

REPUBLIC OF KENYA



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Thursday 2/8/2018
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REPORT



OF

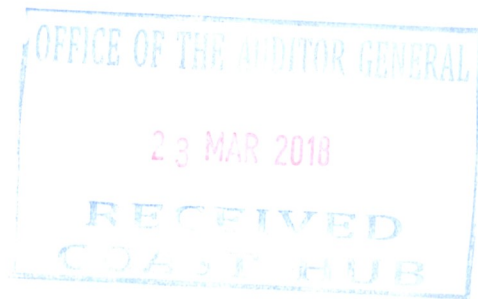
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
NYALI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2017



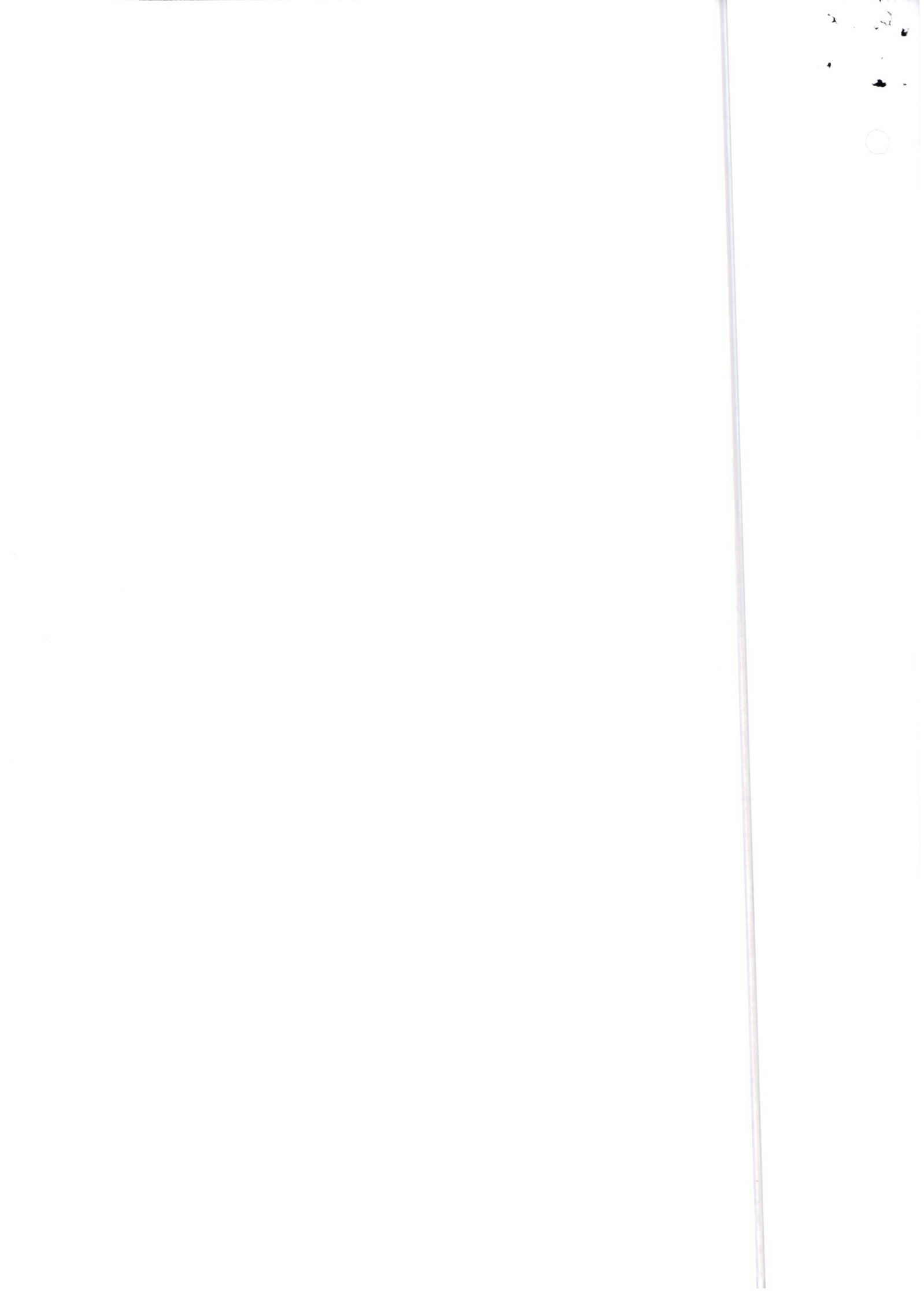


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
NYALI CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

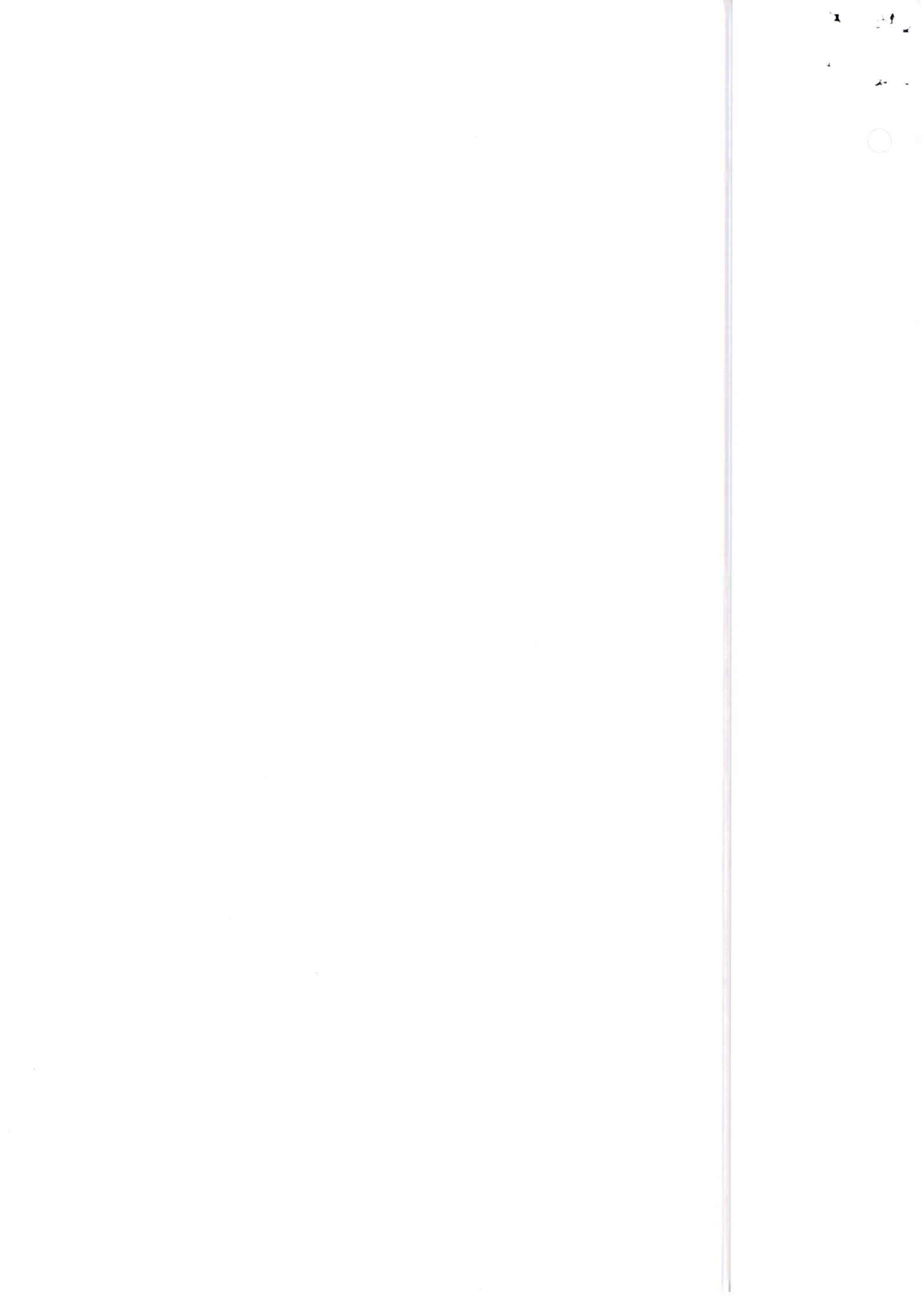
**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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



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

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI 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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act 2015. The National Government Constituencies Development Fund (NGCDF) 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 Nyali 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 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Gladys Ngala
3.	Accountant	Brian Mutua
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Nyali 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 Committee.

(e) NYALI NGCDF Headquarters

NGCDF Office Building
Off Mombasa-Malindi Road
P.O Box31 - 80122
KENGELENI
MOMBASA.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

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

(f) NYALI NGCDF Contacts

Telephone: (254) 0721604647

E-mail: cdfnyali@cdf.go.ke

Website: www.ngcdf.go.ke

(g) NYALI NGCDF Bankers

1. Equity Bank
Kengeleni Branch
MOMBASA

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

I would like to take this opportunity to thank the inventor of the NGCDF Fund for the noble idea that has enabled us drive development to the grassroots not forgetting the Member of Parliament for his leadership, my fellow NGCDFC members and the Fund Account Manager whom we work with closely.

In the financial year 2016/2017 NGCDF Nyali has shown some improvement in utilisation of available resources of up to 83.3%, an increase of 45.3.1% compared to the previous year's 24.9%.

The main focus was education and security; primary and secondary schools and bursary, chief offices and toilets, police posts among others.

Unfortunately, at the close of the financial year the Constituency had not yet received Ksh. 79, 801,723 thus could not accomplish all projects as planned within the financial year.

Achievements

The projects implemented to completion during the financial year include:

- Construction of two toilets at Frere Town and Ziwa La Ng'ombe chiefs' offices
- Construction of a response centre/police post
- Completion of perimeter wall at Frere Town Primary school
- Supply of office furniture to Kisauni Primary School and Ziwa La Ng'ombe chiefs' offices.
- Disbursed Bursary totalling to Ksh. 17.9M to 2077 needy students.

Challenges

Among others Nyali has faced the following challenges:

- Disbandment of all committees left Nyali Constituency with backlog
- Delay in receipt of funds from the Board
- There has been a very high turnover of Fund Account Managers who all except the previous one had official handing over.
- Land scarcity has caused delays, projects stalling and many reallocations.
- Delays in getting cost estimates and projects documents because of the devolvement of these services.
- The election or transition period will cause more delays in implementation of projects.

Recommendation

For the continuous success of the Fund in Nyali the Board should disburse the funds timely, consider employment of Engineers in every constituency.

Sign.....
CHAIRMAN NGCDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
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 Nyali 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 Nyali 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 in charge of the Nyali 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 Nyali NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations 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 25TH AUGUST 2017.



