

REPUBLIC OF KENYA

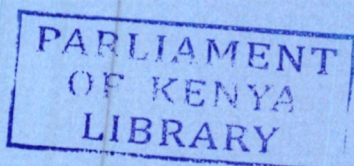
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Leader of majority Party
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Tarusio 11/10/2018*



OFFICE OF THE AUDITOR-GENERAL



REPORT



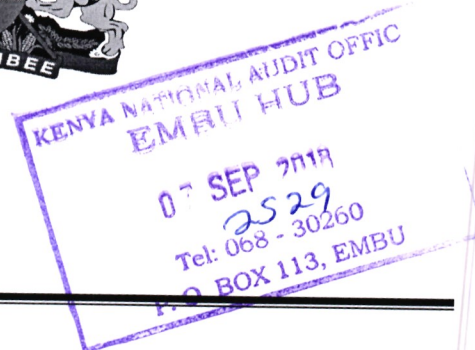
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
TIGANIA WEST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Harrison Wachira
3.	Accountant	Simon Igweta

(d) Fiduciary Oversight Arrangements

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

(e) Tigania West NG-CDF Headquarters

P.O. Box 150 60602 KIANJAI
CDF Building
Urru market /Highway
Nairobi, KENYA

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

Reports and Financial Statements

For the year ended June 30, 2017

(f) Tigania West NG-CDF Contacts

Telephone: (254) 0723257187
E-mail: cdf.tiganiawest@cdf.go.ke
Website: www.go.ke

(g) Tigania West NG-CDF Bankers

1. Equity bank
Meru
P.O. Box 402
ACC NO:0140292799595

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

Reports and Financial Statements

For the year ended June 30, 2017

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

The Tigania West NG-CDFC has been working to see to it that all the projects that have been funded previously by the Tigania West NG-CDFC have been completed to the defined phase and that the community members are benefiting from the projects.

KEY ACHIEVEMENTS

- a) All projects have been constructed to the required ministerial standards with consultation with the relevant government ministries.
- b) Miathene boys has been in a position to accommodate an increased number of students after the construction of 4 classrooms, Mutionjuri dispensary is now a district hospital after being equipped with 1 wards and doctors rooms and houses
- c) Akithii ward has been in a position to get clean water due to funding of various projects in the ward thus farming is now a dream come true in the area
- d) Demand for education has been on the rise thus bursary allocations have been added in the financial year 2016/2017



**Jimmy Munjuri
CHAIRPERSON NG-CDFC**

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

Reports and Financial Statements

For the year ended June 30, 2017

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.

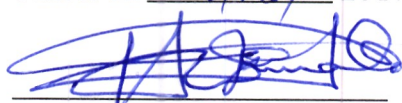
The Accounting Officer in charge of the Tigania West National government Constituency Development Fund is responsible for the preparation and presentation of the Tigania West NG-CDF financial statements, which give a true and fair view of the state of affairs of the Tigania West NG-CDF for and as at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

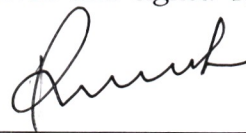
The Accounting Officer in charge of the Tigania West NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible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

Approval of the financial statements

The Tigania West NG-CDF's financial statements were approved and signed by the Accounting Officer on 30/6/2017 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 – TIGANIA WEST 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 – Tigania West Constituency set out on page 5 to 19, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 the National Government Constituencies Development Fund – Tigania West Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

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

Basis for Qualified Opinion

1.0 Accuracy, Completeness and Presentation of the Financial Statements

1.1 Presentation of the Financial Statements

The International Public Sector Accounting Standards (Cash Basis) financial statements presentation format prescribed by the Public Sector Accounting Standards Board pursuant to Section 194 of the Public Finance Management Act, 2012 requires the inclusion of a separate recurrent summary statement of appropriation and a

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

separate development summary statement of appropriation. However, the Fund did not prepare the two separate summary statements as required. Consequently, the presentation of the financial statements for the year under review did not conform to the format prescribed by the Public Sector Accounting Standards Board under International Public Sector Accounting Standards (Cash Basis).

