

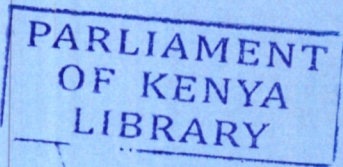
REPUBLIC OF KENYA



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



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE CHAIRMAN NG-CONSTITUENCY DEVELOPMENT FUND COMMITTEE	3
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES	4
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
V. STATEMENT OF ASSETS.....	6
VI. STATEMENT OF CASHFLOW	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	8
VIII. SIGNIFICANT ACCOUNTING POLICIES	10
IX. NOTES TO THE FINANCIAL STATEMENTS.....	12

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The NG-Constituencies Development Fund (NG-CDF) was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The 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 Constituencies Development Fund. The objective of the fund is to ensure that a specific portion of the national annual budget is devoted to the constituencies for infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Fatma M. Abubakar
3.	Accountant	Easter omondi..

(d) Fiduciary Oversight Arrangements

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

(e) JOMVU CDF Headquarters

P.O. Box 90646-80100.
Near Kwa Shee Primary School- Mikindani
Mombasa.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(f) JOMVU NG-CDF Contacts

E-mail: cdfjomvu@cdf.go.ke

Website: www.cdf.go.ke

(g) JOMVU NG-CDF Bankers

1. Equity Bank
Changamwe Branch.
A/C NO: 1200261736417.
P.O. Box 90016-80100
Mombasa, Kenya

(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

10

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

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

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

Jomvu is among six constituencies within Mombasa County. It has four locations and three wards and two divisions. Jomvu being a young constituency in Mombasa County it has got higher demand for development in education and security sectors.

We are glad to present to you financial statements for Jomvu CDF for year ending 30th June 2017. We have managed to complete quite a number of projects which were on going as well as start new ones. For 2016/2017, we have so far received half of the funds and we are hoping to receive and consume the balance of it in the next few months.

Some of the challenges that we have been facing are Vandalisms, Delay in disbursement, Political interference, Community expectation in monetary, the devolved government projects with communities expecting NG CDF to fund them.

Way forward

- Creating awareness to the public to own the project.
- NG- CDF Board to ensure timely disbursement of fund.


.....
Alex Namasambu - CHAIRMAN NG-CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for Jomvu NG-CDF shall prepare financial statements in respect of that NG-CDF. 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.

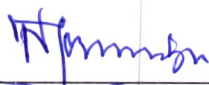
The Accounting Officer in charge of the Jomvu NG-CDF is responsible for the preparation and presentation of the fund's financial statements, which give a true and fair view of the state of affairs of the NG-CDF for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (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 fund; (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 fund; (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 Jomvu NG-CDF accepts responsibility for the fund'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 fund's financial statements give a true and fair view of the state of fund's transactions during the financial year ended June 30, 2017, and of the fund's financial position as at that date. The Accounting Officer charge of the Jomvu NG-CDF further confirms the completeness of the accounting records maintained for the fund, which have been relied upon in the preparation of the fund's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Jomvu NG-CDF confirms that the fund has complied fully with applicable Government Regulations and that the NG-CDF 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 fund'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 fund's financial statements were approved and signed by the Accounting Officer on 22/6 2018.



NG-CDFC Chairman



Fund Account Manager

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Jomvu Constituency set out on pages 5 to 26, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 -Jomvu 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, except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that, nothing 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. Presentation

The financial statements for the year ended 30 June 2017 presented for audit review contained the following anomalies;

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

- a) The financial statement had Annex 4 repeated twice as; Summary of Fixed Assets and PMC bank balances as at 30 June 2017 thus not in line with the Public Sector Accounting Standards Board requirement.
- b) Annex 4 – Summary of Fixed Assets did not have comparative figures for the year 2015/2016 despite the Fund having fixed assets brought forward from year 2015/2016.
- c) Annex 4 – PMC bank balances as at 30 June 2017 did not have comparative figures for the year ended 30 June 2016 from year 2015/2016. The same did not have the aggregate amount for the balances.

Consequently, the financial statements presented for the year ended 30 June 2017 did not comply with the International Public Sector Accounting Standards No 1 on presentation and prescribed by the Public Sector Accounting Standards Board.

2. Inaccuracies in the Financial Statements

The financial statement presented for audit for the year ended 30 June 2017 had a deficit of Kshs.58,971,693 in the statement of receipt and payments wrongly casted down. The correct amount should have been Kshs.59,055,693 resulting to under casting of Kshs.84,000.

Consequently, the accuracy and completeness of the deficit of Kshs.58,971,693 could not be confirmed.