Fund Account Manager



Chairman

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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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 - NYALI 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 - Nyali Constituency set out on pages 5 to 35, which comprise the statement of assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and a 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 - Nyali Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the 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 Other Matter section 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 Opinion

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

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 matter described in

the Other Matter section of my report, I have determined that there are no Key Audit Matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriations: recurrent and development combined reflects final budget of Kshs.216,478,946 where Kshs.179,943,683 being 83.1% of the total budget was allocated to projects as: transfers to other government units totaling Kshs.82,329,617 and other grants and transfers amounting to Kshs.97,614,066.

The CDF actual expenditure was Kshs.113,907,047 resulting to under absorption of Kshs.102,571,899 or 47% of the funds allocated as detailed below:

Expense Item	Final Budget Kshs	Actual Expenditure Kshs	Utilization Kshs	% Utilization
Compensation of Employees	5,142,619	2,733,836	2,408,783	53.2%
Use of Goods and Services	11,418,199	7,675,596	3,742,603	67.2%
Transfer to Other Government Units	82,329,617	51,100,000	31,229,617	62.1%
Other Grants and Transfers	97,614,066	40,210,304	57,403,762	41.2%
Acquisition Assets	19,974,445	12,160,831	7,813,614	60.9%
Other Payments	-	26,480	(26,480)	100%
TOTAL	216,478,946	113,907,047	102,571,899	47%

The underutilization of Kshs.102,571,899 or 47% indicate that the residents of Nyali Constituency did not receive the planned goods and services. There is need of the management to review the budget implementation mechanism, with a view to speeding projects completion in time for better service delivery of the citizens of Nyali Constituency.

2.0 Project Implementation

According to the project implementation status report as at 30 June 2017, the following fourteen (14) projects with a total budget of Kshs.75,390,861.72 were supposed to be implemented during the financial period under review. However, their implementation was not completed as detailed below:

	Project Name	Project activity	Amount Allocated
1	CDFC/PMC Capacity Building	Undertake Training of the PMCs/CDFCs on CDF Related issues	865,000.00
2	Bursary to Secondary Schools	Payment of bursary to needy student	17,000,000.00

3	Bursary to tertiary schools & institutions	Payment of bursary to needy student	9,000,000.00
4	Bursary to Special schools	Payment of bursary to needy student	1,800,000.00
5	Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,094,828.00
6	Azhar Shariff Primary School	Construction of perimeter wall phase 2 to completion	2,755,171.72
7	Kongowea Primary School	Rehabilitation of school by replacing all rooftops, floors, windows and wall painting of 24 classrooms to completion	8,800,000.00
8	Maweni Secondary School	Construction of dining hall and kitchen (additional funds) to completion	7,500,000.00
9	Maweni Secondary School	Construction of four (4) classrooms (additional funds)- a storey building to completion	4,000,000.00
10	Maweni Secondary School	Purchase of a 48 seater school bus of ISUZU make	6,000,000.00
11	Kadzandani Mwatamba Chief's Office	Construction of a chief's office (additional funds) to completion	4,900,000.00
12	NG – CDF Office	Purchase of a TOYOTA HIACE motor vehicle for office use.	5,400,000.00
13	Constituency sports	Purchase jerseys and soccer balls for four (4) secondary schools I.e. Pwani school for the mentally challenged, Maweni, Frere Town, Mombasa secondary for physically handicapped @ Ksh 384,482/= each and Taekwondo training items for Kadzandani Primary school club @ Ksh.100,003/=	1,637,931.00
14	Environment	Purchase and installation of solar panels for three (3) special schools @ Ksh 545,977/= each i.e. at Kongowea primary, Kisauni primary and Mombasa school for physically handicapped schools	1,637,931.00
	Total		75,390,861.72

None implementation of development projects affects service delivery to the public and the intended purpose of the project may not be realized. It also casts doubt on the effectiveness of the project monitoring and evaluation carried out by the Constituency Development Fund Committee (CDFC). Therefore, there is need of the management to establish a proper follow up mechanism on all the projects for fast tracking the same to avoid unnecessary delays.

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 National Government Constituencies Development Fund – Nyali Constituency's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the National Government Constituencies Development Fund – Nyali Constituency 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 National Government Constituencies Development Fund – Nyali Constituency'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.

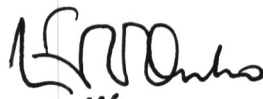
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 National Government Constituencies Development Fund – Nyali Constituency'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 National Government Constituencies Development Fund – Nyali Constituency's ability to continue as a going concern or 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 National Government Constituencies Development Fund – Nyali Constituency to cease to continue as a going concern.
- 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 National Government Constituencies Development Fund Nyali Constituency 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

02 July 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

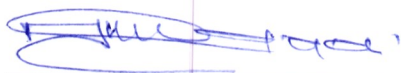
Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015-2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	104,207,432	48,223,080
Proceeds from Sale of Assets	2	-	
Other Receipts	3	11,769,122	32,000
TOTAL RECEIPTS		115,976,554	48,255,080
PAYMENTS			
Compensation of employees	4	2,733,836	1,036,920
Use of goods and services	5	7,675,596	5,882,783
Transfers to Other Government Units	6	51,100,000	16,072,412
Other grants and transfers	7	40,210,304	49,622,075
Acquisition of Assets	8	12,160,831	118,750
Other Payments	9	26,480	20,610
TOTAL PAYMENTS		113,907,047	72,753,550
SURPLUS/DEFICIT		2,069,507	(24,498,470)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyali NGCDF financial statements were approved on 25TH AUGUST 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

Reports and Financial Statements


For the year ended June 30, 2017

V. STATEMENT OF ASSETS AND LIABILITIES

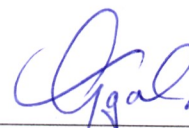
	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	22,488,027	20,418,520
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		22,488,027	20,418,520
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	*20,418,520	44,726,388
Surplus/Deficit for the year		2,069,507	(24,498,470)
Prior year adjustments	14	-	190,602
NET LIABILITIES		22,488,027	20,418,520

*The opening cash book balance was adjusted to correct an error which came as a result of stale cheques assumed to have been reversed at the end of financial year but which the reversal was actually done after the close of the financial year 2015/2016.

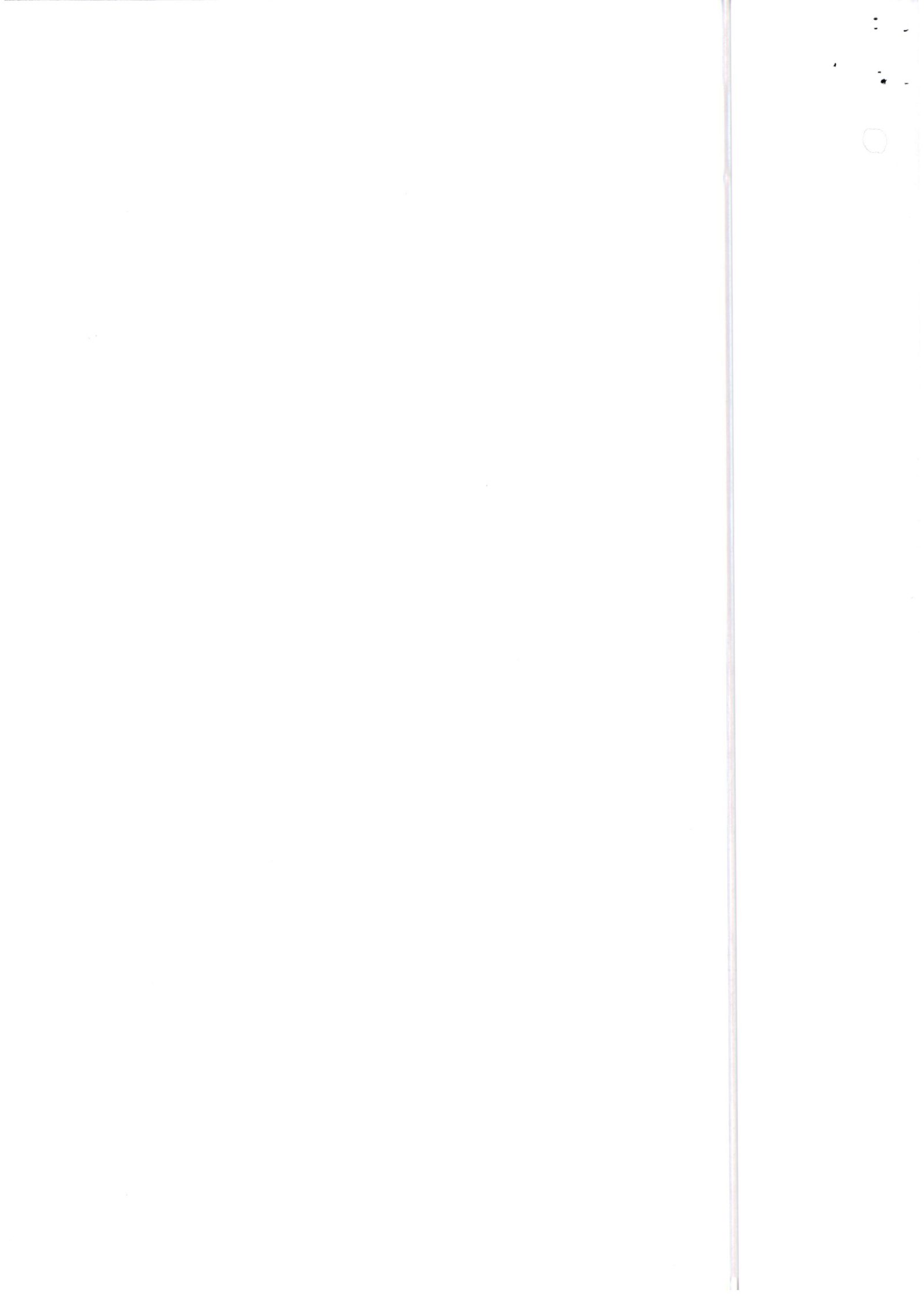
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyalí NGCDF financial statements were approved on 25th August 2017 and signed by:



Chairman - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

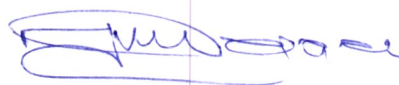
Reports and Financial Statements

For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
		Kshs	Kshs
Transfers from CDF Board	1	104,207,432	48,223,080
Other Receipts	3	11,769,122	32,000
		115,976,554	48,255,080
Payments for operating expenses			
Compensation of Employees	4	2,733,836	1,036,920
Use of goods and services	5	7,675,596	5,882,783
Transfers to Other Government Units	6	51,100,000	16,072,412
Other grants and transfers	7	40,210,304	49,622,075
Other Payments	9	26,480	20,610
		101,746,216	72,634,800
Adjusted for:			
Adjustments during the year	14	-	190,602
Net cash flow from operating activities		14,230,338	(24,189,118)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	12,160,831	118,750
Net cash flows from Investing Activities		12,160,831	118,750
NET INCREASE IN CASH AND CASH EQUIVALENT		2,069,507	(24,307,868)
Cash and cash equivalent at BEGINNING of the year	13	20,418,520	44,726,388
Cash and cash equivalent at END of the year		22,488,027	20,418,520

