

REPUBLIC OF KENYA



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REPORT



OF

THE AUDITOR-GENERAL

ON

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

FOR THE YEAR ENDED
30 JUNE 2017

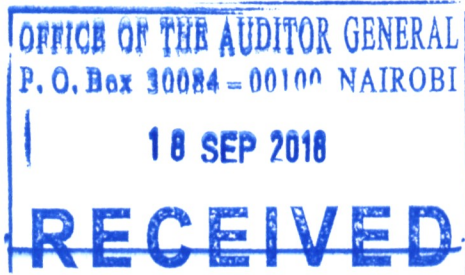


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
MAKUENI CONSTITUENCY**

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)**



RECEIVED
18 SEP 2016
DIRECTOR OF THE ARMY GENEALOGY
DIVISION

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI
CONSTITUENCY**

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

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

1. 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The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. 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 *Makueni 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	Daniel Maluki
3.	Accountant	Julius Muchohi
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Makueni 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) Makueni NG-CDF Headquarters

P.O. Box 409-90300
Wote Town, Makueni
Soi Plaza, Next to Equity Bank

(f) Makueni NG-CDF Contacts

Telephone: (254) 720 79 22 24
E-mail: dmaluki@ngcdf.go.ke
Website: www.go.ke

(g) Makueni NG-CDF Bankers

1. The Cooperative Bank of Kenya
A/C No. 01120539316700
Wote Branch
P.O. Box 537- 90300
Tel: 020259465
Mobile: 0732 520 845, 0708223372
Wote, Makueni
Email: wotebr@co-opbank.co.ke

(h) Independent Auditors

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

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

The budget performance against the actual amounts concurred quite reasonably. There were minimal variances occasioned by economic phenomenon particularly the inflation index. Most of shortfalls and excesses are occasioned by the cost of materials budgeted at lower cost and increased by inflation indices by the time of funding.

As few of the shortfalls were due to non – implementation of the project by the Project Management Committees (PMCs) while awaiting perfection of the procurement documents before the end of the financial year.

Some meagre savings on some other projects were precipitated by the mean tenders awarded during procurement exercises by the Project Management Committees (PMCs) which were rather below the budgeted figure.

Some budgeted figures reflected quite minimal variances with the actual due to strict adherence to the budgeted figures by the NGCDFC.

The Makueni NGCDFC has managed to train the Project Management Committees (PMCs) extensively on procurement procedures which has perfected the implementation activities. The NGCDFC has enhanced its efforts in the Monitoring and Evaluation Exercise which has reflected enhanced transparency and accounting in the implementation process on the part of the Project Management Committees (PMCs)

We have had a few cases of Project Management Committees (PMCs) failing to adhere to the procurement strictly preferring to engage local masons and purchase items locally. We have been able to curb the habit by establishment of a system that ensures authorization of all payments of the Project Management Committees (PMCs) by the Fund Account Manager before effecting payments at the local banks.

Sign



CHAIRMAN NG-CDFC

III. STATEMENT OF NG-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 MAKUENI National Government Constituency Development Fund is responsible for the preparation and presentation of the MAKUENI NG-CDF financial statements, which give a true and fair view of the state of affairs of the MAKUENI NG-CDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes:

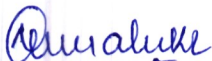
i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF; (iii) designing, implementing 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 MAKUENI 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 In charge of the MAKUENI 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.

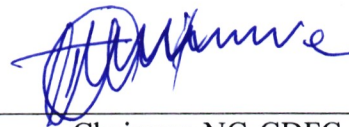
The Accounting Officer in charge of the MAKUENI NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes 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 30/06/2017.



Fund Account Manager



Chairman NG-CDFC

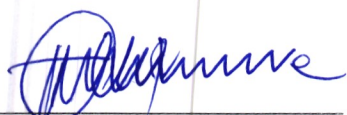
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI
CONSTITUENCY**

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	128,692,459.10	107,348,480.80
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		128,692,459.10	107,348,480.80
PAYMENTS			
Compensation of employees	4	1,069,333.30	1,169,306.50
Use of goods and services	5	14,889,169.73	16,007,198.60
Transfers to Other Government Units	6	81,900,149.82	23,655,725.00
Other grants and transfers	7	46,779,906.05	82,974,235.50
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		144,638,550.90	123,806,465.60
SURPLUS/DEFICIT		(15,946,091.75)	(16,457,984.80)

