


REPUBLIC OF KENYA



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REPORT	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 DEC 2018	DAY: Tuesday
TABLED BY: <i>Head of the Majority Party</i>	OF THE AUDITOR-GENERAL
CLERK-AT-THE-TABLE: <i>[Signature]</i>	

ON

THE FINANCIAL STATEMENTS OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND OTHAYA CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE 2017

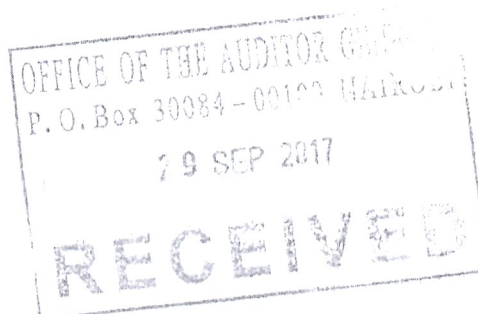


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
OTHAYA CONSTITUENCY

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

Table of Content		Page
I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT	
II.	FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC).....	
III.	STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES	
IV.	STATEMENT OF RECEIPTS AND PAYMENTS.....	
V.	STATEMENT OF ASSETS	
VI.	STATEMENT OF CASHFLOW	
VII.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	2
VIII.	SIGNIFICANT ACCOUNTING POLICIES	2
IX.	NOTES TO THE FINANCIAL STATEMENTS.....	2

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- OTHAYA
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Development Fund (CDF)* was established under the Constituency Development Fund (CDF) Act, 2003 amended in 2007 and repealed by the CDF Act, 2013. In 2015 the CDF Act of 2013 was declared unconstitutional and new act was enacted in 2015 being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015 The National Government *Constituencies Development Fund* 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 *Othaya 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	Jessi Mathu
3.	Accountant	Levin Limo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 85
Othaya
Othaya NG-CDF office,
Othaya, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- OTHAYA
CONSTITUENCY**

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

(f) Othaya NG-CDF Contacts

Telephone: (254) 725758965
E-mail: othaya@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) Othaya NG-CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Othaya Branch

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNEMENT CONSTITUENCY DEVELOPMENT FUND- OTHIAYA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

It is my great pleasure to present the annual report and financial statement prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standard (IPSAS) for the financial year ended 30th June, 2017.

The overall budget performance stands as 98.5%. This is great Improvement from last year performance of 57.9%. This was as result of receiving almost all the budgeted allocation from the NG-CDFB with a balance of Kshs. 2,300,000 owing from the NG-CDF Board. We have managed to implement and complete several infrastructural projects covering education, security. Interior and National Government Coordination ministry. In addition emergencies from the community have also been sorted out.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the delayed approving of reallocations and delayed implementation by the Project management committee once the funds have been disbursed to their accounts.

The NG-CDF is planning to intensify PMC capacity building and carrying out intensive monitoring and evaluation and several project visits to ensure any emerging challenge is sorted out with the shortest time possible. In addition the NG-CDFC will adder take ensure all funds disbursed have been accounted for by putting up system to submit back all the projects expenditure returns.

Sign..... 

Name..... Frederick G. Mureithi

CHAIRMAN NG-CDFC

18 AUG 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- OTHAYA
CONSTITUENCY**

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

III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Othaya National Government Constituency Development Fund is responsible for the preparation and presentation of the Othaya NG-CDF 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 each financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NG-CDF; (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2016, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

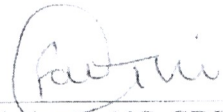
The Accounting Officer in charge of the NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable) and that the NG-CDF's funds received during the year under audit were used for the eligible purposes for which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

Approval of the financial statements

The NG-CDF's financial statements were approved and signed by the Accounting Officer on 18/08/2017 2017.



