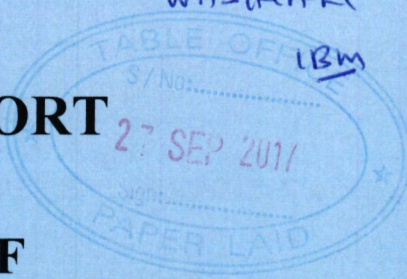


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

PAPER LAID BY THE
MAJORITY PARTY WHP
HON. BENJAMIN
WASHALI ON 27/9/17



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - WUNDANYI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**





OFFICE OF THE AUDITOR GENERAL
KENYA NATIONAL AUDIT OFFICE

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
WUNDANYI CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *National Government Constituencies Development Fund (NG-CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015. The *National Government Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *National Government Constituencies Development Fund*. The objective of the fund is to ensure that a specific portion of the national money of budget is devolved to Constituency level for the purposes of infrastructure development.

(b) Key Management

The *Wundanyi 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 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Caroline Kiama
3.	Accountant	Joseph Keli
4.		

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1122

Wundanyi NG-CDF Building

Wundanyi, KENYA

KEY CONSTITUENCY INFORMATION AND MANAGEMENT (Continued)

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

(f) WUNDANYI NG-CDF Contacts

Telephone: (254) 720923860

E-mail: cdfwundanyi@cdf.go.ke

Website: www.cdf.go.ke

(g) WUNDANYI CDF Bankers

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

2. Kenya Commercial Bank
P.O. Box 1067
Wundanyi 80304
Wundanyi, Kenya

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 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 – WUNDANYI
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

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

Wundanyi Constituency is an electoral constituency in Kenya. It is one of four constituencies in Taita-Taveta County. The constituency has four wards i.e. Wundanyi /Mbale ward, Mghange/Mwanda ward, Werugha ward and Kishushe/Wumingu ward.

Key Achievements

- a. Completion of most projects in the area
- b. Good implementation of the projects by the NG-CDFCs and PMCs
- c. Proper record keeping on the NG-CDF projects
- d. Team work as NG-CDFCs and the community at large

Emerging Issues

- a. Illiteracy level in some of the PMCs making the implementation of the project to take a little longer
- b. Politicizing in the projects
- c. Funds from the board take a long time to be released making some projects to stall for time
- d. Frequent trainings for the NG-CDFCs and PMC's on day to day changes in the management of the funds

Implementation challenges and way forward

- a. Funds should be released in good time to help in early completion of projects.

Budget against actual amounts for current year based on economic classification and programmes

- a. More funds should be increased for Monitoring and evaluation of projects and also administration kitty to help in thorough monitoring and evaluation and administration of projects effectively.



**DARIUS KINUSA
CHAIRMAN NG-CDFC
WUNDANYI CONSTITUENCY**

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

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 CDF shall prepare financial statements in respect of that NG-CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

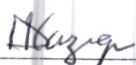
The Accounting Officer in charge of the Wundanyi NG-CDF is responsible for the preparation and presentation of the NG-CDF's financial statements, which give a true and fair view of the state of affairs of the NG-CDF for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility 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, 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 Wundanyi 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 charge of the Wundanyi 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.

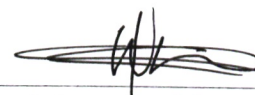
The Accounting Officer in charge of the Wundanyi NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes 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 23rd March 2017.



Chairman – NG-CDFC



Fund Account Manager

REPUBLIC OF KENYA

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Website: 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 (NG-CDF) – WUNDANYI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Wundanyi Constituency set out on pages 6 to 22, which comprise the statement of assets as at 30 June 2016, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation 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 purpose of the audit.