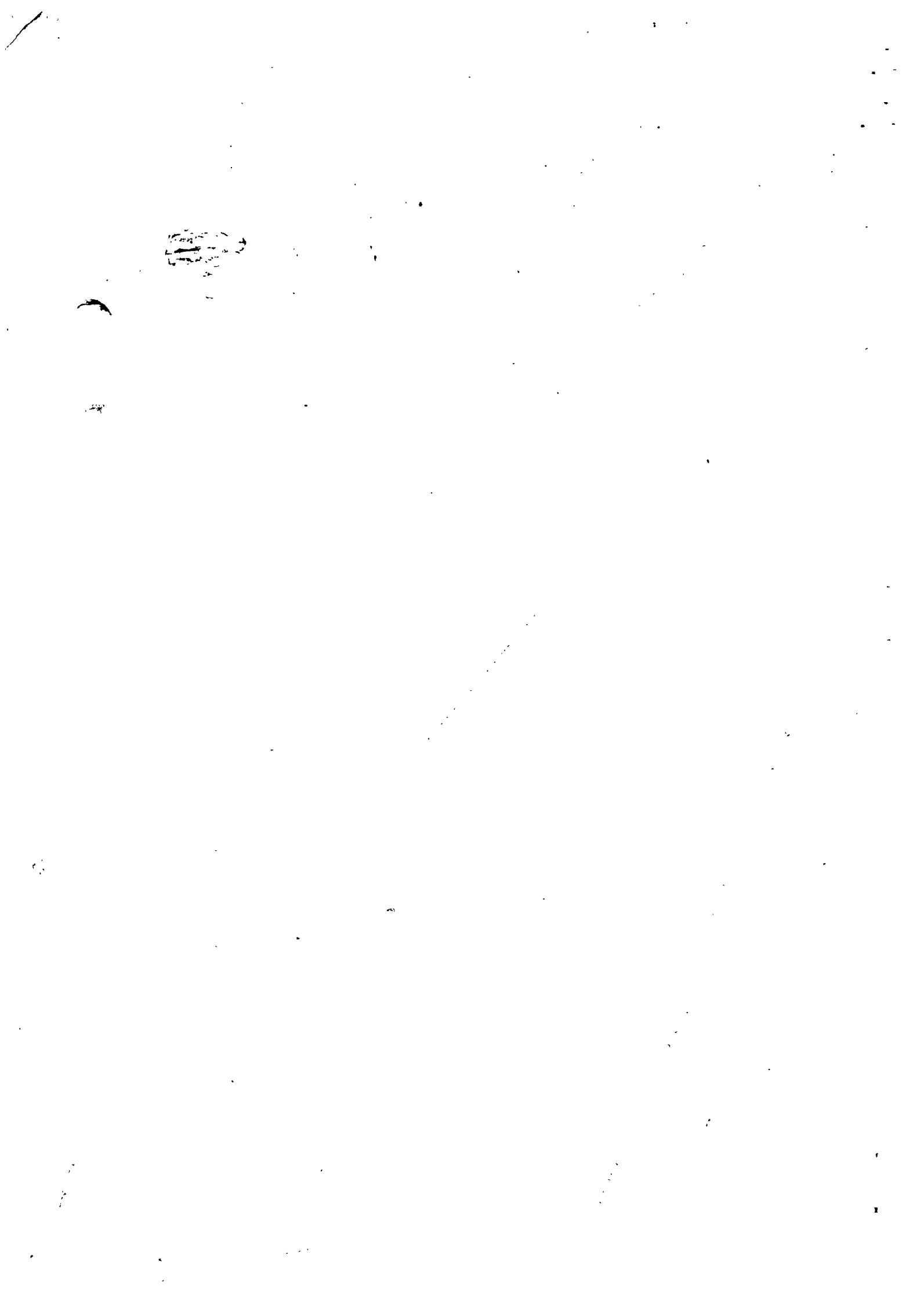
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MAKUENI NG-CDF financial statements were approved on **30/06/2017** and signed by:



Chairman – NG-CDFC



Fund Account Manager



REPUBLIC OF KENYA

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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

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

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Makueni Constituency set out on pages 5 to 23 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 - Makueni 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 National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, except for the matters described in the described in the Basis for Qualified Opinion and Other Matter sections of my report, 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. Other Grants and Transfers

The statement of receipts and payments for the year ended 30 June 2017 reflects expenditure of Kshs.46,779,906 in respect of other grants and transfers. Out of this expenditure, an amount of Kshs.3,402,958 was spent on payment of casual workers who were engaged in clearing of roads in various parts of the constituency. However, signed payroll/payment schedules and inspection reports for the activities undertaken were not provided for audit verification. Further, scrutiny of the documents available showed that the expenditure was not budgeted for.

