

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

PARLIAMENT  
OF KENYA  
LIBRARY


OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
KITUTU CHACHE NORTH CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017

 THE NATIONAL ASSEMBLY MEMBERS LAID	
DATE:	05 DEC 2018
	DAY: Wednesday (P.M)
TABLED BY:	Hon. Aden Duale, M.P. Leader of Majority Party
CLERK-AT THE-TABLE:	Rachel Kaini - Principal Clerk Assistant



---

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

---

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	2
II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)	4
III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES .....	5
IV. STATEMENT OF RECEIPTS AND PAYMENTS .....	6
V. STATEMENT OF ASSETS .....	7
VI. STATEMENT OF CASHFLOW .....	8
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	9
VIII. SIGNIFICANT ACCOUNTING POLICIES .....	10
IX. NOTES TO THE FINANCIAL STATEMENTS .....	12

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

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

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2009 now repealed by the CDF Act, 2015.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 to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

**(b) Key Management**

The Kitutu Chache North *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 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Edwin K. Rutto
3.	Accountant	Omae Birundu
4.		

**(d) Fiduciary Oversight Arrangements**

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

**(e) KITUTU CHACHE NORTH NG- CDF Headquarters**

Kitutu Chache North NG-CDF Office Building  
1<sup>st</sup> Floor NG-CDF Office  
P.o Box 4576-40200  
KISII.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH CONSTITUENCY**

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

---

**(f) KITUTU CHACHE NORTH NG- CDF Contacts**

Telephone: (254) 720 140 374  
E-mail: [ngcdfkitutuchachenorth@ngcdf.go.ke](mailto:ngcdfkitutuchachenorth@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) KITUTU CHACHE NORTH NG-CDF Bankers**

Co-operative Bank of Kenya  
Kisii Branch  
P.o Box 2469  
KISII, KENYA

**(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 GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH 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)**

In the financial year 2016/2017 Kitutu Chache South Constituency was allocated Ksh.81, 896,551.72. The total amount was approved for various projects as per NG-CDF Act 2015.

On appropriation the constituency utilization was above average, the constituency was able to absorb about 86 % of the total available fund this was an improvement from the previous year where the absorption rate has been low.

The constituency was able to build and renovate security in the constituency; because of this most of these projects are currently good condition.

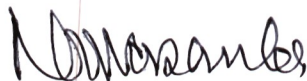
These Kitutu Chache North National Government Constituency Development Fund Committee (NGCDF) projects were implemented through Project Management Committees.

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.

The major challenge faced by the Committee was slow disbursement of fund by CDF Board which meant that some projects had to be held back thereby affecting performance and effecting utilization of funds when need. This challenge was highly felt while disbursing bursary funds because these funds are more effective when disbursed when needed and not later.

It is our hope that these challenges will be handled effectively in future through proper planning on priority areas.

*Sign*



**CHAIRMAN NG-CDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH 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 a National Government agency shall prepare financial statements in respect of that agency. 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 Kitutu Chache North National Government Constituency Development Fund is responsible for the preparation and presentation of the Kitutu Chache North NG-CDF financial statements, which give a true and fair view of the state of affairs of the Kitutu Chache North NG-CDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF; (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 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 Kitutu Chache North 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, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the Kitutu Chache North 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.

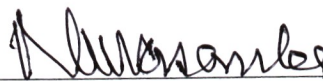
The Accounting Officer in charge of the Kitutu Chache North NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible 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 Kitutu Chache North NG-CDF's financial statements were approved and signed by the Accounting Officer on 15/09 2017.



Fund Account Manager



Chairman CDFC

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUTU CHACHE NORTH 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 - Kitutu Chache North Constituency set out on pages 6 to 32, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows, 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, the financial position of National Government Constituencies Development Fund - Kitutu Chache North 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 matter described in the Basis for Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that, 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. Cash and Cash Equivalentents

Bank balances as at 30 June 2017 amounted to Kshs.20,829,385. However, the bank reconciliation statement as at 30 June 2017 reflected a cash book balance of Kshs.15,783,015 leading to an unreconciled difference of Kshs. 5,046,369.

---

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



Further, the bank reconciliation statement included several unrepresented stale cheques totaling Kshs.2,129,499 that were issued in the financial year under review and prior years but had not been reversed in the cashbook as at 30 June 2017.

Consequently, the accuracy of cash and cash equivalents balance of Kshs.20,829,385 as at 30 June 2017 cannot be confirmed.