Fund Account Manager



Chairman NG-CDFC

18 AUG 2017

REPUBLIC OF KENYA

Telephone: +254-20-342330
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NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - OTHAYA 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 - Othaya Constituency set out on pages 5 to 30, 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 - Othaya 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, I confirm that, except for the matters described in the Basis for Qualified Opinion and Other Matter section of my report, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Bank balances-Opening Balance variance

The statement of assets reflects cash and bank balances of Kshs.9,290,501 and Kshs.853,818 and as at 30 June 2016 and 2017 respectively. However, the closing balance of Kshs.9,290,501 is at variance with the figure of Kshs.10,276,503 as indicated in the opening cash book balance as at 1 July 2017 resulting in unexplained or reconciled difference of Kshs.985,999. Consequently, the validity and accuracy of the bank balances as at 30 June 2017 could not be confirmed.

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

2. Transfer to Other Government Entities-Unsupported payments

Included in the transfer to other Government entities balance of Kshs.64,293,686 are payments amounting to Kshs.11,700,000 spent on various activities during the year under review. However, no expenditure returns such as bill of quantities, tender opening, evaluation minutes and contract agreement were made available for audit review as follows:

Project Name	PV. No	Date	Activity	Amount-Kshs.
Gatuyaini primary School	0018	28/10/2016	Construction of classroom	3,200,000
Gatuyaini Primary School	0067	24/10/2016	Construction of classroom	500,000
Gatuyaini KMTC	106	26/01/2017	Purchase of bed and beddings	3,000,000
Othaya Social Hall	120	06/02/2017	Purchase of furniture	1,200,000
Othaya Social Hall	150	25/02/2017	Purchase of furniture	1,800,000
Total				9,700,000

Further, an amount of Kshs.3,000,000 paid to Gatuyaini KMTC was reallocated from Gatuyaini primary school without the NGCDF Board's approval. In the circumstances, the regularity of the expenditure of Kshs.9,700,000 for the year ended 30 June 2017 could not be confirmed.

3. Unsupported Bursary

Note 7 to the financial statements for the year ended 30 June 2017 reflects other grants and transfers balance of Kshs.65,605,885 which includes expenditure of Kshs.14,792,575, Kshs.14,843,000 and Kshs.190,000 for bursary-secondary schools, bursary-tertiary institutions and bursary-special schools respectively totaling Kshs.29,825,575 which was awarded to various beneficiaries in learning institutions as bursaries to needy students. However, out of the total disbursements, acknowledgement letters/receipts from institutions who received the bursary awards totaling Kshs.28,239,104 were not provided for audit verification to confirm the bursaries was received and accounted for. Consequently, it has not been possible to ascertain whether the bursary of Kshs.29,825,575 during the year ended 30 June 2017 reached the intended beneficiaries and was properly accounted for.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Othaya 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, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Project Verification

Included in the other grant and other expenditures of Kshs.65,605,886 is an amount of Kshs.6,300,000 spent on various security projects during the year. However, examination of records and physical inspection of the projects revealed unsatisfactory findings as detailed below:

Project	Activity	Amount-Kshs.	Audit Findings
Iria-ini Chiefs Office	Construction of Kitchen and social hall	1,000,000	Incomplete project despite the funds being released as per the B.O.Q
Gikoe Assistant Chief Post	Construction of toilet and purchase furniture	1,300,000	Lack of supporting documents
Gatuyaini AP Post	Construction of AP post	1,000,000	Incomplete projects despite the release of full amount by the NGCDF as per the BOQ.
Kianganda Assistant Chief Office	Construction of Assistant Chief Office including toilet block	1,000,000	Incomplete project despite full release of funds by the CDF as per the B.O.Q
Karuthi AP Police	Plastering, painting and other finishing	1,000,000	Incomplete project despite full release of funds by the CDF as per the B.O.Q
Kiruga Police Post	Completion of police post	1,000,000	Non-operationalization of the project despite completion
Total		6,300,000	

Consequently, the regularity of the security expenditure of Kshs6,300,000 for the year ended 30 June 2017 could not be confirmed.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