Management's Responsibility 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.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments,

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Wundanyi Constituency for the year ended 30 June 2016

the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Bank Balance

The statement of assets as at 30 June 2016 reflects bank balance of Kshs.54,275,148. However, the bank reconciliation statement as at 30 June 2016 availed for audit review reflected payments in cash book not in bank statements of Kshs.3,455,919.25, out of which Kshs.21,000 relates to un-presented cheque of which the subsequent bank statement showing dates of clearance by the bank were not availed for audit review. Further, included in the payments in bank statements not in cash book are bank charges of Kshs.5,004.25 and which ought to have been expensed in the statement of income and expenditure.

Consequently, the accuracy and completeness of bank balance of Kshs.54,275,148 as at 30 June 2016 could not be confirmed.

2. Cash Balance

The statement of assets as at 30 June 2016 reflects nil cash balance. However, contrary to management assertion, the supporting Board of Survey Report as at the same date was not availed for audit review.

Consequently, the accuracy and completeness of nil cash balance as at 30 June 2016 could not be confirmed.

3. Transfers to Other Government Units

Note 6 to the financial statements for the year ended 30 June 2016 reflects transfers to secondary schools of Kshs.17,640,000, out of which a total of Kshs.2,000,000 was disbursed to Mdundonyi Secondary School for construction of a laboratory. Records availed for audit review indicated that work was done through labour contract at a contract sum of Kshs.894,616 while construction materials were purchased at a Kshs.2,784,840, all totalling Kshs.3,679,456. However, during project verification in January 2017, the floor had cracks while the ceiling board was damaged by water leakage.

Consequently, the value for money for Kshs.2,000,000 spent on the project for the year ended 30 June 2016 could not be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Wundanyi Constituency as at 30 June 2016, 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.

Other Matter

1. Budgetary Controls and Performance

1.1 Budget Performance

During the year under review, the Fund had a budget of Kshs.156,397,595 and spent Kshs.99,118,906 or 63.4%, resulting in under expenditure of Kshs.57,278,689 or 36.6% as shown below:-

Expenditure	Final Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption (%)
Compensation of Employees	3,488,189	1,357,740	2,130,449	61
Use of goods and services	11,150,887	7,683,580	3,467,307	31
Transfers to Other Government Units	73,837,931	53,837,931	20,000,000	27
Other grants and transfers	67,920,588	36,239,655	31,680,933	47
Total	156,397,595	99,118,906	57,278,689	37

Management has attributed the under expenditure to enactment of the National Government Constituencies Development Fund Act, 2015 on 19 February 2016 which delayed the transitioning of the Committee members by five months. The under expenditure of Kshs.57,278,689 however amounts to a non-compliance with the provisions of Section 220(1) of the Constitution of Kenya which requires budgets of national government to contain estimates of revenue and expenditure, differentiating between recurrent and development and proposals for financing any budget deficit for the period to which they apply. Further, Section 35(1) of the Public Finance Management Act, 2012 which requires the budget process for the national Government to comprise among other things integrated long term and medium term planning and determining financial and economic policies and priorities at the national level over the medium term and implementing the budget. As such, delivery of goods and services to residents of Wundanyi Constituency may have been curtailed.

1.2 Projects Implementation

The project status report availed for audit review indicated that a total of Kshs.72,967,142 was disbursed to 23 projects, out of which Kshs.51,488,719 or 70.6% had been spent as at 30 June 2016, resulting in unspent disbursements of Kshs.21,478,423 or 29.4% as shown below:-

No.	Name of Project	Details of the project	Amount of Allocation (Kshs)	Disbursements 2015/2016 (Kshs)	Cumulative Disbursements (Kshs)	Expenditure in 2015/2016 (Kshs)	Cumulative Expenditure as at 30 June 2016 (Kshs)	Unspent Disbursements (Kshs)	% Complete
1.	Mbale Multipurpose Hall	Flooring, doors, windows and final finishes.	3,000,000	3,000,000	8,000,000	3,877,772	3,877,772	4,122,228	100
2.	Mbela High School	Construction of laboratory	1,800,000	1,800,000	2,300,000	-	-	2,300,000	0
3.	Mdundo nyi Secondary School	Construction of a laboratory	2,000,000	2,000,000	2,800,500	2,786,783	2,786,783	13,717	100
4.	Mghange Nyika Health Centre	Finishes ground floor, walling, roofing, doors, windows and finishes and fixtures of first floor.	3,000,000	3,000,000	3,600,000	2,968,934	2,968,934	631,066	70
5.	Mwakishimba Secondary School	Construction of Frame (Columns), walling, doors windows and finishes and fixtures of first floor of four classes and toilets	10,000,000	10,000,000	15,500,000	15,500,000	15,500,000	-	85
6.	Mwanda Primary school	Construction of two classes	1,500,000	1,500,000	2,000,000	1,900,626	1,900,626	99,374	90