## **2. Payments Not Adequately Supported**

Included in the use of goods and services balance of Kshs. 8,608,829 reflected in the statement of receipts and payments for the year under review is Kshs. 1,500,000 incurred on other committee allowances out of which Kshs.940,000 was spent on various activities which were, however, not adequately supported with proper expenditure records.

Consequently, the propriety of the expenditure of Kshs. 940,000 cannot be confirmed.

## **3. Project Expenditure Returns**

The Constituency Development Committee disbursed a total of Kshs.44,229,312 being transfers to other government units in the year under review. However, disbursements totaling Kshs.1,300,000 to two primary schools and a secondary school did not tally with the expenditure schedules of Kshs.923,770 submitted for audit review. The resultant variance of Kshs.376,230 has not been reconciled or explained.

Consequently, the propriety of disbursements totaling Kshs.1,300,000 cannot 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-Kitutu Chache North 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 Matters**

#### **1.0 Budget Analysis**

Comparison of budgeted and actual expenditure balances revealed the variances detailed below:

Items	Budget Kshs.	Actual Kshs.	Variance Kshs.	Performance (%)
Compensation of Employees	2,586,150	2,528,633	57,517	98
Use of Goods and Services	7,067,539	8,608,829	(1,541,290)	122
Transfers to Other Government Units	48,650,000	44,229,312	4,420,688	91
Other Grants and Transfers	88,206,720	68,814,250	19,392,470	78
Other Payments	500,000	0	500,000	0
<b>Total</b>	<b>147,010,409</b>	<b>124,181,024</b>	<b>22,829,385</b>	<b>84</b>

As the table shows, the Fund underspent on three items namely; compensation of employees, transfers to other government units and other grants and transfers. The total amount budgeted was Kshs.147,010,409 but total amount spent was Kshs.124,181,024 leading to a variance of Kshs. 22,829,385 equivalent 84% of the budget.

In view of the under-expenditure the Fund did not achieve its budgeted goals.

## 2.0 Project Implementation Status

Seventeen (17) projects were verified during the audit in the month of June 2018 and out of which twelve (12) were found to be complete while three (3) were on-going and two (2) had stalled as shown below:

	Project	Activity	Amount Disbursed Kshs.	Status
1	Nyakeyo Primary School	Renovation of two classrooms, plastering and re-roofing & painting	400,000	Only one classroom completed.
2	Nyakeyo Secondary School	Construction of kitchen foundation, brick coursework, roofing and flooring	400,000	4 door pit latrine completed. 19 lab tables bought and all in use
3	Nyansakia PAG Mixed Secondary School	Construction of two new classrooms foundation, brick course work roofing and flooring	400,000	Flooring, fixing windows and doors not done. Ongoing project
4	Kegogi Health Centre	Completion of staff houses by plastering and painting	1,140,000	Stalled
5	Engoto Health Centre	Construction of Health Centre	300,000	Stalled.
	<b>Total</b>		<b>2,640,000</b>	

The delay in implementation of the projects has denied the constituents access to public services.

### **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 management is aware of the intention to liquidate the Fund or cease its operations or have no realistic alternative but to do so.

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

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

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

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

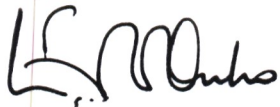
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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



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

**Nairobi**

**11 October 2018**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

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

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	144,722,377.70	59,000,000.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>144,722,377.70</b>	<b>59,000,000.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,528,633.00	2,887,000.00
Use of goods and services	5	8,608,829.20	9,312,864.00
Transfers to Other Government Units	6	44,229,312.00	10,050,000.00
Other grants and transfers	7	68,814,250.00	68,900,718.00
Acquisition of Assets	8		
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>124,181,024.20</b>	<b>91,150,582.00</b>
<b>SURPLUS/DEFICIT</b>		<b>20,541,353.50</b>	<b>32,150,582.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitutu Chache North NG-CDF financial statements were approved on 15/09/17 and signed by:

  
Chairman - CDFC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH CONSTITUENCY**


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

**V. STATEMENT OF ASSETS**

	Note	2016 - 2017 Kshs	2014 - 2015 Kshs
<b>FINANCIAL ASSETS</b>			
		20,829,385.50	288,032.00
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	-	-
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11		-
<b>TOTAL FINANCIAL ASSETS</b>		<b>20,829,385.50</b>	<b>288,032.00</b>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	288,032.00	31,265,615.00
Surplus/Deficit for the year		20,541,353.50	(32,150,582.00)
Prior year adjustments	14		1,173,000.00
<b>NET LIABILITIES</b>		<b>20,829,385.50</b>	<b>288,032.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitutu Chache North NG-CDF financial statements were approved on 15/09/17 and signed by:

  
Chairman - CDFC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE  
NORTH CONSTITUENCY**

**Reports and Financial Statements**

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

**VI. STATEMENT OF CASHFLOW**

<b>Receipts for operating income</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
Transfers from CDF Board	1	144,722,377.70	59,000,000.00
Other Receipts	3		
		<b>144,722,377.70</b>	<b>59,000,000.00</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	(2,528,633.00)	(2,887,000.00)
Use of goods and services	5	(8,608,829.20)	(9,312,864.00)
Transfers to Other Government Units	6	(44,229,312.00)	(10,050,000.00)
Other grants and transfers	7	(68,814,250.00)	(68,900,718)
Other Payments	9	-	-
		<b>124,181,024.20</b>	<b>(91,150,582)</b>
<b>Adjusted for:</b>			
Adjustments during the year	14		1,173,000
<b>Net cash flow from operating activities</b>		<b>20,541,353.50</b>	<b>(30,977,582)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		-	-
Proceeds from Sale of Assets	2	(-)	(-)
Acquisition of Assets	9		
<b>Net cash flows from Investing Activities</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>20,541,353,50</b>	<b>(30,977,582.00)</b>
Cash and cash equivalent at BEGINNING of the year	13	288,032.00	31,265,615.00
<b>Cash and cash equivalent at END of the year</b>		<b>20,829,385.50</b>	<b>288,032.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitutu Chache North NG- CDF financial statements were approved on 15/09/17 2017 and signed by:

  
Chairman CDFC

  
Fund Account Manager

## 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,551.72	65,113,858.00	147,010,409.72	145,010,409.72	2,000,000.00	98.60%
Proceeds from Sale of Assets						
Other Receipts						
<b>TOTAL</b>	<b>81,896,551.72</b>	<b>65,113,858.00</b>	<b>147,010,409.72</b>	<b>145,010,409.72</b>	<b>2,000,000.00</b>	<b>98.60%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,386,150.00	200,000	2,586,150.00	2,528,633.00	57,517.00	95.30%
Use of goods and services	4,984,539.13	2,083,000.00	7,067,539.13	8,608,829.20	(1,541,290.07)	121.80%
Transfers to Other Government Units	38,200,000.00	10,450,000.00	48,650,000.00	44,229,312.00	4,420,688.00	90.90%
Other grants and transfers	36,325,862.59	51,880,858	88,206,720.59	68,814,250.00	19,392,470.59	78.00%
Acquisition of Assets	0	0	0	0	0	0.0%
Other Payments	0	500,000.00	500000	0	500000.00	0.0%
<b>TOTALS</b>	<b>81,896,551.72</b>	<b>65,113,858.00</b>	<b>147,010,409.72</b>	<b>124,181,024.20</b>	<b>22,829,385.52</b>	<b>84.50%</b>

**Note:**

a) The over utilization on use of goods and services was as results of training costs for new NG-CDF Committee members and PMCs training

b) Underutilization of other payments of 0% relates to provision for audit fee which has not been spend. The amount will be re-allocated.

The Kitutu Chache North NG-CDF financial statements were approved on 15/09 2017 and signed by:

  
Chairman 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 *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.

**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, 2017.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CHACHE NORTH CONSTITUENCY**