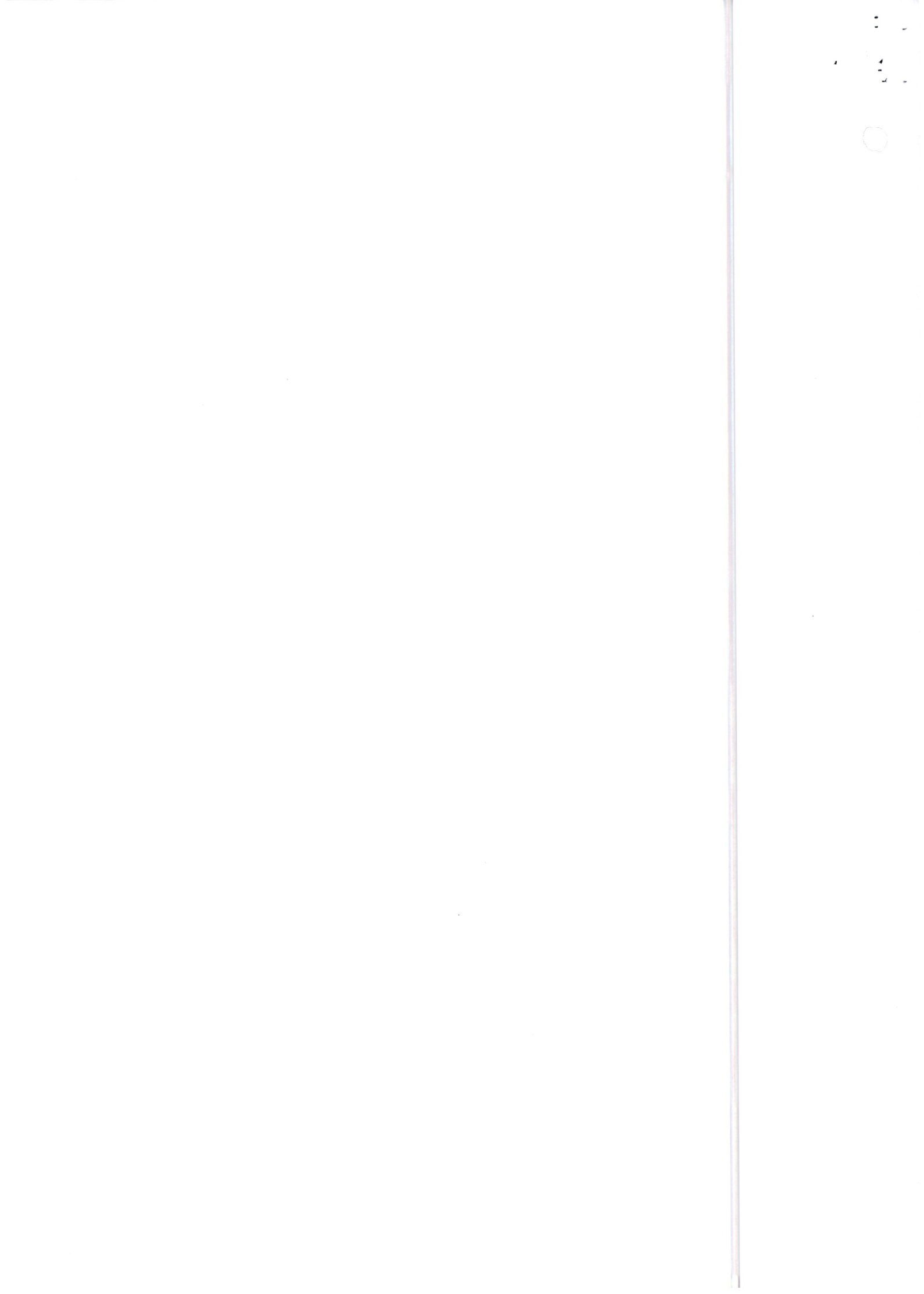
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Nyalí NGCDF financial statements were approved on 25th AUGUST 2017 and signed by:



Chairman NGCDFC



Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI CONSTITUENCY
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 %
RECEIPTS						
Transfers from CDF Board	81,896,552	122,903,272	204,799,824	124,998,101	79,801,723	61.0%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	11,679,122	11,679,122	11,769,122	(90,000)	
TOTAL	81,896,552	134,582,394	216,478,946	136,767,223	79,711,723	63.2%
PAYMENTS						
Compensation of Employees	2,872,879	2,269,740	5,142,619	2,733,836	2,408,783	53.2%
Use of goods and services	4,497,811	6,920,388	11,418,199	7,675,596	3,742,603	67.2%
Transfers to Other Government Units	33,955,172	48,374,445	82,329,617	51,100,000	31,229,617	62.1%
Other grants and transfers	35,170,690	62,443,376	97,614,066	40,210,304	57,403,762	41.2%
Acquisition of Assets	5,400,000	14,574,445	19,974,445	12,160,831	7,813,614	60.9%
Other Payments	-	-	-	26,480	*(26,480)	
TOTAL	81,896,552	134,582,394	216,478,946	113,907,047	102,571,899	52.6%

*Expenditure incurred from Use of goods and services

The NY ALI NGCDF financial statements were approved on 25TH AUGUST 2017 and signed by:



Chairman NGCDF



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYALI
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

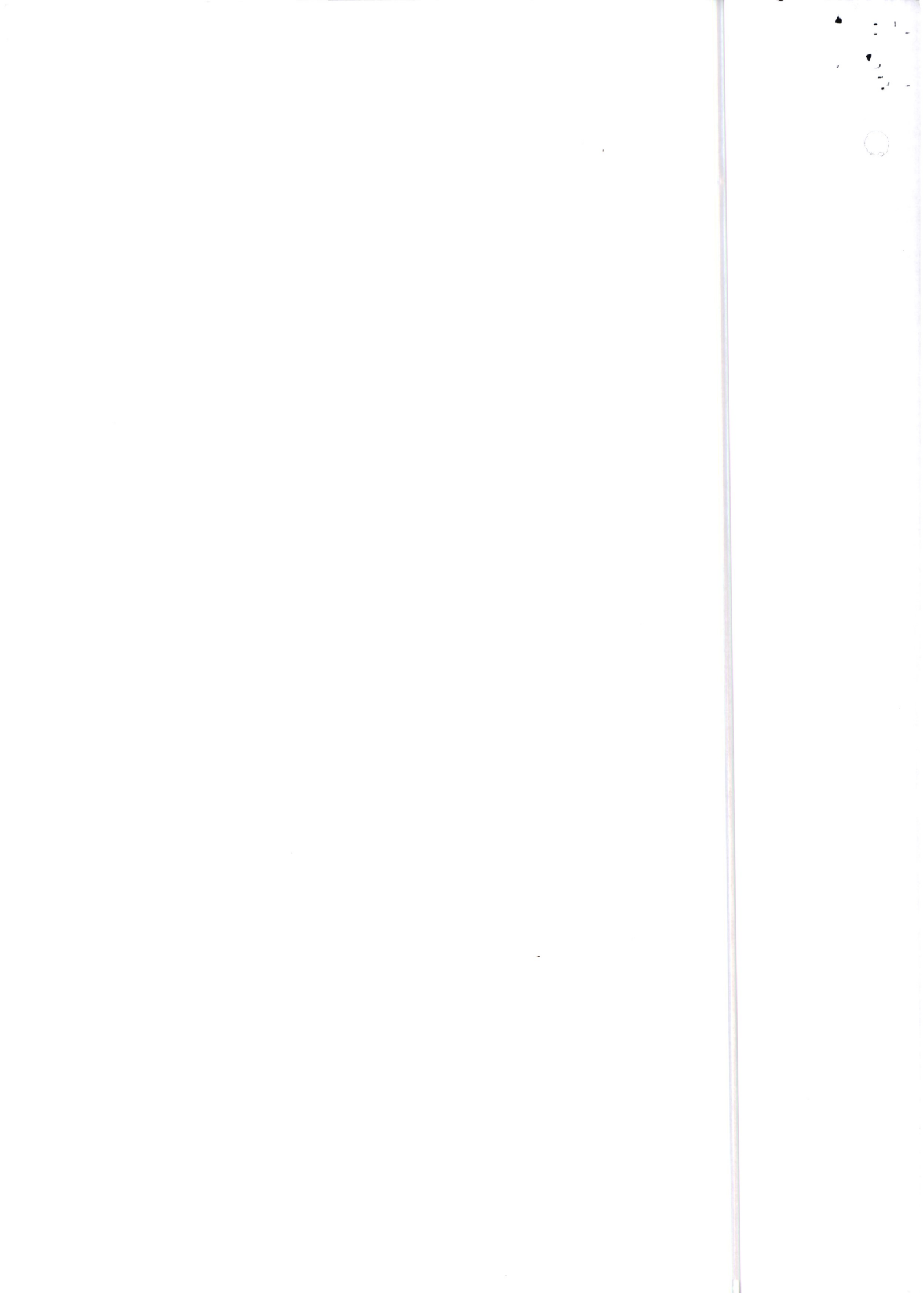
The NGCDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NGCDF. In addition, the NGCDF recognises all expenses when the event occurs and the related cash has actually been paid out by the NGCDF.