In addition, expenditure on other grants and payments includes bursaries to secondary and tertiary institutions totalling Kshs.11,831,572 and expenditure on roads projects amounting

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

to Kshs.12,695,200 as disclosed in Note 7 to the financial statements. However, the relevant supporting schedules reflect expenditure of Kshs.11,323,814 and Kshs.12,187,442 on the said bursaries and road projects, resulting in unexplained difference of Kshs.507,758 in each case, respectively.

Consequently, the accuracy and validity of other grants and transfers expenditure of Kshs.46,779,906 could not be confirmed.

2. Bank Balance

The statement of assets as at 30 June 2017 reflects a bank balance of Kshs. 6,798,090.75. The bank reconciliation statement for the month of June 2017 reflects unrepresented cheques totalling Kshs.11,468,549. However, cheques totalling Kshs.2,375,514 had gone stale as at 30 June 2017 but had not been written back to the cash book. In addition, the bank statement for June 2017 reflects a closing bank balance of Kshs.17,249,847 as at 30 June 2017 but bank balance confirmation certificate was not provided for audit verification.

Consequently, the existence and accuracy of the bank balance of Kshs. 6,798,091 as at 30 June 2017 could not be confirmed.

3. Net Financial Position

The statement of assets as at 30 June 2017 reflects incorrectly net liabilities instead of net financial position of Kshs.6,798,090.75, being the difference between the brought forward fund balance of Kshs.22,744,182.50 and the deficit for the year under review of Kshs.15,946,091.75.

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

Other Matter

1. In-eligible Expenditure

The statements of receipts and payments also reflects expenditure of Kshs. 81,900,149.82 under transfers to other government entities which includes Kshs.6,740,000 in respect of transfers to health institutions. Further, other grants and other payments figure of

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

Kshs.46,779,906 include expenditure on water projects totalling Kshs. 1,500,000. Both health and water projects fall under County Government functions. Section 24 (a) of the National Government Constituency Development Fund Act, of 2015, provides that only projects in respect of National Government function should be funded.

Consequently, the National Government Constituencies Development Fund Board and the Makueni Constituency Development Fund Committee were in breach of the law. The expenditure totalling Kshs.8,240,000 on health and water was not, therefore, a proper charge to National Government Constituencies Development Fund.

2. Budgetary Control and Performance

During the year under review, the fund incurred expenditure totalling Kshs.144,638,550.90 or approximately 78% of the approved budget of Kshs.185,282,702.72 which resulted in an overall net under expenditure of Kshs.40,644,151.80 or 22%. Material under-expenditure occurred mainly under the following account items:

Item/Component	Approved Budget (Kshs)	Actual (Kshs)	Budget Under-utilization (Kshs)	% of Under-utilization
Compensation of Employees	2,507,802.80	1,069,333.30	1,438,469.50	57.4
Other grants and transfers	83,237,266.95	46,779,906.05	36,457,360.88	43.8

The above noted under expenditure is an indication that approved programmes were not fully implemented thereby affecting delivery of services to the constituents of Makueni.

In addition, total receipts during the period amounted to Kshs.151,436,641.60 against an approved budget of Kshs.185,282,702.72 resulting in unrealized receipts of Kshs.33,846,061.12 or 18%.

3. Implementation of Projects

The project implementation status report indicates that projects worth Kshs.31,280,643 were started and completed during the year, while projects worth Kshs. 30,193,103 were ongoing and projects budgeted at Kshs.13,624,714 had not started as at 30 June 2017 as detailed below:

Project Name	Activity	Allocated Amount - Kshs	Disbursed Amount - Kshs	Implementation Status	Completion Date	Remarks
Athiani Primary School	Repair of classrooms	300,000.00	300,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016

