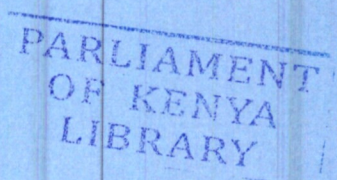


REPUBLIC OF KENYA



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By heading of the
Majority Party
(Hon. Aden Duale)
4/10/2018*

OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
CONSTITUENCY**

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



**NATIONAL GOVERNMENT-CONSTITUENCY DEVELOPMENT FUND-
KILOME 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 - KILOME
CONSTITUENCY**

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 which was repealed by the CDF Act, 2013 and now NG-CDF Act 2015. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*. The objective of the fund 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 *NG-KILOME Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Robert Kioko
3.	Accountant	Lawrence M. Otundo

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of NG-KILOME Constituency. The reports and recommendation of ARMC when adopted by the CDF Board are forwarded to the 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) NG-Kilome CDF Headquarters

NG-CDF Office Building,
P.O Box 163-90134
YOANI-SALAMA
Nairobi, KENYA

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
CONSTITUENCY**

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

(f) NG-KILOME CDF Contacts

Telephone: (254) 0720090730
E-mail: rkioko@cdf.go.ke
Website: www.kilome.go.ke

(g) NG-KILOME CDF Bankers

Kenya Commercial Bank
P.O Box 4076-90121
EMALI
Acc. No. 1124880895

(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

II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

Mention in summary the budget performance against actual amounts for current year based on economic classification and programmes:

- NG-Kilome Constituency is located in Makueni County with a strategic vision "To be the leading Public Institution in management of development funds". The Constituency expects to achieve its vision by providing optimal utilization of the NG-CDF funds disbursed by the NG-CDF Board, for equitable development and poverty reduction at the community level. In this respect, NG-Kilome CDFC has for the last FY 2016/17 accomplished its mandate on the development agenda, that saw the Education sector, Security and others i.e. bursary, emergency, Sports and environment funds be disbursed to PMCs on time, efficient utilization of funds and transparency from projects implementation, during and on completion.
- During the FY 2016/17, NG-Kilome CDF received from the NG-CDF Board Ksh. 80,096,552.00. All monies were received right on time i.e. before close of Financial Year 2016/17, hence all projects paid via PMC Accounts on time, closing with a Bank balance of Ksh. 2,842,000.00 (Bal B/F), unlike for last FY 2015/16 which was Ksh. 33,574,627.00
- The overall budget performance against actual utilization for the current year was on average at 96%. Compensation to employees performed at 52%, use of goods and services at 77%, transfer to other Govt units at 100%, other grants and transfers at 100%, Acquisition of assets at 100%. Please note that Water, Health and Roads functions were devolved to the County Government at a time when some projects were still ongoing, hence their monies were disbursed early during the Financial Year 2016/17.
- Other grants and transfers comprised of bursaries to needy students within the Constituency, Emergency had a utilization rate of 100% with a minimal difference of Ksh. 341, 643.00.
- The overall utilization of NG-CDF funds for FY 2016/17 had an overall improvement as compared to FY 2015/16. The surplus or unutilized funds for FY 2016/17 was Ksh. (30,732,627) as compared to FY 2015/16 which was Ksh. 1,196,676. Team work, policy direction, involvement of GoK Technical Departments in projects implementation, Administrative efficiency, transparency and effectiveness played a key role towards achieving an average overall funds utilization rate of 96%.