3. Transfer to Other Government Entities

The statement of receipts and payments for the year ended 30 June 2017 reflect a transfer to other government entities balance of Kshs.59,500,000. The amount includes Kshs.47,500,000 transfer to primary schools and Kshs.12,000,000 transfers to secondary schools for implementation of various projects through project management committees (PMCs)

However, a review for 2 projects with a total of Kshs.18,070,299.80 revealed the following issues;

	Project Name	Project Amount (Kshs)	Anomalies noted
1	Proposed construction of 4 classrooms and 10 toilets at Aldina Primary School	8,422,980	<ul style="list-style-type: none"> • The contractor was paid a total of Kshs.8,574,707 against the contract sum of Kshs.8,422,980 resulting to over payment by Kshs.171,702 • Certificates number 1 to 4 were not

			<ul style="list-style-type: none"> supported by measured works details • Details of how provisional sums amount of Kshs.300,000 was spent not provided • No title deed was availed as evidence of ownership of land. • The Project was not in use • 1000 liters pvc tank worth Kshs.10,000 was not seen • Balustrading and guardrails 18lm at Kshs.5,000 per meter not done • 7 toilets verified while BOQ provided for 10
2	Proposed construction of Social Hall at St. Mary's Bangladesh Primary School	9,647,319.80	<ul style="list-style-type: none"> • Hall done with one storey with the social hall on first floor. • Contractor was not on site although works were not complete.
	Total amount	18,070,299.80	

Under the circumstances, it has not been possible to confirm the propriety of Kshs.18,070,229.80 incurred on transfer to other government entities for the year ended 30 June 2017.

4. Other Payments

The statements of receipts and payments reflects other payments of Kshs.734,798 disclosed as cashbook under cast in note 9 to the financial statement. However, no schedule or reconciliation was availed to support this payment.

Consequently, the propriety of Kshs.734,798 reflected as other payments for the year ended 30 June 2017 could not be confirmed.

5. Bank Balance

The statement of assets as at 30 June 2017 reflects a bank balance of Kshs.12,766,040. Bank reconciliation availed for audit revealed that there were unrepresented cheques amounting to Kshs.3,615,395 out of which, Kshs.105,400 were stale cheques. However, the management did not provide explanation for not writing back the stale cheques in the cash book.

In addition, the bank reconciliation statement reflected payments in bank statement not recorded in the cash book amounting to Kshs.171,385 which related to bank charges but no explanation was provided why the same had not been recorded in the cashbook and expensed.

Consequently, the accuracy and completeness of bank balance of Kshs.12,766,040 as at 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 Constituencies Development Fund - Jomvu 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 section of my report, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1.0 Budgetary Control and Performance

During the year under review National Government Constituencies Development Fund - Jomvu constituency had a final budget of Kshs.153,634,286.19 and spent Kshs.144,097,519 resulting to a net over absorption of Kshs.9,536,767.95 or 57% as summarized below;

Expense Item	Budget (Kshs)	Actual Expenditure (Kshs)	Over Absorption (Kshs.)	Under Absorption (Kshs.)	% Over-Utilisation	% Under-Utilisation
Compensation of Employees	3,085,711.00	2,439,951.00		645,760.00		21%
Use of goods and services	11,049,163.14	6,026,374.00		5,022,789.14		45%
Transfers to Other Government Units	64,300,000.00	59,500,000.00		4,800,000.00		7%
Other grants and transfers	67,799,412.05	75,052,811.00	(7,253,398.95)		-11%	
Acquisition of Assets	6,900,000.00	343,585.00		6,556,415.00		95%
Other Payments	500,000.00	734,798.00	(234,798.00)		-47%	
TOTAL	153,634,286.19	144,097,519.00	(7,488,196.95)	17,024,964.14	-4.8%	11%

The under absorption of Kshs.17,024,064 is an indication that projects have not been implemented as planned. As a result the citizens of Jomvu Constituency may not have got the goods and services needed.

Further, approval for the excess expenditure or reallocation of Kshs.7,488,196.95 was not availed for audit review.

2.0 Project Implementation Status

The projects status report as at 30 June 2017 availed for audit review reflected 59 projects with a total allocation of Kshs.153,250,619 at various implementation stages. Included in the report were eighteen (18) projects for the year 2016/2017 with a budget of Kshs.54,051,724 out of which Kshs.26,356,897 for eight (8) projects had not been released by the Board. The report also reflected forty-one (41) projects allocated Kshs.134,805,521 relating to financial years 2013/2014, 2014/2015 and 2015/2016 which were at different implementation stages as detailed below;

	Financial Year	Project Name	Activity	Project Cost (K)	Remarks	Status
1	2016/2017	Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,094,827.60	Kshs. 3,980,000 grant to Kwa Jomvu Primary School to renovate 3 classrooms Ongoing	Ongoing
2	2016/2017	Sports	Organize football and Volley ball tournaments in Mikindani, Miritini and Jomvu	1,356,896.64	Funds Not Yet Release by the board	Continuous exercise
3	2016/2017	Environment	Construction of Gabions and Terraces in Mikindani, Miritini and Jomvu wards	1,500,000.00	Funds Not Yet Release by the board	Continuous exercise
4	2016/2017	NG-CDF Offices	Construction of NG-CDF office and toilets in same block.	5,000,000.00	Funds Not Yet Release by the board	Not Started
5	2016/2017	Aldina Primary School	Construction of 2 storey classrooms and offices.	5,000,000.00	Funds Not Yet Release by the board	Not Started
6	2016/2017	Maganda Primary School	Construction of 2 classrooms and 4 toilets	4,500,000.00	Funds Not Yet Release by the board	Not Started

