

REPUBLIC OF KENYA



*paper laid by
Leader of Majority
Party
Tuesday 7/8/2018
AG*

OFFICE OF THE AUDITOR-GENERAL



REPORT

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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
CHUKA IGAMBA NG'OMBE CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2017**

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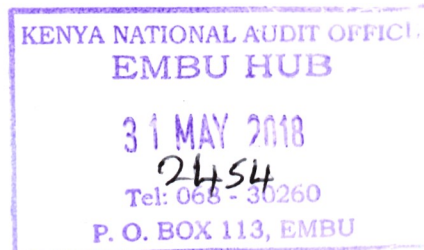


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-
CHUKA IGAMBANG'OMBE CONSTITUENCIES**

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 – CHUKA
IGAMBANG’OMBE CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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.

(a) Key Management

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

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

(b) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mary Kabuga
3.	Accountant	Bernard Cheruiyot

(c) Fiduciary Oversight Arrangements

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

(d) Chuka-Igambangombe N.G-CDF Headquarters

P.O. Box 445-60400
100M from Chuka-Meru road
Next to the Chuka DC's Playground
Chuka

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

(e) CHUKA IGAMBANG'OMBE NG-CDF Contacts

P.O. Box 445-60400
100M from Chuka-Meru road
Next to the Chuka DC's Playground
Chuka
Telephone: (254) 793-322-000

(f) Chuka-Igambangombe N.G-CDF Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity bank
A/C no 0210261803915
Chuka

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017**

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

In the financial year 2016/17 Chuka-Igambangombe NG-CDF was allocated ksh 81,896,552 as follows;

Sector	Amount(Kshs)
Office Administration	4,913,793
Monitoring & Evaluation	2,456,896
Bursary/CATs/ mocks	20,474,138
Emergency projects	4,094,828
Sports activities	1,637,931
Primary school projects	28,331,035
Secondary school projects	5,000,000
Security projects	12,850,000
Environment Tertiary	1,637,931 500,000
Total	81,896,552

AIEs of Kshs. 81,896,552 were received and an opening cash balance of Kshs. 34,163,649 hence funds available for expenditure totalled Kshs. 116,060,201. In the financial year 2016/2017, a total of Kshs. 113,981,049 has been spent on various items as follows:

ITEM	AMOUNT SPENT KSHS
Compensation of Employees	2,236,625
Use of goods and services	8,906,849
Transfers to Other Government Units	40,681,034
Other grants and transfers	60,442,172
Acquisition of Assets	1,714,370
TOTAL	113,981,049

Key Achievements for Chuka-Igambang'ombe NG-CDF

The N.G-CDFC has paid fees to many students in form of bursary fund hence leading to higher retention of students in learning institutions thus enhancing good performance.

The N.G-CDFC has also constructed security infrastructure such as police lines therefore enhancing security in the constituency.

Inadequate funds has been a challenge making implementation of some projects delay.

CHAIRPERSON NG-CDFC

SECONDINA CIANGAI

Sign.....



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE CONSTITUENCY**

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

III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government agency shall prepare financial 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.

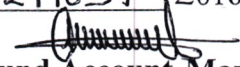
The Accounting Officer in charge of the CHUKA IGAMBANG'OMBE National Government Constituency Development Fund is responsible for the preparation and presentation of the CHUKA IGAMBANG'OMBE NG-CDF financial statements, which give a true and fair view of the state of affairs of the CHUKA IGAMBANG'OMBE NG-CDF for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NG-CDF; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NG-CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the CHUKA IGAMBANG'OMBE NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the CHUKA IGAMBANG'OMBE NG-CDF further confirms the completeness of the accounting records maintained for the NG-CDF, which have been relied upon in the preparation of the NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NG-CDF's financial statements were amended and signed by the Accounting Officer on 29/05/2018.