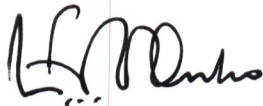
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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



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

Nairobi

06 November 2018

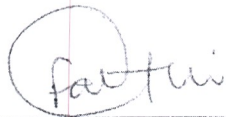
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- OTHAYA
CONSTITUENCY

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

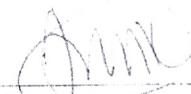
	Note	2016 - 2017 Kshs	2015 - 2016
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	133,264,100.70	49,000,000
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		133,264,100.70	49,000,000
PAYMENTS			
Compensation of employees	4	1,717,574.10	1,574,44
Use of goods and services	5	11,069,638.64	5,284,7
Transfers to Other Government Units	6	64,293,686.00	33,056,31
Other grants and transfers	7	65,605,885.60	46,801,32
Acquisition of Assets	8	-	
Other Payments	9	-	
TOTAL PAYMENTS		142,686,784.34	86,716,80
SURPLUS/DEFICIT		(9,422,683.64)	(37,716,80

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Othaya NG-CDF financial statements were approved on 18/08/2017 2017 and signed by:



Chairman – NG-CDFC

18 AUG 2017




Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- OTHAYA
 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	853,818.05	9,290,501.69
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	658,921.00
TOTAL FINANCIAL ASSETS		853,818.05	9,949,422.69
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	9,290,501.69	46,992,304.3
Surplus/Defict for the year		(9,422,683.64)	(37,716,800.70)
Prior year adjustments	14	986,000.00	673,919.0
NET LIABILITIES		853,818.05	9,949,422.69

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Othaya NG CDF financial statements were approved on 18/08/2017 and signed by:


 Chairman – NG-CDFC


 Fund Account Manager

18 AUG 2017

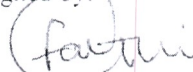
**NATIONAL GOVERNEMENT CONSTITUENCY DEVELOPMENT FUND- OTHAYA
CONSTITUENCY**

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

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from NG-CDF Board	1	133,264,100.70	49,000,000.00
Other Receipts	3	-	
		133,264,100.70	
Payments for operating expenses			
Compensation of Employees	4	1,717,574.10	1,574,447.20
Use of goods and services	5	11,069,638.64	5,284,710.50
Transfers to Other Government Units	6	64,293,686.00	33,056,314.00
Other grants and transfers	7	65,605,885.60	46,801,329.00
Other Payments	9	-	
		142,686,784.34	86,716,800.70
Adjusted for:			
Adjustments during the year	14	986,000.00	673,910.00
Net cash flow from operating activities		(8,436,683.64)	(37,042,881.70)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	9	-	
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(8,436,683.64)	(37,042,881.70)
Cash and cash equivalent at BEGINNING of the year	13	9,290,501.69	46,992,304.39
Cash and cash equivalent at END of the year		853,818.05	9,949,422.69

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Othaya NG-CDF financial statements were approved on 18/8/17 2017 and signed by:


Chairman NG-CDFC


Fund Account Manager

18 AUG 2017

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

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

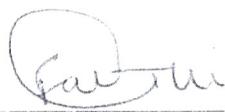
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND
DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% Utilis
	a	b	c=a+b	d	e=c-d	f=d
RECEIPTS						
Transfers from NG-CDF Board	81,896,551.70	62,958,050.69	144,854,602.39	142,554,602.39	2,300,000.00	98
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	81,896,551.70	62,958,050.69	144,854,602.39	142,554,602.39	2,300,000.00	98
PAYMENTS						
Compensation of Employees	2,100,000.00	792,019.69	2,892,019.69	1,717,574.10	1,174,445.59	59
Use of goods and services	5,270,689.00	6,389,582.00	11,660,271.00	11,069,638.64	590,632.36	94
Transfers to Other Government Units	33,900,000.00	30,468,686.00	64,368,686.00	64,293,686.00	75,000.00	99
Other grants and transfers	40,625,862.70	25,307,763.00	65,933,625.70	65,605,885.60	327,740.10	99
Acquisition of Assets				-	-	
Other Payments				-	-	
TOTAL	81,896,551.70	62,958,050.69	144,854,602.39	142,686,784.34	2,167,818.05	98