7	2016/2017	Kwashee Primary School	Construction of a Classroom for students with special needs.	2,000,000.00	Tendering stage	Not Started
8	2016/2017	Miritini World Bank Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,000,000.00	Tendering stage	Not Started
9	2016/2017	Amani Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
10	2016/2017	Kwashee Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
11	2016/2017	KwaJomvu Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
12	2016/2017	St. Mary's Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
13	2016/2017	Miritini Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
14	2016/2017	Miritini WorldBank Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
15	2016/2017	Mreroni Primary School	Removing asbestos and replacing with iron sheets and painting flooring of 3 classrooms	2,800,000.00	Tendering stage	Not Started
16	2016/2017	Miritini ACC & AP Units	Construction of ACC office & AP units	3,000,000.00	Funds Not Yet Release by the board	Not Started
17	2016/2017	Jomvu ACC & AP Units	Construction of ACC office & AP units	3,000,000.00	Funds Not Yet Release by the board	Not Started
18	2016/2017	Mikindani ACC & AP Units	Construction of ACC office & AP units	3,000,000.00	Funds Not Yet Release by the board	Not Started

19	2015/2016	Miritini social hall	construction of a social hall	5,000,000.00		Not Started
20	2015/2016	Jomvu Kuu , Miritini and Kwa Shee Social halls	Furniture for the social halls	2,000,000.00		purchased 1500 plastic chairs, 9 tables and 30 conference chairs
21	2015/2016	Bahati Streetlights	Installation of street lights on existing KPLC poles	1,000,000.00		Ongoing
22	2015/2016	Kibarani streetlights	Installation of Streetlights on	1,000,000.00		Ongoing
23	2015/2016	Birikani Streetlight	existing KPLC poles	1,000,000.00		Ongoing
24	2015/2016	Kwa ng'ombe streetlights	Installation of street lights on KPLC existing pole	1,000,000.00		Ongoing
25	2015/2016	Kwa kamau streetlights	Installation of street lights on KPLC existing pole	1,000,000.00		Ongoing
26	2015/2016	Kopa kopa street lights	Installation of street lights on KPLC existing pole	1,000,000.00		Ongoing
27	2015/2016	Kwa Punda Streetlights	Installation of Streetlights on	1,000,000.00		Ongoing
28	2015/2016	Mtaa wa Waswahili Streetlights	Installation of street light on existing KPLC pole	1,000,000.00		Ongoing
29	2015/2016	Mataa ndege streetlights	Installation of street light on existing KPLC pole	1,000,000.00		Ongoing
30	2015/2016	Bendube Streetlights	Installation of street light on existing KPLC pole	1,000,000.00		Ongoing
31	2015/2016	Kwa Zera Streetlights	Installation of street light on existing KPLC pole	1,000,000.00		Ongoing
32	2015/2016	Narcol Streetlights	Installation of street light on existing KPLC pole	1,000,000.00		Ongoing
33	2015/2016	Mikanjuni Streetlights	Installation of street light on existing KPLC pole	2,000,000.00		Ongoing
34	2015/2016	ACK Streetlights	Installation of street light on existing KPLC pole	1,000,000.00		Ongoing
35	2015/2016	Kwa Zera Borehole	Drilling and development. of borehole	650,000.00	Land issue made the project delay	Not Started

36	2015/2016	Miritini madukani Borehole	Drilling and development. of borehole	650,000.00	Land issue made the project delay	Not Started
37	2015/2016	Kwa mwanzia Borehole	Drilling and development. of borehole	650,000.00	Project reallocated to Social hall at St. Marys Hall	Not Started
38	2015/2016	Miritini High School	Construction of Administration block	10,000,000.00		Ongoing
39	2015/2016	Jomvu Girls Secondary School	Construction of classroom	1,400,000.00		Not Started
40	2015/2016	Aldina Primary School	Construction of four classrooms and ten toilets	10,000,000.00		Ongoing
41	2015/2016	Environment	Garbage collection in Jomvu, Mikindani and Mikanjuni, cleaning of drainage systems and trenches and planting of trees at Jomvu Girls Secondary School, Mikanjuni and Mikindani	1,314,836.00		On going
42	2015/2016	Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	5,767,647.00		Ongoing
43	2014/2015	Mikindani Youth Resource centre	Construction of youth resource centre	2,000,000.00	Contract awarded	Ongoing
44	2014/2015	Miritini Madukani Public Toilet	Construction of public toilet	2,000,000.00	Tendering stage	New
45	2014/2015	Narcol – Nursery School Road	Improvement of road using cabro	2,000,000.00		Completed
46	2014/2015	Jomvu Kuu Hospital	Purchase lab equipments	400,000.00	reallocated from Emergency funds	new
47	2014/2015	Owino Uhuru Borehole	Drilling and development. of borehole	650,000.00		stalled
48	2014/2015	Kopa Kopa Borehole	Drilling and development. of	650,000.00	no water extracted	stalled

