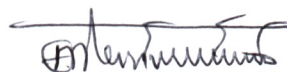
VI. STATEMENT OF CASHFLOW FOR THE YEAR ENDED JUNE 30,2017

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	143,600,889	91,282,673
Other Receipts	3	-	-
Payments for operating expenses			
Compensation of Employees	4A	2,781,820	2,464,100
Social security benefits	4B	-	34,400
Use of goods and services	5	9,039,300	9,014,937
Transfers to Other Government Units	6	76,700,000	68,867,931
Other grants and transfers	7	54,013,919	43,251,401
Other Payments	9	-	37,322
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		1,065,850	(32,387,418)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(266,605)	(333,000)
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		799,245	(32,720,418)
Cash and cash equivalent at BEGINNING of the year	13	7,388,137	40,108,555
Cash and cash equivalent at END of the year		8,187,382	7,388,137

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The KWANZA NG-CDF financial statements were approved on 28/07/2017 2017 and signed by:



Chairman NG-CDFC



Fund Account Manager

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

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
 COMBINED FOR THE YEAR ENDED JUNE 30, 2017**

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	61,704,337	143,600,889	143,600,889	0	100
Proceeds from Sale of Assets				-	-	
Other Receipts		7,388,137	7,388,137	-	7,388,137	
TOTALS	81,896,522	69,092,474	150,989,026	143,600,889	7,388,137	95
PAYMENTS						
Compensation of Employees	2,370,000	544,540	2,914,540	2,781,820	132,720	95
Use of goods and services	5,000,690	5,026,713	10,027,403	9,039,300	988,103	90
Transfers to Other Government Units	39,900,000	42,900,000	82,800,000	76,700,000	6,100,000	93
Other grants and transfers	34,625,862	20,321,221	54,947,083	54,013,919	933,164	93
Acquisition of Assets	-	300,000	300,000	266,605	33,395	89
Other Payments	-	-	-	-	-	
TOTALS	81,896,552	69,092,474	150,989,026	142,801,644	8,187,382	95

(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]

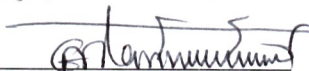
-There was no AIA during the financial year.

-The other budget items performed well as per the budget.

The KWANZA NGCDF financial statements were approved on 28/07 2017 and signed by:



Chairman NG-CDF



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 *NG-CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

5. Pending bills

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

6. Budget

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

7. Comparative figures

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

8. Subsequent events

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KWANZA
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
CDF Board			
AIE NO	A825871	61,704,337	29,282,673
AIE NO	A829633	4,094,828	10,000,000
AIE NO	A855723	36,853,449	10,000,000
AIE NO	A855770	40,948,275	10,000,000
			20,000,000
			12,000,000
(other constituency e.g, parent constituency)		-	-
TOTAL		143,600,889	91,282,673

2. PROCEEDS FROM SALE OF ASSETS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4A. COMPENSATION OF EMPLOYEES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	2,548,230	2,464,100
Basic wages of casual labor	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	233,590	-
Other personnel payments	-	-
Total	2,781,820	2,464,100

4B. SOCIAL SECURITY BENEFITS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Employer contribution to NSSF	-	34,400
Total	-	34,400

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Committee Expenses	4,282,283	4,552,330
Utilities, supplies and services	23,849	14,000
Communication, supplies and services	10,627	6,960
Domestic travel and subsistence	867,200	688,135
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,542,000	317,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	538,500
Office and general supplies and services	559,670	774,860
Fuel, oil & lubricants	1,189,935	1,314,050
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	563,736	809,102
Routine maintenance – other assets	-	-
Total	9,039,300	9,014,937

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	35,900,000	17,080,000
Transfers to secondary schools (see attached list)	39,200,000	42,037,931
Transfers to tertiary institutions (see attached list)	-	600,000
Transfers to health institutions (see attached list)	1,600,000	9,150,000
TOTAL	76,700,000	68,867,931

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015- 2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,991,625	8,370,000
Bursary – tertiary institutions (see attached list)	10,212,525	6,443,800
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	770,050	350,000
Water projects (see attached list)	-	1,800,000
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	10,300,000	4,200,000
Roads projects (see attached list)	8,137,179	12,390,731
Sports projects (see attached list)	1,032,200	844,500
Environment projects (see attached list)	1,820,000	1,338,000
Emergency projects (see attached list)	7,750,340	7,514,369
Total	54,013,919	43,251,400