1.2 Accuracy and Completeness of the Financial Statements

The financial statements for the year under review reflect a balance of Kshs.47,535,256 on Seven (7) items while the related supporting ledgers show a balance of Kshs.62,340,690 resulting in an unexplained and unreconciled understatement of the financial statements by Kshs.14,805,434 as follows;

Component	Financial Statements (Kshs.)	Supporting Schedule (Kshs.)	Variance (Kshs.)
Domestic Travel	89,000	89,800	(800)
Committee Expenses	1,039,000	1,128,000	(89,000)
Routine maintenance – vehicles and other transport equipment	118,152	117,252	900
Routine maintenance –other assets	98,550	465,084	(366,534)
Transfers to Primary schools	30,850,000	38,050,000	(7,200,000)
Transfers to Secondary schools	14,300,000	19,450,000	(5,150,000)
Environment	1,040,554	3,040,554	(2,000,000)
Total	47,535,256	62,340,690	(14,805,434)

In the circumstances, the accuracy and completeness of the financial statements balances as at 30 June 2017 could not be ascertained.

2.0 Cash and Cash Equivalents

The statement of financial assets reflects a bank balance of Kshs.6,429,620 as at 30 June 2017. However, the bank reconciliation statement indicates unrepresented cheques totaling Kshs.1,787,427 which include stale cheques of Kshs.12,844 which had not been adjusted in the cash book. Further, Annex 2 to the financial statements reflects Project Management Committee (PMC) bank accounts balances of Kshs.3,256,040. However, the Fund did not provide the bank statements, cashbooks and bank reconciliation statements for these accounts.

Consequently, the accuracy and completeness of the cash and cash equivalents' balance of Kshs.6,429,620 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 – Tigania West Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

During the financial year under review, the Fund had an approved budget of Kshs.159,316,416 comprising of Kshs.81,896,552 for financial year 2016/2017 and Kshs.77,419,865 being funds brought forward from financial year 2015/2016. The total expenditure by the Fund during the year under review was Kshs.148,842,132 representing an absorption rate of 93% of the total approved budget. However, accounting records made available for audit reflect an expenditure of Kshs.163,191,232 resulting into an unexplained and unreconciled variance of Kshs.14,349,100. A comparison of the Kshs.159,316,416 budgeted expenditure and the Kshs.163,191,232 actual expenditure as per the accounting records gave an over expenditure of Kshs.3,874,815 as follows;

Expenditure Analysis	Budget Kshs.	Actual Kshs.	Variance Kshs.	Absorption Kshs.
Compensation of Employee	2,909,912	1,322,502	1,587,410	45%
Use of Goods and services	8,385,914	8,760,999	(375,085)	104%
Transfer to Other Government Unit	57,887,017	63,100,000	(5,212,983)	109%
Other Grants and Transfers	90,133,574	90,007,731	125,843	100%
Total	159,316,416	163,191,232	(3,874,815)	102%

No supplementary budget approving the over-expenditure was made available for audit review.

In the circumstances, the Fund spent unauthorized expenditure amounting to Kshs.3,874,815 in the year ended 30 June 2017.

2. Project Implementation

The project implementation status made available for audit indicated that a total of Kshs.74,525,863 was disbursed to forty-seven (47) projects out of which nine (9) projects costing Kshs.6,968,968 had not started while thirty-eight (38) projects costing Kshs.67,556,895 were completed in various sectors as shown below;

No.	Sector	Project Status	Amount Disbursed (Kshs.)	No. of Projects
1	Education	Complete	36,350,000	26
		Sub Total	36,350,000	26
2	Roads & Bridges	Complete	2,000,000	1
		Not Started	3,150,000	3
		Sub Total	5,150,000	5
3	Bursary	Complete	20,474,137	4
		Not Started	2,481,037	1
		Sub Total	22,955,174	5
5	Emergency	Complete	4,094,827	1
		Sub Total	4,094,827	1
6	Environment	Complete	2,000,000	1
		Not Started	191,133	
		Sub Total	2,000,000	1
7	Security	Complete	1,300,000	4
		Not Started	236,798	2
		Sub Total	1,536,000	6
8	Sports	Complete	1,337,931	1
		Sub Total	1,337,931	1
9	Health	Not Started	150,000	1
		Sub Total	150,000	1
10	Water	Not Started	760,000	1
		Sub Total	760,000	1
GRAND TOTAL			74,525,863	47

In view of the foregoing, the constituents did not get promised and expected services equivalent to the 9 (Nine) unimplemented projects worth Kshs.6,968,968.