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
<b>Normal Allocation</b>		<b>Kshs</b>	<b>Kshs</b>
CDF Board	A825867	59,825,826.00	
AIE NO	A825925	3,000,000.00	
AIE NO	A829625	4,094,827.60	
AIE NO	A855168	36,853,449.00	
AIE NO	A855736	40,948,275.10	
AIE NO	A796282		10,000,000.00
AIE NO	A796307		10,000,000.00
AIE NO	A820590		10,000,000.00
	A820822		29,000,000.00
<b>TOTAL</b>		<b>144,722,377.70</b>	<b>59,000,000.00</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
 CHACHE NORTH CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2016- 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	2,528,633	2,887,000.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
<b>Total</b>	<b>2,528,633.00</b>	<b>2,887,000.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CHACHE NORTH CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Utilities, supplies and services	2,230,000	2,394,164
Office rent		-
Communication, supplies and services	450,000	520,000.00
Domestic travel and subsistence		-
Printing, advertising and information supplies & services	290,883	523,000
Rentals of produced assets		-
Training expenses	700,000	705,770
Hospitality supplies and services	120,000	88,460 -
Other committee expenses	1,500,000	1,570,000
Committee allowance	1,900,000	2,218,000
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	458,000	560,000
Fuel ,oil & lubricants	419,898	502,590
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	540,047.20	230,000
Routine maintenance – other assets		-
<b>Total</b>	<b>8,608,828.20</b>	<b>9,312,100</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CHACHE NORTH CONSTITUENCY**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities		
Transfers to primary schools (see attached list)	22,887,931.00	-
Transfers to secondary schools (see attached list)	15,600,000.00	50,000.00
Transfers to tertiary institutions (see attached list)	-	10,000,000.00
Transfers to health institutions (see attached list)	5,741,381.00	-
<b>TOTAL</b>	<b>44,229,312.00</b>	<b>10,050,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2016 – 2017</b>	<b>2015- 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	15,751,000.00	6,742,700
Bursary – tertiary institutions (see attached list)	10,034,000.00	514,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	21,299,490.00	23,515,860
Agriculture projects (see attached list)	1,300,000.00	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	10,838,320.00	-
Roads projects (see attached list)	-	28,566,787
Sports projects (see attached list)	2,939,000.00	1,859,569
Environment projects (see attached list)	500,000.00	2,130,000
Emergency projects (see attached list)	6,152,440	5,571,802
<b>Total</b>	<b>68,814,250.00</b>	<b>32,033,098</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CACHE NORTH 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>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CHACHE NORTH CONSTITUENCY**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**9. OTHER PAYMENTS**

	<b>2016 – 2017</b>	<b>2015 – 2016</b>
Specify	Kshs	Kshs

	-	-
--	---	---

**10A: Bank Accounts (cash book bank balance)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Co-operative Bank, Kisii Branch A/C No.01141422029200</i>	20,829,385.50	288,032.00
<b>Total</b>	<b>20,829,385.50</b>	<b>288,032,00</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CHACHE NORTH CONSTITUENCY**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10B: CASH IN HAND**

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

*[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>

*Total*

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU  
CHACHE NORTH CONSTITUENCY**

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12. RETENTION**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
<b>Total</b>		-

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>		-

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>		-

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2016- 2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<hr/>	<hr/>
	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others ( <i>specify</i> )	-	-
	<hr/>	<hr/>
	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

**15.3: OTHER PENDING PAYABLES (See Annex 3)**

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	8,000,000.00	-
Amounts due to other grants and other transfers (see attached list)	14,829,385.52	-
Others ( <i>specify</i> )	-	-
	<hr/>	<hr/>
	<b>22,829,385.52</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

**15.4: PMC account balances (See Annex 4)**

	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	501,851.09	0
	<hr/>	<hr/>
	<b>501,851.09</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

**15.5: Pending Disbursement From The Board (See Annex 5)**

	<b>Kshs</b>	<b>Kshs</b>
	2,000,000	64,825,826.00
	<hr/>	<hr/>
	<b>2,000,000</b>	<b>64,825,826.00</b>
	<hr/> <hr/>	<hr/> <hr/>

**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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

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

**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

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

**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	C	d=a-c		
<b>Amounts due to other Government entities</b>							
1.Riakero Primary school					500,000.00		
2.Nyakenogo Primary School					500,000.00		
3.Nyansaga Primary School					100,000.00		
4.Nyagonyi Primary School					100,000.00		
5.Gesangora Primary School					100,000.00		
6.Maroma Primary Mosocho					100,000.00		
7.Kiamogore Primary School					100,000.00		
8.Nyandiba Primary School					100,000.00		
9.Samogara Primary School					100,000.00		
10.Omogomo Primary School					100,000.00		
11.Eronge Primary School					100,000.00		
12.Nyankanda Primary School					100,000.00		
13.Tambacha Primary School					100,000.00		
14.Mesaria Primary School					100,000.00		
15.Nyamokenye Primary School					100,000.00		
16.Ngokoro Primary School					100,000.00		
17.Nyakeyo Primary School					100,000.00		
18.Riragi Primary School					500,000.00		
19.Metembe Primary School					100,000.00		
20.Tumbe Primary School					100,000.00		
21.Riragi Primary School					100,000.00		
22.Mosocho P.A.G Primary School					100,000.00		
23.Rago Primary School					100,000.00		

