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REPORT

OF


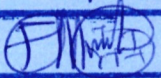
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KINANGOP CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



 THE NATIONAL ASSEMBLY PAPERS LAID	
13 NOV 2018	
TABLED BY:	MAJORITY LEADER
CLERK-AT THE-TABLE:	



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

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CONSTITUENCY DEVELOPMENT FUND- KINANGOP CONSTITUENCY

• Reports and Financial Statements

For the year ended June 30, 2017

I.KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 amended in 2007 and repealed by the CDF Act of 2013.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 Kinangop 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 (NGCDFC)

(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	Caroline Kariuki
3.	Accountant	Crispin Lukalia
4.		

(d) Fiduciary Oversight Arrangements

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

(e) KINANGOP NGCDF Headquarters

P.O. Box 430-20318
North Kinangop
Nyandarua Sub-County
Engineer, Kenya

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(f) KINANGOP NG CDF Contacts

Telephone: (254) 722532682

E-mail: ckariuki@cdf.go.ke

Website: www.cdf.go.ke

(g) KINANGOP NGCDF Bankers

Equity Bank of Kenya

Naivasha, Branch

(h) Independent Auditors

Office of the Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP
CONSTITUENCY**

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

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

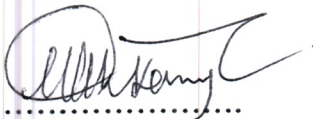
KINANGOP NG-CDFC has ensured that most projects initiated this year have been completed or the intended phase is complete.

KEY ACHIEVEMENTS:

- a) All projects have been built upto standard with consultation with relevant government ministries.
- b) Agriculture has improved immensely due to improvement of infrastructures like roads and construction of bridges.
- c) Bursary applications are so many beyond what we can afford but in 2017/18 we have increased bursary allocation.

IMPLEMENTATION CHALLENGES

The major challenge has been delay by the government to release funds and therefore delay in implementation of projects.



Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Kinangop NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 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 NGCDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Kinangop NGCDF accepts responsibility for the NGCDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2015, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Kinangop NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

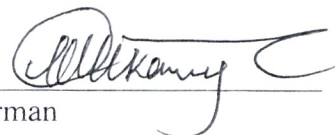
The Accounting Officer in charge of the Kinangop NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF's funds received during the year under audit were used for the eligible purposes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

Approval of the financial statements

The NGCDF's financial statements were approved and signed by the Accounting Officer on _____ 2017.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund–Kinangop Constituency set out on pages 5 to 26, 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: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund–Kinangop Constituency as at 30 June, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Kinangop 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 opinion.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no Key Audit Matters to communicate in my report.

Other Matter

1. Overall Budget Performance

During the financial year under review, Kinangop NG-CDF received a total of Kshs.142,396,173 from the National Government Constituencies Development Fund Board against a budget of Kshs.146,446,607 resulting to a shortfall in disbursements by Kshs.4,050,434. Further the actual expenditure for the year total Kshs.136,979,229 representing an absorption rate of 96% of actual receipts. Further, a review of project implementation status report indicate that the CDF did not implement projects worth Kshs.8,297,965, although the NG-CDF Board had disbursed funds allocated for the projects. Failure to implement projects in time denies the residents the benefits accruing from the projects.

2. Stalled project- Murungaru Assistant Commissioner Office

Included in the other grants and other payments figure of Kshs.83,982,564 as disclosed in note 7 to the financial statements is security projects expenditure of Kshs.9,900,000 out of which Kshs.1,000,000 was disbursed for construction Murungaru Assistant commissioner's office. The funds were disbursed to Kinangop Constituency security committee vide payment voucher No. 209 dated 3rd of February 2017. However, the NG-CDF did not constitute a project management committee to oversee the construction, but instead the payment was made to Kinangop Constituency security committee. Further, physical verification carried out in June 2018 revealed that that the project had stalled and internal and external finishes, flooring, doors, windows, plastering and painting had not been done.

In the circumstances, it could not be confirmed whether the CDF obtained value-for-money on the expenditure incurred on this project.