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	235,125	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	31,480	210,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	123,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	266,605	333,000

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2016 - 2017	2015 – 2016
	Kshs	Kshs
Bank Charges	-	<u>37,322</u>
TOTAL	<u>-</u>	<u>37,322</u>

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 – 2017	2015 - 2016
	Kshs	Kshs
<i>Cooperative bank-Kitale Branch A/C Number 01141268429300</i>	8,187,382	7,388,137
Total	8,187,382	7,388,137

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017 Kshs	2015 - 2016 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

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

[Include an annex of the list is longer than 1 page.]

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KWANZA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

	2016 - 2017 Kshs	2015 - 2016 Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts	7,388,137	40,108,555
Cash in hand	-	-
Imprest	-	-
Total	7,388,187	40,108,555

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016- 2017 Kshs	2015 - 2016 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 - 2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others –CDFC Employees	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

15.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	6,100,000	-
Amounts due to other grants and other transfers (see attached list)	500,000	-
Others –Acquisition of assets	-	-
	<hr/>	<hr/>
	6,600 000	-
	<hr/>	<hr/>

15.4: PMC account balances (See Annex 4)

	Kshs	Kshs
PMC account Balances (see attached list)	6,987,966.98	-
	<hr/>	<hr/>
	6,987,966.98	-
	<hr/>	<hr/>

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracte	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	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
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 2017	Outstanding Balance 2016	Comments
Senior Management		a	b	c	d=a-c		
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	C	d=a-c		
Amounts due to other Government entities							
1. Transfers to primary schools	Construction of primary school infrastructures	40,100,000		35,900,00	4,200,000		Funds waiting transfer to school at the close of the F/Y
2. Transfer to secondary school	Construction of secondary school infrastructures	41,100,000		39,200,000	1,900,000		Funds waiting transfer to school at the close of the F/Y
Sub-Total		81,200,000		75,100,000	6,100,000		
Amounts due to other grants and other transfers							
3. Security projects	Construction of chiefs office (Misanga Chiefs Office)	10,800,000		10,300,000	500,000		Funds waiting transfer to PMC at the close of the Financial year.
Sub-Total		10,800,000		10,300,000	500,000		
Sub-Total							
Others (specify)							
Sub-Total							
Grand Total		92,000,000		85,400,000	6,600,000		

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

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/2017	Historical Cost (Kshs) 2015/2016
Land	-	-
Buildings and structures	3,750,000	3,750,000
Transport equipment	8,793,870	8,558,745
Office equipment, furniture and fittings	1,335,167	1,303,687
ICT Equipment, Software and Other ICT Assets	173,989	173,989
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	64,940	64,940
Total	14,117,966	13,851,361