**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
24.Kioge S.D.A Primary School					100,000.00		
25.Manyansi Primary School					100,000.00		
26.Nyankanda Primary School					100,000.00		
27.Itibo Primary School					100,000.00		
28.Kenyoro Primary School					100,000.00		
29. Nyamwanga Primary School					100,000.00		
30.Marani Primary School					100,000.00		
31.Isanta Primary School					100,000.00		
32.Nyakome Special School					100,000.00		
33.Rikenye Primary School					100,000.00		
34.Getionko II Primary School					100,000.00		
35.Geturi Secondary School					500,000.00		
36.Eramba Secondary School					100,000.00		
37.Nyasore Secondary School					100,000.00		
38.Marani Secondary School					200,000.00		
39.Ngenyi Girls Secondary School					100,000.00		
40.Kenyoro Secondary School					100,000.00		
41.Itibo Boys Secondary School					100,000.00		
42.Tambacha Secondary School					100,000.00		
43.Nyansakia Secondary School					100,000.00		
44.Mesaria Secondary School					100,000.00		
45.Nyakeyo Secondary School					200,000.00		
46.Mosocho PAG Secondary School					100,000.00		
47.Kiareni Secondary School					100,000.00		
48.Nyagonyi Secondary School					100,000.00		
49.Entanda Secondary School					100,000.00		
50.Nyakome Secondary School					100,000.00		
51.Metembe Secondary School					100,000.00		



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
52.Nyakoora Secondary School					100,000.00		
53.Itumbe Youth Polytechnic					500,000.00		
54.Magena Youth Polytechnic					500,000.00		
<b>Sub-Total</b>					<b>8,000,000</b>		
<b>Amounts due to other grants and other transfers</b>							
10.Isecha Water Project					4,250,000.00		
11.Sensi Water Springs					593,104.00		
12.Bursary Secondary Schools					650,000.00		
13.Bursary Tertiary Schools					1,711,000.00		
14.Audit Fee					500,000.00		
15.Constituency Sports					2,437,931.00		
16.Megogo Chief's Office					300,000.00		
17.Isecha D.O's Office					1,000,000.00		
17.Marani NG-CDF Office					250,000.00		
18.CATS and Mocks					500,000		
18.Water Projects several					637,350.52		
19.Sombogo Tea Factory					2,000,000.00		
<b>Sub-Total</b>					<b>14,829,385.52</b>		
<b>Sub-Total</b>							
<b>Others (specify)</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)  
 Reports and Financial Statements  
 For the year ended June 30, 2017

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures	15,100,000.00	15,100,000.00
Transport equipment		
Office equipment, furniture and fittings	6,150,000.00	6,150,000.00
ICT Equipment, Software and Other ICT Assets	3,293,130.00	3,293,130.00
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>	<b>24,543,130.00</b>	<b>24,543,130.00</b>



1870-1871



**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**ANNEX 4 – PVC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017**

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Itumbe D.E.B Primary School	Co-operative Bank	01117017069500	1080	
Nyagonyi ELCK Technical Mixed	Co-operative Bank	01100019097601	403,145.44	
Nyakoora Secondary School	K.C.B	1200215060	29,399.50	
Engotogoti DOK Pri School	Co-operative Bank	01139017521202	1072.50	
Metembe D.O.F. Primary School	Co-operative Bank	01117017074200	48,903.15	
Nyansakia Secondary School	Co-operative Bank	01117018527200	1000	
Ngokoro COG Primary School	Co-operative Bank	01117017070901	1,194	
Tambacha Primary School	Co-operative Bank	01117423498300	2000	
Ragogo Primary School	Co-operative Bank	01117017519801	1000	
Eronge Primary School	Co-operative Bank	01117671429200	1500	
Nyakoora D.O.K Primary School	Co-operative Bank	01117017069101	1987	
Nyamokenye Primary School	Co-operative Bank	01117017075401	1000	
Marani D.O.K Primary School	Co-operative Bank	01117017522300	1405.50	
Geturi Primary School	Co-operative Bank	01117017519901	1000	
Geturi Mixed Secondary School	Co-operative Bank	01117016776400	1000	
Mosocho P.A.G Primary School	Co-operative Bank	01117423514800	1000	
Nyandiba D.E.F Primary School	Co-operative Bank	01117017075101	1000	
Magena Primary School	Co-operative Bank	01139017070201	1164	

