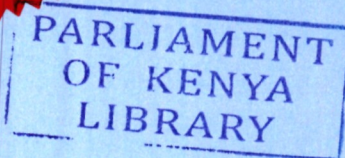


REPUBLIC OF KENYA



*Paper laid by  
Leader of Majority Party  
Thursday 2/8/2018  
Ajb*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2017**





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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
LIKONI CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKONI  
CONSTITUENCY**

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

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Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC).....	3
III. STATEMENT OF NGCDF MANAGEMENT RESPONSIBILITIES.....	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF FINANCIAL ASSETS .....	6
VI. STATEMENT OF CASHFLOWS.....	7
VII. SUMMARY OF STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	9
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	10
IX. NOTES TO THE FINANCIAL STATEMENTS.....	12
X. ANNEX: 1 .....	22
XI. ANNEX: 2.....	23
XII. ANNEX: 3.....	25
XIII. ANNEX: 4.....	27
XIV. ANNEX: 5.....	28

# NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKONI CONSTITUENCY

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

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## I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

### (a) Background information

The Constituencies Development Fund (CDF) was set up under the CDF Act, 2003 now repealed by the NGCDF Act, 2015. The National Government Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National Government Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

### (b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

### (c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>Mwalim Rashid</b>
3.	Accountant	<b>Joel Muriithi</b>

### (d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Likoni 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) LIKONI NGCDF Headquarters

P.O Box 96780-80100  
Flats, Along Lunga Lunga Road  
Opp. Mt. Sinai Academy  
Mombasa, Kenya.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

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**KEY CONSTITUENCY INFORMATION AND MANAGEMENT (Continued)**

**(f) LIKONI NG – CDF Contacts**

Telephone: (254) 0722461195

Email: cdflikoni@ngcdf.go.ke

**(g) LIKONI NG – CDF Bankers**

1. Cooperative Bank of Kenya  
A/C NO. 01120043565700  
LIKONI BRANCH  
P.O Box 90430 – 80100  
MOMBASA

**(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

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

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

On behalf of the NG - CDF Likoni I feel privileged to present the reports and financial statements for Likoni Constituency for the year ending 30<sup>th</sup> June 2017. During the year under review the receipts from the NG - CDF Board increased by 37% from Kshs. 73,723,675.00 to 101,403,873.60. During the same period the absorption rate of the funds improved by 104% from Kshs. 65,979,492 to Kshs. 134,597,582. The improvement can be attributed to team work and conducive political environment as well as full cooperation from technical departments and other stakeholders.

The constituency recorded insignificant increase in Appropriation in Aid from a meagre Kshs. 14,000 to Kshs. 15,000. In line with the shift in focus to National Government Functions mainly Education, the constituency invested a huge proportion of the funds received in education infrastructure and granting of bursary to needy students. The sector absorbed approximately 95% of the funds.

As at close of business on 30<sup>th</sup> June 2017 the constituency had a total of Kshs. 30,948,276.60 being amount owing to the constituency from the NG - CDF Board. A number of projects had issues raised by the NG - CDF Board which took some time to clear hence the delay in disbursement.

It is our hope that with fewer backlogs the next financial year will record even greater achievements.

Sign  .....  
CHAIRMAN NGCDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKONI  
CONSTITUENCY**

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

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**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 CDF 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.

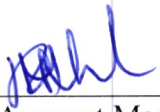
The Accounting Officer in charge of the Likoni NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility 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 Likoni 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, 2017, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Likoni 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 Likoni 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  
3rd April 2018

  
\_\_\_\_\_  
Fund Account Manager

  
\_\_\_\_\_  
Chairman

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Likoni Constituency set out on pages 5 to 34, which comprise the statement of financial assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

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

##### 1. Bank Balance

##### 1.1 Stale Cheques

The statement of financial assets as at 30 June 2017 reflects bank balance of Kshs.4,410,274 which includes stale cheques amounting to Kshs.81,480 which had not been reversed in the cash book as at year end.

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

## 1.2 Payments in Bank Statements not in Cash Book

The statement of financial assets as at 30 June 2017 reflects bank balance of Kshs.4,410,274. The bank reconciliation statement as at 30 June 2017 reflects bank charges amounting to Kshs.13,477 which ought to have been recorded in cash book and expensed in the statement of receipts and payments for the year then ended. Further, the bank charges figure reflected in bank reconciliation statement varies from Kshs.15,975 shown in Note 5 to the financial statements by Kshs.2,498 and which has not been explained nor reconciled.

## 1.3 Payments in Cash Book not in Bank Statements

The statement of financial assets as at 30 June 2017 reflects bank balance of Kshs.4,410,274 which has been arrived at after payments in cash book not yet recorded in bank statement amounting to Kshs.2,525,803.28. Out of this amount, bank statements showing when cheques amounting to Kshs.675,102.25 were subsequently cleared by the bank were not availed for audit review.

Consequently, the accuracy and completeness of the bank balance of Kshs.4,410,274 as at 30 June 2017 could not be confirmed.