3. Stalled Project - Munyugu Dispensary

The statement of receipts and payments for the year ended 30 June 2017 reflects amount of Kshs.83,982,564 in respect of other grants and other payments out of which Kshs.800,000 was paid to Munyugu Dispensary for walling, roofing, plastering and flooring of the project. However, a site visit done in June 2018 revealed that the project was incomplete despite the funds having been disbursed to the project. No explanation was provided for the failure to complete the facility. In the circumstance, it was not possible to ascertain regularity and whether value-for-money on the project was achieved.

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 liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

11 October 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP
CONSTITUENCY**

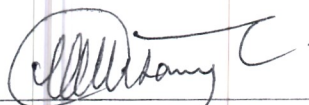
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017 Kshs	2015 – 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	142,396,173.00	61,000,000.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		142,396,173.00	61,000,000.00
PAYMENTS			
Compensation of employees	4	2,901,260.00	2,081,954.55
Use of goods and services	5	14,347,194.60	7,433,731.45
Transfers to Other Government Units	6	34,381,036.00	30,315,635.00
Other grants and transfers	7	83,982,564.00	53,747,528.35
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		135,612,054.60	93,578,849.35
SURPLUS/DEFICIT		6,784,118.10	(32,578,849.35)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kinangop NGCDF financial statements were approved on _____ 2017 and signed by:



Chairman - NGCDFC



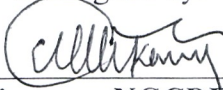
Fund Account Manager

V. STATEMENT OF ASSETS

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

	Note	2016-2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,527,576.35	2,743,459.70
Cash Balances (cash at hand)	10B	-	-
Outstanding Imp rests	11		-
TOTAL FINANCIAL ASSETS			
		9,527,576.35	2,743,459.70
REPRESENTED BY			
Retention	12		
Fund balance b/fwd. 1st July...	13	2,743,459.70	35,322,309.05
Surplus/Deficit for the year		6,784,118.10	(32,578,849.35)
Prior year adjustments	14	-	-
NET LIABILITIES			
		9,527,577.80	2,743,459.70

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kinangop NGCDF financial statements were approved on _____ 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KINANGOP
CONSTITUENCY**

Reports and Financial Statements

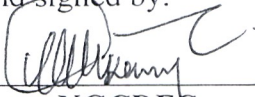
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from NGCDF Board	1	142,396,172.70	61,000,000.00
Other Receipts	3	-	-
		142,396,172.70	61,000,000.00
Payments for operating expenses			
Compensation of Employees	4	2,901,260.00	2,081,954.55
Use of goods and services	5	14,347,194.60	7,433,731.45
Transfers to Other Government Units	6	34,381,036.00	30,315,635.00
Other grants and transfers	7	83,982,564.00	53,747,528.35
Other Payments	9	-	-
		135,612,054.60	93,578,849.35
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		6,784,118.10	(32,578,849.35)
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		6,784,118.10	(32,578,849.35)
Cash and cash equivalent at BEGINNING of the year	13	2,743,459.70	35,322,309.05
Cash and cash equivalent at END of the year		9,527,577.80	2,743,459.70

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kinangop NGCDF financial statements were approved on _____ 2017 and signed by:



Chairman NGCDEC



Fund Account Manager

For the year ended June 30, 2017

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

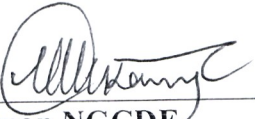
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	63,243,081	145,139,632	142,396,173	2,743,460	98.1%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTAL	81,896,552	63,243,081	145,139,632	142,396,173	2,743,460	98.1%
PAYMENTS						
Compensation of Employees	2,132,400	1,142,600	3,275,000	2,901,260	373,740	88.6%
Use of goods and services	5,238,289	9,972,079	15,210,368	14,347,195	863,174	94.3%
Transfers to Other Government Units	18,481,036	16,618,964	35,100,000	34,381,036	718,964	98.0%
Other grants and transfers	56,044,827	35,509,438	91,554,265	83,982,564	7,571,701	91.7%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTAL	81,896,552	63,243,081	145,139,633	135,612,055	9,527,578	93.4%