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

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
A.I.C LESSOS SECONDARY SCHOOL	COOPERATIVE	01139268355002	1,178,172.50	NIL
ST PATRICKS MAKUNGA SECONDARY SCH	COOPERATIVE	01139694280300	3,925	NIL
BIKETI SECONDARY SCHOOL	COOPERATIVE	01139599919200	447,497.50	NIL
MAKHONGE PRIMARY SCHOOL	COOPERATIVE	01139599044700	48,702.50	NIL
WATER SUPPLY PRIMARY SCHOOL	COOPERATIVE	01139599976400	18,923.50	NIL
MUGUMO PRIMARY SCHOOL	COOPERATIVE	01139599713400	4,095	NIL
KITUBO PRIMARY SCHOOL	COOPERATIVE	01139694263800	48,234.50	NIL
ST EMMANUEL PRIMARY SCHOOL	COOPERATIVE	01139096521200	1,861.50	NIL
LURARE PRIMARY SCHOOL	COOPERATIVE	01139096536400	500,155.00	NIL
KAMBI NAIROBI PRIMARY SCHOOL	COOPERATIVE	01139694129500	2,063.50	NIL
ST LWANGA CYPUS PRIMARY SCHOOL	COOPERATIVE	01139599010900	18,923.50	NIL
BUNGOMA B PRIMARY SCHOOL	COOPERATIVE	01139694982600	451,172.50	NIL
KAIBEI CENTRAL PRIMARY SCHOOL	COOPERATIVE	01139694835400	277,512.50	NIL
SOYMINING PRIMARY SCHOOL	COOPERATIVE	01139599753500	54,091.50	NIL
MUKUYUNI PRIMARY SCHOOL	COOPERATIVE	011395996790100	4,861.50	NIL
SARURA PRIMARY SCHOOL	COOPERATIVE	01139599764600	1,542.50	NIL
UMOJA PRIMARY SCHOOL	COOPERATIVE	01139694971700	1,822.50	NIL
MATISI BLOCK PRIMARY SCHOOL	COOPERATIVE	01139694297900	12,748.50	NIL
KOROS PRIMARY SCHOOL	COOPERATIVE	01139599668100	537.50	NIL
MAKUNGA PRIMARY SCHOOL	COOPERATIVE	01139502975100	8,973.50	NIL
MILIMANI PRIMARY SCHOOL	COOPERATIVE	01139599004700	2,912.50	NIL
SECTION SIX PRIMARY SCHOOL	COOPERATIVE	01139599194100	1,585.00	NIL
MAZIWA PRIMARY SCHOOL	COOPERATIVE	01139502971700	67,616.50	NIL
UKINGONI PRIMARY SCHOOL	COOPERATIVE	01139599004100	23,002.50	NIL
DR. NOAH WEKESA PRIMARY SCHOOL	COOPERATIVE	01139599048500	16,988.50	NIL
MUUNGANO PRIMARY SCHOOL	COOPERATIVE	011390965536800	3,002.60	NIL
LUUYA PRIMARY SCHOOL	COOPERATIVE	01139599071500	4,253.50	NIL

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
KIPTUIMET PRIMARY SCHOOL	COOPERATIVE	01139694952700	2,822.50	NIL
KOLONGOLO PRIMARY SCHOOL	COOPERATIVE	01139695020900	12,852.50	NIL
KAPKOI RCM PRIMARY SCHOOL	COOPERATIVE	01139599421900	44,090.50	NIL
MARAMU PRIMARY SCHOOL	COOPERATIVE	01139599176200	1,122.50	NIL
AIC KAPKAI SECONDARY SCHOOL	COOPERATIVE	01139694973000	500.00	NIL
MUTUA SECONDARY SCHOOL	COOPERATIVE	01139502826500	1,015.50	NIL
AIC KOBOS GIRLS SECONDARY SCHOOL	COOPERATIVE	01139599171400	184.91	NIL
MISANGA S.A SECONDARY SCHOOL	COOPERATIVE	01139599692000	5,925.25	NIL
ST MAURICE GIRLS LUNYU SEC SCHOOL	COOPERATIVE	01139599905301	14,519.50	NIL
MITEITEI SECONDARY SCHOOL	COOPERATIVE	01139599995200	39,237.50	NIL
MUKUYUNI SECONDARY SCHOOL	COOPERATIVE	01139699488600	1,297.50	NIL
AIC MWANGAZA SECONDARY SCHOOL	COOPERATIVE	01139695139700	8,872.50	NIL
ST PHILLIPS KIPSOEN SECONDARY SCHOOL	COOPERATIVE	01139694483500	18,002.50	NIL
KOBOS BOYS SECONDARY SCHOOL	COOPERATIVE	01139268284702	4,386.50	NIL
KAPKOI CENTRAL GIRLS SECONDARY SCHOOL	COOPERATIVE	01139599756800	20,162.50	NIL
ST MICHAEL LIYAVO GIRLS SEC SCHOOL	COOPERATIVE	01139502806300	1,034.50	NIL
BONDENI PRIMARY SCHOOL	COOPERATIVE	01139599045500	2.50	NIL
MILIMANI JUNIOR PRIMARY SCHOOL	COOPERATIVE	01139694829300	11,762.50	NIL
BIDII PRIMARY SCHOOL	COOPERATIVE	01139502974400	511,827.50	NIL
MILIMANI SECONDARY SCHOOL	COOPERATIVE	01139599008000	234,569.35	NIL
KIPSOEN PRIMARY SCHOOL	COOPERATIVE	0113959927000	1,652.50	NIL
AMUKA PRIMARY SCHOOL	COOPERATIVE	01139502954300	635.00	NIL
KAPOMBOI PRIMARY SCHOOL	COOPERATIVE	01139599777900	5,842.50	NIL
NAMANJALALA SECONDARY SCHOOL	COOPERATIVE	01139599702800	63,226.50	NIL
MIREMBE PRIMARY SCHOOL	COOPERATIVE	01139502934700	10,712.50	NIL
AINASIT PRIMARY SCHOOL	COOPERATIVE	01139502952400	585.00	NIL
SIAMBE PRIMARY SCHOOL	COOPERATIVE	01139599000400	3,985.00	NIL
KARAUS PRIMARY SCHOOL	COOPERATIVE	01139502975200	82,694.87	NIL
KITALE NDOGO PRIMARY SCHOOL	COOPERATIVE	01139599859200	1,805.00	NIL