## 2. Unsupported Expenditure

The statement of receipts and payments for the year ended 30 June 2017 contained unsupported expenditure amounting to Kshs.14,091,900 as detailed below:

Component	Note	Project Name	Activity	Amount (Kshs.)	Anomalies Noted
Other Receipts	3	-	-	15,000	Supporting schedule for these receipts was not availed for audit verification
Domestic Travel and Subsistence Allowances	5	-	-	76,900	Particulars of beneficiaries and journeys travelled were not indicated in the schedules availed for audit review.
Transfers to Primary Schools	6	Mtongwe Primary School	Purchase of a School Bus	7,000,000	The tender advertisement for the procurement was not availed for audit review, neither was the bus availed for physical verification.
Transfers to Secondary Schools	6	Bububu Secondary School	Purchase of a School Bus	7,000,000	The tender advertisement for the procurement was not availed for audit review, neither was the bus availed for physical verification.
<b>Total</b>				<b>14,091,900</b>	

As a result, the propriety, value for money for the expenditure of Kshs.14,091,900 for the year ended 30 June 2017 could not be confirmed.

### **3. Other Grants and Transfers**

The statement of receipts and payments for the year ended 30 June 2017 reflects other grants and transfers of Kshs.47,817,923. The following observations were made out of these payments:

#### **3.1 Acknowledgement of Bursaries**

Note 7 to the financial statements for the year ended 30 June 2017 reflects bursaries to secondary schools of Kshs.19,267,462, out of which bursaries amounting to Kshs.3,340,000 were not supported with bank statements showing receipt of the funds and acknowledgment of receipt of the same by the respective schools.

Consequently, the propriety of the expenditure of Kshs.3,340,000 on bursaries for the year ended 30 June 2017 could not be confirmed.

#### **3.2 Emergency Projects**

Note 7 to the financial statements for the year ended 30 June 2017 reflects emergency projects of Kshs.9,862,474.59. Included in this amount is Kshs.557,787 for construction of a septic tank at Mwahima Primary School and Kshs.4,000,000 for construction of a perimeter wall round Mtongwe Primary School, all amounting to Kshs.4,557,787. However, at the time of project audit verification in the month of September 2017, no work had been done on the septic tank. Further, during site audit visit on the perimeter wall, coping and finishes work specified in the Bill of Quantities amounting to Kshs.440,621 had not been done and the contractor was not on site. As such, these projects do not qualify as emergency under Section 8(3) of the National Government Constituencies Development Fund which defines emergency as 'an urgent, unforeseen need for the expenditure for which in the opinion of the Committee it cannot be delayed until the next financial year without harming the public interest of the constituents'.

Consequently, the propriety and value for money of the expenditure of Kshs.4,557,787 on construction of a septic tank and perimeter wall for the year ended 30 June 2017 could not be confirmed.

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

### Other Matter

#### 1. Budgetary Control and Performance

During the year under review, National Government Constituency Development Fund – Likoni Constituency had a budget of Kshs.169,956,132 and actual expenditure of Kshs.134,597,583 or 79%, resulting to net under expenditure of Kshs.35,358,549 or 21% as summarized below:

Item	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Over Expenditure (Kshs)	Under Expenditure (Kshs)	(%)
Compensation of Employees	4,790,270	3,521,663	-	1,268,607	74
Use of goods and services	14,878,486	7,288,486	-	7,590,000	49
Transfers to Other Government Units	88,646,619	75,691,360	-	12,955,259	85
Other grants and transfers	61,640,757	47,817,923	-	13,822,834	78
Acquisition of other Assets	-	278,151	278,151	-	100
<b>Totals</b>	<b>169,956,132</b>	<b>134,597,583</b>	<b>278,151</b>	<b>35,636,700</b>	<b>21</b>

The under expenditure of Kshs.35,636,700 may have curtailed delivery of goods and services to the residents of Likoni Constituency.

#### 2.0 Projects Implementation

The Fund's projects implementation status report as at 30 June 2017 availed for audit review indicated approved budgetary allocation of Kshs.102,586,874 for twenty-five(25) projects, out of which Kshs.95,926,874 or 93.5% was disbursed to the projects, leaving undisbursed allocations of Kshs.6,660,000 or 6.5%. Further, the report showed cumulative expenditure of Kshs.45,704,559 or 46% of the disbursements, resulting to unspent balance of Kshs.53,622,315 or 54% as detailed below:

S/No	Name of Project	Details of the project/ Activities	Amount of Allocation as per Approved Proposal (Kshs)	Disbursements in 2016/2017 (Kshs)	Cumulative Disbursements (since the start) as at 30 June 2017 (Kshs)	Cumulative Expenditure as at 30 June 2017 (Kshs)	Unspent Disbursement (Kshs.)	% Certified/ complete
1	Mwahima Secondary School	Construction / extension of offices in the administration block	5,000,000	5,000,000	5,000,000	-	5,000,000	0
2	Vijiweni Primary School	Construction of a perimeter wall approximately 500 meters long	5,000,000	5,000,000	5,000,000	4,287,868	712,132	84
3	Mweza Primary School	Construction of a perimeter wall approximately 500 meters long	5,000,000	5,000,000	5,000,000	4,938,883	61,118	97
4	Jamvi La Wageni Primary School	Construction of a perimeter wall approximately 500 meters long	5,000,000	5,000,000	5,000,000	3,229,153	1,770,847	63
5	Consolata Primary School	Construction of a perimeter wall approximately 500 meters long	5,000,000	5,000,000	5,000,000	1,306,000	3,694,000	22
6	Likoni primary school	construction of two classrooms	2,400,000	3,140,000	4,640,000	4,412,345	227,655	94
7	Inspirations Primary School	Repair of walls, floor, windows and doors of four classrooms	1,556,989	1,556,989	1,556,989	1,483,173	73,816	91
8	Maji Safi Primary School	Construction of a 12 door toilet complete with sewer system	2,000,000	2,000,000	2,000,000	1,421,138	578,862	69
9	Mtongwe Primary School	Purchase of 51 seater school bus for the special units students	7,000,000	7,000,000	7,000,000	4,000,000	3,000,000	57
10	Likoni school for the blind	Purchase of 51 seater school bus	7,000,000	-	-	-	-	0

S/No	Name of Project	Details of the project/ Activities	Amount of Allocation as per Approved Proposal (Kshs)	Disbursements in 2016/2017 (Kshs)	Cumulative Disbursements (since the start) as at 30 June 2017 (Kshs)	Cumulative Expenditure as at 30 June 2017 (Kshs)	Unspent Disbursement (Kshs.)	% Certified/ complete
11	Likoni Police Station	Construction of offices	5,000,000	5,000,000	5,000,000	-	5,000,000	0
12	Peleleza primary school	Construction of Toilet Block	1,200,000	1,000,000	2,200,000	1,218,700	981,300	52
13	mtongwe primary school	Construction of resource centre	2,500,000	1,800,000	2,500,000	862,917	1,637,083	34
14	longo primary	Construction of three classrooms	3,680,000	3,680,000	3,680,000	3,401,021	278,979	92
15	Likoni primary school	Construction of Stadium concrete seats and supply of water	7,654,112	7,654,112	7,654,112	3,455,375	4,198,737	44
16	Mwahima secondary school	Drilling of borehole and construction of septic tank	2,200,000	2,200,000	2,200,000	-	2,200,000	100
17	Mwahima secondary school	Construction of septic tank	557,787	557,787	557,787	-	557,787	100
18	Bububu secondary school	Purchase of school bus	7,000,000	7,000,000	7,000,000	-	7,000,000	95
19	Mwahima secondary school	Purchase of office furniture and lockers	800,000	800,000	800,000	-	800,000	100
20	Mwahima secondary school	Construction of perimeter wall	3,300,000	3,800,000	3,800,000	-	3,800,000	100
21	Mwahima secondary school	Construction/extension of administration block	5,000,000	5,000,000	5,000,000	-	5,000,000	100
22	Mweza secondary school	construction of first floor block of six classrooms and principals office	7,050,000	7,050,000	7,050,000	-	7,050,000	100
23	Shikaadabu Chief's Office	Construction of chief's office and hall	8,813,722	8,813,722	8,813,722	8,813,722	-	100
24	Environment	Environment activities	865,152	865,152	865,152	865,152	-	100

S/No	Name of Project	Details of the project/ Activities	Amount of Allocation as per Approved Proposal (Kshs)	Disbursements in 2016/2017 (Kshs)	Cumulative Disbursements (since the start) as at 30 June 2017 (Kshs)	Cumulative Expenditure as at 30 June 2017 (Kshs)	Unspent Disbursement (Kshs.)	% Certified/ complete
25	Likoni sports	Sports activities	2,009,112	2,009,112	2,009,112	2,009,112	-	100
	<b>Total</b>		<b>102,586,874</b>	<b>95,926,874</b>	<b>99,326,874</b>	<b>45,704,559</b>	<b>53,622,315</b>	

Undisbursed or unspent funds of Kshs53,622,315 means some projects could not be implemented with possible negative impact on service delivery to the residents of Likoni Constituency.

### 3.0 Projects Verification

During the year under review, twenty-seven (27) projects which received Kshs.99,017,557 were visited in the month of September 2017, out of which thirteen(13) projects which received Kshs.66,884,112 had anomalies as detailed below:

Project	S./No	Activity	Value (Kshs.)	Verification Results/Anomalies Noted
Mwahima Primary School	1.	Construction of septic tank, soak pit, drilling of borehole, towers and related plumbing works	2,200,000	The project was verified and the borehole found not in use due to reported salty water which is unfit for human consumption.
	2.	Construction of perimeter wall	3,800,000	At the time of project verification, plastering and keying work had not been done and no construction work was going on.
	3.	Construction of offices	5,000,000	At the time of project visit, construction work was ongoing with columns/beams being put up. The project was originally a laboratory but the design changes to offices and site instructions for the alterations from the Clerk of Works were not availed for audit review.