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

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

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. -
 - ii. -
 - iii. -
 - iv. -
 - v. -

The Kinangop NGCDF financial statements were approved on _____ 2017 and signed
by:



Chairman NGCDF



Fund Account Manager

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

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP 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 are recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the KinangopNGCDF 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 Kinangop NGCDF’s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NGCDF’s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP
CONSTITUENCY

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016-2017	2015 – 2016
		Kshs	Kshs
Normal allocation			
	A820582		10,000,000
	A796401		10,000,000
	A 820817		20,000,000
	A 825527		21,000,000
		60,499,621.00	
		4,094,827.6	
		36,853,449	
		40,948,275.10	
TOTAL		142,396,172.70	61,000,000

2. PROCEEDS FROM SALE OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,989,731	1,527,949
Basic wages of casual labor	60,480	
NSSF	63,450	70,800
NHIF – Deductions	174,915	51,291
PAYE – Deductions		
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	158,100
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	-	26,000
Gratuity	612,684	405,914
Total	2,901,260	2,081,954

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP
CONSTITUENCY

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For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	1,365,215.60	173,401
Office rent	-	-
Communication, supplies and services	277,500.00	6,960
Domestic travel and subsistence	318,000.00	707,015
Printing, advertising and information supplies & services	510,698.00	159,160
Rentals of produced assets	-	-
Training expenses	900,000.00	416,000
Hospitality supplies and services	1,200,000.00	-
Other committee expenses	3,700,000.00	3,835,000
Committee allowance	2,090,000.00	1,030,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	770,000.00	290,195
Fuel ,oil & lubricants	1,697,344.00	776,000
Other operating expenses	315,430.00	40,000
Routine maintenance – vehicles and other Transport equipment	523,355.00	-
Routine maintenance – other assets	679,652.00	-
Total	14,347,194.60	7,433,731

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016-2017 Kshs	2015-2016 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	23,581,036	13,000,000
Transfers to secondary schools (see attached list)	9,500,000	7,000,000
Transfers to tertiary institutions (see attached list)	-	10,000,000
Transfers to health institutions (see attached list)	1,300,000	315,635
-TOTAL	34,381,036	30,315,635

7. OTHER GRANTS AND OTHER PAYMENTS

	2016-2017 Kshs	2015 – 2016 Kshs
Bursary – secondary schools (see attached list)	28,746,925	12,030,568
Bursary – tertiary institutions (see attached list)	5,137,500	1,437,930
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	2,259,339
Agriculture projects (see attached list)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	9,900,000	6,900,000
Roads projects (see attached list)	31,000,000	23,019,632.25
Sports projects (see attached list)	2,352,208	500,000
Environment projects (see attached list)	1,637,931	500,000
Other Projects (see attached list)	-	-
Emergency Projects (specify)	5,208,000	7,100,059
Total	83,982,564	53,747,528.35

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets

	2016-2017	2015 – 2016
	Kshs	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 Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KINANGOP CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	2016-2017 Kshs	2015 – 2016 Kshs

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016-2017 Kshs	2015 – 2016 Kshs
Equity Bank A/c 0200295239050	9,527,576.35	2,743,459.70
	-	-
	-	-
	-	-
	9,527,576.35	2,743,459.70
10B: CASH IN HAND		
	2016-2017	2015 – 2016
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs

-

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

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

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

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For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-
	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017(Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		A	B	C	D=A-C		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		A	b	c	d=a-c		
Senior Management							
13.							
14.							
15.							
	Sub-Total						
Middle Management							
16.							
17.							
18.							
	Sub-Total						
Unionisable Employees							
19.							
20.							
21.							
	Sub-Total						
Others (specify)							
22.							
23.							
24.							
	Sub-Total						

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
Grand Total							

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
4.							
5.							
6.							
Sub-Total							
Sub-Total							
Others (specify)							
7.							
8.							
9.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT ENTITY Y - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016-2017	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures	17,393,279.08	17,393,279.08
Transport equipment	3,606,463.96	3,606,463.96
Office equipment, furniture and fittings	2,794,553.00	2,794,553.00
ICT Equipment, Software and Other ICT Assets	2,009,000.00	2,009,000.00
Other Machinery and Equipment	18,500,000.00	18,500,000.00
Heritage and cultural assets		
Intangible assets		
Total	44,303,296.04	44,303,296.04