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 CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Pending bills

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

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT UNITS			
Description	A.I.E NO.	2016 - 2017	2015-2016
		Kshs	Kshs
Normal Allocation	A825916	51,000,000.00	48,223,080
	A829970	4,094,828.00	
	A 839655	49,112,604.00	
Conditional grants	AIE NO.	-	-
Receipt from other Constituency	AIE NO.	-	-
Total		104,207,432	48,223,080
2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of office and general equipment		-	-
Total		-	-
3. OTHER RECEIPTS			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Interest Received		-	-
Rents		-	-
Interest Received		-	-
Other Receipts Not Classified Elsewhere			
i) Sale of tender documents		90,000	32,000
ii) Reversal of funds back to main account		11,679,122	-
Total		11,769,122	32,000

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 . COMPENSATION OF EMPLOYEES			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Basic wages of contractual employees		1,294,060	823,320
Basic wages of casual labour		-	-
Personal allowances paid as part of salary		-	-
House allowance		301,000	156,000
Transport allowance		105,000	48,000
Leave allowance		-	-
Other personnel payments		201,000	-
Employer contribution to NSSF		89,880	9,600
gratuity & Compensation		742,896	-
Total		2,733,836	1,036,920
5 . USE OF GOODS AND SERVICES			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Utilities, supplies and services		44,120	-
Office rent		1,076,000	-
Communication, supplies and services		327,690	-
Domestic travel and subsistence		56,000	-
Printing, advertising and information supplies & services		313,513	-
Rentals of produced assets		5,000	-
Training expenses		1,168,900	271,000
Hospitality supplies and services		79,655	-
Other committee expenses		1,141,370	1,289,500
Committee allowance		2,081,400	3,000,990
Insurance costs		-	-
Specialised materials and services		-	-
Office and general supplies and services		412,193	1,321,293
Fuel ,oil & lubricants		18,900	-
Other operating expenses		833,530	-
Routine maintenance – vehicles and other transport equipment		-	-
Routine maintenance – other assets		117,325	-
Total		7,675,596	5,882,783

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Transfers to	primary schools	22,900,000	8,272,412
Transfers to secondary schools		28,200,000	7,800,000
Transfers to Tertiary institutions		-	-
Transfers to Health institutions		-	-
Total		51,100,000	16,072,412
7. OTHER GRANTS AND OTHER PAYMENTS			
Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Bursary -Secondary		17,953,731	11,875,000
Bursary -Tertiary		-	2,380,000
Bursary-Special schools		-	-
Mocks & CAT		-	-
water		-	-
Agriculture (food security)		-	-
Electricity projects		-	-
Security		21,280,383	7,099,000
Roads		-	-
Sports		400,000	1,928,923
Other capital grants and transfer		-	23,931,468
Emergency Projects (Partitioning of Accountants office)		576,190	2,407,684
Total		40,210,304	49,622,075
8 .ACQUISITION OF ASSETS			
Non Financial Assets		2016-2017	2015-2016
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		11,741,840	-
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings		-	-



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Purchase of computers ,printers and other IT equipments		322,361	-
Purchase of photocopier		-	118,750
Purchase of other office equipments		96,630	-
Purchase of soft ware		-	-
Acquisition of Land		-	-
Total		12,160,831	118,750
9. Other Payments			
		2016-2017	2015-2016
		Kshs	Kshs
Bank charges		26,480	20,610
Total		26,480	20,610
10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency		2016-2017	2015-2016
	Account Number	Kshs (30/6/2017)	Kshs (30/6/2016)
<i>Equity Bank Kengeleni Branch</i>	1140261189476	22,488,027	20,790,669
<i>Adjustment to opening cash book balance</i>		-	(372,149)
		-	-
Total		22,488,027	20,418,520
10B: CASH IN HAND)			
		2016 - 2017	2015 - 2016
		Kshs (30/6/2017)	Kshs (30/6/2016)
Location 1		-	-
Location 2		-	-
Other receipts (specify)		-	-
Total		-	-
<i>[Provide cash count certificates for each]</i>			

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS			
<i>Name of Officer</i>		2016-2017	2015-2016
	Date imprest taken	Kshs	Kshs
		-	-
		-	-
		-	-
Total		-	-
12. RETENTION			
Supplier/Contractor	PV no	2016 - 2017	2015 - 2016
		Kshs	Kshs
		-	-
		-	-
Total		-	-
13 BALANCES BROUGHT FORWARD			
		2016 - 2017	2015 - 2016
		Kshs (1//7/2016)	Kshs (1/7/2015)
Bank accounts		20,418,520	44,726,388
Cash in hand		-	-
Imprest		-	-
Other (specify)			
Total		20,418,520	44,726,388
14 PRIOR YEAR ADJUSTMENTS			
		2016 - 2017	2015 - 2016
		Kshs	Kshs
Bank accounts		-	190,602
Cash in hand		-	-
Imprest		-	-
Total		-	190,602

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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		86,100	-
Supply of services		430,760	180,000
Total		516,860	180,000
15.2: PENDING STAFF PAYABLES (See Annex 2)			
		2016-2017	2015-2016
		Kshs	Kshs
Senior management		-	-
Middle management		-	-
Unionisable employees		-	-
Others (gratuity & compensation)		551,323	1,169,780
		551,323	1,169,780
15.3: OTHER PENDING PAYABLES (See Annex 3)			
		2016-2017	2015-2016
		Kshs	Kshs
Amounts due to other Government entities (see attached list)		22,175,770	6,800,000
Amounts due to other grants and other transfers (see attached list)			13,618,520
Others (specify)		312,257	-
		22,488,027	20,418,520
15.4 : PMC ACCOUNT BALANCES (See annex 5)			
		2016-2017	2015-2016
		Kshs	Kshs
PMC accounts balances		86,023,351	32,262,972
		-	-
		86,023,351	32,262,972

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI
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Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.5 PENDING RECEIVABLES (See annex 6)		2016-2017	2015-2016
		Kshs	Kshs
Transfers from NGCDF Board for financial year 2015-2016		2,000,000	102,112,603
Transfers from NGCDF Board for financial year 2016-2017		77,801,724	-
Others (specify)		-	-
		79,801,724	102,112,603

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	2016-2017 Date Contracted	2015-2016 Amount Paid To- Date	2016-2017 Outstanding Balance	2015-2016 Outstanding Balance
Construction of buildings	a				
1.					
Sub-Total					
Construction of civil works					
1.					
Sub-Total					
Supply of goods					
1. Rayalia Consultants Ltd	86,100		-	86,100	-
Sub-Total	86,100		-	86,100	-
Supply of services					
1. Swaleh & Advocates (Rent)					180,000
1. Kenya Power & Lighting Company	13,300		-	13,300	-
2. Mombasa Water supply & Sanitation Co. Ltd	29,550		-	29,550	-
3. PMCs allowances for training	130,500		-	130,500	-
4. NGCDFC Members FMC Training allowances & expenses	152,910		-	152,910	-
5. COC members pmc training allowances	40,000		-	40,000	-
6. NGCDFC members ward clinics allowances & expenses	44,500		-	44,500	-
7. COC members ward clinics allowances	20,000		-	20,000	-
Sub-Total	430,760		-	430,760	180,000
Grand Total	516,860			516,860	180,000

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

ANNEX 2: ANALYSIS OF PENDING STAFF PAYABLES													
Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	2016-2017	2015-2016	Comments				
										a	b	c	d=a-c
Senior Management													
1. Riziki Mohamed	H	342,000	1.10.13	342,000	-	-							
2. Kenneth Jagongo	H	313,700	3.10.16	313,700	-	-							
3. Ronny Musyimi	H	350,000	3.10.16	350,000	-	-							
4. Fadhil Hassan	H	105,000	3.04.17	105,000	-	-							
Sub-Total		1,110,700		1,110,700									
Middle Management													
5. Jackson Ruto	G	274,700	1.10.13	274,700	-	-							
Sub-Total		274,700		274,700									
Unionisable Employees													
6. Jemima Achieng	G	270,700	11.02.14	270,700	-	-							
7. Gregory Taki	G	152,350	1.10.13	152,350	-	-							
8. Tembo Sanga	G	71,010	3.04.17	71,010	-	-							
Sub-Total		494,060		494,060									
Others (staff gratuity & compensation)													
d) Staff gratuity 1. Riziki Mohamed	H	292,950		156,240	136,710	214,830							

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

2. Kenneth Jagongo	H	61,597		-	61,597	-	
3. Ronny Musyimi	H	65,100		-	65,100	-	
4. Fadhil Hassan	H	19,530		-	19,530	-	
5. Jackson Ruto	G	214,427		111,600	102,827	153,450	
6. Jemima Achieng	G	176,607		96,720	79,887	68,510	
7. Gregory Taki	G	166,889		96,720	70,169	132,990	Resigned on 1.02.17
8. Tembo Sanga	G	15,503		-	15,503	-	
ii) Compensation 9. Mourice Obuya	J	300,000	1.10.13	300,000	-	300,000	Terminated on 10.10.14
Omondi	J	300,000	1.10.13	300,000	-	300,000	Terminated on 10.10.14
Sub-Total		1,612,603		1,061,280	551,323	1,169,780	
Grand Total		3,492,063		2,940,740	551,323	1,169,780	

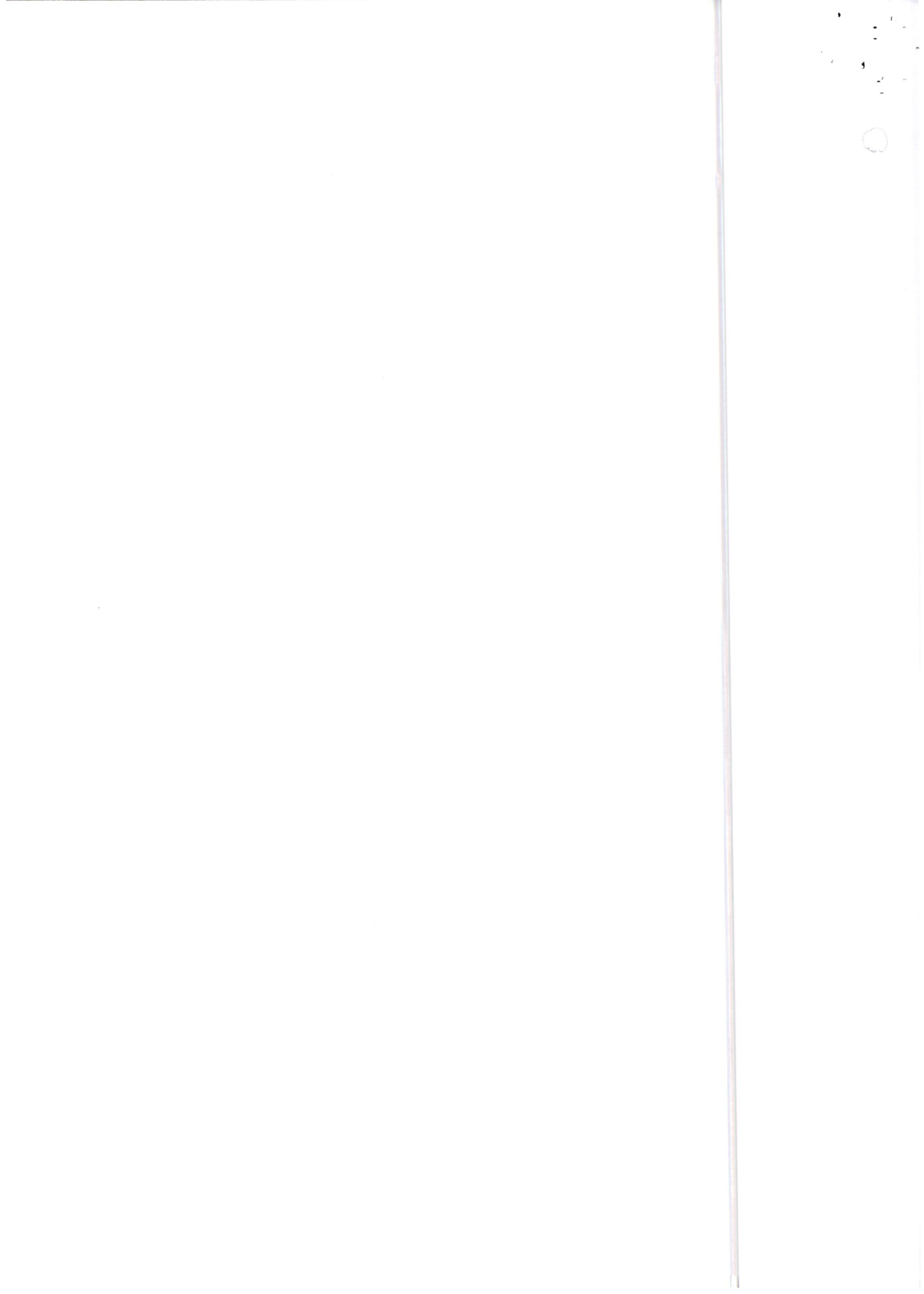
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES		Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016-2017	Outstanding Balance 2015-2016	Comments
Name	Government entities							
Amounts due to other Government entities								
1.	Kengeleni Primary school	Construction of one(1) classroom	-	-	-	-	1,800,000	
2.	Kongowea Primary school	Construction of classrooms block	-	-	-	-	5,000,000	
	Sub-Total		-	-	-	-	6,800,000	
Amounts due to other grants and other transfers								
1.	Emergency Reserve	Cater for emergencies	4,094,828	-	-	4,094,828	1,618,520	
2.	Kongowea Youth & Women empowerment project	Construction of Hall,offices & ICT room	8,000,000	-	5,000,000	3,000,000	-	
3.	NGCDF office	Construction of offices	26,574,445	-	11,493,503	15,080,942	-	
4.	Azhar Shariff Primary school	Construction of block of classrooms	-	-	-	-	12,000,000	
	Sub-Total		38,669,273	-	16,493,503	22,175,770	13,618,520	
Others (specify)								
1.	Cash from sale of tenders	AIA	122,000	-	-	122,000	-	
2.	Administration	For office expenses	190,257	-	-	190,257	-	
	Sub-Total		312,257	-	-	312,257	-	
	Grand Total		38,981,530	-	16,493,503	22,488,027	20,418,520	