			borehole			
49	2014/2015	Ganahola Kwa Kenga Borehole	Drilling and development. of borehole	650,000.00	no water extracted	stalled
50	2014/2015	Kwa Punda Borehole	Drilling and development. of borehole	650,000.00	no water extracted	Ongoing
51	2014/2015	Mwamlai Borehole	Drilling and development. of borehole	650,000.00	no water extracted	stalled
52	2014/2015	Mireroni Primary School	Construction of classroom	1,400,000.00	Re-tendering stage	New
53	2014/15	Constituency Vehicle	Purchase of constituency vehicle	5,200,000.00		New
54	2014/15	2% Environment	Garbage collection in Jomvu, Mikindani and Mikanjuni, cleaning of drainage systems, trenches and planting of trees at Jomvu G H school	1,699,235.00		ongoing
55	2013/14	2% Environment	Garbage collection in Jomvu, Mikindani and Mikanjuni, cleaning of drainage systems, trenches and planting of trees at Jomvu G H school	1,192,877.00		Continuous exercise
56	2013/14	Emergency (5% of the Fund)	Emergencies that may occur within the Constituency	3,564,466.00		ongoing
57	2013/14	Jomvu Kuu Social Hall	Partitioning of the hall repairing windows, painting, fixing grills.	1,500,000.00	More funds needed	Not Started
58	2014/15	Bangladesh Social Hall	Additional funds for construction of the Bangladesh social hall	2,000,000.00		Ongoing
59	2013/14	St. Mary's Primary School	Construction of a Hall	2,114,736.00		Ongoing
Total Amount for Projects				153,250,619.24		

A review of the project status report indicated that:

- i) Fifteen (15) projects allocated Kshs.43,389,380 had not been started despite

funding. An additional 6 projects allocated Kshs.23,500,000 had also not been started since funding had not been received. Twenty-one (21) project were ongoing worth Kshs.45,859,564.

- ii) Four (4) projects of Kshs.2,600,000 which were borehole drilling had stalled since no water was extracted after the drilling.

The above state of affairs is an indication of lack of proper planning and prioritizing citizens' needs in the budget making process mechanism. Further, there was indication of wastage expenditure hence no value for money like the boreholes that did not produce water. There is need for the management to be held accountable for the loss incurred.

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 - Jomvu Constituency Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management either intends to cease operations or have no realistic alternative but to do so.

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

Those charged with governance are responsible for overseeing the National Government Constituencies Development Fund-Jomvu Constituency 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 International Standards of Supreme Audit Institutions (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-Jomvu 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 Fund- Jomvu 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 Fund- Jomvu Constituency Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Fund- Jomvu Constituency 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

06 July 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	84,957,826.00	91,013,981.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	84,000.00	93,000.00
TOTAL RECEIPTS		85,041,826.00	91,106,981.00
PAYMENTS			
Compensation of employees	4	2,439,951.00	1,691,771.00
Use of goods and services	5	6,026,374.00	4,214,501.81
Transfers to Other Government Units	6	59,500,000.00	7,900,000.00
Other grants and transfers	7	75,052,811.00	34,995,234.00
Acquisition of Assets	8	343,585.00	-
Other Payments	9	734,798.00	-
TOTAL PAYMENTS		144,097, 519.00	48,801,506.81
SURPLUS/DEFICIT		(58,971,693.60)	42,285,458.19

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Jomvu NG-CDF financial statements were approved on 22/6 2018 and signed by:



Chairman – NG-CDFC



Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

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

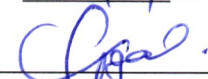
V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,766,040.79	71,737,734.19
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		12,766,040.79	71,737,734.19
REPRESENTED BY			
Retention			
Fund balance b/fwd 1st July...	12	71,737,734.19	29,452,276.00
Surplus/Defict for the year	13	(58,971,693.60)	42,285,458.19
Prior year adjustments	14	-	20,016.00
NET LIABILITIES		12,766,040.79	71,737,734.19

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Jomvu -NG-CDF financial statements were approved on 22/6/ 2018 and signed by:



Chairman - NG-CDFC



Fund Account Manager


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- JOMVU
CONSTITUENCY**

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

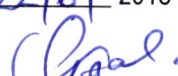
VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	85,041,826.00	91,013,981.00
Other Receipts	3	84,000.00	93,000.00
		85,125,826.00	91,106,981.00
Payments for operating expenses			
Compensation of Employees	4	2,439,951.00	1,691,771.00
Use of goods and services	5	6,026,374.00	4,214,501.81
Transfers to Other Government Units	6	59,500,000.00	7,900,000.00
Other grants and transfers	7	75,052,811.00	34,995,234.00
Acquisition of Assets	8	343,585.00	
Other Payments	9	734,798.60	-
		144,097,519.60	48,801,506.81
Adjusted for:			
Adjustments during the year	14		20,016.00
Net cash flow from operating activities		(58,971,693.60)	42,285,458.19
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(58,971,693.60)	42,285,458.19
Cash and cash equivalent at BEGINNING of the year	13	71,737,734.19	29,452,276.00
Cash and cash equivalent at END of the year		12,766,040.79	71,737,734.19