Prepared by:



Caroline Kariuki
Fund Account Manager
Kinangop

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Muthomi primary sch	Equity Bank	200271788262	1095	0
Mwitheithia primary school	Equity Bank	200272220250	85	0
Mutonyora chief's office	Equity Bank	200271815194	1560	0
Mekaro AP post	Equity Bank	200271800379	1945	0
Constituency's roads rehabilitation	Equity Bank	200272423611	29,269	0
St. Christopher primary school	Equity Bank	200271785274	890	0
Kiyo Primary school	Equity Bank	200271773019	55	0
Kaugi primary school	Equity Bank	200299746906	720	0
Kamba AP post	Equity Bank	200271799500	646	0
Rwanyambo AP Post	Equity Bank	200272018483	415	0
Mutonyora Police office	Equity Bank	200271814782	55	0
Munyaka primary school	Equity Bank	200299043802	18,376.30	338.7
Centre Primary school	Equity Bank	200271773741	35	0
Kihumbu Bridge	Equity Bank	200271850744	5685	0
Njabini primary school	Equity Bank	200271815954	1375	0
Nandarasi secondary school	Equity Bank	200271774006	80445	0
Mucibau primary school	Equity Bank	200271771936	930	0
Kitogo primary school	Equity Bank	200297214531	535	1805
Githinji primary school	Equity Bank	200271789032	1835	0
Bara-Inya primary school	Equity Bank	200261398616	3196265	3694830
Rugongo secondary school	Equity Bank	200273034914	232294	0
Gathara secondary school	Equity Bank	200293545146	3872.95	4202.95
Mutonyora primary school	Equity Bank	200271789304	99890	0
Kenyatta road primary school	Equity Bank	200271784618	199945	0

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Gathara primary school	Equity Bank	200271799003	3180	0
Kirياهو primary school	Equity Bank	200271851651	199415	0
Ndaracaini primary school	Equity Bank	200190725767	471.4	0
Ndunyu njeru Primary school	Equity Bank	200272520617	96	0
			4,026,269.35	3,701,176.65

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.

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Cash and Cash equivalents (Unpresented Cheques)	Cheques already reversed.	Crispin Lukalia DA	Resolved	
2.0	Statement of comparison on budget and actual amounts	Due to delay of release of funds from the board.	Cdf Board	Resolved	
3.0	Compensation of employees	The undercast of Kshs 158,099.45 was due to a reversal of a cheque which has since been amended in the cashbook.	Caroline Kariuki FAM and Crispin Lukalia DA	Resolved	
4.0	Receipts	Due to delay of release of funds from the board.	Cdf Board	Resolved	
5.0	Failure to Remit Pay As You Earn (PAYE) Deducted on Gratuity	Kinangop NG-CDF has remitted the funds to KRA.	Caroline Kariuki FAM	Resolved	
6.0	Lack of returns to Account for Funds Disbursed to Environment Project-Ksh 500,000	Returns already availed	Caroline Kariuki FAM	Resolved	
7.0	Project with Actual Expenditure that exceeded Approved Allocation- Manyatta Borehole	Pipes for all approved water projects were purchased together by the water committee. Water pipes worth Ksh 359,339 is what was disbursed to Manyatta borehole.	Kinangop NG-CDF	Resolved	
8.0	Irregular procurement procedures on construction of education facilities within Kinangop Constituency- Kshs 3,300,000	Kinangop NG-CDFC has organized trainings for Project Management Committees to ensure they are taught on procurement procedures	Kinangop NG-CDF	Resolved	
9.0	Award of Bursary funds-Kshs-3,647,000	Copies of Bursary receipts given to Auditors	Caroline Kariuki - Fam	Resolved	
10.0	Budget Performance Analysis	Due to delay of release of	Cdf Board	Resolved	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

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)
		funds from the board.			

Prepared by:



Caroline Kariuki
Fund Account Manager
Kinangop Constituency