Fund Account Manager


Chairman CDFC

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.oagkenya.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA IGAMBA NG'OMBE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Chuka Igamba ng'ombe Constituency set out on pages 5 to 27, which comprise the statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation 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 – Chuka Igamba ng'ombe 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 matters described in the Basis for Qualified Opinion and Other Matter sections of my report, based on the procedures performed, I confirm that, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Qualified Opinion

1.0 Irregularities in Roads Projects

During the financial year under review, the Fund disbursed Kshs.2,500,000 and Kshs.2,000,000 all totaling to Kshs.4,500,000 for rehabilitation of access roads of Kiamukuria - Kiarithia and Njuri - Kidiga respectively. The invitation for tenders for the works on the two roads was done on 3 May 2016 with a closing date of 23 May 2016. The tenders were opened on 23 May 2016 and four (4) bidders were purported to have bid as follows;

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Chuka Igamba Ng'ombe Constituency for the year ended 30 June 2017

Contractor	Njuri – Kibiga Road (Kshs)	Kiamukuria – Kiaritha Road (Kshs)
Zabloxy Enterprises Ltd	2,032,640	2,587,620
Gee Two Talents Co. Ltd	2,157,340	2,622,790
Pplebiz Ventures Ltd	1,989,000	2,489,000
Trinidad Ventures Ltd	2,069,620	2,646,040

The two tenders were awarded to M/S Pplebiz Ventures Limited as per the Project Mangement Committee (PMC) Minutes dated 23 May 2016. However, the tender evaluation minutes and constitution of tender evaluation panel and the final completion certificates were not made available for audit verification.

In view of the foregoing, the propriety and value for money of Kshs.4,500,000 expenditure on the two roads as at 30 June 2017 could not be confirmed.

2.0 Irregularities in Schools Projects

2.1 Classroom Completion – Mungoni and Makanyanga Primary Schools

During the financial year under review, Mungoni and Makanyanga Primary Schools were funded with Kshs.500,000 each in respect of construction of a class room to completion. However, physical verification done on 26 April 2018 revealed that funds were diverted to fencing, framing of windows, painting and building of a dormitory respectively without approval of the Board contrary to Section 6 (2) of National Government Constituency Development Fund Act (NG-CDF) 2015.

Further, bills of quantities and drawings of the structure and interim certificates from the public works office were not made available for audit verification.

In addition, procurement records, invoices, local purchase orders, bank statements, inspection reports and minutes authorizing withdrawal of funds were not made available for audit verification.

As a result, the propriety and value for money of the Kshs.1000,000 expenditure could not be confirmed as at 30 June 2017.

2.2 Gitumbi Primary School

During the financial year under review, Gitumbi Primary School was funded Kshs.300,000 for plastering, painting, window fixing, door fixing and painting of the school. However, a physical inspection carried out on 26 April 2018 revealed that the project was not done and the premises were deserted. Even though, the money was still intact in the PMC account, the same ought to have been surrendered to the NG-CDF Chuka Igamba ng'ombe to be used in other needy projects since the school was no longer operational.

In the circumstance, the Fund did not receive value for money for the Kshs.300,000 unutilized disbursements as at 30 June 2017.

2.3 Construction of Classroom at Makanyanga Secondary School

During the financial year under review, Makanyanga secondary school was allocated Kshs.300,000 for the construction of a class room. However, the project activity was not budgeted for during the year under review and no Board's approval for reallocation was made available for audit verification.

Further, bills of quantities and drawings of the structure and interim certificates from the public works office were not made available for audit verification.

In the circumstances, the propriety and value for money of the Kshs.300,000 expenditure as at 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 – Chuka Igamba ng'ombe Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

During the financial year under review, the Fund had budgeted to spend Kshs.116,060,201 made up Kshs.81,896,552 for the year under review and an opening cash balance of Kshs.34,163,649 from the financial year 2015/2016. Records made available including Authority to Incur Expenditure (AIEs) showed that the whole allocation of Kshs.116,060,201 was received during the year. However, out of the Kshs.116,060,201 receipts during the year, only Kshs.113,981,049 was spent while Kshs.2,079,152 remained unspent as at 30 June 2017.

As a result, the residents of Chuka Igambang'ombe Constituency did not receive planned and expected services equivalent to the unspent funds totaling to Kshs.2,079,152.

2. Project Implementation Status

The Fund had an approved budget of Kshs.81,896,552 for the year under review comprising of both Recurrent and Development expenditure of Kshs.11,508,631 (14%) and Kshs.70,387,921 (86%) respectively. The approved budget for development projects was apportioned among 198 projects in various sectors within the Constituency namely bursary-secondary and tertiary institutions, primary schools,

secondary schools, health, water, agriculture, security, roads, emergency, market sheds and environment for a total of 198 projects.