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

The Othaya NG-CDF financial statements were approved on 18/5/17 2017 and signed by:


Chairman NG-CDFC


Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
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 *NG-CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
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 *NG-CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *NG-CDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *NG-CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
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
1330407	Normal Allocation			
	AIE NO. A825887		45,967,549.00	
	AIE NO. A829948		4,094,827.60	
	AIE NO. A855077		36,853,449.00	
	AIE NO. A855193		3,200,000.00	
	AIE NO. A855203		4,000,000.00	
	AIE NO. A855633		39,148,275.10	
	AIE NO A820637			10,000,000.00
	AIE NO A820779			29,000,000.00
				10,000,000.00
1330408	Conditional grants			
		AIE NO...		
1330409	Receipt from other Constituency	AIE NO...		
	TOTAL		133,264,100.70	49,000,000.00

2. PROCEEDS FROM SALE OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2016- 2017	2014 - 2015
	Kshs	Kshs
Interest Received	xxx	x
Rents	xxx	x
Receipts from Sale of tender documents	xxx	x
Other Receipts Not Classified Elsewhere	xxx	x
Total	xxx	x

4. COMPENSATION OF EMPLOYEES

2110000	4 COMPENSATION OF EMPLOYEES		
	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2110201	Basic wages of contractual employees	772,644.10	779,574.20
2110202	Basic wages of casual labour	56,000.00	189,903.
	Personal allowances paid as part of salary		
2110301	House allowance	175,000.00	182,000.00
2110314	Transport allowance	250,000.00	260,000.
2110320	Leave allowance		
2110326	Other personnel payments	25,000.00	26,000.
2120101	Employer contribution to NSSF	10,000.00	20,800.00
2710120	gratuity	428,930.00	116,170.
	Total	1,717,574.10	1,574,447.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

2200000	5 USE OF GOODS AND SERVICES			
	Description		2016 – 2017 Kshs	2015 - 2 Kshs
2210100	Utilities, supplies and services		439,502.00	375,578
2210104	Office rent			
2210200	Communication, supplies and services		112,000.00	110,000
2210300	Domestic travel and subsistence		853,400.00	134,400
2210500	Printing, advertising and information supplies & services			
2210600	Rentals of produced assets			
2210700	Training expenses		1,907,900.00	1,054,905
2210800	Hospitality supplies and services		256,500.00	277,470
2210802	Other committee expenses		476,500.00	271,600
2210809	Committee allowance		4,773,000.00	1,897,000
2210900	Insurance costs			
2211000	Specialized materials and services			
2211100	Office and general supplies and services		1,377,940.00	1,016,957
2211200	Fuel ,oil & lubricants		500,000.00	126,000
2211300	Other operating expenses		68,336.64	
2220100	Routine maintenance – vehicles and other transport equipment		185,300.00	20,800
2220200	Routine maintenance – other assets		119,260.00	
	Total		11,069,638.64	5,284,710

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

2630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES		
	Description		2015 - 2016
		Kshs	Kshs
2630204	Transfers to primary schools	23,700,000.00	9,100,000.00
2630205	Transfers to secondary schools	31,393,686.00	10,556,314.00
2630206	Transfers to Tertiary institutions	9,200,000.00	2,500,000.00
2630207	Transfers to Health institutions		10,900,000.00
	TOTAL	64,293,686.00	33,056,314.00

