

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

**OF**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 21 NOV 2018	DAY: Wed
TABLED BY:	The Hon. Aden Diat, EGH, MP
CLERK-AT THE-TABLE:	Manoj

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE 2017**





OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI

29 SEP 2017

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
MWEA CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2017**

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

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MWEA**  
**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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013. In 2015, the CDF Act of 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund Act, NG-CDF Act, 2015. The National Government Constituencies Development Fund (NG-CDF) is under the Ministry of Devolution and Planning. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**(b) Key Management**

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

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Isaac K. Wamugunda
3.	Accountant	Conelius K. Omonyo

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Mwea Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) MWEA NGCDF Headquarters**

NGCDF Office Building.  
P.O Box 99  
Wang'uru



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

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**(f) Mwea NGCDF Contacts**

Telephone: (254) 0710771170  
E-mail:mweacdf.go.ke

**(g) MWEA NGCDF Bankers**

1. Equity Bank Limited  
Mwea Branch  
Account Number 0380262157416...

**(h) Independent Auditors**

Auditor General  
Office of 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 NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NGCDFC)

**INTRODUCTION**

Mwea NGCDF comprises of two district i.e. Mwea East & Mwea West, highly populated with a newly settlement scheme with people from diverse communities and called South Ngariama. The NGCDF has always dedicate time to ensure prudent allocation of resources received from NGCDF BOARD within the constituency .Mwea NGCDF has completed many projects that are geared towards infrastructural development ,wealth creation and eradication of poverty.

**2016-2017 FINANCIAL YEAR ACHEIVEMENTS**

During the financial year 2016-2017 Mwea NGCDF was able to construct various classrooms, ablution blocks science laboratory and Renovations of various classroom within the constituency


**EMERGING ISSUES**

uring the financial year 2016-2017 Mwea NGCDF was unable to proceed with some of the projects it had been engaging in due to devolution of some departments e.g. water & health .

**IMPLEMENTATION CHALLENGES**

Due to poor infrastructure and water supply in some parts of the constituency eg. South Ngariama settlement scheme, it's therefore difficult for the settlers, contactors & Mwea NGCDF to transport construction materials within the area hence hindering good performance & livelihood of both the settlers & Mwea NGCDF work

It is recommended that the national & county government to intervene and improve the infrastructure and water supply

Sign.....  
RICHARD CHOMBA NJERU  
CHAIRMAN NGCDFC





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MWEA  
CONSTITUENCY**

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

**III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. 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.

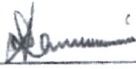
The Accounting Officer in charge of the Mwea NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF; (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 NGCDF; (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 Mwea NGCDF accepts responsibility for the NGCDF'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 NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2017, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the Mwea NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Mwea NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF'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 NGCDF'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 NGCDF's financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2017.

  
I K WAMUGUNDA  
Fund Account Manager

  
RICHARD CMOMBA NJERU  
Chairman



# 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-MWEA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Mwea Constituency set out on pages 5 to 24, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Mwea Constituency as at 30 June, 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

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

#### Basis for Qualified Opinion

##### 1. Acquisition of Assets

The statement of receipts and payments for the year ended 30 June 2017 reflects acquisition of assets balance of Kshs.918,900. Included in the balance is an amount of Kshs.620,000 for the purchase of a generator for which no supporting documents such as invoice and delivery note were presented for audit review. Further, the fixed asset register was not updated. Consequently, the accuracy of acquisition of assets balance of Kshs.918,900 for the year ended 30 June 2017 could not be confirmed.

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



## 2. Other Grants and Other Payments – Unsupported Expenditure

Included in the other grants and other payments, balance of Kshs.54,965,781 as disclosed in note 7 to the financial statements for the year ended 30 June 2017 is other capital grants and transfers balance of Kshs.9,300,008, out of which Kshs.3,000,000 was for the construction of Murubara Social Hall. However, supporting documents including the payment vouchers for the expenditure were not provided for audit review. Consequently, the accuracy of other capital grants and transfers balance of Kshs.9,300,008 for the year ended 30 June 2017 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund–Mwea 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 section, I have determined that there are no Key Audit Matters to communicate in my report.