Review of the project implementation status report revealed that 137 projects worth Kshs.44,347,921 were completed, 6 projects worth Kshs.2,700,000 had not started and 53 projects worth Kshs.23,300,000 were ongoing as shown below;

Sector	Project Status	Amount Allocated (Kshs)	Amount Disbursed (Kshs)	No of Projects
Education	Completed	14,281,035	14,281,035	52
	Ongoing	15,850,000	15,850,000	34
	Not Started	1,700,000	1,700,000	04
	Sub-Total	31,831,035	31,831,035	90
Emergency	Completed	4,094,827	4,094,827	15
	Ongoing	-	-	-
	Not Started	-	-	-
	Sub-Total	4,094,827	4,094,827	15
Security	Completed	2,900,000	2,644,913	08
	Ongoing	5,450,000	5,150,000	18
	Not Started	1,000,000	1,000,000	02
	Sub-Total	9,350,000	8,794,913	28
Roads	Completed	1,000,000	1,000,000	01
	Ongoing	-	-	-
	Not Started	-	-	-
	Sub-Total	1,000,000	1,000,000	01
Environment	Completed	1,637,921	1,637,921	60
	Ongoing	-	-	-
	Not Started	-	-	-
	Sub-Total	1,637,921	1,637,921	60
Bursary-Secondary & Tertiary	Completed	20,474,138	20,474,138	01
	Ongoing	-	-	-
	Not Started	-	-	-
	Sub-Total	20,474,138	20,474,138	01
Market Sheds	Complete	-	-	-
	Ongoing	2,000,000	2,000,000	01
	Not Started	-	-	-
	Sub-Total	2,000,000	2,000,000	01
	Grand Total	70,387,921	69,832,834	196

The residents of Chuka Igamba ng'ombe Constituency did not therefore get promised and expected services equivalent to Kshs.23,300,000 and Kshs.2,700,000 for on-going projects and projects not started respectively all totaling Kshs.26,000,000 as at 30 June 2017.

In the circumstance, it was not possible to ascertain that the Fund would implement all projects as budgeted and achieve its stated objectives.

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 continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Fund's or 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 continue as a going concern or 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's to cease to continue as a going concern or 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

13 July 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	81,896,552	131,840,438
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		81,896,552	131,840,438
PAYMENTS			
Compensation of employees	4	2,236,625	1,521,504
Use of goods and services	5	8,906,849	6,438,115
Transfers to Other Government Units	6	40,681,034	42,188,164
Other grants and transfers	7	60,442,171	49,449,709
Acquisition of Assets	8	1,714,370	21,746,086
Other Payments	9	-	-
TOTAL PAYMENTS		113,981,049	121,343,578
SURPLUS/DEFICIT		(32,084,497)	10,496,860

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The CHUKA IGAMBANG'OMBE NG- CDF financial statements were amended on 29/05/ 2018 and signed by:



Chairman - CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

V. STATEMENT OF ASSETS

		2016-2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,079,152	34,163,649
Cash Balances (cash at hand)	10B	-	
Outstanding Imprests	11	-	
TOTAL FINANCIAL ASSETS		2,079,152	34,163,649
REPRESENTED BY			
Retention		-	
Fund balance b/fwd 1st July...	12	34,163,649	23,666,789
Surplus/Deficit for the year	13	(32,084,497)	10,496,860
Prior year adjustments	14		
NET LIABILITIES		2,079,152	34,163,649

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The CHUKA IGAMBANG'OMBE NG-CDF financial statements were amended on 29/05/ 2018 and signed by:



Chairman - CDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA
IGAMBANG'OMBE 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 81,896,552	131,840,438
Other Receipts	3 -	-
Payments for operating expenses		
Compensation of Employees	4 2,236,625	1,521,504
Use of goods and services	5 8,906,849	6,438,115
Transfers to Other Government Units	6 40,681,034	42,188,164
Other grants and transfers	7 60,442,171	49,449,709
Other Payments	9 -	-
Adjusted for:		
Adjustments during the year	14 -	-
Net cash flow from operating activities	(30,370,127)	32,242,946
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Assets	2 -	-
Acquisition of Assets	8 1,714,370	21,746,086
Net cash flows from Investing Activities	(1,714,370)	(21,746,086)
NET INCREASE IN CASH AND CASH EQUIVALENT		
Cash and cash equivalent at BEGINNING of the year	13 34,163,649	23,666,789
Cash and cash equivalent at END of the year	2,079,152	34,163,649