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
CONSTITUENCY**

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

– ***Detail key achievements for the CDF,***

- Key achievements were much witnessed on implementation of a mega project i.e. Construction of Mukaa AP Camp which was funded to completion during the FY 2016/17. The project is situated at the Mukaa Sub county Headquarters, on a parcel of land where all Sub county Departmental offices including the Sub county Deputy Commissioners Office, The NG-CDF Office, The Sub county National Treasury etc are situated. Security for this location used to be at threat as there were no housings to accommodate the Administrations Officers deployed at the area. This had a great impact indeed to all staff, the AP Officers and the area community in general.
- The kitty all realised a key achievement on the education sector. Having in mind that major projects that took a fairly equal share of the CDF funds i.e. Water, Health and Roads sector were already devolved functions and were no longer funded during the FY 2016/17, the Education sector received a fairly above usual share of funds, which saw schools undergo a complete facelift through classrooms renovations. Atleast over 52 (no) primary schools benefited from renovations funds, projects which were excuted directly by the PMCs however closely supervised by the Sub county Public Works Officer.

– **List emerging issues related to the CDF,**

- The shift of some functions formerly funded by the CDF, being devolved to the County Govt i.e. Water, Education and Health Sectors, was a very untimely idea though a relief to the Fund. Several projects especially water projects that were still ongoing by time of devolution came to a standstill to date. Some of these projects gave the office an underscore during the FY 2016/17.

– **List the implementation challenges and recommended way forward.**

- The CDFC requests that the amount for the new Financial Year 2017/18 be increased in order to meet dire need of development agenda at the Constituency level.

Finally, I now forward the NG-Kilome Financial Statements for FY 2016/17 and appreciate the inputs of the NG-CDF Board in all areas. It is through the efforts of teamwork that these

Financial Statement have been a success.

Sign:.....

CHAIRMAN – NGCDFC Kilome Constituency.

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-KILOME 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-Kilome Constituency set out on pages 8 to 27, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation 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 effects the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Kilome Constituency as at 30 June 2017, and 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, except for the matter described in the Basis for Qualified Opinion and Other Matter sections of my report, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1. Presentation and Disclosures in the Financial Statements

The referencing format in the statement of receipts and payments is not consistent with the format appearing in the notes to the financial statements. Transfers from CDF Board-AIEs received is for instance referenced to Note 1 in the statement of receipts and payments while the item is referenced as 1.1.1.1.1.1.1 in the notes to the financial statements. In addition, although Note 10-cash and bank balances and Note 11- outstanding imprests are reflected in the statement of assets, they are missing from the notes to financial statements. Consequently, the financial statements have not been presented in accordance with the guidelines issued by the Public Sector Accounting Standards Board.

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

2. Inaccuracies in the Financial Statements

(i). The following differences were noted between the figures in the financial statements and supporting schedules:

No.	Item	Balance as per financial statements Kshs.	Balance as per supporting schedules Kshs.	Difference Kshs.
1	Compensation of Employees	1,520,031	1,516,238	3,793
2.	Use of Goods and Services	7,108,730	6,950,721	158,009

(ii). Further, the statement of receipts and payments reflects expenditure totalling Kshs.7,108,730 under use of goods and services while the respective Note 5 to the financial statements reflects Kshs.6,950,721 resulting in unexplained difference of Kshs.158,009.

(iii). The statement of assets also reflects a bank balance of Kshs.2,683,991 and referenced the item to Note 10A which does not exist. However, the bank balance is reflected as Kshs.2,842,000 in Note 12A to the financial statements resulting in unexplained difference of Kshs.158,009.

(iv). In addition, the summary of fixed assets register at annex 4 to the financial statements cast to Kshs.15,311,979 but is reflected as Kshs.15,611,979 resulting in a difference of Kshs.300,000.

Consequently, the accuracy of the financial statements for year ended 30 June 2017 cannot be confirmed.

3. Ineligible Expenditure

The statements of receipts and payments reflects expenditure of Kshs.29,900,000 in respect of transfers to other government entities. The expenditure includes Kshs.950,000 for health institutions. Further, the statement also includes expenditure totalling Kshs.69,549,927 in respect of other grants and transfers which include Kshs.18,433,500 for water projects. Both health and water are devolved functions under the County Government.

The expenditure totalling Kshs.19,383,500 on health and water is therefore ineligible and contrary to Section 24 (a) of the National Government Constituency Development Fund Act of 2015 which limit funding of projects works and services to those falling within the functions of the National Government. Consequently, the National Government Constituencies Development Fund Board and the Kilome Constituency Development Fund Committee were in breach of the law.