3. Irregular Implementation of Projects

During the financial year under review, the Fund budgeted, funded and implemented health, water and roads projects worth Kshs.22,923,340. However, the projects under these sectors did not fall within the functions of the National Government under the Constitution. The Funding of these projects was therefore contrary to Section 24 (1) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the Fund was in breach of Section 24 (1) of the National Government Constituencies Development Fund Act, 2015 and the legality, validity of the expenditure could not be confirmed.

4. Unaccounted for Bursary Funds

During the financial year under review, the Fund awarded a tender through quotations to Isiolo Driving School Limited for training motor cycle operators at a contract sum of

Kshs.1,003,400. However, the Kshs.1,003,400 was above the set limit of Kshs.500,000 for class C entities for using quotations as set in the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) Regulations, 2013.

In the circumstances, it was not possible to ascertain that the Fund was in breach of procurement regulations.

5. Mock and Exams

(i) Revision Papers

During the financial year under review, the Fund awarded a tender through quotations for supply of revision pack at a contract sum of Kshs.980,100 and subsequently paid Kshs.980,100 through voucher No. 327 dated 31 August 2016 for 33 revision packs. However, the tender sum of Kshs.980,100 was above the set limit of Kshs.500,000 for class C entities for using quotations as per the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) Regulations, 2013. Further, the tender was awarded to a bidder who had quoted Kshs.980,000 instead of the lowest evaluated bidder who had quoted Kshs.297,000 resulting in a wasteful expenditure of Kshs.683,100 contrary to Section 191(1) of the Public Finance Management Act, 2012.

(ii) Examination Papers

During the financial year under review, the Fund awarded a tender through quotations for printing and supply of examination papers to Primary and day Secondary schools in Tigania West at a contract sum of Kshs.1,000,000. As a result, the Fund paid Kshs.1,000,000 through voucher No. 165 dated 17 July 2016 for printing and supply of examination papers. However, the National Government Constituencies Development Fund Committee awarded the tender through quotation at a cost of Kshs.1,000,000; which was above the set limit of Kshs.500,000 for class C entities for using quotations as per the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) Regulations, 2013.

In the circumstances, the Fund was in breach of procurement regulations.

6. Construction and Installation of Steel Tank at Kianjai Water Project

During the financial year under review, the Fund transferred Kshs.2,900,000 to Tigania West Water Management Committee for construction and installation of a steel water tank at Kianjai Water project. Tender evaluation was done on 30/01/2017 upon which the contract was awarded at a contract sum of Kshs.2,658,720. As a result, the payments were made through payment voucher No. 248 of Kshs.2,200,000 dated 30/10/2016 and voucher No. 280 of Kshs.700,000 dated 05/12/2016. However, although the quotation procurement method was used for procuring the works, the Kshs.2,658,720 was above the set limit of Kshs.500,000 for class C entities for using quotations as per the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) Regulations, 2013. Further, the tender qualification criteria required proof of works of similar magnitude and complexity undertaken in the last 5 years and proof of sound financial standing and adequate access to bank credit line. However, the winning bidder did not provide certificate of incorporation and financial statements as evidence for years in operation. A physical

verification of the project done on 16 May 2018 established that although the tank was constructed it was not in use.

In the circumstances, the regularity and value for money of the Kshs.2,900,000 could not be ascertained.

7. Construction and Installation of Steel Tank at Nkomo Water Project

During the financial year under review, the Fund transferred Kshs.2,900,000 for construction and installation of steel water tank at Nkomo Water project through payment voucher No. 249 dated 30 October 2016 of Kshs.2,200,000, and voucher No. 280 dated 5 December 2016 of Kshs.700,000. The tender was awarded through quotations on 30 January 2017 at a contract sum of Kshs.2,658,720. However, the procurement method for works of Kshs.2,658,720 was above the set limit of Kshs.500,000 for class C entities for using quotations as per the first schedule threshold matrix annexed to the Public Procurement and Disposal (Amendment) Regulations, 2013. Further, the tender qualification criteria required proof of works of similar magnitude and complexity undertaken in the last 5 years and proof of sound financial standing and adequate access to bank credit line. However, the winning bidder did not provide certificate of incorporation and financial statements as evidence for years in operation. Further, no valuation certificates were availed for audit from the relevant government department. A physical verification of the project done on 16 May 2018 established that although the tank was constructed it was not in use.