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The CHUKA IGAMBANG'OMBE NG-CDF financial statements were amended on 29/05/ 2018 and signed by:



Chairman CDFC



Fund Account Manager


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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS						
Transfers from CDF Board	81,896,552	34,163,649	116,060,201	116,060,201	-	100%
Proceeds from Sale of Assets						
Other Receipts						
Total	81,896,552	34,163,649	116,060,201	116,060,201	-	
PAYMENTS						
Compensation of Employees	2,191,200	75,000	2,266,200	2,236,625	29,575	99%
Use of goods and services	5,179,490	4,166,259	9,345,749	8,906,849	438,900	95%
Transfers to Other Government Units	33,831,035	8,426,469	42,257,504	40,681,034	1,576,470	96%
Other grants and transfers	40,694,827	19,781,551	60,476,378	60,442,171	34,207	100%
Acquisition of Assets		1,714,370	1,714,370	1,714,370	-	100%
Other Payments						
TOTALS	81,896,552	34,163,649	116,060,201	113,981,049	2,079,152	

Chuka Igambang'ombe NG -CDF financial statements were amended on 29/05/2018 and signed by:


Chairman CDF


Fund Account Manager

VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *NG-CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

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

1. Recognition of revenue and expenses

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

2. In-kind contributions

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

3. 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 – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *NG-CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

5. 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 *NG-CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

6. Comparative figures

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

7. 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.



11-11-52

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
		Kshs	Kshs
CDF Board			
AIE NO	A829529/A790774	4,094,828	25,175,200
AIE NO	A839649/A724179	36,853,449	10,000,000
AIE NO	A855660/A724208	4,037,931	10,000,000
	A855544A796465	36,910,344	10,000,000
	A8208542		10,000,000
	A820873		13,000,000
	A825555		26,000,000
	A825619		27,665,238
TOTAL		81,896,552	131,840,438

1. 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 CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2016 - 2017 Kshs	2015 - 2016 Kshs
Basic wages of contractual employees	1,764,602	1,341,504
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		
Other personnel payments	472,023	180,000
Total	2, 236,625	1,521,504

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Committee Expenses	4,920,300	3,997,187
Utilities, supplies and services and office Rent	104,000	60,000
Communication, supplies and services	180,000	
Domestic travel and subsistence	75,000	
Printing, advertising and information supplies & services	889,640	
Rentals of produced assets		
Training expenses	900,000	
Hospitality supplies and services	371,000	
Insurance costs		265,735
Specialized materials and services		
Office and general supplies and services	587,991	521,589
Other operating expenses		72,680
Routine maintenance – vehicles and other transport equipment	378,918	270,924
Routine maintenance – other assets		
Fuel ,Oil, Lubricants	500,000	1,250,000
TOTAL	8,906,849	6,438,115

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
Transfers to primary schools (see attached list)	32,831,034	8,288,164
Transfers to secondary schools (see attached list)	7,150,000	15,500,000
Transfers to tertiary institutions (see attached list)	200,000	11,000,000
Transfers to health institutions (see attached list)	500,000	7,400,000
TOTAL	40,681,034	42,188,164

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,763,999	6,595,394
Bursary – tertiary institutions (see attached list)	7,849,021	2,388,042
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)		7,377,273
Water projects (see attached list)	1,500,000	2,500,000
Agriculture projects (see attached list)	7,200,000	18,700,000
Electricity projects (see attached list)		1,000,000
Security projects (see attached list)	11,150,000	3,500,000
Roads projects (see attached list)	4,500,000	518,000
Sports projects (see attached list)	2,287,931	300,000
Environment projects (see attached list)	6,837,921	
Emergency projects (see attached list)	5,353,300	6,571,000
Total	60,442,172	49,449,709

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Purchase of Buildings		-
Construction of Buildings	1,270,870	10,900,000
Refurbishment of Buildings		-
Purchase of Vehicles and Other Transport Equipment		6,329,130
Overhaul of Vehicles and Other Transport Equipment		-
Purchase of Household Furniture and Institutional Equipment		-
Purchase of Office Furniture and General Equipment	443,500	4,147,956
Purchase of ICT Equipment, Software and Other ICT Assets		369,000
Purchase of Specialized Plant, Equipment and Machinery		-
Rehabilitation and Renovation of Plant, Machinery and Equip.		-
Acquisition of Land		-
Acquisition of Intangible Assets		-
Total	1,714,370	21,746,086