Muageni Pri School	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kimuumo Primary School	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kaliini Primary School	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Wote Furniture Makers Project	Reconstruction of business stalls that were destroyed by fire	500,000.00	500,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Yeembondo Primary School	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Maumi Primary School	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kathonzweni HGM Primary	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kyuasini Pri Sch	Repair of classrooms	300,000.00	300,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kithathaini Pri Sch	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kalaani Pri Sch	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Upperland Garage	Repair of motor vehicle	294,827.59	294,827.59	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kwakukui Pri.sch	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kilili Chiefs Office	Repair of offices	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Syaolwe Primary	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Kyamusoi Day And Boarding	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Makutano Primary	Repair of classrooms	100,000.00	100,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016
Syatu Primary	Repair of classrooms	200,000.00	200,000.00	Complete	2017 June	From emergency vide NG-CDFC Min6/12/10/2016

Kwa Kiilu Sand Dam	Construction of Sand Dam to control floods	409,482.76	409,482.76	On-going	2017 June	On- going
Kwa Mulwa Sand Dam	Construction of Sand Dam to control floods	409,482.76	409,482.76	On-going	2017 June	On- going
Kwa Munguti Kathitu	Construction of Sand Dam to control floods	409,482.76	409,482.76	Complete	2017 June	In use
Yamu Tree Planting	Planting of trees (109,482.75) and fencing-Chain link (300,000)	409,482.75	409,482.75	Complete	2017 June	In use
Kaasya Primary School	Renovation- Re-roofing of 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kalaani Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kaliini Primary School	Renovation- Re-roofing of 3 classrooms	400,000.00	400,000.00	Complete	2017 June	In use
Kaluluini Primary School	Renovation- Re-roofing of 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kathuma Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	On- going	2017 June	Plastering in progress
Kavumbu Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On- going		Awaiting funds from the board
Kiambani Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kiangini Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kiatine Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kikui Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board

Kimuumo Primary School	Renovation-Re-roofing and flooring of 4 classrooms	768,714.00	768,714.00	Complete	2017 June	In use
Kiteei Adult Centre	Purchase of desks for adult students- 75 desks @ 2000 per desk	150,000.00	Nil	Not started		Project not yet approved by the board
Kithaathaini Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	557,000.00	557,000.00	Complete	2017 June	In use
Kithaayoni Primary School	Construction of 1 classroom to completion	700,000.00	700,000.00	Complete	2017 June	In use
Kiumoni Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Kwanzula Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board
Kyuasini Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Partially funded from emergency kitty- Min6/12/10/2016, balance awaiting funds from the board
Kyumbe Primary School	Renovation – Re-roofing and plastering 3 classrooms	400,000.00	400,000.00	Complete	2017 June	In use
Kyunyu Primary School	Renovation-Re-roofing of administration block-3 units	500,000.00	Nil	Not started		Awaiting funds from the board
Maau-eli Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	Complete and in use
Mathangathi Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	556,000.00	Nil	On-going		Awaiting funds from the board
Mathemba Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board

Matooni Primary School	Renovation-Re-roofing and flooring 4 classrooms	568,714.00	568,714.00	Complete	2017 June	In use
Mbeletu Primary School	Renovation-Re-roofing and flooring 3 classrooms	400,000.00	400,000.00	Complete	2017 June	In use
Muangueni Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board
Mutanda Primary School	Renovation-Re-roofing and flooring 3 classrooms	400,000.00	400,000.00	Complete	2017 June	In use
Muthwani Primary School	Construction of 1 classroom	500,000.00	500,000.00	Complete	2017 June	In use
Mwaani Primary School	Renovation-Re-roofing, plastering and flooring 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Ng'aa Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	500,000.00	Complete	2017 June	In use
Ngunguuni Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board
Ngoi Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	600,000.00	600,000.00	Complete	2017 June	In use
Nziu Primary School	Renovation – Re-roofing, flooring and plastering 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board
Sia Primary School	Renovation-Flooring and plastering of 2 staff rooms	300,000.00	300,000.00	Complete	2017 June	In use
Syandoo Primary School	Renovation-Roofing ,Plastering and flooring of 4 classrooms	600,000.00	600,000.00	Complete	2017 June	In use
Ukokolani Primary School	Construction of 1 classroom to completion	700,000.00	700,000.00	On- going	2017 June	At roofing level
Unoa Primary School	Construction of 1 classroom to completion	800,000.00	800,000.00	Complete	2017 June	In use