### Other Matter

#### Budget Performance

The summary statement of appropriation; recurrent and development combined reflects actual receipts for the year of Kshs.159,899,365 against actual expenditure of Kshs.155,377,347 representing an absorption rate of 77% as analyzed below:

Item	Budget Amount (Kshs.)	Actual Amount (Kshs.)	Variance (Kshs.)	Absorption Rate %
Receipts	200,999,631	159,899,365	41,100,266	80
<b>Payments</b>				
Compensation of Employees	3,193,128	2,488,050	705,078	78
Use of goods and services	14,263,548	13,784,615	478,933	97
Transfer to Other Government Units	107,660,000	83,220,000	24,440,000	77
Other grants and transfers	74,964,055	54,965,781	19,998,274	73
Acquisition of Assets	918,900	918,900	0	100
<b>Total</b>	<b>200,999,631</b>	<b>155,377,345</b>	<b>45,622,286</b>	<b>77</b>



The above table shows that the total payments for the NGCDF was Kshs.155,377,345 against a budget of Kshs.200,999,631 resulting to budget underutilization of Kshs.45,622,286, or 23%. Further, the project status report as at 30 June 2017 was not made available for audit review. The management has not given any explanation for the under performance which impacts negatively on service delivery to the public.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is

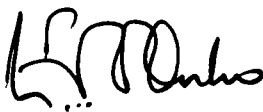


higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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



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


**Nairobi**

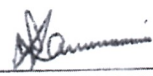
**23 October 2018**

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

IV. STATEMENT OF RECEIPTS AND EXPENDITURE	Note	2016 - 2017 Kshs	2015- 2016 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	89,577,657	110,792,628
Proceeds from Sale of Assets	2	-	
Other Receipts	3	152,000	108,900
<b>TOTAL RECEIPTS</b>		<b>89,729,657</b>	<b>110,901,528</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,488,050	1,617,327
Use of goods and services	5	13,784,615	6,784,020
Transfers to Other Government Units	6	83,220,000	75,818,915
Other grants and transfers	7	54,965,785	29,920,897
Acquisition of Assets	8	918,900	6,343,250
Other Payments	9	-	
<b>TOTAL PAYMENTS</b>		<b>155,377,345</b>	<b>120,484,409</b>
<b>SURPLUS/DEFICIT</b>		<b>(65,647,688)</b>	<b>(9,582,881)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwea NGCDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

  
**RICHARD NJERU CHOMBA**  
 Chairman - NGCDFC

  
**IK WAMUGUNDA**  
 Fund Account Manager




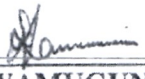
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- MWEA  
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V. STATEMENT OF FINANCIAL ASSETS

	Note	2016-2017 Kshs	2015 - 2016 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	4,674,020	69,988,708
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	333,000.00
<b>TOTAL FINANCIAL ASSETS</b>		<u><b>4,674,020</b></u>	<u><b>70,321,708</b></u>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	70,321,708	79,904,589
Surplus/Deficit for the year		(65,647,688)	(9,582,881)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<u><b>4,674,020</b></u>	<u><b>70,321,708</b></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwea NGCDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

  
**RICHARD CHOMBA NJERU**  
 Chairman - NGCDFC

  
**I K WAMUGUNDA**  
 Fund Account Manager

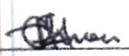
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 CONSTITUENCY

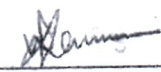
Reports and Financial Statements  
 For the year ended June 30, 2017

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016 - 2017	2015 - 2016
Transfers from CDF Board	1	89,577,657	110,792,628
Other Receipts	3	152,000	108,900
		<b>89,729,657</b>	<b>110,901,528</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,488,050	1,617,327
Use of goods and services	5	13,784,615	6,784,020
Transfers to Other Government Units	6	83,220,000	75,818,915
Other grants and transfers	7	54,965,781	29,920,897
Other Payments	9	-	-
		<b>154,458,445</b>	<b>114,141,159</b>
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>(64,728,788)</b>	<b>(3,239,631)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	918,900	6,343,250
<b>Net cash flows from Investing Activities</b>		<b>(918,900)</b>	<b>(6,343,250)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(65,647,688)</b>	<b>(9,582,881)</b>
Cash and cash equivalent at BEGINNING of the year	13	70,321,708	79,904,589
Cash and cash equivalent at END of the year		<b>4,674,020</b>	<b>70,321,708</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Mwea NGCDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

  
 Chairman NGCDFC

  
 Fund Account Manager



IV. 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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,552	118,951,079	200,847,631	159,899,365	40,948,266	79.6%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	152,000	152,000	-	-	-
<b>TOTAL</b>	<b>81,896,552</b>	<b>119,103,079</b>	<b>200,999,631</b>	<b>159,899,365</b>	<b>41,100,266</b>	<b>79.6%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,593,719	1,599,409	3,193,128	2,488,050	705,078	77.9%
Use of goods and services	5,269,101	8,994,447	14,263,548	13,784,615	478,934	96.6%
Transfers to Other Government Units	43,480,000	64,180,000	107,660,000	83,220,000	24,440,000	77.3%
Other grants and transfers	31,553,732	43,410,323	74,964,055	54,965,781	19,998,274	73.5%
Acquisition of Assets	-	918,900	918,900	918,900	-	100.0%
Other Payments	-	-	-	-	-	-
<b>TOTAL</b>	<b>81,896,552</b>	<b>119,103,079</b>	<b>200,999,631</b>	<b>155,377,345</b>	<b>45,622,286</b>	<b>77.3%</b>

*[Handwritten Signature]*  
P. M. M.