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

a. **OTHER PAYMENTS**

specify

**2016 - 2017
Kshs**

**2015- 2016
Kshs**

-

-

-

-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017 Kshs	2015 - 2016 Kshs
<i>Equity Bank Chuka A/C No 0210261803915</i>	2,079,152	33,919,595
<i>Co-op Bank Chuka A/C 01134057806500</i>		244,054
<i>Name of Bank, Account No.</i>		-
Total	2,079,152	34,163,649



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10B: CASH IN HAND

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

11: OUTSTANDING IMPRESTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. RETENTION

	2016 - 2017	2015 - 2016
	Kshs	Kshs
-	-	-
-	-	-
-	-	-
Total	-	-

13. BALANCES BROUGHT FORWARD

	2016 - 2017	2015 - 2016
	Kshs	Kshs
Bank accounts	34,163,649	23,666,789
Cash in hand		
Imprest		-
Total	34,163,649	23,666,789

14. PRIOR YEAR ADJUSTMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA
IGAMBANG'OMBE CONSTITUENCY**
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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE

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

15.2: PENDING STAFF PAYABLES

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

15.3: OTHER PENDING PAYABLES

	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 (see attached list)	3,959,089	3,218,573
	3,959,089	3,218,573

15.5: Amount Due from the Board

	Kshs	Kshs
	-	-

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

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- CHUKA IGAMBANG'OMBE)

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 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						

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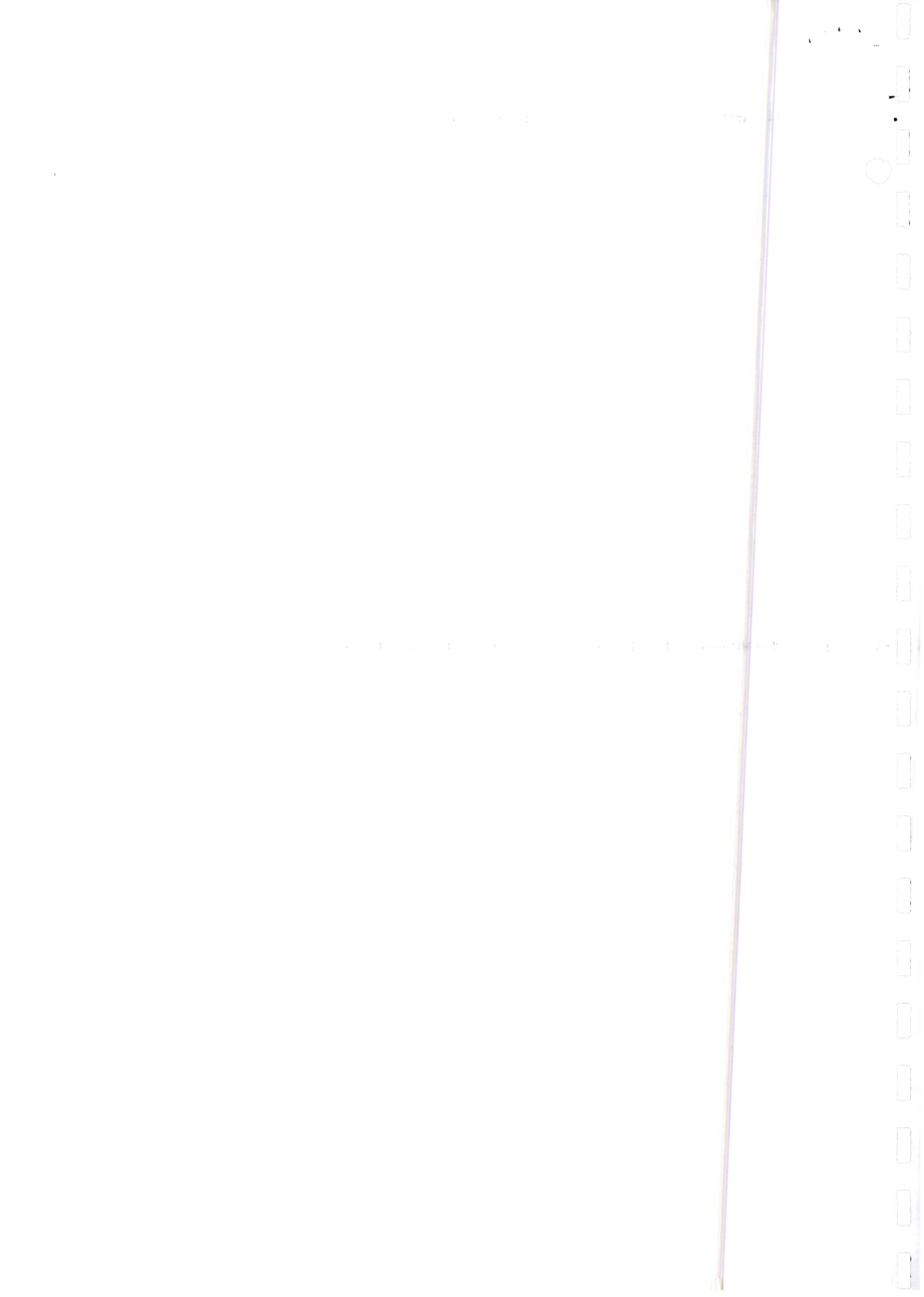