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

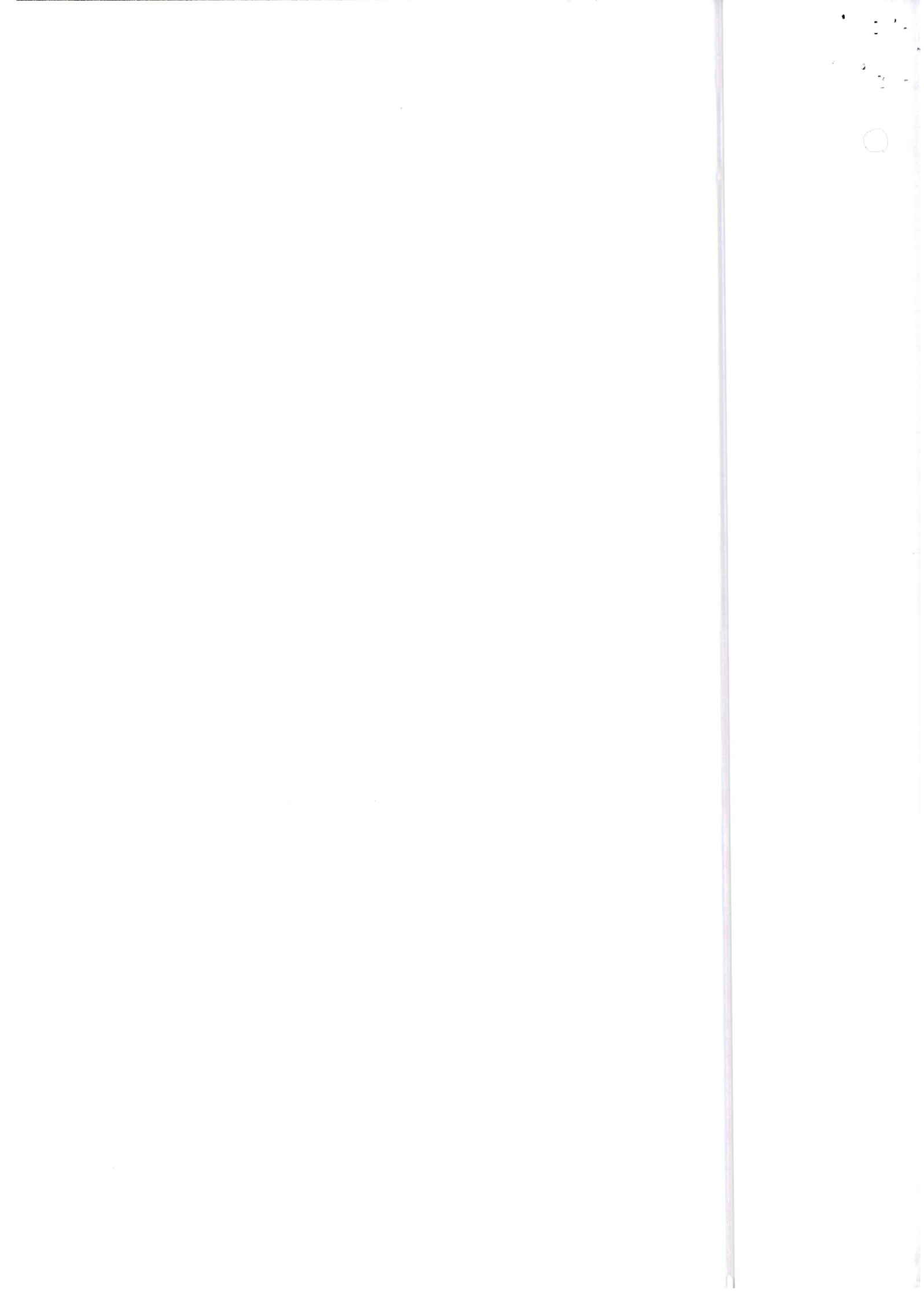
Asset class	Historical Cost	Historical Cost
	(Kshs) 2016/17	(Kshs) 2015/16
Land		
Buildings and structures	11,741,840	
Transport equipment		
Office equipment, furniture and fittings	1,366,765	1,366,765
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment	418,991	
Heritage and cultural assets		
Intangible assets		
Total	13,527,596	1,366,765



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

FIXED ASSETS REGISTER

CONSTITUENCY	ASSET NAME/ DESCRIPTION	ASSET CATEGORY	ASSET /TAG NO.	SERIAL NO.	ACQUISITION DATE	PURCHASE COST(KSH)	PHYSICAL LOCATION	CURRENT CONDITION
Nyali	Calculator	Equipment	NYL/CIC/01/14		2014	2,000.00	FAM Office	Usable
Nyali	Calculator	Equipment	NYL/CIC/02/14		2014	2,000.00	Accounts office	Usable
Nyali	Complete four way work-station	Furniture	NYL/WST/01/14		2014	159,600.00	Customer care	Usable
Nyali	Computer CPU Dell	Equipment	NYL/CPU/01/14	BNPHNW1	2014	From the Board	FAM Office	Usable
Nyali	Computer Monitor Dell	Equipment	NYL/COMP/01/14	33V-GYTM	2014	From the Board	FAM Office	Usable
Nyali	UPS	Equipment	NYL/UPS/01/14	3B1304-12205	2014	From the Board	FAM Office	Faulty
Nyali	Printer HP Laserjet Pro 400	Machine	NYL/PRT/01/14	PHHGG06257	2014	From the Board	FAM Office	Usable
Nyali	Scanner-HP Scanjet550	Equipment	NYL/SCN/01/14	CN33BWH15	2014	From the Board	FAM Office	Usable
Nyali	Computer CPU Acer	Equipment	NYL/CPU/02/14	DBEF4241	2014	55,000.00	Customer care	Usable
Nyali	Computer Monitor Acer	Equipment	NYL/COMP/02/14	F724241	2014			Usable
Nyali	Computer CPU Acer	Equipment	NYL/CPU/03/14	DCD9600	2014	55,000.00	Customer care	Faulty
Nyali	Computer Monitor Acer	Equipment	NYL/COMP/03/14	DEF4241	2014			Usable
Nyali	Computer CPU Acer	Equipment	NYL/CPU/04/14	D5B9600	2014	55,000.00	Clerk of Works	Usable
Nyali	Computer Monitor Acer	Equipment	NYL/COMP/04/14	DB4201	2014			Usable
Nyali	Computer CPU Lenovo	Equipment	NYL/CPU/05/17	FF80Q	2017	69,960.00	Accounts office	Usable
Nyali	Computer Monitor Lenovo	Equipment	NYL/COMP/05/17	VK748010	2017			Usable
Nyali	Computer CPU Lenovo	Equipment	NYL/CPU/06/17	FF7VC	2017	69,960.00	I.T Office	Usable
Nyali	Computer Monitor Lenovo	Equipment	NYL/COMP/06/17	VK748028	2017			Usable