	4.	Construction of stadium concrete seats, water well and related plumbing works	7,654,112	The project was verified and found complete but not in use nor handed over. Also, it is not clear who is to manage the stadium.
Mtongwe Primary School	5.	Purchase of school bus	7,000,000	The bus was not available for physical nor its location at the time of audit verification disclosed.
	6.	Construction of perimeter wall	5,000,000	Perimeter wall is incomplete, up to shoulder level, with no indication of expected further funding. The project might have been abandoned.
Jamvi La Wageni	7.	Construction of perimeter wall	4,500,000	At the time of audit verification, the project had stalled at the shoulder level with columns missing in completed sections.
Consolata Primary School	8.	Construction of perimeter wall	5,000,000	At the time of audit verification, the project had stalled at the shoulder level on two sides with the third side done up to about a meter high. The fourth side and columns had not been constructed.
Longo Primary School	9.	Construction of three classrooms	3,680,000	It was observed during a visit of the school that timber rafters were not treated despite the same being one of the specifications in the Bill of Quantities.
Mweza Primary School	10.	Construction of perimeter wall	5,000,000	The project was verified and found incomplete with only two sides done and the contractor was not on site.
Mweza Sec School	11.	Construction of classrooms, library and principal's office	7,050,000	When the project was verified, the classrooms were complete but not in use.
Vigiweni Primary School	12.	Construction of perimeter wall	5,000,000	At the time of audit verification, the project had stalled at the shoulder level.

Maji Safi Primary School	13.	Construction of toilet block(Including Pit latrine)	2,000,000	A visit of the project revealed no pit latrine constructed and in its place was a septic tank. Further, it was observed that there a gap on the upper side of the wall separating boys' and girls' toilets, wooden rafters and purlins not treated and only single paint coat done on walls, doors and fascia board instead of three coats specified in the Bill of Quantities.
<b>Total</b>			<b>66,884,112</b>	

Consequently, the Fund may have failed to obtain value for money spent on the projects for the year ended 30 June 2017. Hence there is need of proper implementation and follow up mechanism to ensure that projects are fully implemented for better delivery of goods and service to the citizens of Likoni Constituency.

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

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

In preparing the financial statements, management is responsible for assessing National Government Constituencies Development Fund - Likoni Constituency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to 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 Fund's financial reporting process.

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

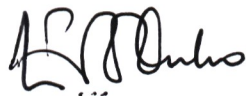
error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

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

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

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and 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**

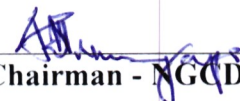
**03 July 2018**

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

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

	Note	2016-2017	2015-2016
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	101,403,873.60	73,723,675.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	15,000.00	14,000.00
<b>TOTAL RECEIPTS</b>		<b>101,418,873.60</b>	<b>73,737,675.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,521,662.97	2,198,500.00
Use of goods and services	5	7,288,486.00	2,602,648.00
Transfers to Other Government Units	6	75,691,360.07	47,505,000.00
Other grants and transfers	7	47,817,922.59	13,673,344.00
Acquisition of Assets	8	278,150.50	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>134,597,582.13</b>	<b>65,979,492.00</b>
<b>SURPLUS</b>		<b>(33,178,708.53)</b>	<b>7,758,183.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Likoni NGCDF financial statements were approved on 3rd April 2017 and signed by:

  
Chairman - NGCDFC

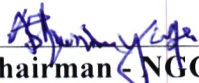
  
Fund Account Manager

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

**V. STATEMENT OF FINANCIAL ASSETS  
AS AT 30 JUNE 2017**

	Note	2016-2017 Kshs	2015-2016 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	4,410,274	37,588,983
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		4,410,274	37,588,983
 <b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	12	37,588,983	29,830,800
Surplus for the year		(33,178,709)	7,758,183
Prior year adjustments	13	-	-
<b>NET LIABILITIES</b>		4,410,274	37,588,983

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Likoni NG-CDF financial statements were approved on 3rd April 2017 and signed by:

  
Chairman - NGCDFC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**VI. STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2017**