Waimu Primary School	Construction of 1 classroom to completion	700,000.00	700,000.00	Complete	2017 June	In use
Yembondo Primary School	Renovation-Roofing, flooring and painting 4 classrooms	600,000.00	600,000.00	Complete	2017 June	In use
Gigiri Boys Secondary School	Renovation-Roofing, Plastering and flooring of 4 classrooms	768,000.00	768,000.00	Complete	2017 June	In use
Kalliini Secondary School	Completion of laboratory-Plastering, flooring and fittings	1,200,000.00	1,200,000.00	On- going	2017 June	Phase one complete d in 2015/16 FY. Painting in progress.
Katangini Secondary School	Renovation-Roofing, Plastering and flooring of 3 classrooms	500,000.00	Nil	On- going	2017 June	Awaiting funds from the board
Katithi Secondary School	Expansion of Dormitory-Walling, windowing, plastering, roofing & painting	1,000,000.00	1,000,000.00	Complete	2017 June	In use
Kimuumo Secondary School	Completion of Dining Hall - Walling, windowing, plastering, roofing & painting	2,700,000.00	2,700,000.00	On- going	2017 June	Painting in progress
Kiteei Secondary School	Renovation-Flooring plastering, roofing & painting of Administration Block	1,200,000.00	Nil	On- going		Awaiting funds from the board
Kitise Secondary School	Completion of Dining Hall-Flooring plastering, roofing & painting	1,237,892.57	1,237,892.57	Complete	2017 June	In use
Maumba Secondary School	Completion of Dormitory-Flooring plastering, roofing & painting	500,000.00	500,000.00	Complete	2017 June	In use
Mbuvo Secondary School	Equipping of Dormitory- 175 Metallic Beds @ 4,000 per bed	700,000.00	700,000.00	Complete	2017 June	In use

Muthyoi Secondary School	Completion of laboratory - Flooring plastering, roofing & painting	500,000.00	500,000.00	Complete	2017 June	In use
Mwaani Boys High School	Completion of Dining Hall- Flooring plastering, roofing & painting	1,500,000.00	1,500,000.00	Complete	2017 June	In use
Ngoto Boys High School	Construction of 1 classroom to completion (700,000), flooring & plastering of 1 classroom (300,000)	1,000,000.00	1,000,000.00	Complete	2017 June	In use
Peter Kiilu Secondary School	Equipping of laboratory-Lab equipment	800,000.00	800,000.00	Complete	2017 June	In use
St. Teresa Secondary School-Muuani	Completion of 2 classrooms- Roofing, flooring plastering and painting	500,000.00	500,000.00	Complete	2017 June	In use
Yinthungu Secondary School	Renovation- Roofing, Plastering and flooring of 3 classrooms	500,000.00	Nil	On-going		Awaiting funds from the board
Assistant County Commissioner's Mavindini staff house	Construction of staff house-1 unit to completion	956,000.00	956,000.00	Complete	2017 June	In use
Assistant County Commissioner's Office Wote	Renovation-Re-roofing, flooring and painting	500,000.00	500,000.00	Complete	2017 June	In use
Assistant Chiefs Office Malivani	Construction of 1 office to completion	500,000.00	Nil		Not started	Awaiting funds from the board
Chiefs Office Muusini	Construction of 1 toilet to completion	300,000.00	300,000.00	On- going	2017 June	Walling in progress
Kalamba AP Line	Construction of 2 staff houses to completion	1,000,000.00	1,000,000.00	On- going	2017 June	At roofing level
Kamunyolo Sub location Administration Block	Construction- Roofing, plastering and painting of 3 office rooms	1,000,000.00	Nil	On- going		Awaiting funds from the board
Kathonzweni Police Station	Construction of 2 offices to completion	2,000,000.00	Nil	On- going		Awaiting funds from the board

Kwa Kathoka Police Post	Construction of 2 single staff houses to completion	500,000 00	Nil	On- going		Phase 1 complete, 2nd phase awaiting funds from the board
Makueni remand	Construction of septic tank to completion	1,500,000 00	1,500,000 00	On- going	2017 June	On- going
Mbuvo Police Post	Construction of 2 offices to completion	1,000,000 00	1,000,000.00	On- going	2017 June	Offices at roofing level complete. More funds needed for staff quarters
Mumbuni AP Line	Construction of toilet to completion and compound fencing- Chain link	600,000 00	600,000 00	Complete	2017 June	On going
Nziu AP Line	Construction of 1 staff house to completion	500,000.00	Nil	Not started		Awaiting funds from the board
Nziu chiefs office	Renovation-Re-roofing and painting of office	300,000 00	300,000 00	On-going	2017 June	Painting in progress
Yinthungu Chiefs Office	Completion of office-Roofing, plastering & painting	500,000.00	Nil	Not started		Awaiting funds from the board
NG-CDF Offices	Purchase of Furniture for the new NG-CDF office	1,218,714.00	Nil	Not started		Project not yet approved by the board