No.	Name of Project	Details of the project	Amount of Allocation (Kshs)	Disbursements 2015/2016 (Kshs)	Cumulative Disbursements (Kshs)	Expenditure in 2015/2016 (Kshs)	Cumulative Expenditure as at 30 June 2016 (Kshs)	Unspent Disbursements (Kshs)	% Complete
7.	Mwangoto Water project	Purchasing of pipes and pipe laying	710,362	710,362	910,362	905,947	905,947	4,415	100
8.	Ndumbinyi Primary School	Construction of a class	1,500,000	1,500,000	3,000,000	2,817,674	2,817,674	182,326	100
9.	Shigharo primary School	Renovations doors, windows and roofing of classes	500,000	500,000	500,000	493,220	493,220	6,780	100
10.	Sungululu Modern Hall	Frame, walling, doors, windows and finishes	2,500,000	2,500,000	3,500,000	3,499,121	3,499,121	879	90
11.	Werugha Multipurpose	Flooring, doors, windows and final finishes	2,000,000	2,000,000	3,000,000	728,315	728,315	2,271,685	100
12.	Choke Primary School	Purchases and Installation of gutters and water tank for water harvesting	500,000	500,000	5,550,000	5,017,320	5,017,320	532,680	90
13.	Funju Secondary School	Construction of a laboratory	2,000,000	2,000,000	800,000	196,110	196,110	603,890	75
14.	Hon. Thomas Mwadeghu Secondary School	Framing, walling, doors windows and finishes and fixtures of first floor of four classes and toilets	10,000,000	10,000,000	10,000,000	9,615,212	9,615,212	384,788	95

No.	Name of Project	Details of the project	Amount of Allocation (Kshs)	Disbursements 2015/2016 (Kshs)	Cumulative Disbursements (Kshs)	Expenditure in 2015/2016 (Kshs)	Cumulative Expenditure as at 30 June 2016 (Kshs)	Unspent Disbursements (Kshs)	% Complete
15.	Kidule Primary School	Construction of administration block	2,000,000	2,000,000	2,000,000	-	-	2,000,000	0
16.	Kishushe Primary School	Construction of 4 door toilet.	500,000	500,000	500,000	3,220	3,220	496,780	100
17.	Mbanga Ng'ombe Water project	Purchases of pipes, tank and pipe laying	500,000	500,000	500,000	18,660	18,660	481,340	90
18.	Mbaramghondi water project	Pipe laying and buying of one tank	500,000	500,000	1,806,280	10,620	10,620	1,795,660	0
19.	Mghalu High School	Construction of a dining hall	1,500,000	1,500,000	1,500,000	-	-	1,500,000	0
20.	Mwakishimba Primary School	Construction of one class	1,000,000	1,000,000	1,000,000	410,731	410,731	589,269	100
21.	Mwanyalo Primary School	Finishes of stairs, flooring, windows and doors.	1,000,000	1,000,000	1,000,000	193,453	193,453	806,547	95
22.	Paranga Secondary School	Construction of a class	1,200,000	1,200,000	1,200,000	37,060	37,060	1,162,940	100
23.	Wundanyi Deputy County Commissioner Offices	Alteration, extension and re-roofing of seven Government offices	2,000,000	2,000,000	2,000,000	507,941	507,941	1,492,059	100
	TOTAL		51,210,362	51,210,362	72,967,142	51,488,719	51,488,719	21,478,423	