4. Net Financial Position

The statement of assets as at 30 June 2017 net liabilities instead of net financial position of Kshs.2,683,991, being the difference between the brought forward fund balance of

Kshs.33,574,627 and the deficit for the year of Kshs.30,890,636. No explanation has been provided for this anomaly.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund- Kilome 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 matter described in the Basis for Qualified Opinion and Other Matter sections, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

2. Budget and Budgetary Control

The summary statement of appropriation indicate that the fund incurred total expenditure of Kshs. 110,987,188 against an approved budget of Kshs.113,671,179 resulting in an overall under-expenditure of Kshs. 2,683,991 or about 2%. The under- expenditure occurred mainly in respect of compensation of employees where actual expenditure amounted to Kshs.1,520,031 against a budget of Kshs.3,942,740 resulting in an under expenditure of Kshs.2,422,709 or 61%.

2. Project Implementation

During the year under review, projects worth Kshs.26,550,863 were started and completed while those started and ongoing amounted to Kshs.21,600,000 as of 30 June 2017 as detailed below:

Project Name	Major Activity	Allocated Amount- Kshs.	Disbursed Amount- Kshs.	Implementation Status
Emergency	To cater for any unforeseen occurrences in the Constituency during the Financial Year	4,094,828	4,094,828	Complete
Environment				
CDF Office	Facilitate Tree planting as part of environment conservation.	206,035	206,035	Complete
D.Os Office Kilome	Facilitate Tree planting as part of environment conservation.	200,000	200,000	Complete
D.Os Office Malili	Facilitate Tree planting as part of environment conservation.	200,000	200,000	Complete

D.Os Office Kiou	Facilitate Tree planting as part of environment conservation.	200,000	200,000	Complete
St. Regin a Kious Sec	Facilitate Tree planting as part of environment conservation.	150,000	150,000	Complete
Ulu Sec School	Facilitate Tree planting as part of environment conservation.	150,000	150,000	Complete
AIC Sultan Hamud Sec	Facilitate Tree planting as part of environment conservation.	150,000	150,000	Complete
AIC Malili Township Primary School	Facilitate Tree planting as part of environment conservation.	150,000	150,000	Complete
Mutweambo Primary School	Facilitate Tree planting as part of environment conservation.	150,000	150,000	Complete
Secondary Schools				
Mumela Sec School	3 No. classrooms renovations - Roofing, plastering, replacement of doors/windows and repainting.	500,000	500,000	Complete
Primary Schools				
Kwakalelo Primary School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Katikomu Sec School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kavuko Mixed Day Pri.	Construction of a new Dormitory - Foundation/Substructure walling, roofing.	1,000,000	1,000,000	complete and in use
Muangini Pr.School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kikoongoni Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwakavita Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwakathendu Pri. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Uthini Primary School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Ndalani Primary School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use

Uvunye Pri. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
St. Patrick School (Kawese)	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kitumbini Sec School	3 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kiimakui Pri. School	3 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Tangu Pr. School	5 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	800,000	800,000	complete and in use
Kwamwingio Pr. School	Construction of a new classroom to completion	600,000	600,000	complete and in use
Sultan Hamud Pr. School	5 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	800,000	800,000	complete and in use

Ngiini Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kitivo Primary School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwakaseke Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwamalelu Pr. School	Construction of a new classroom to completion, Renovation of 2 classes.	1,000,000	1,000,000	complete and in use
Kithina Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Mathunzuni Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Nduluni Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Mukaa Pr. School	5 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	1,000,000	1,000,000	complete and in use

Ngiluni Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kathii Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwawala Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Mbiini Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Ianduini Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Mutweambo Primary School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwambeu Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kikoongoni Pr. School- Ngini Sublocation	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Ulu Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Masokani Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Mbyani Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Nguuni Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Mwanyambe vo Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kiongwani Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwambotoe Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use