Consequently, the residents of Makueni did not obtain value for projects budgeted for but not completed or implemented during the year.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

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

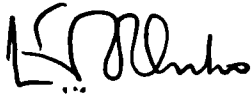
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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



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

Nairobi

15 August 2018

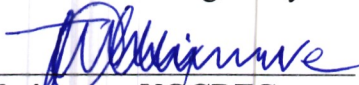
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI
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**Reports and Financial Statements
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V. STATEMENT OF ASSETS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,798,090.75	22,744,182.50
Cash Balances (cash at hand)	10B		-
Outstanding Imprests	11		-
TOTAL FINANCIAL ASSETS		6,798,090.75	22,744,182.50
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July 2016	13	22,744,182.50	3,753,932.00
Surplus/Deficit for the year		(15,946,091.75)	(16,457,984.50)
Prior year adjustments	14	-	35,448,235.00
NET LIABILITIES		6,798,090.75	22,744,182.50

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


Chairman - NGCDFC


Fund Account Manager

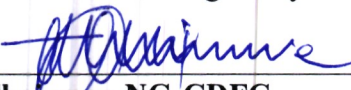
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI
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**Reports and Financial Statements
For the year ended June 30, 2017**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from NG-CDF Board	1	Kshs 128,692,459.10	Kshs 107,348,480.80
Other Receipts	3		-
Payments for operating expenses			
Compensation of Employees	4	(1,069,333.30)	(1,169,306.50)
Use of goods and services	5	(14,889,169.73)	(16,007,198.60)
Transfers to Other Government Units	6	(81,900,149.82)	(23,655,725.00)
Other grants and transfers	7	(46,779,906.05)	(82,974,235.50)
Other Payments	9	-	-
		(144,638,550.90)	(123,806,465.30)
Adjusted for:			
Adjustments during the year	14	-	35,448,235.00
Net cash flow from operating activities		(15,946,091.75)	18,990,252.00
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		(15,946,091.75)	18,990,252.00
Cash and cash equivalent at BEGINNING of the year	13	22,744,182.50	3,753,932.00
Cash and cash equivalent at END of the year		6,798,090.75	22,744,182.50

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


Chairman NG-CDFC


Fund Account Manager

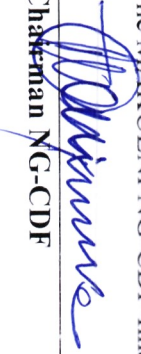
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI CONSTITUENCY
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	81,896,551.72	103,386,151.00	185,282,702.70	151,436,641.60	33,846,061.12	81.7
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
	81,896,551.72	103,386,151.00	185,282,702.72	151,436,641.60	33,846,061.12	81.7
PAYMENTS						
Compensation of Employees	2,391,490.00	116,312.80	2,507,802.80	1,069,333.30	1,438,469.50	42.6
Use of goods and services	4,979,199.60	10,010,200.00	14,989,399.60	14,889,169.73	100,229.87	99.3
Transfers to Other Government Units	34,306,320.57	50,241,912.80	84,548,233.37	81,900,141.82	2,648,083.55	96.9
Other grants and transfers	40,219,541.55	43,017,725.40	83,237,266.95	46,779,906.05	36,457,360.88	56.2
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTALS	81,896,551.72	103,386,151.00	185,282,702.72	144,638,550.90	40,644,151.80	78.1

i. Under utilization in compensation of employees is because we had budgeted for seven employees but engaged four only.

The MAKUENI NG-CDF financial statements were approved on **30/06/2017** 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.