7. OTHER GRANTS AND OTHER PAYMENTS

2640000	7 OTHER GRANTS AND OTHER PAYMENTS		
	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2640101	Bursary -Secondary	14,792,575.00	13,384,269.00
2640102	Bursary -Tertiary	14,843,000.00	5,720,000.00
2640104	Bursary-Special schools	190,000.00	
2640105	Mocks & CAT		
2640504	water		600,000.00
2640505	Agriculture (food security)		
2640506	Electricity projects		
2640507	Security	24,550,000.00	3,950,000.00
2640508	Roads		1,000,000.00
2640509	Sports	3,592,310.60	
2640510	Other capital grants and transfer	3,238,000.00	12,965,380.00
2640200	Emergency Projects (specify)	4,400,000.00	9,181,680.00
	Total	65,605,885.60	46,801,329.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

Specify	2016 - 2017	2015 - 2016
	Kshs	Kshs
	xxx	xx

10A: Bank Accounts (cash book bank balance)

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2016 - 2017 Kshs (30/6/2017)	2015 - 2016 Kshs (30/6/2016)
KCB Othaya Branch	1101548487	853,818.05	9,290,501.60
Total		853,818.05	9,290,501.60

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
Total				xxx

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – OTHAYA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12 RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

13 BALANCES BROUGHT FORWARD			
		2016 - 2017 Kshs (1/7/2016)	2015 - 2016 Kshs (1/7/2015)
Bank accounts		9,290,501.69	46,992,304.39
Cash in hand		-	-
Imprest			-
Total		9,290,501.69	46,992,304.39

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

PRIOR YEAR ADJUSTMENTS			
		2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts		986,000.00	14,998.00
Cash in hand		-	-
Imprest		-	658,921.00
Total		986,000.00	673,919.00

The adjustments refers to cancelled and reversed stale cheques in the cashbook

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ...
 CONSTITUENCY

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016 Kshs	2014 - 2015 Kshs
Construction of buildings	xxx	x
Construction of civil works	xxx	x
Supply of goods	xxx	x
Supply of services	xxx	x
	xxx	x

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

15.4: PMC account balances (See Annex 5)

	2016 - 2017 Kshs	2015 - 2016
PMC account Balances (see attached list)	127,683.90	17,641,
	127,683.90	17,641,

15.5: Amount owing from the NGCDF board

	2016 - 2017 Kshs	2016-2017 Kshs.
	2,300,000.00	50,192,

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Middle Management		Sub-Total					
4.							
5.							
6.							
Unionisable Employees		Sub-Total					
7.							
8.							
9.							
Others (specify)		Sub-Total					
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
 CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs'000)

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstand Balance 2016 d=a-c
Amounts due to other Government entities					
1.					
2.					
3.					
	Sub-Total				
Amounts due to other grants and other transfers					
4.					
5.					
6.					
	Sub-Total				
	Sub-Total				
Others (specify)					
7.					
8.					
9.					
	Sub-Total				
	Grand Total				

*NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY*

Reports and Financial Statements

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2017/16	Historical Cost (Kshs) 2015/16
Land	N/A	N/A
Buildings and structures	35,000,000	35,000,000
Transport equipment	3,502,562	3,502,562
Office equipment, furniture and fittings	1,350,000	1,350,000
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment	53,200/=	53,200
Heritage and cultural assets	N/A	N/A
Intangible assets	N/A	N/A
Total	39,905,762	39,905,762