Consequently, the regularity and value for money of the expenditure of Kshs.2,900,000 could not be ascertained.

8. Fencing of Urura Stadium

During the financial year under review, the Fund funded the fencing of Urura Stadium with Kshs.7,800,000 through payment voucher No. 247 dated 30/10/2016. However, the Bills of quantities availed for audit did not have specific details of the cost estimate for each works to be carried out contrary to Section 46 of the National Government Constituencies Development Act, 2015. Further, Sports being a devolved function, the Fund incurred an expenditure of Kshs.7,651,598 contrary to Section 24 (1) of the National Government Constituencies Development Fund Act, 2015 as it was over and above the approved sports expenditure of Kshs.1,337,931 as per Section 25 (8) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the regularity of Kshs.7,800,000 expenditure could not be ascertained.

9. Construction of MCH Ward Mutionjuri Dispensary

During the financial year under review, the Fund transferred Kshs.2,000,000 through cheque No. 6126 dated 23/11/2016 to Mutionjuri Dispensary for Construction of MCH Ward: sub-structure, flooring, walling, ring beam, and trussing. However, a physical verification done on 16 May 2018 established that the project had stalled at the slab level and was depreciating before completion.

Consequently, the value for money of the expenditure of Kshs.2,000,000 could not be ascertained.

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. 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.

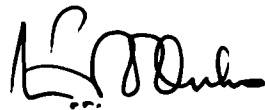
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

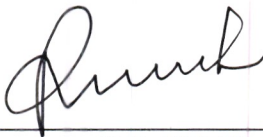
30 July 2018

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

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	130,268,562	101,353,698
Proceeds from Sale of Assets	2		
Other Receipts-sale of tenders	3	111,000	
TOTAL RECEIPTS		130,379,562	101,353,698
PAYMENTS			
Compensation of employees	4	1,322,502	1,806,327
Use of goods and services	5	8,761,899	8,137,474
Transfers to Other Government Units	6	50,750,000	36,752,969
Other grants and transfers	7	88,007,731	43,740,219
Acquisition of assets	8		
Other payments	9		
TOTAL PAYMENTS		148,842,132	90,436,989
SURPLUS/DEFICIT		(18,462,570)	10,916,709

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Tigania West NG-CDF financial statements were approved on 30th Oct 2017 and signed by:



 Chairman – NG-CDFC



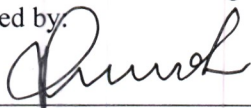
 Fund Account Manager

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


II. STATEMENT OF FINANCIAL ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,429,620	24,508,290
Cash Balances (cash at hand)	10B		-
Outstanding Imprests	11	-	383,900.00
TOTAL FINANCIAL ASSETS		6,429,620	24,892,190
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	24,892,190	13,837,438
Surplus/Deficit for the year		(18,462,570)	10,916,709
Prior year adjustments	14	-	138,043
NET LIABILITIES		6,429,620	24,892,190

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Tigania West NG-CDF financial statements were approved on 30/06/17 2017 and signed by.



Chairman — NG-CDFC



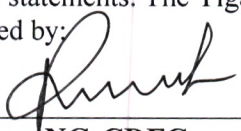
Fund Account Manager

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

Cash flow statement

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	130,268,562	101,353,698
Other Receipts- sale of tenders	3	111,000	-
		130,379,562	101,353,698
Payments for operating expenses			
Compensation of Employees	4	1,322,502	1,806,327
Use of goods and services	5	8,761,899	8,137,474
Transfers to Other Government Units	6	50,750,000	36,752,969
Other grants and transfers	7	88,007,731	43,740,219
Other Payments	9		
		148,842,132	90,436,989
Adjusted for:			
Adjustments during the year	14	-	138,043
Net cash flow from operating activities		(18,462,570)	11,054,752
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(18,462,570)	11,054,752
Cash and cash equivalent at BEGINNING of the year	13	24,892,190	13,837,438
Cash and cash equivalent at END of the year		6,429,620	24,892,190