<b>Receipts for operating income (a)</b>		<b>2016- 2017</b>	<b>2015- 2016</b>
Transfers from CDF Board	<b>1</b>	101,403,873.60	73,723,675.00
Other Receipts	<b>3</b>	15,000.00	14,000.00
		<b>101,418,873.60</b>	<b>73,737,675.00</b>
<b>Payments for operating expenses (b)</b>			
Compensation of Employees	<b>4</b>	3,521,662.97	2,198,500.00
Use of goods and services	<b>5</b>	7,288,486.00	2,602,648.00
Transfers to Other Government Units	<b>6</b>	75,691,360.07	47,505,000.00
Other grants and transfers	<b>7</b>	47,817,922.59	13,673,344.00
Other Payments	<b>11</b>	-	-
		<b>134,319,431.63</b>	<b>65,979,492.00</b>
<b>Adjusted for:</b>			
Adjustments during the year		-	-
<b>Net cash flow from operating activities (c=a-b)</b>		<b>(32,900,558.03)</b>	<b>7,758,183</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	<b>2</b>	-	-
Acquisition of Assets	<b>10</b>	278,150.50	-
<b>Net cash flows from Investing Activities (d)</b>		<b>278,150.50</b>	<b>-</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash flows from financing activities (e)</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT (f=c-d-e)</b>		<b>(33,178,708.53)</b>	<b>7,758,183</b>
<b>Cash and cash equivalent at BEGINNING of the year (g)</b>	<b>13</b>	<b>37,588,983.00</b>	<b>29,830,800</b>
<b>Cash and cash equivalent at END of the year (h=f+g)</b>		<b>4,410,274.47</b>	<b>37,588,983</b>

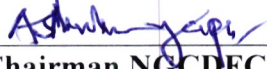




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKONI  
CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017**

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Likoni NGCDF financial statements were approved on 3rd April 2018 and signed by:



Chairman NGCDFC



Fund Account Manager

NATIONAL GOVERNMENT CONSILIENCY DEVELOPMENT FUND – LIKONI CONSILIENCY  
 Reports and Financial Statements  
 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,551.70	88,044,580	169,941,131.70	138,992,856.60	30,948,275.10	82
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts (ALA)	-	15,000	15,000.00	15,000.00	-	
	<b>81,896,551.70</b>	<b>88,059,580</b>	<b>169,956,131.70</b>	<b>139,007,856.60</b>	<b>30,948,275.10</b>	
<b>PAYMENTS</b>						
Compensation of Employees	2,532,000.00	2,258,270	4,790,270.00	3,521,662.97	1,268,607.03	74
Use of goods and services	4,838,600.11	10,039,886	14,878,485.61	7,288,486.00	7,589,999.61	49
Transfers to Other Government Units	44,956,989.07	43,689,630	88,646,619.07	75,691,360.07	12,955,259.00	85
Other grants and transfers	29,568,962.52	32,071,794	61,640,756.59	47,817,922.59	13,822,834.00	78
Acquisition of other Assets	-	-	-	278,150.50	(278,150.50)	
Other Payments	-	-	-	-	-	
<b>TOTALS</b>	<b>81,896,551.70</b>	<b>88,059,580</b>	<b>169,956,131.27</b>	<b>134,597,582.13</b>	<b>35,358,549.14</b>	<b>79</b>

The Likoni NGCDF financial statements were approved on 3rd April 2018 and signed by:

  
 Chairman NGCDF

  
 Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

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**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 CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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**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 NGCDF 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 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 CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT AGENCIES**

<b>GFS CODES</b>	<b>Description</b>		<b>2016 - 2017 Kshs</b>	<b>2015 - 2016 Kshs</b>	
<b>1330407</b>	Normal Allocation	AIE NO.A 829644	4,094,827.60	1,500,000.00	
		AIE NO.A 855145	33,221,485.00	22,223,675.00	
		AIE NO.A 855593	17,234,112.00	50,000,000.00	
		AIE NO.A 855616	36,853,449.00	-	
		AIE NO.A 839681	10,000,000.00	-	
<b>1330408</b>	Conditional grants	AIE NO...	-	-	
		AIE NO...	-	-	
<b>1330409</b>	Receipt from other Constituency		-	-	
	<b>TOTAL</b>		<b>101,403,873.60</b>	<b>73,723,675.00</b>	
<b>3510000</b>	<b>2 PROCEEDS FROM SALE OF NON- FINANCIAL ASSETS</b>				
	<b>Description</b>		<b>2016 - 2017 Kshs</b>	<b>2015 - 2016 Kshs</b>	
<b>3510202</b>	Receipts from the Sale of Buildings		-	-	
<b>3510601</b>	Receipts from the Sale of Vehicles and Transport Equipment		-	-	
<b>3510801</b>	Receipts from the Sale Plant Machinery and Equipment		-	-	
<b>3510803</b>	Receipts from the Sale of office and general equipment		-	-	
		<b>Total</b>	-	-	
<b>1400000</b>	<b>3 OTHER RECEIPTS</b>				
	<b>Description</b>		<b>2016 - 2017 Kshs</b>	<b>2015 - 2016 Kshs</b>	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Sale of tender documents		15,000.00	-
1450207	Other Receipts Not Classified Elsewhere (Hire of community bus and hall)		-	14,000.00
	<b>Total</b>		<b>15,000.00</b>	<b>14,000.00</b>
<b>2110000</b>	<b>4 COMPENSATION OF EMPLOYEES</b>			
	<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
			<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees		2,395,038.05	2,158,500.00
2110202	Basic wages of casual labour		10,000.00	-
	<b>Personal allowances paid as part of salary</b>			
2110301	House allowance		-	-
2110314	Transport allowance		-	-
2110320	Leave allowance		-	-
2110326	Other personnel payments		-	-
2120101	Employer contribution to NSSF		22,025.00	40,000.00
2710120	gratuity		1,094,599.92	
	<b>Total</b>		<b>3,521,662.97</b>	<b>2,198,500.00</b>
<b>2200000</b>	<b>5 USE OF GOODS AND SERVICES</b>			
	<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
			<b>Kshs</b>	<b>Kshs</b>
2210100	Utilities, supplies and services		422,050.00	11,600.00
2210104	Office rent		-	-
2210200	Communication, supplies and services		269,305.00	98,460.00
2210300	Domestic travel and subsistence		76,900.00	36,000.00