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

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

	PROJECT NAME	ACCOUNT NUMBER	BALANCE AS AT 30TH JUNE 2016	BALANCE AS AT 30TH JUNE 2017
1	Iri - aini Girls Secondary	80262303404	9,560.00	12,18
2	Birithia Girls secondary school	80293432965	3,471.00	12,53
3	Birithia Primary School	80292869100	55,154.00	24
4	Chinga Community library	80101531999	130,254.25	31
5	Chinga Milk Store	80199345474	108,124.45	12
6	Chinga NW chiefs office	80262546237	44,742.00	500,63
7	Chinga police station	80193769623	633.90	24
8	Gakuyu Secondary school	80294971593	3,928.00	974,65
9	Gathanji Primary	80262303463	824.70	200,824.
10	Gathera AP camp	80270331354	Nil	11
11	Gathera Sec School	80270641982	Nil	46
12	Gathumbi primary school	80266106398	130.00	13
13	gathumbi Secondary school	80190310404	8,417.90	60,6
14	Gatugi AP camp	80262290780	2,405.00	3,28
15	Gatugi Chiefs office	80266104964	4,500.00	4,50
16	Gatugi girls secondary school	80271508966	0.00	1,599,0
17	Gatugi Mixed secondary school	80261934492	260.00	60,8
18	Gatugi primary school	80262305595	70.00	99,3
19	Gaturuturu Assistant chiefs office	80270642654	Nil	4,8
20	Gaturuturu primary school	80262304404	45.00	(
21	Gatuyaini AP post	80270331194	Nil	3
22	Gatuyaini Asst chiefs office	80264126325	Nil	6
23	Gatuyaini KMTc Dormitories	80271508925	Nil	1
24	Gatuyaini primary School	80101532059	1,706.65	1,
25	Giathenge AP camp	80268015307	220,738.00	48
26	Giathenge chiefs office	80265383307	600.00	(
27	Gichami Primary School	80270645054	Nil	
28	Gichiche Assistant chiefs office	80270642999	Nil	1,
29	Gichiche primary school	80292813724	697.50	
30	Gikoe Assistant chiefs office	80266110904	16,430.00	500,
31	Gikurwe primary school	80101531912	611.30	1,025
32	Gitugi AP post	80270331257	Nil	954
33	Gitugi Assistant chiefs office	80262303354	80.00	
34	Gitugi mixed Secondary school	80261933712	1,472.50	1
35	Gituiga Primary school	80298660668	1,889.50	2
36	Gitundu Chiefs office	80270642105	Nil	569

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY**

Reports and Financial Statements

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

37	Gitundu Primary	80262303422	121,980.00	150.00
38	Gitundu Secondary school	80293662173	477.75	662.75
39	Gura primary school	80101532097	-	-
40	Ihuririo AP post	80266105563	975.00	500,975.00
41	Ihuririo Dispensary	80191052195	465,452.30	330.80
42	Ihuririo Primary	80262303433	0.00	500,000.00
43	Iriaini Chiefs office	80270331303	Nil	220.30
44	Iriaini Girls secondary school	80262303404	9,560.00	12,182.00
45	Iriaini primary school	80266105342	40,030.00	2,550.00
46	Iriaini South Chiefs office	80273346933	Nil	300,000.00
47	Irindi community center	80266081154	705.00	705.00
48	Irindi primary school	80263306149	5,755.00	261,195.00
49	Irindi Secondary school	80293596903	849.00	1,001,399.00
50	Itemeini Assistant chiefs office	80190079590	66,169.95	1,300,839.95
51	Kabebero secondary school	80263297179	5.00	24,175.00
52	Kagere Police post	80262303413	983.00	600,983.00
53	Kagere primary school	80295559802	0.00	200,000.00
54	Kagicha dispensary	80266107629	465.00	465.00
55	Kagongo Primary school	80292812857	1,855.00	1,920.00
56	Kagonye primary school	80193047156	451.50	451.50
57	Kagonye secondary school	80190944822	9,316.85	9,316.85
58	Kagumo mixed day secondary school	80192127433	840.90	-
59	Kagumo primary school	80299334085	14,220.00	1,000,195.00
60	Kairia primary school	80263306058	20.30	820.30
61	Kairuthi AP post	80261943653	151.50	500,151.50
62	Kairuthi Secondary school	80294127275	92,530.00	400.00
63	Kamoko Primary school	80193637109	(143.80)	(51.40)
64	Kariko Dispensary	80263312405	67,311.00	146.00
65	Kariko primary school	80262303474	100.50	685.50
66	Kariko secondarySchool	80190850139	2,157.50	2,157.50
67	Karima Boys High School	80262274268	27,912.50	27,912.50
68	Karima mixed secondary school	80262290787	16,034.75	10,989.75
69	karima primary school	80261933654	2,517.50	18,112.50
70	Karuthi AP Post	80270645645	Nil	1,300,044.00
71	karuthi primary school	80292847631	39.00	875,494.00
72	Karuthi Secondary school	80190845221	121,526.70	28,566.70
73	Kenyatta high school-mahiga	80298232020	172,205.00	64,955.00
74	Kiaguthu primary school	80270642191	Nil	2,230.00
75	Kiaguthu secondary school	80190939760	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)**