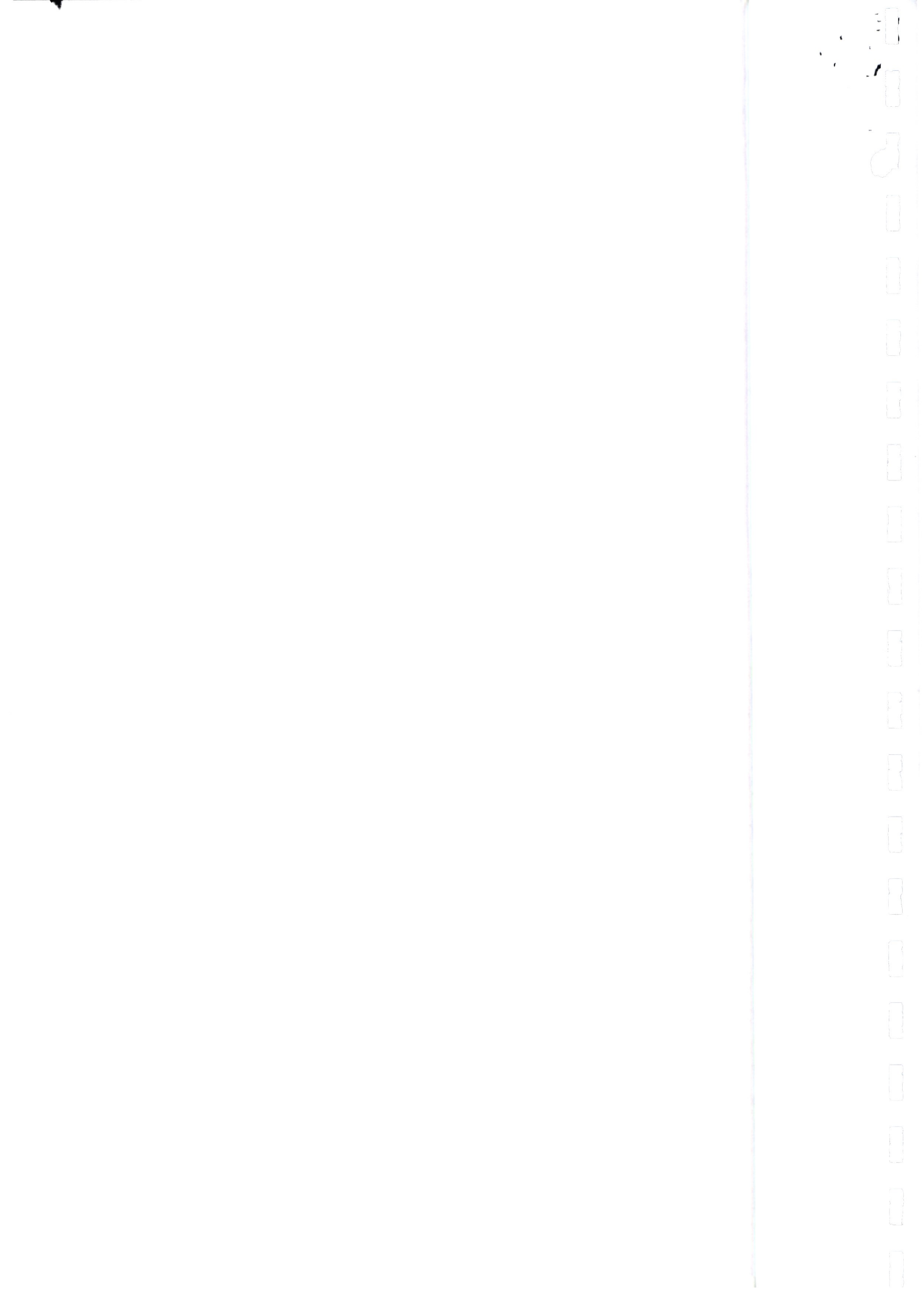
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Jomvu- NG-CDF financial statements were approved on 22/6/ 2018 and signed by:



Chairman NG-CDFC



Fund Account Manager



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –JOMVU 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 a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552.00	71,737,740.19	164,795,510.19	84,957,826.00	79,837,684.19	52%
		0	0	84,000.00	0	
TOTAL	81,896,552.00	71,737,740.19	153,634,286.19	85,041,826.00	79,837,684.19	
PAYMENTS						
Compensation of Employees	2,434,000.00	651,711.00	3,085,711.00	2,439,951.00	645,760.00	79%
Use of goods and services	4,936,689.06	6,112,474.08	11,049,163.14	6,026,374.00	5,022,789.14	55%
Transfers to Other Government Units	33,100,000.00	31,200,000.00	64,300,000.00	59,500,000.00	4,800,000.00	93%
Other grants and transfers	41,425,862.94	26,373,549.11	67,799,412.05	75,052,811.00	-7,253,398.95	111%
Acquisition of Assets	0	6,900,000.00	6,900,000.00	343,585.00	6,556,415.00	5%
Other Payments	0	500,000.00	500,000.00	734,798	-234,798.00	147%
TOTAL	81,896,552.00	71,737,734.19	153,634,286.19	144,097,519.00	9,536,767.19	