Maiani Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Ngaamba Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Wathini Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kwa Katia Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Muani Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	complete and in use
Kathungu Pr. School	Construction of a new Dormitory - Foundation/Substructure walling, roofing.	1,000,000	1,000,000	Ongoing
AIC Malili Township Primary School	Construction of a new classroom to completion	750,000	750,000	Ongoing
St. Peters Kwa Ndeke Pr. School	Construction of a new classroom to completion	400,000	400,000	Ongoing
Masive Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	Ongoing
Uiini Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	650,000	650,000	Ongoing
Isika Primary School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	Ongoing
Kwakyambu Pr. School	2 No. classrooms renovations - roofing, plastering, replacement of doors/windows and repainting.	400,000	400,000	Ongoing
SECURITY				
Mukaa AP Camp	Construction of a storey Building with 8 housing units and washrooms to completion.	17,600,000	17,600,000	Ongoing

Consequently, the fund did not meet fully the expectations of the constituents of Kilome for projects budgeted but not completed during the year.

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 applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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



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

Nairobi

08 August 2018

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.

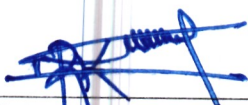
The Accounting Officer in charge of the NG-KILOME Constituency Development Fund is responsible for the preparation and presentation of the NG-KILOME CDF financial statements, which give a true and fair view of the state of affairs of the NG-KILOME CDF for and as at the end of the financial year (period) 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 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 CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NG-KILOME CDF accepts responsibility for the 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 CDF's financial statements give a true and fair view of the state of CDF's transactions during the financial year ended June 30, 2016, and of the CDF's financial position as at that date. The Accounting Officer charge of the NG-KILOME CDF further confirms the completeness of the accounting records maintained for the CDF, which have been relied upon in the preparation of the CDF's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NG-KILOME CDF confirms that the CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the 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 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 CDF's financial statements were approved and signed by the Accounting Officer on 30th June 2017.



Fund Account Manager



Chairman CDFC

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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**Reports and Financial Statements
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	80,096,552	104,735,071
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		80,096,552	104,735,071
PAYMENTS			
Compensation of employees	4	1,520,031	1,596,669
Use of goods and services	5	7,108,730	6,938,722
Transfers to Other Government Units	6	29,900,000	28,300,000
Other grants and transfers	7	69,549,927	66,403,004
Acquisition of Assets	8	2,908,500	300,000
Other Payments	9	-	-
TOTAL PAYMENTS		110,987,188	103,538,395
SURPLUS/DEFICIT		(30,890,636)	1,196,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-KILOME CDF financial statements were approved on 30th June 2017 and signed by:

Chairman - CDFC

Fund Account Manager


**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,683,991	33,574,627
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		2,683,991	33,574,627
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	33,574,627	32,377,951
Surplus/Defict for the year		(30,890,636)	1,196,676
Prior year adjustments	14	-	-
NET LIABILITIES		2,683,991	33,574,627

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-KILOME CDF financial statements were approved on 30th June 2017 and signed by:


Chairman - CDFC


Fund Account Manager

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME

CONSTITUENCY

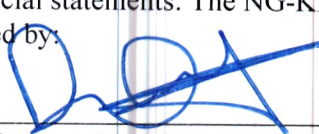
Reports and Financial Statements

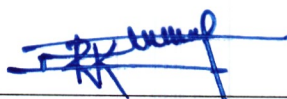
For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 - 2016
Receipts for operating income			
Transfers from CDF Board	1	80,096,552	104,735,071
Other Receipts	3	-	-
		80,096,552	104,735,071
Payments for operating expenses			
Compensation of Employees	4	1,520,031	1,596,669
Use of goods and services	5	7,108,730	6,938,722
Transfers to Other Government Units	6	29,900,000	28,300,000
Other grants and transfers	7	69,549,927	66,403,004
Other Payments	9	-	-
		108,078,688	103,238,395
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		(27,982,136)	1,496,676
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	2,908,500	300,000
Net cash flows from Investing Activities		(2,908,500)	(300,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(30,890,636)	1,196,676
Cash and cash equivalent at BEGINNING of the year	13	33,574,627	32,377,951
Cash and cash equivalent at END of the year		2,683,991	33,574,627