76	Kiahagu Secondary school	80291409270	8,599.50	167,01
77	Kiamuya AP post	80270642151	Nil	2,04
78	Kiamuya Primary School	80270641476	Nil	18,56
79	Kiamuya Secondary School	80294951520	1,969.00	91,85
80	Kiamuya/Chinga coffe factory bridge	80262914064	0.95	
81	Kianganda Assistant Chiefs office	80270331135	Nil	1,6
82	Kigumo primary school	80263306016	785.00	5
83	Kihome Chiefs office	80270642057	Nil	1
84	Kihome dispensary	80193629473	77,918.90	
85	Kihome primary School	80190842622	966.25	2,40
86	Kihugiru Primary school	80292923046	1,010.00	1,301,0
87	Kihuri Dispensary	80190052966	622,546.05	
88	Kina Nursery	80262303345	3,195.00	3,00
89	Kina Primary school	80272770593	Nil	1,000,00
90	Kiriini primary School	80261933667	204.50	
91	Kiruga police post	80198186823	4,927.65	505,5
92	Kiyu primary school	80290930185	54,015.00	
93	Mahiga Assistant County Commissioners office	80271509320	Nil	999,5
94	Mahiga Kamoko Health center	80190307155	19,141.35	19,1
95	Miriine primary school	80292844485	176.50	1
96	Mucharage girls Secondary school	80266105144	155,895.00	2,6
97	Mucharage primary School	80190785265	0.00	65,3
98	Muirungi Primary School	80293674066	2,899.50	2,8
99	Muirungi Secondary school	80262290762	222.50	2
100	Mumbu-ini secondary school	80262304642	1,134,478.00	4
101	Mumwe primary school	80190887386	489.95	489
102	Muna - ini Primary	80262546009	482.00	(
103	Munyange Chief's Office	80262773398	20.00	500,020
104	Munyange police station	80101530719	2,330.40	654,833
105	Munyange secondary school	80261933670	2,099.50	2,099
106	Mutitu primary school	80263306002	5.00	1,000
107	Ngaru primary school	80292893322	110.00	660
108	Njigari Primary school	80263767277	(255.00)	10,860
109	Nyeri south sub county head quarters	80271509428	Nil	179,28
110	Othaya division headquarters	80271680587	Nil	500,00
111	Othaya Boys High School	80272296309	Nil	999,52
112	Othaya Chiefs Office	80264126179	195.00	
113	Othaya coffee farmers	80166504137	500,692.80	92

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY**

Reports and Financial Statements

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

114	Othaya Social hall	80101531984	144,564.95	188,574.95
115	Rukira AP post	80192940268	354.95	93,345.95
116	Rukira Dispensary	80263835630	75,610.00	25.00
117	Rukira primary school	80262305322	50.00	50.00
118	Ruruguti AP camp	80270331331	Nil	35.00
119	St Maria Gorretti Ruruguti SeC sch	80271509597	Nil	152,515.00
120	St. Marys Karuthi secondary school	80190845221	121,526.70	28,566.70
121	Stanley Mathenge youth poly	80291839552	648.00	755.50
122	Thunguri Dispensary	80263296790	1,531,713.85	1,356.85
123	Thunguri Primary	80262303449	235.00	16,565.00
124	Thuti primary school	80294360569	762.00	747.00
125	Unjiru community center	80295434422	71,052.00	1,117.00
126	Unjiru polytechnic	80199759679	28,296.85	56.85
127	Wagura primary school	80299738675	134.05	119.05
128	Witima AP line	80263295992	315.00	315.00
129	Witima Police Station	80193200755	544.00	544.00
130	Witima Primary school	80295439275	1.55	1.55
131	Witima Sec School	80260474044	751.00	751.00
	TOTALS		127,683.90	17,641,175.85