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
ST PETERS KAPOMBOI SECONDARY SCHOOL	COOPERATIVE	01139599154800	3,050.50	NIL
KWANZA GIRLS SEC SCHOOL	COOPERATIVE	01139096504002	540,765.50	NIL
NASIANDA FRIENDS SECONDARY SCHOOL	COOPERATIVE	01139269905100	1,001,543.00	NIL
ST FRANCIS KOLONGOLO BOYS SECONDARY SCHOOL	COOPERATIVE	01139694797700	171,452.50	NIL
KWANZA PRIMARY SCHOOL	COOPERATIVE	01139502235801	21,472.50	NIL
ZEA AP CAMP	COOPERATIVE	01141695075300	160.00	NIL
MAILI SABA AP CAMP	COOPERATIVE	01134695067000	335.00	NIL
BWAYI AP CAMP	COOPERATIVE	01141695093600	293.00	NIL
KAPSITWET CHIEFS OFFICE	COOPERATIVE	01141695064700	4,305.00	NIL
KOBOS CHIEFS OFFICE	COOPERATIVE	01141695068900	2,825.00	NIL
KITALE NDOGO AP CAMP	COOPERATIVE	01141695064700	1,605.00	NIL
KWANZA ADMINISTRATION POLICE CAMP	COOPERATIVE	01134694980600	1,325.00	NIL
LESSOS CHIFS OFFICE	COOPERATIVE	01134694202800	519,792.50	NIL
NAMANJALALA DISPENSARY	COOPERATIVE	01141599138500	408,537.50	NIL
Total			6,987,966.98	NIL

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

Reports and Financial Statements

For the year ended June 30, 2017

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>BANK BALANCES</p> <p>Note 12A of the Fund's financial statements indicated bank balance figure of KSHS.40,108,554.50. However, the bank reconciliation statement availed for audit review had reconciling items that had remained outstanding for over six months. The items included unrepresented stale cheques totalling Kshs.936,196.80 In the circumstances, it was not possible to confirm that the bank balance of Kshs.40,108,554.50 was fairly stated as at 30 June 2015.</p>	<p>A review of the Bank Reconciliation statement for the month of June,2015 showed unrepresented cheques totalling Kshs.3,071,916.70 of which stale cheques amounted to Kshs.936,196. All stale cheques in the Bank reconciliation statement totalling Kshs.936,196 were later reversed and replacement made.Among the stale cheques,four(4) cheques totalling Kshs.23,000 were bursary cheques in which beneficiaries failed to present them for payment.The cheques were later replaced to other needy students. Two(2) cheques totalling Kshs.13,196.80 were payment to Commisioner of domestic taxes.The payment was not cleared because the bank declined to accept the cheques.CDF discussed eith Kenya Revenue Authority who promised to talk with the bank.At the end of the financial year,the issue had not been resolved. Another cheque was a project amounting to Kshs.900,000 drawn to Emoru AP line .The said project was not implemented because of a</p>	<p>MATHEW. K. TANUI- F.A.M KWANZA CONSTITUENCY</p>	<p>RESOLVED</p>	<p>RESOLVED</p>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