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-KILOME CDF financial statements were approved on 30 June 2017 and signed by:


 Chairman CDFC

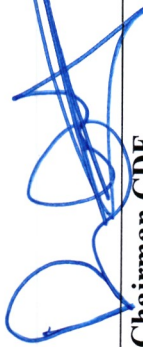

 Fund Account Manager

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME CONSTITUENCY
Reports and Financial Statements
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	80,096,552	33,574,627	113,671,179	113,671,179	-	100
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTALS	80,096,552	33,574,627	113,671,179	113,671,179	-	100
PAYMENTS						
Compensation of Employees	2,255,240	1,687,500	3,942,740	1,520,031	2,422,709	39
Use of goods and services	4,746,914	2,623,098	7,370,012	7,108,730	261,282	96
Transfers to Other Government Units	25,100,000	4,800,000	29,900,000	29,900,000	-	100
Other grants and transfers	45,306,898	24,243,029	69,549,927	69,549,927	(0)	100
Acquisition of Assets	2,687,500	221,000	2,908,500	2,908,500	-	100
TOTALS	80,096,552	33,574,627	113,671,179	110,987,188	2,683,991	98

The NG-KILOME CDF financial statements were approved on 30th June 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 *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 *CDF*.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the *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 *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 *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 *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 *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 - CONSTITUENCY DEVELOPMENT FUND - KILOME
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**Reports and Financial Statements
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IX. NOTES TO THE FINANCIAL STATEMENTS

1.1.1.1.1.1.1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	AIE No	2016 - 2017	2015 - 2016
		Kshs	Kshs
CDF Board	A 796279		10,000,000.00
	A 724189		10,000,000.00
	A 796474		10,000,000.00
	A820578		10,000,000.00
	A820815		12,000,000.00
	A825625		26,735,071.00
	A825565		26,000,000.00
	A829607	4,094,827.6	
	A839601	36,853,449	
	A855627	39,148,275.10	
TOTAL		80,096,551.70	104,735,071

1.1.1.1.1.1.1.2 PROCEEDS FROM SALE OF ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.3 OTHER RECEIPTS

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

1.1.1.1.1.1.1.4 COMPENSATION OF EMPLOYEES

	2016 - 2017	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,393,868	1,407,020
Employer Contribution NSSF	126,163	125,640
Basic wages of casual labour	-	24,000
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	40,000
Total	1,520,031	1,596,669

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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**Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.5 USE OF GOODS AND SERVICES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services	-	126,655
Communication, supplies and services	6,960	6,960
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	116,000	174,000
Rentals of produced assets	-	-
Training expenses	750,000	998,500
Committee Allowance	1,964,000	2,801,290
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	3,822,417	2,471,317
Fuel, oil & lubricants	50,000	360,000
Other operating expenses	241,344	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Total	6,950,721	6,938,722

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015- 2016
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	26,050,000	9,050,000
Transfers to secondary schools (see attached list)	2,900,000	17,550,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	950,000	1,700,000
TOTAL	29,900,000	28,300,000

1.1.1.1.1.1.7 OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2016	2015- 2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,200,000	3,750,000
Bursary – tertiary institutions (see attached list)	10,500,000	3,000,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	18,433,500	39,806,000
Agriculture projects (see attached list)	-	400,000
Electricity projects (see attached list)	-	-
Security projects (see attached list)	17,600,000	1,000,000
Roads projects (see attached list)	429,357	11,929,537
Sports projects (see attached list)	1,556,035	750,000
Environment projects (see attached list)	1,556,035	-
Emergency projects (see attached list)	4,275,000	5,767,467
Total	69,549,927	66,403,004