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI CONSTITUENCY
Reports and Financial Statements
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Nyali	Globemax Electrical blower for PC	Equipment	NYL/BLWR/01/17		2017	2,265.00	I.T Office	Usable
Nyali	Computer service toolkit	Equipment	NYL/TLKIT/01/17		2017	5,300.00	I.T Office	Usable
Nyali	2 set Lenovo keyboards	Equipment			2017	3,000.00	FAM Office	Unused
Nyali	2 set Lenovo mouse	Equipment			2017	1,200.00	FAM Office	Unused
Nyali	UPS	Equipment	NYL/UPS/02/17	304592	2017	14,300.00	Accounts office	Usable
Nyali	UPS	Equipment	NYL/UPS/03/17	304591	2017	14,300.00	Clerk of Works	Usable
Nyali	UPS	Equipment	NYL/UPS/04/17	304122	2017	14,300.00	I.T Office	Usable
Nyali	UPS	Equipment	NYL/UPS/05/17	304513	2017	14,300.00	FAM Office	Usable
Nyali	Executive 12 seater conference table	Furniture	NYL/CC/01/14		2014	137,600.00	Board Room	Usable
Nyali	Executive coffee table	Furniture	NYL/ECT/01/14		2014	19,000.00	MP's Office	Usable
Nyali	Executive office chair	Furniture	NYL/ECH/01/14		2014	35,000.00	Customer care	Usable
Nyali	Executive office chair	Furniture	NYL/ECH/02/14		2014	35,000.00	Customer care	Usable
Nyali	Executive office chair	Furniture	NYL/EOC/01/14		2014	39,000.00	FAM Office	Usable
Nyali	Executive office table	Furniture	NYL/ETB/01/14		2014	95,900.00	FAM Office	Usable
Nyali	Executive L-shaped office table	Furniture	NYL/LTB/01/14		2014	52,500.00	Accounts office	Usable
Nyali	Extension cable	Equipment	NYL/CBL/01/14		2014	1,000.00	Customer care	Usable
Nyali	Extension cable	Equipment	NYL/CBL/02/14		2014	1,000.00	Customer care	Faulty
Nyali	Flash disk	Equipment	NYL/FLD/01/14		2014	900.00	Customer care	Faulty
Nyali	Flash disk	Equipment	NYL/FLD/02/14		2014	900.00	Customer care	Faulty
Nyali	Flash disk	Equipment	NYL/FLD/03/14		2014	900.00	Accounts office	Faulty
Nyali	Laptop	Equipment	NYL/LFTOP/01/14		2014	51,000.00	FAM Office	Faulty
Nyali	Laptop	Equipment	NYL/LFTOP/02/14		2014	51,000.00	Secretary's office	Faulty
Nyali	Modem	Equipment	NYL/MDM/01/14		2014	2,500.00	Missing	Faulty
Nyali		Equipment						N/A

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYALI CONSTITUENCY
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Nyali	Office curtains	Fittings	NYL/CNTS/01/14		2014	8,000.00	Customer care	Usable
Nyali	Office flower pot	Fittings	NYL/OPP/01/14		2014	2,200.00	MP's Office	Usable
Nyali	Office sofa set - 5 seater	Fittings	NYL/ECH/03/14		2014	223,965.00	MP's Office	Usable
Nyali	Paper Punch	Equipment	NYL/PP/01/14		2014	450.00	Customer care	Usable
Nyali	Printer HP LaserJet P1102	Machine	NYL/PRT/02/14	VNF3C23156	2014	26,000.00	Customer care	Usable
Nyali	Printer HP LaserJet Pro MFP M125nw	Machine	NYL/PRT/03/17	CNB7J6B7MK	2017	29,200.00	I.T Office	Usable
Nyali	Printer HP LaserJet Pro MFP M125nw	Machine	NYL/PRT/04/17	CNB7J6B6BB	2017	29,200.00	Accounts office	Usable
Nyali	Printer HPLaserJetCP 1025nw color	Machine	NYL/PRT/05/17	71583	2017	33,176.00	FAM Office	Usable
Nyali	Digital Camera Canon 21mp HD video	Equipment	NYL/CMRA/01/17	313063043304	2017	21,900.00	Clerk of Works	Usable
Nyali	Standard office table	Furniture	NYL/STDT/01/14		2014	62,500.00	Store	Broken
Nyali	staplers	Equipment	NYL/STP/01/14		2014	450.00	Customer care	Usable
Nyali	staplers	Equipment	NYL/STP/02/14		2014	450.00	Accounts office	Usable
Nyali	Visitor seats 12No.	Furniture	NYL/VST/01-12/14		2014	50,400.00	Board Room	Usable
Nyali	Wall to wall carpet	Fittings	NYL/WWC/01/14		2014	21,800.00	MP's Office	Usable
Nyali	Photocopier	Machine	NYL/PRT/02/16	LBC5423695	2016	118,750.00	Accounts office	Usable
Nyali	6 crom Impex L/glasses	Equipment			2017	930.00	Kitchen	Usable
Nyali	12crom space glasses	Equipment			2017	1,740.00	Kitchen	Usable
Nyali	classic strainer	Equipment			2017	115.00	Kitchen	Usable
Nyali	12 steel dessert spoons	Equipment			2017	900.00	Kitchen	Usable
Nyali	silver steel table fork	Equipment			2017	555.00	Kitchen	Usable
Nyali	2 stainless steel table knives	Equipment			2017	130.00	Kitchen	Usable
Nyali	6 dixon teaspoons	Equipment			2017	360.00	Kitchen	Usable

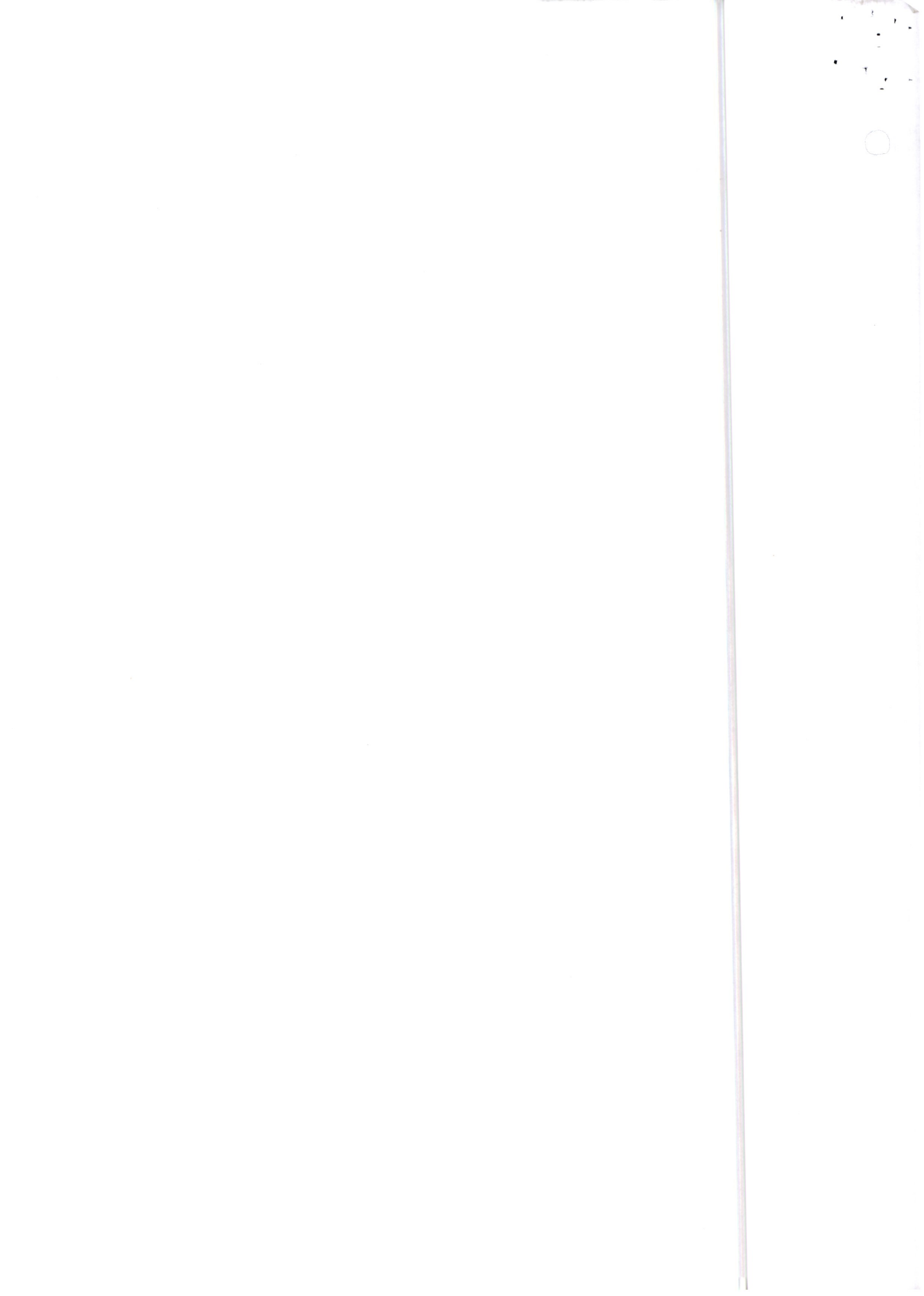
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Nyali	stainless steel rice laddle	Equipment			2017	65.00	Kitchen	Usable
Nyali	super knife 6"	Equipment			2017	165.00	Kitchen	Usable
Nyali	Mega calar flask 1.9 ltrs	Equipment			2017	1,395.00	Kitchen	Usable
Nyali	2 Mega calar flasks 1.0 ltrs	Equipment			2017	2,050.00	Kitchen	Usable
Nyali	mega calar flask 1.6 ltrs	Equipment			2017	1,325.00	Kitchen	Usable
Nyali	2 octime water jugs	Equipment			2017	1,050.00	Kitchen	Usable
Nyali	1 dozen Helena dinner plates 25cm	Equipment			2017	2,340.00	Kitchen	Usable
Nyali	2 redberry 14' plates	Equipment			2017	860.00	Kitchen	Usable
Nyali	1 dozen jolly F mugs	Equipment			2017	2,700.00	Kitchen	Usable
Nyali	1 dozen redberry mugs M320/81199	Equipment			2017	2,700.00	Kitchen	Usable
Nyali	6pcs Arcomel dinner plates	Equipment			2017	750.00	Kitchen	Usable
Nyali	6pcs skytone Arcomel dinner plates	Equipment			2017	750.00	Kitchen	Usable
Nyali	2pcs Festone sugar pots	Equipment			2017	160.00	Kitchen	Usable
Nyali	2pcs Jolly F sugar dishes	Equipment			2017	890.00	Kitchen	Usable
Nyali	Wooden mortar big	Equipment			2017	225.00	Kitchen	Usable
Nyali	Super grater 4 sided	Equipment			2017	285.00	Kitchen	Usable
Nyali	wooden chopping board	Equipment			2017	400.00	Kitchen	Usable
Nyali	4 pcs Jolly CL-19 trays	Equipment			2017	3,180.00	Kitchen	Usable
Nyali	Kenpoly water jug 409	Equipment			2017	340.00	Kitchen	Usable
Nyali	2 pcs crown cherry jug 927	Equipment			2017	270.00	Kitchen	Usable