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)
		land dispute. Project reallocation was later done and approved by the CDF Board. The funds were reallocated to Amuka AP Camp on 17 th July,2015 vide Re allocation letter CDF/BOARD/KWANZA/VOL .1/27.(copy was attached)			
2.0	<p>BURSARIES</p> <p>Included in the statement of receipts and payments under the other grants and transfers figure of Kshs.36,004,338.65 is bursary amount of Kshs.16,922,000.00 out of which Kshs. 8,101,000.00 was disbursed to Secondary schools while 8,821,000.00 to tertiary institutions . However it was not possible and management failed to explain the criteria used in awarding the bursaries as minutes on deliberations that led to identification of the beneficiaries were not availed for audit review.Further,no acknowledgement receipts or letters from recipient's were made available for audit review.</p> <p>Consequently, the propriety and validity of the bursary disbursement amount of Kshs.16,922,000.00 for the year ended 30 June 2015 could not be confirmed.</p>	<p>Kwanza NG-CDFC has been adhering to NG-CDF Board guidelines on Bursary management. Bursary management and administration is done by the Bursary sub-committee in which the District Education Officer is a member together with five other CDFC members. Bursary beneficiaries are identified, vetted and categorized in accordance with the guidelines provided. During F/Y 2014/2015 Bursary beneficiaries' identification was done at Locational level. A committee of eight people chaired by the area chief was constituted in each location.(Copy of Locational Bursary Committee composition notice was attached)</p> <p>The Locational Bursary Committee in constitution consultation with the Constituency Bursary Subcommittee carries out the actual Bursary beneficiaries' identification and vetting. After the identification and</p>	<p>MATHEW. K. TANUI- F.A.M KWANZA CONSTITUENCY</p>	<p>RESOLVED</p>	<p>RESOLVED</p>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

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)
		<p>vetting, each location forwards to the Constituency Bursary Subcommittee a list of the identified and vetted beneficiaries together with a fully filled Bursary application form by each of the applicants. The Constituency bursary subcommittee does the final confirmation of the vetting process and comes up with a complied list of all the beneficiaries.</p> <p>Reports on verification and dispatch were filled by the bursary subcommittee and was availed to the auditors. A list of all the beneficiaries was prepared and posted on the CDFC office and copies availed to all Assistant Chiefs and Chief's offices and constituency satellite offices. Bursary subcommittee file containing all the documents was availed to the auditors. Also, bursary beneficiaries' application forms were availed during the audit.</p> <p>The funds reached the intended beneficiaries as a number of schools, colleges and universities have confirmed receipt of the funds through acknowledgement letters (sample copies attached)</p>			
3.0	EMERGENCY PROJECTS	An advocate Mrs. B.N Munialo and company was	MATHEW. K. TANUI- F.A.M KWANZA	RESOLVED	RESOLVED

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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)
	<p>Included in the statement of receipts and payments under other grants and transfers figure of Kshs.36,004,338.65 is emergency projects of Kshs. 5,973,907.20 which include an amount of Kshs.150,000 paid to a law firm vide payment voucher no. 370 and cheque no.004983 for representing Kwanza CDF which had been sued for legal cost and damages citing malicious prosecution. However, it was not possible to ascertain how the law firm was sourced since the respective procurement records were not availed for audit verification contrary to Section 27(1) of the public procurement and Disposal Act 2005 which stipulates that a public entity shall ensure that this Act, the regulations and any directions of the Authority are complied with respect to each of its procurements. Consequently, the propriety of Kshs. 150,000 paid to the law firm could not be confirmed for the year ended 30 June 2015.</p>	<p>paid by Kwanza NG-CDF Kshs.150,000 vide PV NO.370 and cheque No. 004983 so as to take up a case where Kwanza CDF had been sued for legal cost and damages citing malicious prosecutions. The case has been ongoing for quite some time Since 2009 at Kitale Chief Magistrate Court criminal case NO.2535 of 2009 and Mrs. B.N Munialo and company had been representing Kwanza NG-CDF since that time. The payment of Kshs.150,000 was made on an ongoing case. The sourcing of an advocate was done in the year 2009 and she has been representing the Kwanza NG-CDF all along.</p>	CONSTITUENCY		
4.0	<p>PURCHASE OF LAND FOR MUKUYUNI SECONDARY SCHOOL Included in transfer to other government entities figure of Kshs.53,503,500.00 reflected in the statement of receipts and payments is to transfer to Secondary schools figure of</p>	<p>Kwanza NG-CDF allocated Mukuyuni Secondary school Ksh.1,000,000 in the F/Y 2014/2015 to purchase two acres of land. The school obtained a valuation report from a registered valuer and subsequently search certificates from department</p>	MATHEW. K. TANUI- F.A.M KWANZA CONSTITUENCY	RESOLVED	RESOLVED