Analysis of the project status report above revealed that four (4) projects had not taken off despite cumulative disbursements of Kshs.5,800,000 as at 30 June 2016. Further, six

(6) of the projects costing Kshs.27,900,000 were well past their expected completion dates as shown below:-

No.	Name of Project	Details of the project	Start Date	Expected Completion Date	Period of delay as at the time of verification (in months)	Cumulative Disbursements (Kshs)	Expenditure in 2015/2016 (Kshs)	Cumulative Expenditure as at 30 June 2016 (Kshs)	% Complete
1.	Mbela High School	Construction of laboratory	06/05/2016	23/11/2016	3	2,300,000	Nil	Nil	0
2.	Mghange Nyika Health Centre	Finishes ground floor, walling, roofing, doors, windows and finishes and fixtures of first floor.	29/04/2016	11/08/2016	6	3,600,000	2,968,934	2,968,934	70
3.	Mwakishimba Secondary School	Construction of Frame (Columns), walling, doors windows and finishes and fixtures of first floor of four classes and toilets	24/11/2015	23/11/2016	3	15,500,000	15,500,000	15,500,000	85
4.	Mwanda Primary school	Construction of two classes	29/04/2016	22/07/2016	7	2,000,000	1,900,626	1,900,626	90
5.	Sungulu Modern Hall	Frame, walling, doors, windows and finishes	17/03/2016	28/07/2016	7	3,500,000	3,499,121	3,499,121	90

6.	Mwanya lo Primary School	Finishes of stairs, flooring, windows and doors.	05/05/2016	14/07/2016	7	1,000,000	193,453	193,453	95
	TOTAL					27,900,000	24,062,135		

The management attributed the delay in projects implementation and the under expenditure to enactment of the National Government Constituencies Development Fund Act, 2015 on 19 February 2016 which delayed the appointment of new Committee members by five months. The under expenditure and failure to implement projects within the planned time is an indication that the budget was not implemented in accordance with the provisions of Section 220(1) of the Constitution of Kenya which requires budgets of national government to contain estimates of revenue and expenditure, differentiating between recurrent and development and proposals for financing any budget deficit for the period to which they apply. This situation may have negative impact on service delivery to the residents of Wundanyi Constituency.

1.3 Projects Verification

Eleven (11) projects were inspected in January 2017 and anomalies noted in five (5) of them are as detailed below:

1.3.1 Construction of Classrooms at Mlilo Primary School

During the period under review, a total of Kshs.1,500,000 was disbursed to Mlilo Primary School for construction of two (2) classrooms at a contract price of Kshs.2,424,644. During inspection of the project, the contractor was not on site and the windows and doors had not been fitted. Further, the project is omitted from the projects implementation status report as at 30 June 2016.

1.3.2 Stalled Construction of a Male Ward at Mbale Health Center

The project status report as at 30 June 2016 indicated that a total of Kshs.1,300,000 was disbursed in the previous year for construction of a male ward at Mbale Health Centre. However, since health is a devolved function, the management explained that no funds were allocated to the project in the year under review after the enactment of the National Government Constituencies Development Fund Act, 2015 on 19 February, 2016. During a visit of the project, some construction materials which included reinforcement bars were on site but no work had started, an indication that the project had stalled. In addition, the project is omitted from the projects implementation status report as at 30 June 2016 availed for audit review.

1.3.3 Construction of Offices at Mwanda Health Centre

During the year ended 30 June 2016, a total of Kshs.2,000,000 was disbursed for construction of offices at Mwanda Health Centre. However, as at time of audit verification, the contractor was not on site. It was also observed that hand wash basin had not been fitted while windows were fitted with wooden frames instead of steel frames specified in the Bill of Quantities. The management explained that the anomaly was noted and the contractor paid for wooden frames. However, the type of window frames paid for is not specified in the Engineer's certificate availed for audit review. Further, the project is omitted from the projects implementation status report as at 30 June 2016 availed for audit review.