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Tigania West NG-CDF financial statements were approved on 30/08 2017 and signed by:


 Chairman NG-CDFC


 Fund Account Manager

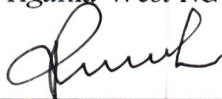
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – TIGANIA
WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

**IV SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	77,419,865	159,316,417	155,160,752	4,155,665	97.4%
Proceeds from Sale of Assets						
Other Receipts			0	111,000	-111,000	
TOTAL	81,896,552	77,419,865	159,316,417	155,271,752	4,044,665	97.5%
PAYMENTS						
Compensation of Employees	2,734,912	175,000	2,909,912	1,322,502	1,587,410	45.4%
Use of goods and services	4,635,777	3,750,137	8,385,914	8,309,615	76,299	99.1%
Transfers to Other Government Units	43,744,827	14,142,190	57,887,017	50,750,000	7,137,017	87.7%
Other grants and transfers	30,781,036	59,352,538	90,133,574	88,460,015	1,673,559	98.1%
Acquisition of Assets						
Other Payments						
TOTAL	81,896,552	77,419,865	159,316,416	148,842,132	10,474,284	93.4%

by:

The Tigania West NG-CDF financial statements were approved on 30/06/2017 2017 and signed



Chairman NG-CDF



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – TIGANIA WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

V 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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – TIGANIA WEST
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the 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 – TIGANIA WEST
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

I. NOTES TO THE FINANCIAL STATEMENTS			
1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2016-2017	2015 - 2016
		Kshs	Kshs
Normal Allocation			
27.08.15			30,256,891
30.10.15			19,096,807
01.02.16			10,000,000
03.03.16			42,000,000
22.08.16	AIE A825904	20,000,000.00	
19.09.16	AIE A825952	27,077,675.00	
04.10.16	AIE 839516	4,094,827.60	
09.11.16	AIE A839617	36,853,449.00	
11.01.17	AIE A855234	15,706,650.10	
26.01.17	AIE A855534	5,450,000.00	
06.02.17	AIE A855574	21,085,960.00	
TOTAL		130,268,562	101,353,698
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2016-2017	2015 - 2016
		Kshs	Kshs
3 OTHER RECEIPTS			
Description		2016-2017	2015 - 2016
		Kshs	Kshs
Other Receipts Not Classified Elsewhere -sale of tenders	31.07.16	96,000.00	
	30.11.16	2,000.00	
	30.03.17	2,000.00	
	30.05.17	11,000.00	
Total		111,000	-

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

4 COMPENSATION OF EMPLOYEES			
Description		2016-2017	2015 - 2016
		Kshs	Kshs
Basic wages of contractual employees		1,289,302	1,517,527
Basic wages of casual labour		10,000	-
Transport allowance			272,400
Employer contribution to NSSF		23,200	16,400
Total		1,322,502	1,806,327

5 USE OF GOODS AND SERVICES			
Description		2016-2017	2015 - 2016
		Kshs	Kshs
Utilities, supplies and services		14,238	42,258
Communication, supplies and services			200,000
Domestic travel and subsistence		89,000	
Printing, advertising and information supplies & services		709,333	1,923,798
Training expenses		1,350,000	
Hospitality supplies and services		19,460	-
Other committee expenses		2,511,000	370,000
Committee allowance		1,039,000	2,388,200
Insurance costs		237,655	-
Office and general supplies and services		3,660	1,049,620
Fuel ,oil & lubricants		500,000	

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

Other operating expenses		1,567,767	804,644
Routine maintenance – vehicles and other transport equipment		118,152	1,358,954
Routine maintenance – other assets		512,834	-
		-	
Total		8,761,899	8,137,474

6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	30,850,000	13,687,931
Transfers to secondary schools	14,300,000	10,400,000
Transfers to Tertiary institutions	3,000,000	
Transfers to Health institutions	2,600,000	12,665,038
TOTAL	50,750,000	36,752,969

7 OTHER GRANTS AND OTHER PAYMENTS

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Bursary - Secondary	28,240,704	2,098,500
Bursary -Tertiary	10,175,965	3,497,200
Bursary-Special schools	223,500	29,000
Mocks & CAT	1,920,100	
water	17,430,000	13,977,455
Agriculture (food security)		500,000
Electricity projects		2,900,000