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

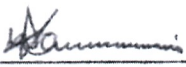
**Reports and Financial Statements  
For the year ended June 30, 2017**

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- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]
- i. XXXX
  - ii. XXXX
  - iii. XXXX
  - iv. XXXX
  - v. XXXX

The MWEA NGCDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

  
\_\_\_\_\_  
**Chairman NGCDF**

  
\_\_\_\_\_  
**Fund Account Manager**



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

**VI. 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 NGCDF 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 NGCDF.

**2. Recognition of revenue and expenses**

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

**3. In-kind contributions**

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

**4. Cash and cash equivalents**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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**For the year ended June 30, 2017**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the NGCDF 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 NGCDF'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 NGCDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

**7. Comparative figures**

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

**8. Subsequent events**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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**VII. NOTES TO THE FINANCIAL STATEMENTS**

<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>			
<b>Description</b>		<b>2016-2017</b>	<b>2015 - 2016</b>
		<b>Kshs</b>	<b>Kshs</b>
Normal Allocation	A855238	48,629,371.00	53,792,628.00
	A829946	4,094,827.59	57,000,000.00
	A855517	17,734,904.00	
	A855746	19,118,554.00	
<b>TOTAL</b>		<b>89,577,657</b>	<b>110,792,628</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2015 – 2016</b>	<b>2014 – 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
<b>Total</b>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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**For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>3 OTHER RECEIPTS</b>			
<b>Description</b>		<b>2016-2017</b>	<b>2015 - 2016</b>
		<b>Kshs</b>	<b>Kshs</b>
Interest Received		-	-
Rents		-	-
Interest Received		-	-
Other Receipts Not Classified Elsewhere (specify)		152,000	108,900
<b>Total</b>		<b>152,000</b>	<b>108,900</b>

<b>4 COMPENSATION OF EMPLOYEES</b>			
<b>Description</b>		<b>2016-2017</b>	<b>2015 - 2016</b>
		<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees		1,443,700	1,218,557
Basic wages of casual labour		433,534	347,500
<b>Personal allowances paid as part of salary</b>		-	-
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		-	-
Employer contribution to NSSF		108,030	51,270
gratuity		502,786	-
<b>Total</b>		<b>2,488,050</b>	<b>1,617,327</b>

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5 USE OF GOODS AND  
SERVICES**

Description	2016-2017 Kshs	2015 - 2016 Kshs
Utilities, supplies and services	27,004	25,355
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	115,200.00	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,927,400	24,000
Hospitality supplies and services	340,000	54,017
Other committee expenses	5,982,100	1,537,300
Committee allowance	1,326,005	2,258,700
Insurance costs	699,276	332,513
Specialised materials and services	-	-
Office and general supplies and services	1,071,802	134,864
Fuel ,oil & lubricants	2,100,000	749,691
Other operating expenses	58,328	-
Routine maintenance – vehicles and other transport equipment	137,500	1,667,580
Routine maintenance – other assets	-	-
<b>Total</b>	<b>13,784,615</b>	<b>6,784,020</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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**Reports and Financial Statements**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools	35,760,000	7,097,931
Transfers to secondary schools	42,460,000	57,206,827
Transfers to Tertiary institutions	5,000,000	6,000,000
Transfers to Health institutions	-	5,514,157
<b>TOTAL</b>	<b>83,220,000</b>	<b>75,818,915</b>

**7 OTHER GRANTS AND OTHER PAYMENTS**

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Bursary -Secondary	13,291,000	22,125,000
Bursary -Tertiary	20,334,770	-
Bursary-Special schools	-	-
Mocks & CAT	-	-
water	-	-
Agriculture (food security)	-	2,623,423
Electricity projects	-	-
Security	-	-
Roads	2,700,000	650,000
Sports	-	-
Other capital grants and transfer	-	-
Emergency Projects (specify)	9,300,000	1,000,000
<b>Total</b>	<b>54,965,781</b>	<b>29,920,897</b>

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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 For the year ended June 30, 2017**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8 ACQUISITION OF ASSETS**