- i. Underutilization of funds is due to delay of receipt of funds from NG-CDF Board
- ii. Underutilization was also caused by some projects being re-allocated to under projects hence lying idle in the account.
- iii. Underutilization was also caused by long procurement procedures
- iv. Overutilization was caused by funds from the previous financial years

The JOMVU NG-CDF financial statements were approved on 22/6/ 2018 and signed by:



Chairman NG-CDF



Fund Account Manager



VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the fund. 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 fund.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the fund 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 fund includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – JOMVU
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 fund 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 fund'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 fund's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

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

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

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Normal Allocation	AIE NO. A829567	4,094,828.00	35,599,981.00
	AIE NO. A855611	43,009,499.00	10,000,000.00
	AIE NO. A839656	36,853,499.00	38,000,000.00
			7,400,000.00
Other receipts	-		14,000.00
(Other Constituency e.g. parent constituency)		1,000,000.00	
TOTAL		84,957,826.00	91,013,981.00

2. OTHER RECEIPTS

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Sale of tender documents		84,000.00	93,000.00
Other Receipts Not Classified Elsewhere (specify)		-	-
Total		84,000.00	93,000.00

4. COMPENSATION OF EMPLOYEES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
Basic wages of contractual employees		1,883,377.00	1,644,567.00
Basic wages of casual labour		-	-
Personal allowances paid as part of salary		-	-
House allowance		-	-
Transport allowance		-	-

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

Reports and Financial Statements

For the year ended June 30, 2017

Leave allowance			
Employer contribution to NSSF			
gratuity		556,574.00	47,204.00
Total		2,439,951.00	1,691,771.00

5. USE OF GOODS AND SERVICES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	298,649.00	146,858.00
Office rent	595,000.00	280,000.00
Communication, supplies and services	88,310.00	140,724.00
Domestic travel and subsistence	282,400.00	120,000.00
Printing, advertising and information supplies & services	365,548.00	148,331.00
Rentals of produced assets		-
Training expenses	1,305,100.00	-
Hospitality supplies and services	243,076.00	56,195.00
Other Committee expenses	899,500.00	
Committee allowances	1,570,050.00	80,910.81
Specialized material and services	12,760.00	
Office and general supplies and services	165,981.00	92,256.00
Other operating expenses	200,000.00	102,543.00
Total	6,026,374.00	4,214,502.00

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	47,500,000.00	3,400,000.00
Transfers to secondary schools	12,000,000.00	4,500,000.00
TOTAL	59,500,000.00	7,900,000.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	23,188,000.00	8,968,000.00
Bursary -Tertiary		6,612,000.00

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

Reports and Financial Statements

For the year ended June 30, 2017

		12,999,000.00	
Bursary-Driving school		560,000.00	-
Mocks & CAT		-	-
water		1,950,000.00	7,700,000.00
Health		400,000.00	1000,000.00
Electricity projects		15,000,000.00	3,850,000.00
Others—Social hall		6,550,000.00	2,000,000.00
Roads		-	3,602,922.00
Sports		2,251,766.00	1,262,312.00
Environment project		1,500,000.00	
Emergency Projects (specify)		10,654,045.00	-
Total		75,052,811.00	34,995,234.00

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

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2016 - 2017	2015 - 2016
		Kshs	Kshs
Purchase of Office furniture and fittings		-	
Purchase of computers ,printers and other IT equipments		343,585.00	-
Total		343,585.00	

9. OTHER PAYMENTS

Non Financial Assets		2016 - 2017	2015 - 2016
		Kshs	Kshs
Cash book under cast		734,798.60	
Total		734,798.60	

10. A Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency		2016 - 2017	2015 - 2016
	Account Number	Kshs (30/6/2017)	Kshs (30/6/2015)
<i>Equity Bank Changamwe Branch Mombasa</i>	1200261736417	12,766,040.79	71,737,734.19
Total		12,766,040.79	71,737,734.19

11. BALANCES BROUGHT FORWARD CASH IN HAND

		2016 - 2017	2015 - 2016
Fund balance b/fwd 1st July...		71,737,734.19	29,452,276.00
Total		71,737,734.19	29,452,276.00

12. SURPLUS/DEFICT FOR THE YEAR

		2016 - 2017	2015 - 2016
Surplus/Deficit for the year		(58,971,693.60)	42,305,474.19
Total		(58,971,693.60)	42,305,474.19

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

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

13. BALANCES BROUGHT FORWARD

		2016 - 2017	2015 - 2016
		Kshs (1/7/2017)	Kshs (1/7/2014)
Bank accounts		12,766,040.79	71,737,734.19
Cash in hand		-	-
Imprest			
Total		12,766,040.79	71,737,734.19