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

Security		9,700,000	6,400,000
Roads		2,893,340	9,677,141
Sports		11,228,485	
Other capital grants and transfer Environment		1,040,554	661,000
Emergency Projects (specify)		5,155,084	3,999,924
Total		88,007,731	43,740,219
	8 Acquisition of assets	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
	9 Other payments	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency		2016-2017	2015 - 2016
	Account Number	Kshs (30/6/2017)	Kshs (30/6/2016)
<i>Equity bank, Meru branch</i>		6,429,620	24,508,290
Total		6,429,620	24,508,290
	10B: Cash in hand	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
	12 Outstanding imprest	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
	12 Retention	2016-2017	2015-2016
		0.0	0.0

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

	Total	0.0	0.0
13 BALANCES BROUGHT FORWARD			
		2016-2017	2015 - 2016
		Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts		24,892,190	13,453,538
Cash in hand			-
Imprest			383,900
Total		24,892,190	13,837,438
14			
PRIOR YEAR ADJUSTMENTS			
		2016-2017	2015 - 2016
		Kshs	Kshs
Bank accounts			
Cash in hand			138,043
Total		-	138,043
15 OTHER IMPORTANT DISCLOSURE			
	15.1 Pending accounts payable	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
	15.2 Pending staff payables	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
	15.3 Other pending payables	2016-2017	2015-2016
		0.0	0.0
	Total	0.0	0.0
	15.4 PMC account balances	2016-2017	2015-2016
	PMC accounts balances (see annex 2)	3,256,039.52	

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

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER			
Asset class	Historical Cost		Historical Cost
	(Kshs)		(Kshs)
	2016-2017	2015 - 2016	
Land			
Buildings and structures	3,700,000	3,700,000	
Transport equipment	6,147,044	6,147,044	
Office equipment, furniture and fittings	383,240	383,240	
ICT Equipment, Software and Other ICT Assets	94,945	94,945	
Other Machinery and Equipment		-	
Heritage and cultural assets		-	
Intangible assets		-	
Total	10,325,229	10,325,229	

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

ANNEX 2 PMC BANK BALANCES AS AT 30TH JUNE 2017

NAME OF PROJECT	BANK	BRANCH	A/C NUMBER	A/C BALANCE AS AT 30 TH June 2017	A/C BALANCE AS AT 30 TH June 2016
URINGU SEC SCH	NBK	KIANJAI	01025112915100	2,450	
KIRUKIRE DAY SEC	NBK	KIANJAI	01025077675700	500	
KAMARUKI SEC SCH	NBK	KIANJAI	01024112919400	455	
MWERONKORO PRY	NBK	KIANJAI	01285101158700	215,460	
TIGANIA WEST WATER RESOURCES	NBK	KIANJAI	01281119568600	528,176.10	
MWILI PRY SCH	NBK	KIANJAI	01024119569400	750	
KIBIRU DAY SEC SCH	NBK	KIANJAI	01025119536500	805	
KUNENE PRY SCH	NBK	KIANJAI	01281077603900	330,647.00	
KITHIRU PRY SCH	NBK	KIANJAI	01281077651200	2776	
KIMEREI PRY SCH	NBK	KIANJAI	01024039233401	250	
KARII PRY SCH	NBK	KIANJAI	01024119574300	17,148	
MURICHIA PRY SCH	NBK	KIANJAI	01242040256600	N/A	
KAMITONGU PRY SCH	NBK	KIANJAI	01025119548600	1,011	
KUNENE PRY SCH	NBK	KIANJAI	01281077603900	330,647.00	
MUCUUNE DISPENSARY	NBK	KIANJAI	01281124373000	534	
KALIATI DISPENSARY	NBK	KIANJAI	01285124362800	0.00	
MWILI ASST CHIEF	NBK	KIANJAI	01281062226600	0.00	
ANTUBEIGA AP CAMP	NBK	KIANJAI	01281130716300	706	
KIMACHIA CHIEF'S CAMP	NBK	KIANJAI	01285112911500	2317	
MUKINDU PRY SCH	NBK	KIANJAI	01024040508400	303	
KIANDIU CHIEF'S CAMP	NBK	KIANJAI	01282077559100	171	
KITHEO PRY SCH	NBK	KIANJAI	0122440162100	0.00	
MANYIRI PRY SCH	NBK	KIANJAI	01281124340100	500	
KAMUTHANGA PRY	NBK	KIANJAI	01285124321800	30.00	
THANANTU PRY	NBK	KIANJAI	01256100075200	356	
KIARE PRY SCH	NBK	KIANJAI	01024124335700	2112	
NTIBA DAY SEC	NBK	KIANJAI	01281124323300	N/A	
KIANDIU SEC SCH	NBK	KIANJAI	01285124352900	30,850	
KAMAROO DAY SEC	NBK	KIANJAI	01025082026900	1080	
LUBUNU SEC SCH	NBK	KIANJAI	01285124327300	192,650	
KIMACHIA SEC SCH	NBK	KIANJAI	01025019087500	269,950	
THAU MIXED DAY SCH	NBK	KIANJAI	01285124328500		
KARII DISPENSARY	NBK	KIANJAI	01285124361700	506	
LIMBINE PRY SCH	NBK	KIANJAI	01281124326300	290,819.06	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – TIGANIA
WEST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