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.8 ACQUISITION OF ASSETS

Non Financial Assets

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,000,000	-
Refurbishment of Buildings	887,500	-
Purchase of Vehicles, Motorbikes and Other Transport Equipment	221,000	300,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	400,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Other Office Equipments	400,000	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	2,908,500	300,000

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.1.1.1.1.1.1.9 OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
specify	-	-
	-	-

12A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
<i>KCB, 1124880895</i>	2,683,991	33,574,627
Total	2,683,991	33,574,627

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: CASH IN HAND

	2016 - 2017 Kshs (30/7/2017)	2015 - 2016 Kshs (30/7/2016)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

[Provide cash count certificates for each]

12C: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
Total				-

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

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs (1/7/2016)	Kshs (1/7/2015)
Bank accounts	33,574,627	32,377,951
Cash in hand	-	-
Imprest	-	-
Total	33,574,627	32,377,951

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017 Kshs	2015 - 2016 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

15.4: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances	3,921,335	-
	3,921,335	-
	3,921,335	-

15.5: Amount due for NG-CDF Board

	Kshs	Kshs
Amount due for NG-CDF Board	1,800,000	-
	1,800,000	-
	1,800,000	-

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME CONSTITUENCY

Reports and Financial Statements

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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1.							
2.							
3.							
	Sub-Total						
Amounts due to other grants and other transfers							
4.							
5.							
6.							
	Sub-Total						
	Sub-Total						
Others (specify)							
7.							
8.							
9.							
	Sub-Total						
	Grand Total						

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

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	-	-
Buildings and structures	10,487,253	9,487,253
Transport equipment	1,409,476	909,476
Office equipment, furniture and fittings	1,612,610	1,612,610
ICT Equipment, Software and Other ICT Assets	694,140	694,140
Other Machinery and Equipment	1,108,500	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	15,611,979	12,703,479

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
S.A Kikongooni Primary School	KCB	1206683597	170,000.00	-
Katulyani Pr. School	KCB	1114263753	300,000.00	-
Kwakavita Primary School	KCB	1207302708	130,000.00	-
Kitivo Primary School	KCB	1114738050	100,000.00	-
Nguuni Primary School	KCB	1114662232	117,350.00	-
Masive Primary School	KCB	1127489070	120,000.00	-
Ianduini Primary School	KCB	1136915060	120,000.00	-
Ngiluni Pr. School	KCB	1132736099	79,710.00	-
Kwawala Pr. School	KCB	1137682264	50,000.00	-
Kwakyambu Primary School	KCB	1136740813	400,000.00	-
A.P Line House S.A S.H.G	KCB	1205934014	2,334,275.00	-
Total			3,921,335.00	

**NATIONAL GOVERNMENT - CONSTITUENCY DEVELOPMENT FUND - KILOME
CONSTITUENCY**

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 No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.0 Budgetary control	Over expenditure	The NG-CDF strictly adheres to the utilization of funds in a timely manner.	Robert Kioko-Fund Account Manager	Resolved	30/6/2017
2.0 Project Implementation and unsupported payments	PMCs returns were not available	PMCs to submit returns on time.	Robert Kioko-Fund Account Manager	Resolved	30/6/2017
3.1 Emergency Projects	Funding of projects that are not emergency in nature	NG-CDFC to strictly fund emergency projects only.	Robert Kioko-Fund Account Manager	Resolved	30/6/2017
4.0 Cash and Cash equivalent	Reconciliation statements not available as at the date of audit	Reconciliation done upto date	Lawrence Otundo-Accountant	Resolved	30/6/2017
5.0 Prior Year Adjustments	Vouchers supporting adjustments were unavailable for audit review	To prepare vouchers supporting any adjustments.	Robert Kioko-Fund Account Manager	Resolved	30/6/2017
6.0 Non compliance with prescribed format	Financial Statements not prepared in compliance with IPSAS format.	Financial Statements have been prepared in compliance with IPSAS format.	Robert Kioko-Fund Account Manager	Resolved	30/6/2017