1.3.4 Mbaramghondi Water Project

A total of Kshs.500,000 was disbursed during the year under review for pipe laying and purchase of one water tank for Mbaramghondi Water Project. However, during a visit to the project, no work had started due to outstanding compensation for the water source which is located in an individual's land.

1.3.5 Construction of Sungululu Hall

During the year under review, a total of Kshs.2,500,000 were disbursed to Sungululu Hall project. A visit to the hall revealed that it was constructed on a slope with unstable soil structure and may collapse due to soil erosion in the area.

These anomalies may be as a result of poor planning and lack of requisite capacity to deliver on the contracts, which may delay completion of the projects and non-delivery of services and goods to the intended beneficiaries of the Constituency.

2. Position of Clerk of Works

Records availed for audit review indicated that Wundanyi Constituency Development Fund is yet to fill the position of Clerk of Works, contrary to Circular No. CDF BOARD/CIRCULARS/VOL.1.1/166 dated 24 June 2013 which lists this position as critical for effective management of the Fund at the constituency level.

No satisfactory explanation has been given for non-compliance with the Circular.



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

Nairobi

07 June 2017

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY**

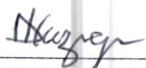
Reports and Financial Statements

For the year ended June 30, 2016

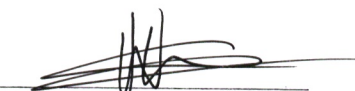
**V. STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,558,925	119,755,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	413,000	3,038,000
TOTAL RECEIPTS		123,971,925	122,793,876
PAYMENTS			
Compensation of employees	4	1,357,740	1,175,950
Use of goods and services	5	7,683,580	10,357,277
Transfers to Other Government Units	6	53,837,931	30,891,846
Other grants and transfers	7	36,239,655	45,336,477
Acquisition of Assets	8	-	4,000,000
Other Payments	9	-	2,098,650
TOTAL PAYMENTS		99,118,906	93,860,200
SURPLUS/DEFICIT		24,853,019	28,933,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WUNDANYI NG-CDF financial statements were approved on 23rd March 2017 and signed by:



Chairman – NG-CDFC



Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY

Reports and Financial Statements

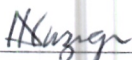
For the year ended June 30, 2016

VI. STATEMENT OF ASSETS
AS AT 30TH JUNE 2016

	Note	2015-2016 Kshs	2014-2015(Restated) Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10A	54,275,148	29,286,119
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	10C	400,000	536,010
TOTAL FINANCIAL ASSETS		54,675,148	* 29,822,129
REPRESENTED BY			
Fund balance b/fwd.	11	*29,822,129	941,003
Surplus/(Deficit) for the year		24,853,019	28,933,676
Prior year adjustments	12		(52,550)
NET FINANCIAL POSITION		54,675,148	*29,822,129

* The figures were restated as explained in note 12

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WUNDANYI NG-CDF financial statements were approved on 23rd March 2017 and signed by:


Chairman – NG-CDFC


Fund Account Manager

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY

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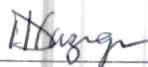
For the year ended June 30, 2016

**VII. STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2016**

Receipts for operating income		2015 – 2016 (Kshs)	2014-2015(Restated) (Kshs)
Transfers from Other Government Entities	1	123,558,925	119,755,876
Other Receipts	3	413,000	3,038,000
		123,971,925	122,793,876
Payments for operating expenses			
Compensation of Employees	4	(1,357,740)	(1,175,950.00)
Use of goods and services	5	(7,683,580)	(10,357,277.00)
Transfers to Other Government Units	7	(53,837,931)	(30,891,847)
Other grants and transfers	8	(36,239,655)	(45,336,476)
Other Payments	11	-	(2,098,650)
		(99,118,906)	(89,860,200)
Adjusted for:			
Adjustments during the year			(52,550)
Net cash flow from operating activities		24,853,019	32,881,126
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	10	-	(4,000,000)
Net cash flows from Investing Activities		-	(4,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		24,853,019	28,881,126
Cash and cash equivalent at BEGINNING of the year	15	*29,822,129	941,003
Cash and cash equivalent at END of the year	16	54,675,148	*29,822,129