MCK URRU PRIMARY	NBK	KIANJAI	01248040178800	2,278.06	
GIMPINE PRY SCH	NBK	KIANJAI	01285124394900	269.00	
KIERU PRY SCH	NBK	KIANJAI	01285124390600	615.00	
MAKANDI PRY SCH	NBK	KIANJAI	01285124388100	93.80	
NKURARE PRY SCH	NBK	KIANJAI	01285130727500	45,005.00	
ITHATENE PRY SCH	NBK	KIANJAI	01282077559200	556.20	
KABOTO PRY SCH	NBK	KIANJAI		N/A	
RWONGO RWA NYANKI	NBK	KIANJAI	01285130745400	716.50	
KANJALU PRY SCH	NBK	KIANJAI	01285130745600	1249.20	
TWALE PRY SCH	NBK	KIANJAI	01285130746400	504.00	
KIMANCHIA	NBK	KIANJAI	01285130743600	750,500.00	
KALIATI MIXED DAY	EQUITY	MERU	1040295301247	N/A	
MACHEGENE MIXED DAY SEC	NBK	MERU	0102540304900	108,178.00	
KK LUMBI PRY SCH	NBK	KIANJAI	01224040162500	118,026	
URRU PRY SCH	NBK	KIANJAI	0124840178800	2,333.86	
MACHAKU MIXED DAY SEC	NBK	KIANJAI	0124639976800	205.74	
MWILI PRY SCH	NBK	KIANJAI	0124840498900	1,000.00	
MUCUUNE PRY SCH				550.00	
KALIATI DISPENSARY	NBK	KIANJAI	01285124362800	0.00	
				3,256,039.52	

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

Annex 3

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	The progress of prior year audit issues not presented and the report did not conform to IPFA(Cash)	The corrected version of financial statement was sent to the auditors for review including progress of prior year audit issues	Harrison Wachira-FAM	Resolved	May 2017
1.2	Pending payables were not analysed	The figure of pending payables included amounts not yet received from the National Management Board	Harrison Wachira-FAM	Resolved	May 2017
1.3	Unexplained variances between financial statement balances and the supporting schedules Unexplained prior year adjustment of sh 1,329,500	There was misposting between the financial statement and the supporting schedules Prior year adjustment is a figure of reversed cheques for previous years	Harrison Wachira-FAM	Resolved	May 2017
2	Unrepresented cheques of sh 609,945 were stale and still appearing in the financial statement	The stale cheques were subsequently reversed	Harrison Wachira-FAM	Resolved	May 2017
3	The yearly allocation was not fully utilized	The deficit of 10% which had not yet been utilized arose due to piecemeal release of funds from the National Management Board	Harrison Wachira-FAM	Resolved	May 2017
4	There was unexplained disbursement of sh 10,787,961 Kuruu bridge and Kimwimbi bridge are stalled	This amount is derived from Project Implementation Status report which is erroneous. All actual expenditures are captured in the schedules The two projects were are earned marked to be funded to completion	Harrison Wachira-FAM	Resolved	May 2017