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY

Reports and Financial Statements

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

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 within which you expect issue to resolve)
1.0	Underutilization of overall budget performance	To ensure they receive their allocation within the respective year	NG CDFC	resolved	2016/17 F/Y
1.2	Overall budget performance on development projects	Ensure PMC implement their projects within the period specified	NGCDF C/PMC	resolved	2016/17 F/Y
1.3	Poor budget absorption on development projects	Projects to be completed within the specified time	PMC	resolved	2016/17 F/Y
2.1	Un disclosed imprest	The imprest to be added in the financial statements	FAM	resolved	14 day
2.2	Long outstanding reconciling items	Cancel and reverse the outstanding items and prepare a voucher to clear the bank charges	FAM	resolved	14 day
3.0	Compensation of employees lack of clerk of works	The NGCDF to budget and employ a clerk of works	NGCDF C	Not resolved	during 2017/18 bud
4.0	Fuel and lubricants	The NGCDFC to ensure they take the vehicle to government mechanical department	NGCDF C	resolved	2016/17 F/Y
5.0	Information on prior year adjustment	Provided evidence of the prior year adjustments	FAM	resolved	14 day
6.0	Administration cost on repair of vehicles	Provided documents on the repairs	FAM	resolved	14 day
7.0	Un explained difference in the summary statement of appropriation	Provided the information on the difference being allocation of un approved projects	FAM	resolved	14 day
8.0	Delayed transfer from the board	to ensure faster disbursement of project to the PMC to ensure the balance is released by the NGCDF board	NG CDFC	resolved	2016/17 F/Y
9.0	Un provided Supporting	Provided the AIE for the un	FAM	resolved	14 day

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
CONSTITUENCY

Reports and Financial Statements

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

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designa tion)	Status: (Resolved / Not Resolved)	Timefra e: (Put a date wh you expect t issue to resolvec
	documents for receipt	supported allocation of 10 million			
10.0	Irregular procurement method in the construction of proposed MPH at Kiahagu secondary school	Provided the documents to support the procurement process of the project services and goods	PMC	resolved	14 days
11.0	Installation of lightening arrestors at Kairia primary school	Provided documents to support the procurement of project services and goods	PMC	resolved	14 days
12.0	Irregular procurement method in award of tender for the construction of MPH and structural defects in the project at Kariko secondary school	provided documents to support the procurement process and MOPW report to explain the defects	PMC	resolved	14 days
13.0	Excessive and irregular expenditure in the construction of 3 classrooms in Gikurwe primary school	Provided documents to support the excessive expenditure from the MOPW	PMC	resolved	14 days
14.0	Un approved reallocation of activity at Kiaguthu primary school	The request for reallocation sent to the NG CDF board	NG CDF Board	Not resolved	NGCDF board approve for reallocation for action
15.0	Un utilized project funds for othaya social hall	Request for reallocation sent to the NG CDF Board	NG CDF board	Not resolved	NG CDF Board approve
16.0	Complete but not in use Karuthi dispensary	Letter to the County government to operationalize the facility provided	NG CDFC	Not resolved	the county government to operationalize the facility
17.0	Stalled chinga community library	The NG CDFC to provide proposal to the NG CDF	NG CDFC	Not resolved	To be include

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - OTHAYA
 CONSTITUENCY

Reports and Financial Statements

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect issue to resolve)
		Board for more funding to complete the project.			in 2017/18 f/y propos