14. PRIOR YEAR ADJUSTMENTS

		2016 - 2017	2015 - 2016
		Kshs	Kshs
Bank accounts			
Cash book reversal entries			20,016.00
Imprest		-	-
		-	-
Total			20,016.00

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

Reports and Financial Statements

For the year ended June 30, 2017

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLES (See Annex 1)

		2016 - 2017	2015 - 2016
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services (Driving School)			
TOTAL			

15.2: PENDING STAFF PAYABLES (See Annex 2)

		2016 - 2017	2015 - 2016
		Kshs	Kshs
Senior management		-	-
Middle management			-
Unionisable employees		-	-
Others (specify)		-	-
			-

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2,015	Outstanding Balance 2,014	Comments
Supply of services		b	c	d=a-c		
Sub-Total						
Grand Total						

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2015	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to other grants and other transfers							
Sub-Total							
Sub-Total							
Grand Total							



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Buildings and structures		
Transport equipment		
ICT Equipment, Software and Other ICT Assets	343,585.00	
Office furniture & fittings		
Other Machinery and Equipment		
Total	343,585.00	

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

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
ST. Mary's Bangladesh primary school	EQUITY	1200260380242	2,000,502	
Jomvu Kuu Road CDF Project	EQUITY	1200264119522	26,215	
Jomvu Model Health Centre	EQUITY	1200263723355	1,654,726	
Bangladesh CDF Project	EQUITY	1200263673503	-24	
Kwashee Primary School CDF	EQUITY	1200260607219	2,800,005	
Mreroni Primary School	EQUITY	1200299864387	4,204,880	
KopaKopa Borehole CDF Project	EQUITY	1200264424912	254,725	
Kwa Jomvu Primary CDF Project	EQUITY	1200262543884	2,917,317	
Miritini World Bank Primary School CDF	EQUITY	1200298315560	2,873,389	
Kwashee Borehole CDF Project	EQUITY	1200264210032	4,615	
Kasarani CDF Project –Streetlights	EQUITY	1200262717227	-40	
Mtaa Wa Waswahili Borehole Project	EQUITY	1200199099889	283	
Kwa Punda Borehole CDF project	EQUITY	1200264312355	210,190	
Jitengeni CDF Project –Borehole	EQUITY	1200263941909	149,505	
Runyu CDF Borehole Project	EQUITY	1200264375165	1,420	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - JOMVU CONSULTANCY

Reports and Financial Statements

For the year ended June 30, 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Ganahola Kwa Kenga Borehole CDF Project	EQUITY	1200265097908	204,835	
Kwa Jomvu Primary School	EQUITY	1200298601742	2,917,317	
Jitengeni Borehole CDF Project	EQUITY	1200265138553	16,403	
Funga Shati Well CDF Project	EQUITY	1200262765769	649,525	
Kwashee Cattle Dip	EQUITY	1200260403859	999,515	
Jomvu Kuu Clinic CDF Project	EQUITY	1200264055056	466,027	
Owino Uhuru Streetlights CDF Project	EQUITY	1200264313692	51,670	
Mkupe Borehole CDF Project	EQUITY	1200264371850	4,615	
Kwashee CDF Project-Social Hall	EQUITY	1200262752016	221,245	
Jomvu Kuu Social Hall	EQUITY	1200299979826	587	
Chamunyu A Borehole CDF Project	EQUITY	1200264379640	14,005	
Aldina Borehole CDF Project	EQUITY	1200265041312	9,560	
Jitengeni Streetlight CDF Project	EQUITY	1200265864794	15,000	
Jomvu Girls Secondary School	EQUITY	1200260559991	1,906,393	
Kwashee Primary School	EQUITY	1200260607219	2,800,005	
Miritini Secondary School	EQUITY	1200298330677	356,569.67	
Jomvu kuu Road CDF Project	EQUITY	1200264119522	26,215	
Miritini Primary School	EQUITY	1200264111866	2,809,971	