*Restated as explained in note 12

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The WUNDANYI NG-CDF financial statements were approved on 23rd March 2017 and signed by:



Chairman NG-CDFC



Fund Account Manager

CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	102,383,885	24,175,040	126,558,925	123,558,925	3,000,000	98
Balance B/f		29,338,669	29,338,669	29,338,669	-	
Other Receipts		413,000	413,000	413,000	0	
Total	102,383,885	53,926,709	156,310,594	153,310,594	3,000,000	98
PAYMENTS						
Compensation of Employees	2,148,949	1,339,240	3,488,189	1,357,740	2,130,449	39
Use of goods and services	7,065,601	4,085,286	11,150,887	7,683,580	3,467,307	69
Transfers to Other Government Units	43,000,000	30,837,931	73,837,931.00	53,837,931	20,000,000	73
Other grants and transfers	50,169,335	17,751,252	67,920,588	36,239,655	31,680,932	53
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-	-	-	
TOTALS	102,383,885	54,013,709	156,397,594	99,118,906	57,278,688	64

(a) Utilization

1. Compensation of Employees - 39% - We anticipated to pay employees gratuity

The WUNDANYI NG-CDF financial statements were approved on 23rd March 2017 and signed by:


Chairman NG-CDF


Fund Account Manager

IX. 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, 2016.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT UNITS

Description		2015 - 2016	2014 - 2015
		Kshs	Kshs
CDF Board			
AIE NO	A820669	10,000,000.00	2,786,518
AIE NO	A796397	10,000,000.00	3,790,000
AIE NO	A825770	23,383,885.00	9,670,016
AIE NO	A825581	25,000,000.00	14,505,024
AIE NO	A820919	21,000,000.00	24,175,040
AIE NO	A724177	10,000,000.00	39,764,466
AIE NO	A790815	24,175,040.00	889,772
AIE NO.		-	24,175,040
TOTAL		123,558,925.00	119,755,876

2. PROCEEDS FROM SALE OF ASSETS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
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	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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 For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Interest Received	-	-
Rents	140,000	-
Receipts from Sale of tender documents	273,000	-
Other Receipts Not Classified Elsewhere	-	3,038,000
Total	413,000	3,038,000

4. COMPENSATION OF EMPLOYEES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Basic wages of contractual employees	1,096,105	1,023,150
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	208,000	143,000
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Employer contribution to NSSF	53,635	9,800
Total	1,357,740	1,175,950

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	836,956	-
Communication, supplies and services	-	231,000
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	147,830	57,237
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	111,000	207,547
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	407,759	1,641,230
Other operating expenses	-	1,780,281
Routine maintenance – vehicles and other transport equipment	495,395	411,883
Routine maintenance – other assets	-	21,100
Fuel, oil & lubricants	250,000	250,000
Committee allowance	5,434,640	5,756,999
Total	7,683,580	10,357,277

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT UNITS

Description	2015 - 2016	2014 - 2015
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	16,097,931	6,400,000
Transfers to secondary schools	17,640,000	15,590,000
Transfers to tertiary institutions	10,000,000	1,229,317
Transfers to health institutions	10,100,000	7,672,530
TOTAL	53,837,931	30,891,847

7. OTHER GRANTS AND TRANSFERS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bursary – secondary schools	-	10,116,000
Bursary -- tertiary institutions	8,988,030	14,133,311
Bursary – special schools	-	-
Mock & CAT	-	-
Water projects	1,710,361	4,000,000
Agriculture projects	-	-
Electricity projects	-	-
Security projects	3,115,909	-
Roads projects	3,300,000	1,900,000
Sports projects	2,160,677	1,265,486
Environment projects	2,464,678	1,009,680
Emergency projects	1,000,000	-
Social Hall Project	13,500,000	12,912,000
Total	36,239,655	45,336,477