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Nyali	9kg dry powder extinguisher	Equipment	NYL/FIRE/EXT/01/17		2017	5,000.00	CDF office 1st Floor corridor	Usable
Nyali	9kg dry powder extinguisher	Equipment	NYL/FIRE/EXT/02/17		2017	5,000.00	Staircase	Usable
Nyali	9kg dry powder extinguisher	Equipment	NYL/FIRE/EXT/03/17		2017	5,000.00	Compound Entrance	Usable
Nyali	9 ltrs water type extinguisher	Equipment	NYL/FIRE/EXT/04/17		2017	4,500.00	CDF office 1st Floor corridor	Usable
Nyali	9 ltrs water type extinguisher	Equipment	NYL/FIRE/EXT/05/17		2017	4,500.00	Compound Back	Usable
Nyali	9 ltrs water type extinguisher	Equipment	NYL/FIRE/EXT/06/17		2017	4,500.00	Reception Ground Flr	Usable
Nyali	2kg Co2 fire extinguisher	Equipment	NYL/FIRE/EXT/07/17		2017	6,500.00	CDF office 1st Floor corridor	Usable
Nyali	2kg Co2 fire extinguisher	Equipment	NYL/FIRE/EXT/08/17		2017	6,500.00	Ground Flr- Manager's office	Usable
Nyali	2kg Co2 fire extinguisher	Equipment	NYL/FIRE/EXT/09/17		2017	6,500.00	Kitchen	Usable
Nyali	2kg Co2 fire extinguisher	Equipment	NYL/FIRE/EXT/10/17		2017	6,500.00	Accounts office	Usable
Nyali	2kg Co2 fire extinguisher	Equipment	NYL/FIRE/EXT/11/17		2017	6,500.00	FAM Office	Usable
Nyali	2kg Co2 fire extinguisher	Equipment	NYL/FIRE/EXT/12/17		2017	6,500.00	Reception Ground Flr	Usable
Nyali	Fire blanket	Equipment	NYL/FIRE/BLNKT/01/17		2017	2,500.00	Kitchen	Usable
Nyali	NGCDFC Office	Building	NYL/OFF/BI/UILD G/		2017	11,741,840	Kongowea, Nyali Sub-County Headquarters	Usable
	TOTAL					13,527,596.00		



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

PROJECT MANAGEMENT COMMITTEES	Bank	Account number	Bank Balance 2016/2017	Bank Balance 2015/2016
ZIWA LA NG'OMBE CHIEF'S OFFICE,TOILET&FURNITURE	EQUITY	1140266526003	2,042,859.00	561,704.00
SPORTS MANAGEMENT	EQUITY	1140268741088	399,858.00	0.00
MAWENI PRIMARY SCHOOL	EQUITY	1140265904422	41,152.00	52,662.00
FATHIL ADHIM PRIMARY SCHOOL	EQUITY	1140263537830	255,203.00	855,423.00
FRERETOWN PRIMARY SCHOOL	EQUITY	1140263451788	152,665.00	274,633.00
KISAUNI PRIMARY SCHOOL	EQUITY	1140272883580	299,525.00	0.00
MAWENI SECONDARY SCHOOL	EQUITY	1140266621255	16,085,308.00	2,800,000.00
NYALI POLICE STATION	EQUITY	1140272235384	7,999,050.00	0.00
KONGOWEA PRIMARY SCHOOL	EQUITY	1140272620624	213,975.00	0.00
AZHAR SHARIFF PRIMARY SCHOOL	EQUITY	1140266526252	11,963,694.00	120,744.00
KONGOWEA SECONDARY/PRIMARY SCHOOL	EQUITY	1140262479404	14,372,488.00	631,543.00
KADZANDANI KWA BULLO-MWATAMBA POLICE POST	EQUITY	1140271329420	4,859,508.00	0.00
FRERETOWN SECONDARY SCHOOL	EQUITY	1140266106756	11,214,365.00	4,010.00
FRERETOWN POLICE POST	EQUITY	1140271058881	3,478,430.00	0.00
FRERETOWN RESPONSE CENTRE	EQUITY	1140263537867	1,261,748.00	1,261,748.00
FRERETOWN CHIEF'S OFFICE TOILET	EQUITY	1140271058732	211,192.00	0.00
FRERETOWN PUBLIC TOILET	EQUITY	1140266134844	30,004.00	1,344,058.00
FRERETOWN CHIEF'S OFFICE	EQUITY	1140266106885	459,618.00	552,248.00
ZIWA LA NG'OMBE SOCIAL HALL	EQUITY	1140266458642	15,836.00	974,201.00
BAMBURI HEALTH CENTRE	EQUITY	1140263575806	4,482,759.00	4,482,759.00
MKOMANI PRIMARY SCHOOL	EQUITY	1140263469490	*0.00	10,105,803.00
KENGELENI PRIMARY SCHOOL	EQUITY	1140269094252	1,800,000.00	1,800,000.00
KADZANDANI PRIMARY SCHOOL	EQUITY	1140263575887	62,000.00	62,000.00
KADZANDANI KWA BULLO PRIMARY SCHOOL	EQUITY	1140263575967	326,193.00	481,250.00
KADZANDANI KWA BULLO PRIMARY SCHOOL	EQUITY	1140266068267	2,361,295.00	2,361,295.00

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MLALEO PRIMARY SCHOOL	EQUITY	1140263642803	72,135.00	72,135.00
ENVIRONMENT MANAGEMENT	EQUITY	1140268740953	12,933.00	1,928,923.00
NGCDF OFFICE PROJECT	EQUITY	1140268740976	*0.00	0.00
GENERAL PROJECTS	EQUITY	1140261189498	12,320.00	12,320.00
MKOMANI WARD MAST LIGHTS	EQUITY	1140262466403	1.00	-1,173.00
KADZANDANI MAST LIGHTS PROJECT	EQUITY	1140262468787	376,735.00	376,735.00
FRERE TOWN WARD MAST LIGHTS	EQUITY	1140262469085	1.00	-8945.00
KADZANDANI MIGOMBANI CDF WATER PROJECT	EQUITY	1140263626073	65,689.00	65,689.00
MKOMANI (MAJENGO MAPYA) WATER PROJECT	EQUITY	1140262468557	11,420.00	11,420.00
FRERE TOWN WATER PROJECT	EQUITY	1140262468382	12,740.00	12,740.00
FRERETOWN LEISURE CDF WATER PROJECT	EQUITY	1140263575589	59,077.00	59,077.00
ZIWA LA NG'OMBE (MKUNGUNI) WATER PROJECT	EQUITY	1140262479425	10,807.00	10,807.00
KWA BULO WATER PROJECT	EQUITY	1140262479437	12,795.00	12,795.00
KONGOWEA UWANJA WA MBUZI CDF WATER PROJECT	EQUITY	1140263451897	63,440.00	63,440.00
NYALI CONSTITUENCY SPORTS	EQUITY	1140262507359	328.00	328.00
KADZANDANI PRIMARY TREE PLANTING	EQUITY	1140262526874	1,670.00	1,670.00
MKOMANI SEEDLINGS PROJECT	EQUITY	1140263470823	*0.00	0.00
KONGOWEA WARD OFFICE	EQUITY	1140262545001	1.00	-2,775.00
FWANI SCHOOL FOR THE MENTALLY CHALLENGED	EQUITY	1140262672112	54,725.00	54,725.00
CDF STRATEGIC PLAN	EQUITY	1140262803574	1.00	-828.00
ZIWA LA NG'OMBE CDF ELECTRICITY PROJECT	EQUITY	1140263451404	48,945.00	48,945.00
MKOMANI CDF ELECTRICITY PROJECT	EQUITY	1140263451459	48,780.00	48,780.00
KONGOWEA CDF ELECTRICITY PROJECT	EQUITY	1140263451715	48,945.00	48,945.00
KADZANDANI CDF ELECTRICITY PROJECT	EQUITY	1140263452003	48,945.00	48,945.00
FRERE TOWN ELECTRICITY PROJECT	EQUITY	1140263452092	48,945.00	48,945.00
FRERE TOWN HEALTH CENTRE	EQUITY	1140263452297	613,098.00	613,098.00
MLALEO HOSPITAL CDF PROJECT	EQUITY	1140263654291	10,150.00	10,150.00
TOTAL			86,023,351.00	32,262,972.00

* Accounts closed/ do not exist



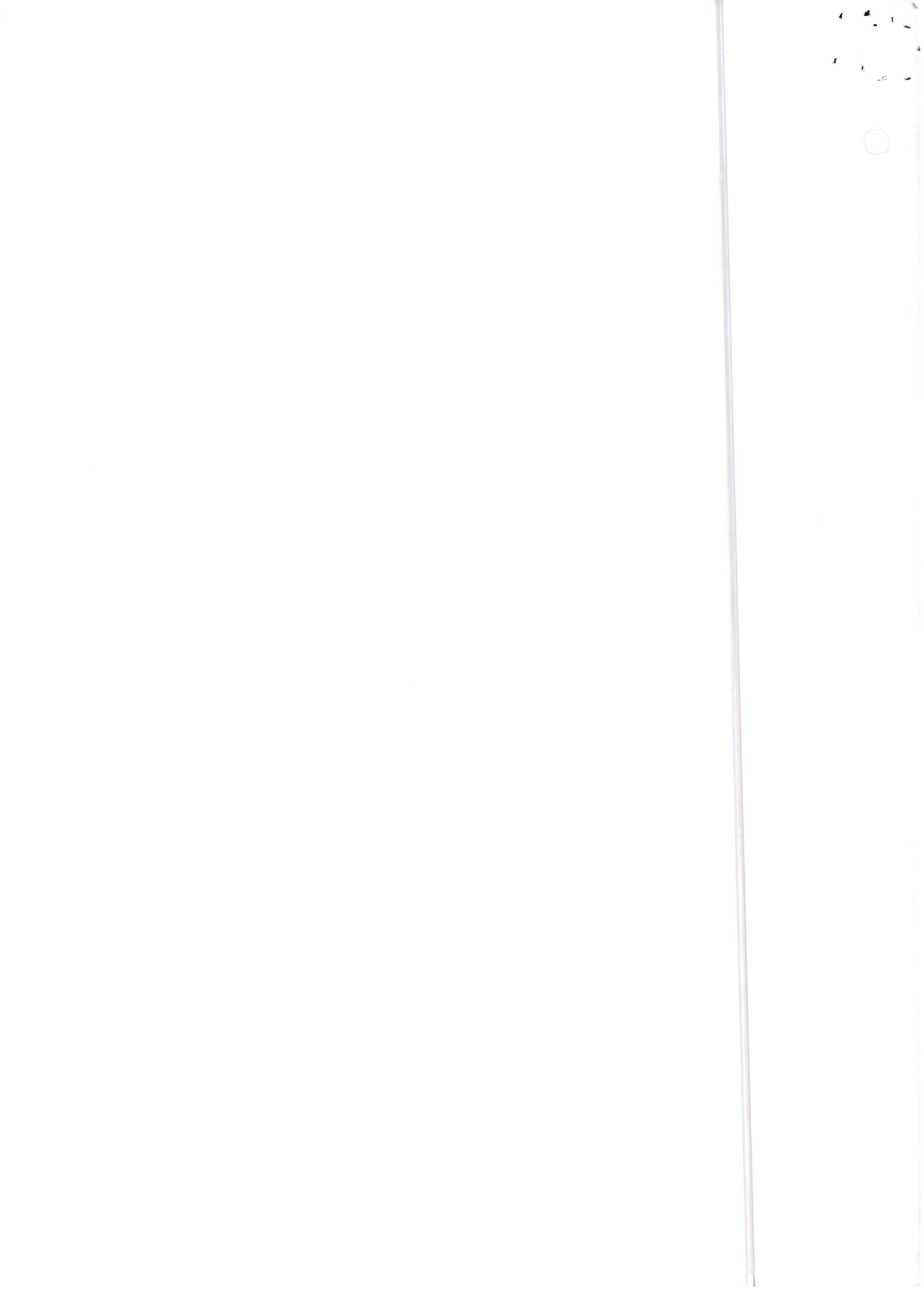
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ANNEX 6- ANALYSIS OF PENDING RECEIVABLES		Brief Transaction Description	Original Amount	Amount Received to date	Outstanding Amount 2016-2017	Outstanding to Amount 2015-2016
Office Administration						
Employees salaries		Payment of staff salaries and gratuity	2,657,959	-	2,657,959	-
Goods and services		Purchase of fuel, repairs and maintenance, printing, stationery ,telephone,travel and subsistence, office tea, utility bills etc	1,032,914	-	1,032,914	-
NSSF		Payment of NSSF Deductions	155,520	-	155,520	-
NHIF		Payment of NHIF Deductions	59,400	-	59,400	-
Committee expenses		Payment of committee allowances, transport, conferences	1,008,000	-	1,008,000	-
	Sub-Total		4,913,793	-	4,913,793	-
Monitoring & Evaluation						
Goods and services		Purchase of fuel, repairs and maintenance, printing, stationery ,airtime, travel and subsistence etc	571,897	-	571,897	-
Committee expenses		Payment of committee allowances, transport, conferences	1,020,000	-	1,020,000	-
NGCDFC/PMC capacity building		Undertake training of the FMCs/CDFCs on NGCDF related issues	865,000	-	865,000	-
	Sub-Total		2,456,897	-	2,456,897	-
Amounts due to other Government entities						
1. Azhar Shariff Primary school		Construction of perimeter wall	2,755,172	-	2,755,172	-
2. Kongwea Primary school		Rehabilitation of the school by replacing all rooftops,floors, windows and wall painting of 24 classrooms	8,800,000	-	8,800,000	-