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- MAKUENI
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2016 - 2017		2015 - 2016	
		Kshs		Kshs
NG-CDF Board				
AIE NO	A825979	72,744,182.50	A790795	31,348,480.80
AIE NO	A829906	4,094,827.60	A796487	10,000,000.00
AIE NO	A855669	36,853,449.00	A796324	10,000,000.00
	A839733	15,000,000.00	A820606	10,000,000.00
			A820841	20,000,000.00
			A825539	26,000,000.00
(other constituency e.g, parent constituency)				
TOTAL		128,692,459.10		107,348,480.80

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	-	-

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X. 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	-	-

4. COMPENSATION OF EMPLOYEES

	2016 - 2017	2015- 2016
	Kshs	Kshs
Basic wages of contractual employees	1,069,333.30	843,309.70
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	325,996.80
Total	1,069,333.30	1,169,306.50

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015- 2016
	Kshs	Kshs
Committee Expenses	5,245,700.05	8,190,871.60
Utilities, supplies and services		
Communication, supplies and services	66,000.00	86,960.00
Domestic travel and subsistence	101,450.00	
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	2,292,700.00	4,983,000.00
Hospitality supplies and services		
Insurance costs		
Specialized materials and services		
Office and general supplies and services	5,169,568.68	2,056,367.00
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	2,013,751.00	690,000.00
Routine maintenance – other assets		
Total	14,889,169.73	16,007,198.60

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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)	41,327,064.00	9,312,966.00
Transfers to secondary schools (see attached list)	33,833,077.82	8,300,000.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	6,740,000.00	6,042,759.00
TOTAL	81,900,141.82	23,655,725.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015- 2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7,052,414.05	12,896,706.00
Bursary – tertiary institutions (see attached list)	4,779,158.00	11,257,332.20
Bursary – special schools (see attached list)	-	165,000.00
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	1,500,000.00	28,264,636.00
Agriculture projects (see attached list)	200,000.00	-
Electricity projects (see attached list)	-	1,800,000.00
Security projects (see attached list)	10,041,000.00	15,045,482.30
Roads projects (see attached list)	12,695,200.00	8,349,908.00
Sports projects (see attached list)	2,625,540.00	932,500.00
Environment projects (see attached list)	3,578,836.00	2,789,671.00
Emergency projects (see attached list)	4,307,758.00	1,473,000.00
Total	46,779,906.05	82,974,235.50

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

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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>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total		-	-	-

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MAKUENI
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For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015- 2016
	Kshs	Kshs
Bank accounts	6,798,090.75	22,744,182.50
Cash in hand	-	-
Imprest	-	-
Total	6,798,090.75	22,744,182.50

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017	2015- 2016
	Kshs	Kshs
Bank accounts	-	35,448,235.00
Cash in hand	-	-
Imprest	-	-
Total	-	35,448,235.00

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE

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

15.2: PENDING STAFF PAYABLES

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-
	-	-

15.3: OTHER PENDING PAYABLES

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Others (<i>specify</i>)	-	-
	-	-
	-	-

15.4: PMC account balances (See Annex 2)

	Kshs	Kshs
PMC account Balances (See attached list)	-	-
	-	-
	-	-

15.5: Amount due from the NG-CDF Board

	Kshs	Kshs
	-	-
	<u>33,846,061.12</u>	=
	<u>33,846,061.12</u>	=

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ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	-	-
Buildings and structures	-	-
Transport equipment	3,502,650.00	3,502,650.00
Office equipment, furniture and fittings	600,000.00	600,000.00
ICT Equipment, Software and Other ICT Assets	-	-
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	4,102,650.00	4,102,650.00

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ANNEX 2 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Kwa Kiilu Sand Dam	Equity	0670172263435	300.00	-
Kwa Mulwa Sand Dam	KCB	1207003212	500.00	-
Kwa Munguti Kathitu sand dam	Equity	0670172449712	100.00	-
Yamu Tree Planting	Equity	0670172264601	0.00	-
Kaasya Primary School	KCB	1206879084	100.00	-
Kalaani Primary School	Equity	0670199827364	0.00	-
Kaliini Primary School	KCB	1125358467	999.50	-
Kaluluini Primary School	Equity	0670272135790	200.00	-
Kathuma Primary School	Cooperative	01117539402600	100.00	-
Kavumbu Primary School	Equity	0670273454227	1000.00	-
Kiambani Primary School	Equity	0670196850324	100.00	-
Kiangini Primary School	Equity	0670292189144	0.00	-
Kiatine Primary School	Equity	0670297060028	490.00	-
Kikui Primary School	Equity	0670197142341	100.00	-
Kimuumo Primary School	Equity	0670192883950	736.45	-
Kithaathaini Primary School	KCB	1145429483	200.00	-
Kithaayoni Primary School	Equity	0670198720440	0.00	-
Kiumoni Primary School	Cooperative	01139539499200	200.00	-
Kwanzula Primary School	Equity	0670197060588	840.00	-
Kyuasini Primary School	Equity	0670199707600	150.00	-
Kyumbe Primary School	KCB	1136514732	580.00	-
Kyunyu Primary School	KCB	1174080280	0.00	-
Maau-eli Primary School	Cooperative	01139540023100	0.00	-
Mathangathi Primary School	Equity	0670263843832	0.00	-