**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

PMC	Bank	Account number	Bank Balance 2016/17	Bar
Riakerongo DEB Primary School	Co-operative Bank	01117017522901	1000	
Nyakenogo Primary School	Co-operative Bank	01117017069701	1000	
<b>Total</b>			<b>501,851.09</b>	

**NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference to the external audit Report	Issue / Observations from Auditor (2014/2015)	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)
<b>Summary of appropriation</b>	The summary statement of appropriation indicates the current year's final budget figures for total receipts and total payments as Kshs. 159,916,370 and Kshs. 162,916,370 respectively. However, records from the National Government Constituency Development Fund Board indicates that the final approved budget for the year 2014/2015 was Kshs. 109,094,781. In addition the actual receipts figure is indicated as Kshs. 127,864,754 as opposed to Kshs. 153,845,793 received during the year. The accuracy of the Summary statement of appropriation could not therefore be confirmed.	During the financial year 2014/2015 Ksh. 3,000,000 proposed Sombogo Tea Factory was not approved which was included in the total payment budget but not included in the total receipts.	Fund Manager/Accountant	Resolved	
<b>Cash and bank balances</b>	The statement of financial assets indicates that the bank balances as at 30 June 2015 amounted to Kshs. 31,265,615. However, a review of the funds' cash	The NGCDF Committee have recommended that all		Resolved	



1000 1000 1000 1000 1000 1000 1000 1000 1000 1000

NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)

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

Reference No. on the external audit Report	Issue / Observations from Auditor (2014/2015)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>book, bank statements and other records indicates that there were cheques totaling Kshs. 619,828 which had not been presented for payment within six months from the date of issue. Consequently, the accuracy of the bank balance of Kshs. 31,265,615 could not be confirmed.</p>	<p>the stale cheques be reversed and either be replaced or new payments be made.</p>			
<p><b>Unsupported documentation for transfers to other Government Units</b></p>	<p>The Kitutu Chache North Constituency Development Fund committee disbursed a total of Kshs 20,721,380 in the form of transfers to other Government units during the year under review as reflected in the statement of receipts and transfers. These funds were administered through Project Management Committees (PMCs) spread throughout the constituency.</p> <p>During the audit review, disbursements totaling Kshs. 4,410,345 made to various PMCs were not adequately supported with complete expenditure returns including cashbooks, bank statements, stores records, minutes, and other relevant accounting documents. Consequently, in the absence of the support documents we could not confirm the propriety of the funds disbursed to the PMCs during the year.</p>	<p>Complete project files have now been submitted by Project Management Committees and are now available in NG-CDF Office</p>		Resolved	
<p><b>Unauthorized</b></p>	<p>A review of the accounting records of Kitutu Chache</p>	<p>The management</p>			



NATIONAL GOVERNMENT ENTITY - (KITUTU CHACHE NORTH CONSTITUENCY NG-CDF)

Reports and Financial Statements

For the year ended June 30, 2017

Reference No. on the external audit Report	Issue / Observations from Auditor (2014/2015)	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)														
	<p>implemented by the Constituency Development Fund Committee (CDFC) as shown below:</p> <table border="1" data-bbox="619 1151 1086 1736"> <thead> <tr> <th>Project</th> <th>Amount (Kshs)</th> </tr> </thead> <tbody> <tr> <td>Nyakoora water project</td> <td>5,500,000</td> </tr> <tr> <td>Nyamokomba water project</td> <td>8,500,000</td> </tr> <tr> <td>Ragogo - Bumburia road project</td> <td>14,999,968</td> </tr> <tr> <td>Bobaracho - Naynkanda road</td> <td>6,985,666</td> </tr> <tr> <td>Ngenyi - Nyamokomba-Marani road</td> <td>2,199,350</td> </tr> <tr> <td></td> <td><b>38,184,984</b></td> </tr> </tbody> </table> <p>Management has not explained why the above projects were implemented by the CDFC in contravention of the law.</p>	Project	Amount (Kshs)	Nyakoora water project	5,500,000	Nyamokomba water project	8,500,000	Ragogo - Bumburia road project	14,999,968	Bobaracho - Naynkanda road	6,985,666	Ngenyi - Nyamokomba-Marani road	2,199,350		<b>38,184,984</b>	the Act.			
Project	Amount (Kshs)																		
Nyakoora water project	5,500,000																		
Nyamokomba water project	8,500,000																		
Ragogo - Bumburia road project	14,999,968																		
Bobaracho - Naynkanda road	6,985,666																		
Ngenyi - Nyamokomba-Marani road	2,199,350																		
	<b>38,184,984</b>																		