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3. Maweni Secondary School	Construction of dining hall and kitchen(additional funds)	7,500,000	-	7,500,000	-
4. Maweni Secondary School	Construction of classrooms(storey building)	4,000,000	-	4,000,000	-
5. Maweni Secondary School	Purchase of a Toyota 48 seater school bus	6,000,000	-	6,000,000	-
Sub-Total		29,055,172	-	29,055,172	-
Amounts due to other grants and other transfers					
1. Kongowea Youth & Women empowerment project	Cater for emergencies	10,000,000	8,000,000	2,000,000	10,000,000
2. Bursary to Secondary schools	Payment of bursary to needy students	17,000,000	-	17,000,000	-
3. Bursary to Tertiary schools & Institutions	Payment of bursary to needy students	9,000,000	-	9,000,000	-
4. Bursary to Special schools	Payment of bursary to needy students	1,800,000	-	1,800,000	-
5. Kadzandani Mwatamba Chief's Office	Construction of chiefs office(additional funds)	4,900,000	-	4,900,000	-
6. NGCDF office	Purchase of Atoyota hiace motor vehicle for office use	5,400,000	-	5,400,000	-
7. Constituency sports	Purchase jerseys and soccer balls for four (4) secondary schools and Taekwondo training items for Kadzandani Primary school club	1,637,931	-	1,637,931	-
8. Environment	Purchase and installation of solar panels for three (3) special schools	1,637,931	-	1,637,931	-
Sub-Total		51,375,837	8,000,000	43,375,862	10,000,000
Grand Total		87,801,724	8,000,000	79,801,724	10,000,000

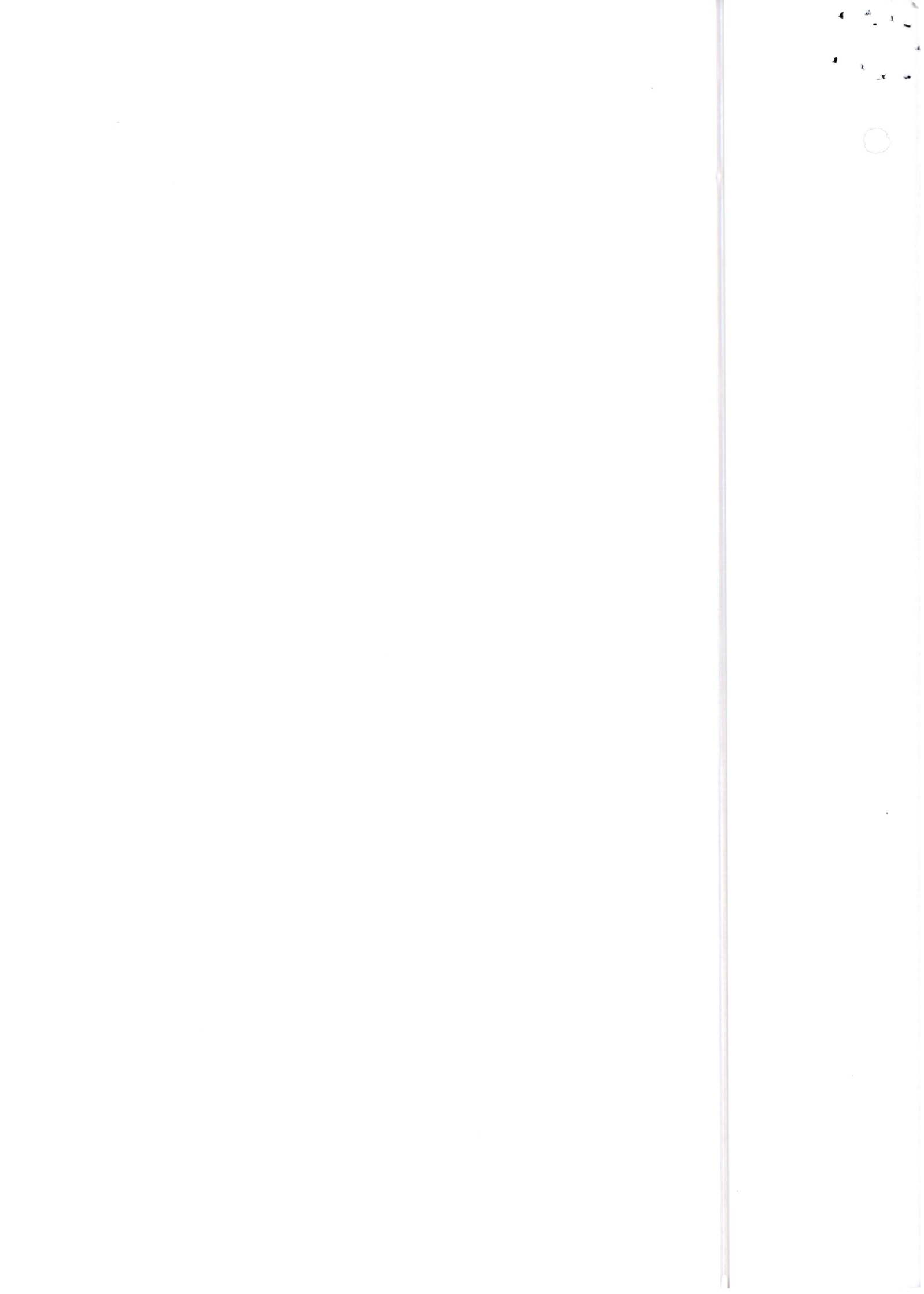


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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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)
MSA/CDF/NYALI/1 5-16(3)	<p>1.Presentation of financial statements The financial statements had the following anomalies i)Approval date indicated as 25th April 2017 ii)Paragraph 4 of the statement of NGCDF management responsibilities refers to external financing which was not applicable. iii)Financial statements lack pre-printed page numbers iv)Annexures indicated amounts in thousands (Kshs 000) v) Note 15.3 on pending payables indicated a total approved projects for year 2015-2016 instead of indicating funds which had not been disbursed to projects whose AIE had been received</p>	Financial statements amended and submitted	Gladys Ngala (Fund Account Manager)	Resolved	



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	<p>2. Bank balances Bank reconciliation had stale cheques totalling to Ksh228,824 had not been reversed</p>	<p>A meeting was convened and approval for reversal was done.</p>		<p align="center">Resolved</p>	
<p>3. Prior year adjustments Financial statements reflected prior year adjustments of Ksh. 562,752 which was not possible for auditors to confirm and reasons for reversals.</p>	<p>The schedule of stale cheques worth Ksh562,752, the cash book extract was made available to the auditors</p>		<p align="center">Resolved</p>		
<p>4. Committee expenses Committee allowances amounting to Ksh. 708,000 was paid on 29th February when all committees had been disbanded. No documentary evidence to show that the allowance had not been paid earlier and that it could have been payment for no service rendered</p>	<p>The schedule of activities and meetings held by the committee before disbandment was made available to the auditors for them to ascertain that payment was done for activities and meetings actually held.</p>		<p align="center">Resolved</p>		



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	<p>5. Cost variations Three projects amounting to Ksh. 5,718,734 had cost variations compared to the approved projects cost as: i) Ziwa La Ngombe chiefs office Ksh. 2,550,000 ii) Frere Town public toilet Ksh. 1,468,734 iii) Ziwa La Ngombe social hall Ksh. 1,700,000</p>	<p>It was clarified that i) Amount approved and disbursed to Ziwa La Ngombe chief's office was Ksh 3,550,000 while the cost of the project was Ksh.3,450,000 ii) Amount approved and disbursed to Frere Town public toilet was Ksh. 3,062,890 while the cost was Ksh. 2,962,890 iii) Amount approved and disbursed to Ziwa La Ngombe social hall was Ksh 6,000,000 and not Ksh7,700,000. Bank Statements, expenditure returns and approval letters were availed to the auditors</p>	<p>Resolved</p>	
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	<p>6. Procurement irregularities Contracts were not awarded to the lowest evaluated bidders for the following projects: i) Ziwa La Ngombe chief's office ii) Frere Town Secondary school iii) Ziwa La Ngombe social hall iv) Frere Town chief's office v) Frere Town public toilet</p>	<p>Tender opening minutes, evaluation reports and adjudication minutes were availed</p>	<p align="center">Resolved</p>	
	<p>7. Statutory compliance Included into the bank reconciliation statement un-presented cheques of Ksh.79,789 were statutory deductions which had not been remitted to the relevant government agencies</p>	<p>All the cheques were reversed, reissued and returns submitted to KRA. Evidence furnished</p>	<p align="center">Resolved</p>	