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- CHUKA IGAMBANG'OMBE

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 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 CHUKA IGAMBANG'OMBE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures	20,670,870	19,400,000
Transport equipment		
Office equipment, furniture and fittings	4,659,495	4,215,995
ICT Equipment, Software and Other ICT Assets	595,450	595,450
Purchase of Vehicle and Other Transport Equipment	6,329,130	6,329,130
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	32,254,945	30,540,575



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOMBE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

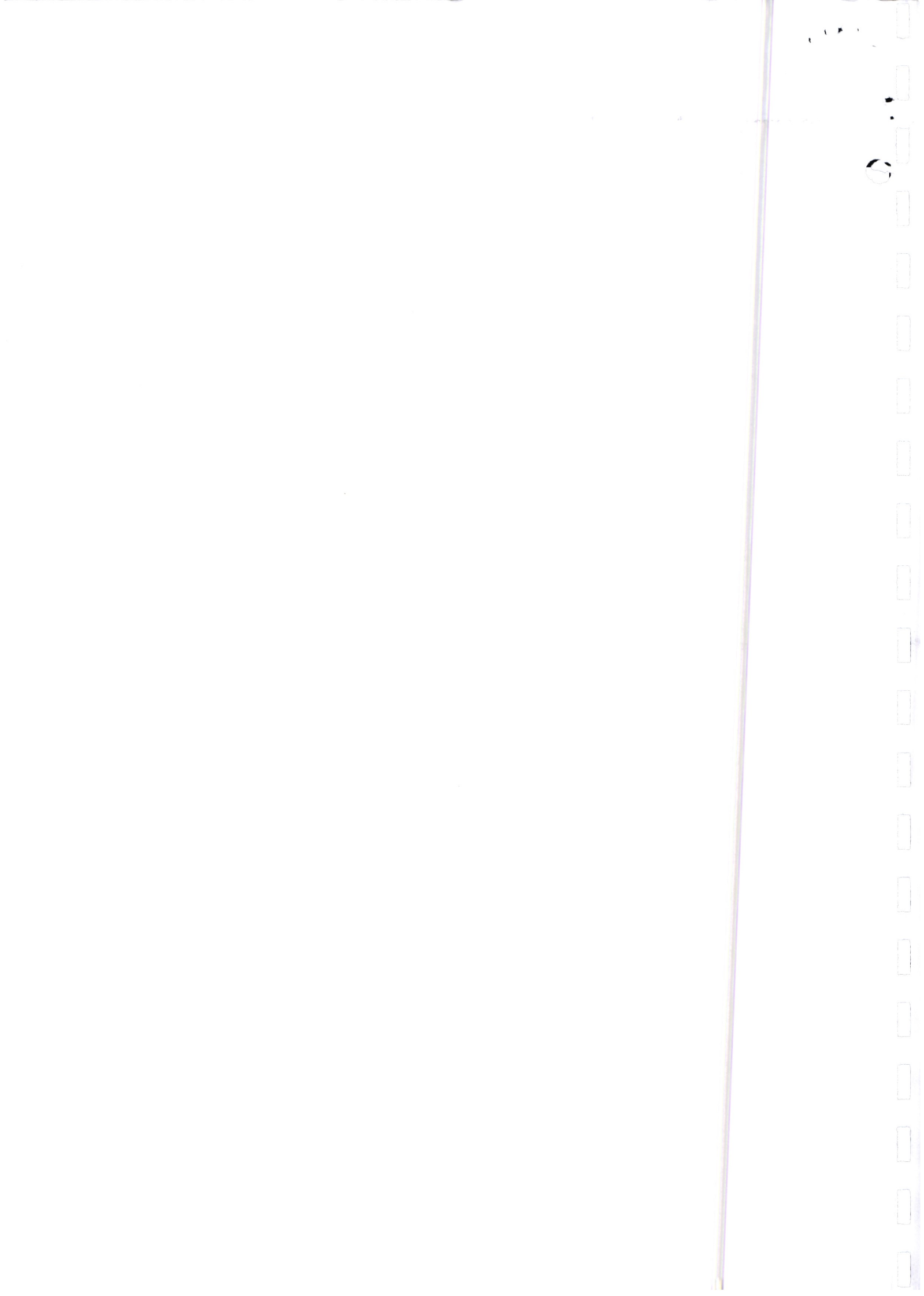
ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2017