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	4,000,000
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 Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	4,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2015 - 2016 Kshs	2014 - 2015 Kshs
Strategic plan	-	2,098,650
Total	-	2,098,650

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 (Restated) Kshs
KCB WUNDANYI BRANCH 1103860992	54,275,148	*29,822,129
	-	-
	-	-
Total	54,275,148	*29,822,129

* Restated as explained in note 12

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

10C: 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>NG-Cdf wundanyi</i>	30/06/16	400,000	-	400,000
		400,000	-	400,000
Total				400,000

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

Reports and Financial Statements

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. BALANCES BROUGHT FORWARD

	2015 - 2016(Restated)	2014 – 2015
	Kshs	Kshs
Bank accounts	*29,286,119	941,003
Cash in hand	-	-
Imprest	536,010	-
Total	*29,822,129	941,003

12. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts		(52,550)
Cash in hand	-	-
Imprest	-	-
Total		(52,550)

* The restatement is due to an overstatement of Bank Balance by Kshs. 52,550 in 2014/2015

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – WUNDANYI
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For the year ended June 30, 2016

13. OTHER IMPORTANT DISCLOSURES

13.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

13.2: PENDING STAFF PAYABLES (See Annex 2)

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

13.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	20,000,000	15,837,931
Amounts due to other grants and other transfers (see attached list)	18,768,741	7,734,003
Others (<i>specify</i>)		500,000
	38,768,741	24,071,934

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Activity	Amount Kshs.	Comments
Amounts due to other Government entities			
Hon Mwadeghu Secondary School	Framing, walling, doors windows and finishes and fixtures of first floor of four classes and toilets	10,000,000	Waiting for NG-CDFCs to be gazetted
Mwakishimba Secondary School	Framing, walling, doors windows and finishes and fixtures of first floor of four classes and toilets	10,000,000	Waiting for NG-CDFCs to be gazetted
Sub-Total		20,000,000	
Amounts due to other grants and other transfers			
Bursary Secondary Schools	Payment of bursary to needy student	12,200,000	Waiting for NG-CDFCs to be gazetted
Bursary Tertiary/ University	Payment of bursary to needy student)	3,968,741	Waiting for NG-CDFCs to be gazetted
Bursary Special Disability Schools	Payment of bursary for disabled needy students in special schools	400,000.00	Waiting for NG-CDFCs to be gazetted
Wundanyi Tree planting	Tree planting activity in Wundanyi area	700,000	Waiting for NG-CDFCs to be gazetted
Sports project	Carry out constituency sports tournament and the winning team/schools to be awarded with trophies, balls and games kit	1,500,000	Waiting for NG-CDFCs to be gazetted
Sub-Total		18,768,741	
Grand Total		38,768,741	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – WUNDANYI
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2015/16	Historical Cost (Kshs) 2014/15
Land		
Buildings and structures	33,000,000	33,000,000
Transport equipment	4,901,500	4,901,500
Office equipment, furniture and fittings	503,757	503,757
ICT Equipment, Software and Other ICT Assets	179,498	179,498
Other Machinery and Equipment	0	0
Heritage and cultural assets	0	0
Intangible assets	0	0
Total	38,584,755	38,584,755

ITEMS RECEIVED FROM NG-CDF BOARD

	Type of P,P & E	Qty	Asset No.	Asset Serial No.	Current Condition
1	UPS	1	WNY CDC/027/057	40085000905	Good
2	Hp printer P2055d	1	WNY CDC/027/075	CNCJG45699PET	Good
3	Hp Monitor	1	WNY CDC/027/076	CNC951QHFM	Good
4	Hp CPU	1	WNY CDC/027/077	CZC0052Z71	Good
5	Sony Camera DSC-W310	1	WNY CDC/027/078	10043084441	Good

The above items were received from NG-CDF Board and we do not have the original cost at the constituency level.