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

2210500	Printing, advertising and information supplies & services		574,347.00	122,148.00	
2210600	Rentals of produced assets		-	-	
2210700	Training expenses		904,200.00	289,000.00	
2210800	Hospitality supplies and services		-	-	
2210802	Other committee expenses		678,901.00	134,880.00	
2210809	Committee allowance		4,215,000.00	1,351,000.00	
2210900	Insurance costs			-	
2211000	Specialized materials and services		-		
2211100	Office and general supplies and services		-	101,427.00	
2211200	Fuel ,oil & lubricants		15,768.00	2,000.00	
2211300	Other operating expenses (Bank charges)		15,975.00	17,073.00	
2220100	Routine maintenance – vehicles and other transport equipment		18,440.00	439,060.00	
2220200	Routine maintenance – other assets		97,600.00		
	<b>Total</b>		<b>7,288,486.00</b>	<b>2,602,648.00</b>	
<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>				
	<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	
2630204	Transfers to primary schools		48,091,101.07	23,290,000.00	
2630205	Transfers to secondary schools		27,600,259.00	14,215,000.00	
2630206	Transfers to Tertiary institutions		-	10,000,000.00	
2630207	Transfers to Health institutions		-	-	
	<b>TOTAL</b>		<b>75,691,360.07</b>	<b>47,505,000.00</b>	
<b>2640000</b>	<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>				
	<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

2640101	Bursary -Secondary		19,267,462.00	6,239,770.00	
2640102	Bursary -Tertiary			5,535,680.00	
2640104	Bursary-Driving schools		-	-	
2640105	Mocks & CAT		-	-	
2640504	water		-	-	
2640505	Agriculture (food security)		-	-	
2640506	Electricity projects		-	-	
2640507	Security		13,813,722.00	-	
2640508	Other		2,000,000.00	-	
2640509	Sports		2,009,112.00	1,897,894.00	
2640510	Environment		865,152.00	-	
2640200	Emergency Projects (specify)		9,862,474.59	-	
	<b>Total</b>		<b>47,817,922.59</b>	<b>13,673,344.00</b>	
<b>3100000</b>	<b>8 ACQUISITION OF ASSETS</b>				
	<b><u>Non Financial Assets</u></b>		<b>2016- 2017</b>	<b>2015- 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	
3110102	Purchase of Buildings		-	-	
3110202	Construction of Buildings		-	-	
3110302	Refurbishment of Buildings		-	-	
3110701	Purchase of Vehicles		-	-	
3110704	Purchase of Bicycles & Motorcycles		-	-	
3110801	Overhaul of Vehicles		-	-	
3111001	Purchase of Office furniture and fittings		47,875.50	-	
3111002	Purchase of computers ,printers and other IT equipments		-	-	
3111005	Purchase of photocopier		-	-	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

3111009	Purchase of other office equipments		230,275.00	-
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	<b>Total</b>		<b>278,150.50</b>	<b>-</b>
	<b>9. Other payments</b>			
	Strategic plan		-	-
	specify		-	-
	specify		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>
	<b>10A: Bank Balances (cash book bank balance)</b>			
			<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Name of Bank, Account No. &amp; currency</b>		<b>Kshs (30/6/2017)</b>	<b>Kshs (30/6/2016)</b>
	<i>Cooperative Bank, Likoni Branch A/C no. 01120043565700</i>		4,410,274.12	37,588,983.00
	<b>Total</b>		<b>4,410,274.12</b>	<b>37,588,983.00</b>
	<b>10B: CASH IN HAND)</b>			
			<b>2016 - 2017</b>	<b>2015 - 2016</b>
			<b>Kshs (30/6/2017)</b>	<b>Kshs (30/6/2016)</b>
	Location 1		-	-
	Location 2		-	-
	Location 3		-	-
	Other receipts (specify)		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>
			<i>[Provide cash count certificates for each]</i>	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