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PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Mathemba Primary School	Equity	0670272163718	200.00	-
Matooni Primary School	KCB	1125325968	351.00	-
Mbeletu Primary School	KCB	1136356835	1,720.00	-
Muangeni Primary School	Equity	0670270363840	0.00	-
Mutanda Primary School	KCB	1125241845	1,720.00	-
Muthwani Primary School	Equity	0670272214695	0.00	-
Mwaani Primary School	Equity	0670397828893	0.00	-
Ng'aa Primary School	KCB	1206635037	1,084.50	-
Ngunguuni Primary School	Cooperative	01139539669200	1,032.00	-
Ngoi Primary School	Equity	0670192898398	0.00	-
Sia Primary School	Equity	0670199809198	0.00	-
Syandoo Primary School	Equity	0670199798895	0.00	-
Ukokolani Primary School	Equity	0670196720580	0.00	-
Unoa Primary School	Equity	0670197060513	2,123.00	-
Waimu Primary School	Cooperative	01139539728100	2,222.50	-
Yembondo Primary School	Cooperative	01139539628400	843.00	-
Gigiri Boys Secondary School	Equity	0670272460045	700.00	-
Kaliini Secondary School	KCB	1182020542	490.00	-
Katangini Secondary School	Equity	0670298722463	0.00	-
Katithi Secondary School	Equity	0670195249467	0.00	-
Kimuumo Secondary School	KCB	1124242066	73,411.50	-
Kitise Secondary School	Equity	0670292886439	0.00	-
Maumba Secondary School	Equity	0670293843078	520.00	-
Mbuvo Secondary School	Equity	0670294968828	342.00	-
Muthyoi Secondary School	KCB	1181960525	1,000.00	-
Mwaani Boys High School	KCB	1112473114	0.00	-

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PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Ngoto Boys High School	KCB	1112729135	2,893.29	-
Peter Kiilu Secondary School	Cooperative	01139540283200	2,000.00	-
St. Teresa Secondary School-Muuani	Cooperative	01139539310200	1,238.68	-
Yinthungu Secondary School	KCB	1208256777	0.00	-
Assistant County Commissioner's Mavindini staff house	Equity	0670172121563	0.00	-
Assistant County Commissioner's Office Wote	Cooperative	01134540320500	1,500.00	-
Assistant Chiefs Office Malivani	Equity	0670173509510	200.00	-
Chiefs Office Muusini	Cooperative	01134540284800	0.00	-
Kalamba AP Line	Cooperative	01134540298600	50.00	-
Kamunyolo Sub location Administration Block	Equity	0670172554476	0.00	-
Kwa Kathoka Police Post	Equity	0670292476219	505.55	-
Makueni remand	Cooperative	01134540222100	400.00	-
Mbuvo Police Post	KCB	1207110841	500.00	-
Mumbuni AP Line	Equity	0670164236258	710.00	-
Nziu AP Line	Cooperative	01134540035400	462.50	-
Nziu chiefs office	Equity	0670172463129	65.00	-
Total			<u>104,980.47</u>	

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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)
EH/AUD/NG-CDF/MAKUEN I/2015-2016/7	Construction of Kivani Earth Dam Project-File unavailable and account frozen	-File was not available at the time of audit. The file was availed and forwarded as Appendix 1 -Account frozen to allow transaction authority from the FAM	Daniel Maluki-Fund Account Manager	Resolved	Issue already resolved
	Prior year adjustments- Unexplained variance	Clarified as: 3,753,932- (16,457,984)+35,448,235= 22,744,182.50	Daniel Maluki-Fund Account Manager	Resolved	Issue already resolved
	Budgetary control and performance- Unexplained expenditure	Funds shown as prior year adjustments. Funds released from the board on 23/08/2016- Appendix B-A825539	Daniel Maluki-Fund Account Manager	Resolved	Issue already resolved
	Project implementation status-Delay of project implementation	Projects delayed due to the new NG-CDF Act 2015 which caused dissolution of all committees.	Daniel Maluki-Fund Account Manager	Resolved	Issue already resolved