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

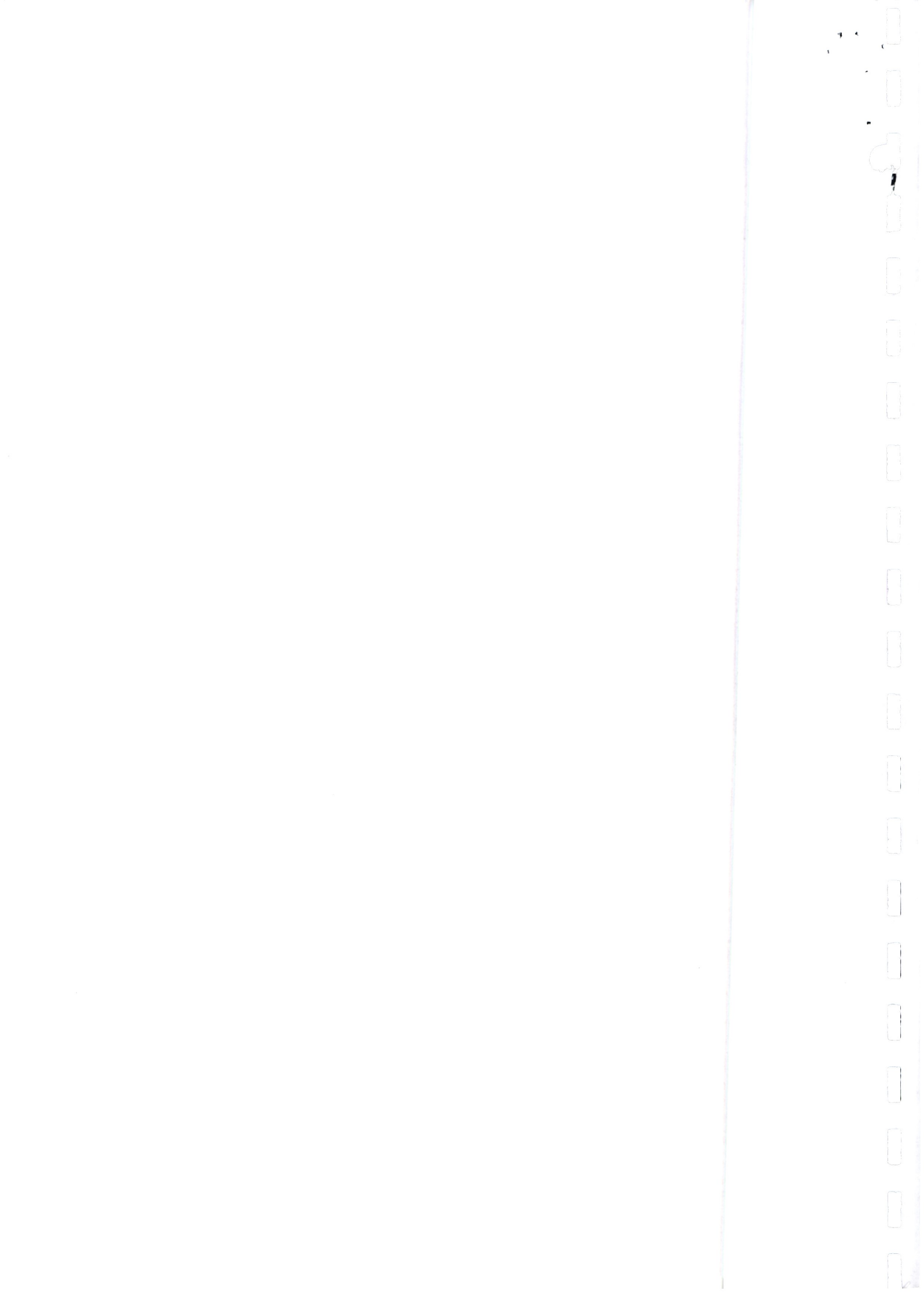
PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Kopakopa CDF Project	EQUITY	1200264424912	254,725	
Jomvu Kuu Clinic	EQUITY	1200264055056	466,027	
Kwa Punda Borehole	EQUITY	1200264312355	210,190	
Mikindani Streetlights	EQUITY	1200262612544	485	
Chamunyu Borehole	EQUITY	1200264379460	14,005	
Jitengeni CDF Project-Borehole	EQUITY	1200263941909	149,505	
Streetlights in the constituency Ng-CDF Projects	EQUITY	1200270913458	14,999,515	
Mikindani Youth Resource Centre Project	EQUITY	1200266901459	2,999,441	
Jomvu NG-CDF Sports Activity Project	EQUITY	1200271386028	1,846	
NG-CDF Furniture for Social Hall Project	EQUITY	1200271332817	45	
Jomvu NG-CDF Mikindani Chief Office Septic Tank Project	EQUITY	1200271401008	549,515	
Kwa Mwanzia Borehole	EQUITY	1200272972869	650,000	
Kwa Zera Borehole	EQUITY	1200272475295	588,883	
TOTAL			51,451,348	



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)
ADL/72/15 /16/(6)	<i>1.1: Under-Expenditure of Ksh:42,766,831</i>	<i>This was due to the legal matters which lead to the delays as you were aware that parliament was petitioned to change the learning and management of the fund hence NG CDF today.</i>	<i>Legal expertise</i>	<i>Resolved</i>	<i>2-6 months.</i>
	<i>2.1:Drilling of Boreholes at Chamunyu Area.</i>	<i>The water levels in the area was noted to be lower hence more funds and new methods needed to be applied to reach the required depth.</i>	<i>CDF Members</i>	<i>Not resolved</i>	<i>5 months</i>
	<i>2.2: Sameta streetlights not working</i>	<i>Once the project is complete we as NG-CDF we hand it over to the county Government for maintenance, However we are in constant communication with the office concern to solve the issue.</i>	<i>Clerk of works</i>	<i>On progress</i>	<i>3 months</i>



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)