<b>11: OUTSTANDING IMPRESTS</b>					
			<b>2016 - 2017</b>	<b>2015 - 2016</b>	<i>Balan ce (30/6/ 2015)</i>
			<b>Kshs (1/7/2016)</b>	<b>Kshs (1/7/2015)</b>	<i>Kshs</i>
Imprest			-	-	
<b>Total</b>			-	-	
<b>12 BALANCES BROUGHT FORWARD</b>					
			<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs (1/7/2016)</b>	<b>Kshs (1/7/2015)</b>	
Bank accounts			37,588,983.00	29,830,800.00	
Cash in hand					
<b>Total</b>			<b>37,588,983.00</b>	<b>29,830,800.00</b>	
		<i>[Provide short appropriate explanations as necessary]</i>			
<b>13. PRIOR YEAR ADJUSTMENTS</b>					
			<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	
Bank accounts( stale bursary chqs reversed)			-	-	
Cash in hand					
Imprest			-	-	
			-	-	
<b>Total</b>			-	-	



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

<b>14. OTHER IMPORTANT DISCLOSURES</b>					
	<b>14.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>				
			<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	
	Construction of buildings		-	-	
	Construction of civil works		-	-	
	Supply of goods		-	-	
	Supply of services		-	-	
	<b>TOTAL</b>		<b>-</b>	<b>-</b>	
	<b>14.2: PENDING STAFF PAYABLES (See Annex 2)</b>				
			<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	
	Senior management		-	-	
	Middle management		-	-	
	Unionizable employees		-	-	
	Others (General workers)		-	-	
	Staff gratuity		-	474,154.00	
			-	<b>474,154.00</b>	
	<b>14.3: OTHER PENDING PAYABLES (See Annex 3)</b>				
			<b>2016 - 2017</b>	<b>2015 - 2016</b>	
			<b>Kshs</b>	<b>Kshs</b>	
	Amounts due to other Government entities (see attached list)		-	-	
	Amounts due to other grants and other transfers (see attached list)		-	-	
	Others (emergency fund)		-	-	
			-	-	



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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

**14.4: PMC account balances (See Annex 5)**

	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)		

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI  
CONSTITUENCY**

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

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**14.5: Amount due from the NG – CDF BOARD**

**2016 - 2017**

	<b>Kshs</b>	<b>Kshs</b>
Amount due from the NG – CDF Board	30,948,276.60	
	<b>30,948,276.60</b>	

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

**X. ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2015	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
<b>Sub-Total</b>	-		-	-		
<b>Supply of goods</b>						
<b>Sub-Total</b>	-		-	-		
<b>Supply of services</b>						
<b>Sub-Total</b>	-					
<b>Grand Total</b>	-			-	-	





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
Sub-Total							
<b>TOTAL</b>							









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

**XIII. ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2016/17</b>	<b>Historical Cost (Kshs) 2015/16</b>
Land	-	-
Buildings and structures	8,705,856	8,705,856
Transport equipment	-	-
Office equipment, furniture and fittings	2,100,151	1,822,000
ICT Equipment, Software and Other ICT Assets	288,000	288,000
Other Machinery and Equipment	405,000	405,000
Heritage and cultural assets	-	-
Intangible assets	-	-
<b>Total</b>	<b>11,499,007</b>	<b>11,220,856</b>

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

**ANNEX 5 – PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2016/17</b>	<b>Bank Balance 2015/16</b>
BUBUBU SEC PMC PROJECT SHG	CO-OPERATIVE - LIKONI	1134397330200	486,145.25	
LIKONI SPORTS PROJECT (PMC)	CO-OPERATIVE - LIKONI	1134396638300	4,708.50	
MWEZA PRIMARY PMC	CO-OPERATIVE - LIKONI	1134397352700	41,438.45	
LONGO PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129044176500	48,048.36	
NEW MRIMA SEC SCHOOL – CDF PROJE	CO-OPERATIVE - LIKONI	1134396914200	53,250.00	
INSPIRATIONS PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627050400	71,491.95	
PUMA SEC SCHOOL CDF PROJ	CO-OPERATIVE - LIKONI	1134396957700	89,199.00	
Likoni PRIMARY SCH CLASSROOMS PMC	CO-OPERATIVE - LIKONI	1134627861500	255,780.05	
MAJI SAFI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139043657504	578,852.35	
SHIKAADABU CHIEF'S OFFICE	CO-OPERATIVE - LIKONI	1134627785100	605,859.35	
VIJIWENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	113462787600	711,457.45	
PELELEZA PRI.SCH-CDF PROJECT	CO-OPERATIVE - LIKONI	1134397155000	1,875,185.00	
JAMVI LA WAGENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129627675700	2,359,452.00	
CONSOLATA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129043950201	3,849,751.72	
MTONGWE PRIMARY PMC	CO-OPERATIVE - LIKONI	1134627304500	4,522,673.10	
MWAHIMA SEC SCH PMC PROJECT	CO-OPERATIVE - LIKONI	1139627619701	5,727,587.30	
LIKONI ENVIRONMENTAL PMC	CO-OPERATIVE - LIKONI	1134627281400	2,108.50	