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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)
	<p>Kshs. 31,300,000 out of which an amount of Kshs.2,000,000 was paid to Mukuyuni Secondary school for the purchase of two acre piece of land. However information seen indicates that valuation of the land was not done by a Government but a private valuer contrary to CDF Board circular CDF/BOARD/CIRCULARS/VO L.1/108 dated 24 August 2010 on guidelines on land ownership on CDF related projects.Further,ownership documents including the title deed were not availed for audit verification. Consequently, the propriety of the amount spent Kshs.2,000,000 spent on the purchase of land could not be confirmed in the absence of the ownership documents for the year ended 30 June 2015.</p>	<p>of Lands. The school entered into an agreement with the vendor to purchase the whole parcel of land of Four acres instead of two acres as per the allocated amount.The vendor accepted to paid Kshs.1,000,000 and to be paid the balance of Kshs. 1,000,000 later as soon as the CDF allocated them additional funding. At the time of audit ,no title deed had been issued to the school since the school was yet to settle the remaining balance.The only documents available was the Land sale Agreement drawn by Milimo,Muthoni and Co. Advocates,land valuation report,certificate of search from the department of lands and family consent on the sale of the land. Kwanza NG-CDF confirms to allocate the school the remaining balance of Kshs.1,000,000 in the financial year 2016/2017 to settle the vendor and subsequently process the title deed.</p>			
1.1	<p>During the year under review, the constituency had an annual budget of Ksh.157,751,857.00 while the actual expenditure amounted to Ksh.100,761,727.85 or 64% resulting in under expenditure of Kshs.56,990,129 or 36%. Failure to utilize funds may</p>	<p>The under Expenditure of Kshs.56,990,129.50 was due to delay in disbursement of funds by the National Government Constituencies Development Fund. At the close of the financial year NG-CDF Board had not disbursed all the funds.</p>	<p>MATHEW. K. TANUI- F.A.M KWANZA CONSTITUENCY</p>	<p>RESOLVED</p>	<p>RESOLVED</p>

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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)
	lead to poor service delivery for the citizens of Kwanza Constituency or it may be an indication of inappropriate budget making hence there maybe need to review the budget process with an aim of focusing on priority areas.	Two AIES Ref No.DEPO7/2014/2015/1042 dated 02/07/2015 Kshs. 29,282,673 and A.I.E Ref No. DEP/07/2014/2015/1223 dated 28/07/2015 Kshs. 29,282,673 was released after the close of the financial year. This led to under utilization of the funds.			

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

ANNEX V

ANALYSIS OF PENDING PAYABLES F/Y 2016/2017

SECURITY – 500,000

1. Misanga Chiefs Office- Construction Of Chief's Office – 500,000

PRIMARY SCHOOL PROJECTS – 4,200,000

1. Milima A Primary School – Renovation of One Classroom – 200,000

2. Milimani Primary School-Renovation of Four Classrooms – 500,000

3. Kapkoi Central Primary School – Construction of One Classroom – 500,000

4. Ukingoni Primary School – Construction of One Classroom – 500,000

5. Soymining Primary School – Construction of One Classroom – 500,000

6. Lessos Primary School – Renovation of 4 Classrooms -500,000

7. Makunga Primary School – Renovation of 4 Classrooms – 500,000

8. Maziwa Primary School – Renovation of 4 Classrooms – 500,000

9. Kolongolo Primary School – Construction of One Classroom – 500,000

SECONDARY SCHOOL PROJECTS – 1,900,000

1. Namanjalala Secondary School –Construction of Multipurpose Hall – 1,400,000

2. Bishop Alexander Muge Secondary School - Construction of Twin Lab – 500,000