**Non-Financial Assets**

2016-2017  
Kshs

2015 - 2016  
Kshs

Purchase of Buildings

-

-

Construction of Buildings

-

-

Refurbishment of Buildings

-

1,000,000

Purchase of Vehicles

-

5,200,000

Purchase of Bicycles &  
Motorcycles

-

-

Overhaul of Vehicles

-

-

Purchase of office furniture and  
fittings

-

-

Purchase of computers ,printers  
and other IT equipments

298,900

-

Purchase of photocopier

-

-

Purchase of other office  
equipments

650,000

143,250

Purchase of soft ware

-

-

Acquisition of Land

-

-

**Total**

**918,900**

**6,343,250**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MWEA  
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**Reports and Financial Statements**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>9 Other Payments</b>			
specify		-	-
specify		-	-
specify		-	-
<b>TOTAL</b>		-	-
<b>10A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>		<b>2016-2017</b>	<b>2015 - 2016</b>
	<b>Account Number</b>	<b>Kshs (30/6/2017)</b>	<b>Kshs (30/6/2016)</b>
EQUITY BANK MWEA BRANCH	380,262,157,416	4,674,020	69,988,708
		-	-
		-	-
<b>Total</b>		<b>4,674,020</b>	<b>69,988,708</b>
<b>10B: CASH IN HAND)</b>			
		<b>2016-2017</b>	<b>2015 - 2016</b>
		<b>2016-2017</b>	<b>Kshs (30/6/2015)</b>
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
<b>Total</b>		-	-
		<b>[Provide cash count certificates for each]</b>	<b>[Provide cash count certificates for each]</b>





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

13 BALANCES  
 BROUGHT FORWARD

	2016-2017 Kshs (1/7/2016)	2015 - 2016 Kshs (1/7/2015)
Bank accounts	70,321,708	79,904,589
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>70,321,708</b>	<b>79,904,589</b>

[Provide short appropriate explanations as necessary]

14

PRIOR YEAR  
 ADJUSTMENTS

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MWEA  
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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	XXX	XXX
Construction of civil works	XXX	XXX
Supply of goods	XXX	XXX
Supply of services	XXX	XXX
	<b>XXX</b>	<b>XXX</b>

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

	Kshs2016-2017	Kshs2015-2016
Senior management	XXX	XXX
Middle management	XXX	XXX
Unionisable employees	XXX	XXX
Others (specify)	XXX	XXX
	<b>XXX</b>	<b>XXX</b>

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

	Kshs2016-2017	Kshs2015-2016
Amounts due to other Government entities (see attached list)	XXX	XXX
Amounts due to other grants and other transfers (see attached list)	XXX	XXX
Others (specify)	XXX	XXX
	<b>XXX</b>	<b>XXX</b>

**15.4: PMC account balances (See Annex 5)**

	Kshs2016-2017	Kshs2015-2016
PMC account Balances (see attached list)	5,000,000	XXX
	<b>5,000,000</b>	<b>XXX</b>

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Reports and Financial Statements  
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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 2017	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

*[Handwritten signature]*



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

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

*[Handwritten signature]*

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	2,630,000	2,630,000
Buildings and structures	1,000,000	0
Transport equipment	7,740,000	2,540,000
Office equipment, furniture and fittings	776,340	633,090
ICT Equipment, Software and Other ICT Assets	918,400	619,500
Other Machinery and Equipment	18,005,000	18,005,000
Heritage and cultural assets	N/A	N/A
Intangible assets	22,900	22,900
<b>Total</b>	<b>31,092,640</b>	<b>24,450,490</b>

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REPUBLICAN GOVERNMENT CONSTITUENCY DEVELOPMENT FUND  
 CONSTITUENCY

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

TRIAL BALANCE AS AT 30TH JUNE 2017		DR	CR
<b>Cash and Cash equivalents</b>			
Bank Balances		4,674,020	
Cash Balances		-	
Outstanding Imprest		-	
<b>Payments</b>			
Compensation of Employees		2,488,050	
Use of goods and services		13,784,615	
Transfers to Other Government Units		83,220,000	
Other grants and transfers		54,965,781	
Acquisition of Assets		918,900	
Other Payments		-	
<b>Receipts</b>			
Transfers from the Board			89,577,657
Proceeds from sale of assets			-
Others receipts			152,000
Prior Year Adjustment			-
Fund Balance b/f			70,321,708
<b>TOTAL</b>		<b>160,051,365</b>	<b>160,051,365</b>

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ANNEX 5 -PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance: 2015/16
MWEA TECHNICAL INSTITUTE	EQUITY		5,000,000	0.00
Total				

*[Handwritten signature]*

U.S. CONGRESS  
**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)

Prepared by:

**ISAAC KARIUKI WAMUGUNDA**  
**Fund Account Manager**





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MWEA