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2016/17</b>	<b>Bank Balance 2015/16</b>
LIKONI OFFICE PMC	CO-OPERATIVE - LIKONI	1134397352600	98,113.75	
LIKONI POLICE PMC	CO-OPERATIVE - LIKONI	1134397444400	5,105,458.00	
LIKONI PRIMARY PMC	CO-OPERATIVE - LIKONI	1134397352500	3,221,784.75	
MWEZA SEC SCHOOL P.M.C	EQUITY-MOMBASA	250264005266	967,514.10	
<b>Total</b>			<b>30,675,858.93</b>	



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

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Board of survey report not availed	<ul style="list-style-type: none"> <li>The management committed itself to avail the board of survey report</li> </ul>	Joel Murithi – Sub County Accountant	Resolved	N/A
2(1)	<p>Mwahima secondary school – construction of an administration block</p> <ul style="list-style-type: none"> <li>The bank statements showing receipt and usage of these funds, architectural drawings, bills of quantities and engineer's certificates of completion were not availed for audit review.</li> <li>The project was omitted from the project implementation status report</li> </ul>	<p>The requisite bank statements, architectural drawings, bills of quantities, project implementation status report and engineer's certificate of completion have been availed</p>	Fund Account Manager/Sub County Works Officer	resolved	N/A





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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2(2)	<p>Mwahima secondary school – construction of eight (8) classrooms</p> <ul style="list-style-type: none"> <li>The bank statements showing receipt and usage of these funds, architectural drawings, bills of quantities and engineer's certificates of completion were not availed for audit review.</li> <li>The tender advertisement for this project was not availed for audit review</li> <li>The project was omitted from the project implementation status report as at 30 June 2016</li> </ul>	<ul style="list-style-type: none"> <li><i>The requisite bank statements, architectural drawings, bills of quantities, project implementation status report and engineer's certificate of completion have been availed</i></li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A
2(3)	<p>Bububu secondary school – construction of classrooms</p> <ul style="list-style-type: none"> <li>The bank statements</li> </ul>	<ul style="list-style-type: none"> <li><i>The requisite bank statements, architectural drawings, bills of</i></li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A



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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>showing receipt and usage of these funds, architectural drawings, bills of quantities and engineer's certificates of completion were not availed for audit review</p>	<p><i>quantities, implementation report and engineer's certificate of completion have been availed</i></p>			
2(4)	<p>Mweza secondary school – construction of an administration block</p> <ul style="list-style-type: none"> <li>The project file containing architectural drawings, bills of quantities, engineer's certificates and expenditure returns from the project committee were not availed for audit review</li> </ul>	<ul style="list-style-type: none"> <li><i>The requisite bank statements, architectural drawings, bills of quantities and project implementation status report have been availed</i></li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A



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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2(5)	<p>Mtongwe primary school – construction of a disability resource centre</p> <ul style="list-style-type: none"> <li>The bank statements showing receipt and usage of these funds were not availed for audit review.</li> <li>Review of the fund’s bank statements indicated that funds were transferred to the project before architectural drawings and bills of quantities were prepared</li> </ul>	<ul style="list-style-type: none"> <li>The construction of a disability resource centre is yet to start. The transfer of Kshs. 2,500,000 was partly used to finance the rehabilitation of two classrooms for the children with cerebral palsy. The project is ongoing</li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A
2(6)	<p>Bububu secondary school – construction of dormitory</p> <ul style="list-style-type: none"> <li>As was the case in 2014/2015 dorm still</li> </ul>	<ul style="list-style-type: none"> <li>The dorm has been completed. Electrical wiring has been done and all the defects made good.</li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A



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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>incomplete with electrical wiring not yet installed</p> <ul style="list-style-type: none"> <li>• Cracks still visible on the floors, doors broken and window panes missing</li> <li>• Handing over not yet done by the contractor but already in use.</li> </ul>	<p><i>The project is ready for inspection and verification.</i></p>			
2(7)	<p>Bububu secondary school – construction of classrooms</p> <ul style="list-style-type: none"> <li>• Two old steel doors installed instead of new ones</li> <li>• Cracks seen on the walls and floors</li> </ul>	<ul style="list-style-type: none"> <li>• <i>The classrooms have been completed as per specifications and are ready for inspection and verification.</i></li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A
2(8)	<p>Bububu secondary school – flooring, roofing and plastering of dormitory</p> <ul style="list-style-type: none"> <li>• Construction work still</li> </ul>	<ul style="list-style-type: none"> <li>• <i>The dorm has been completed. Electrical wiring has been done and all the defects made good.</i></li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A





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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>stalled at roofing level but part of retention money totalling Kshs. 257,457 already released to the contractor</p>	<p><i>The project is ready for inspection and verification.</i></p>			
2(9)	<p>Mweza secondary school – flooring, plastering and painting of a classroom</p> <ul style="list-style-type: none"> <li>• Wooden external doors fitted instead of steel doors specified in the bill of quantities</li> <li>• Walls and floors had cracks</li> </ul>	<ul style="list-style-type: none"> <li>• <i>The project is almost complete, about 90% done. Pending works include electrical installations and mechanical fittings.</i></li> </ul>	Fund Account Manager/Sub County Works Officer	Resolved	N/A