PMC Name	Bank	A/C NUMBER	2016/2017 KSHS	2015/2016 KSHS
CHERA AP LINE CDF	Equity	210265362997	1,570	1,570
CHUKA MARKET SHED NG-CDF	Equity	210269157687	235	-
CHUKA OPEN MARKET ELECTRIFICATION CDF PROJECT	Equity	210262332410	4,505	999,290
CHUKA TOWN CHIEFS BARAZA SHED	Equity	210271023399	35,460	-
E.A.P.C IRUMA PRIMARY SCHOOL CDF	Equity	210265362959	56,106	81
FR. AILAND PRIMARY SCHOOL NG-CDF	Equity	210271498719	15,520	-
GACIGONGO PRIMARY SCHOOL	Equity	210271397346	3,795	-
IBITHE PRIMARY SCHOOL NG-CDF	Equity	210271396719	900	-
IGAMATUNDU PRIMARY SCHOOL	Equity	210271498392	500,000	-
IRUKU PRIMARY NG-CDF	Equity	210271396577	92,970	-
ITUGURURU A.P LINE NG-CDF	Equity	210271498745	2,830	-
KAANWA PRIMARY SCHOOL NG-CDF	Equity	210271502719	110	-
KAANWA PRIMARY SCHOOL NG-CDF	Equity	210271502730	58	-
KAANWA PRIMARY SCHOOL CDF	Equity	210265362883	20	20
KABUBONI ASSISTANT CHIEF NG-CDF	Equity	210271498785	500,000	-
KABUBONI ASSISTANT CHIEF	Equity	210271498785	500,000	-
KAGERA PRIMARY SCHOOL NG-CDF	Equity	210271397191	422	-
KAMWIMBI PRIMARY CDF	Equity	210265363034	725	725
KARURINI NG-CDF	Equity	210271396642	90	-
KATHAGARA PRIMARY SCHOOL NG-CDF	Equity	210271498560	475,890	-
KATHIGIRIRINI PRIMARY NG-CDF	Equity	210271396832	9,125	-



NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

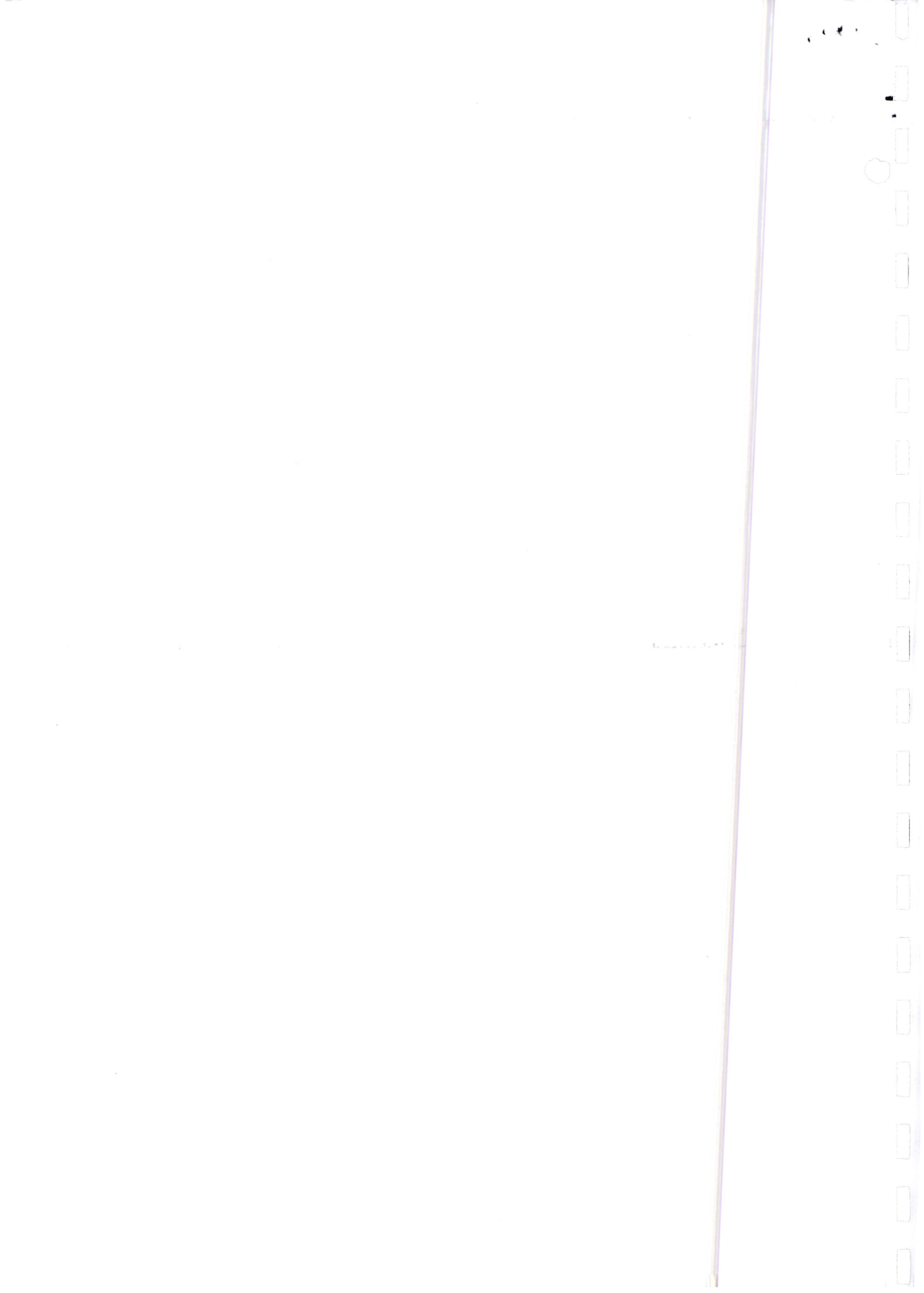
KATHIGUNI PRIMARY SCHOOL NG-CDF	Equity	210271498672	500,000	-
KIERENI PRIMARY NG-CDF	Equity	210271396678	49,560	-
KIGOGO PRIMARY SCHOOL NG-CDF	Equity	210271498650	125	-
KIRACHA MARKET SHED	Equity	210269157760	18,255	-
KITHANGANI PRIMARY NG-CDF	Equity	210271396762	80,835	-
KITHUNGURI PRIMARY SCHOOL NG-CDF	Equity	210271498534	47,800	-
KIUNGUNI NG-CDF	Equity	210271396614	120	-
MAABI PRIMARY SCHOOL	Equity	210271397230	51,022	-
MAKANYANGA PRIMARY SCHOOL NG-CDF	Equity	210271498375	34,669	-
MAREMBO PRIMARY SCHOOL NG-CDF	Equity	210271498423	24,670	-
MARIANI PRIMARY SCHOOL NG-CDF	Equity	210271498439	260	-
MATUNTU PRIMARY SCHOOL NG-CDF	Equity	210271498686	80	-
MBARAGA PRIMARY SCHOOL NG-CDF	Equity	210271396783	70	-
MIKUI PRIMARY SCHOOL NG-CDF	Equity	210271498350	500,000	-
MUCUUNI MARKET SHED CDF	Equity	210265362675	850	1,070
MUNGONI PRIMARY NG-CDF	Equity	210271396926	985	-
MWANANI PRIMARY SCHOOL NG-CDF	Equity	210262725214	185	305
MWANJATI PRIMARY SCHOOL NG-CDF	Equity	210271396887	540	-
NATIONAL ADMINISTRATION PAVILLION	Equity	210271045134	315	-
NDAGANI MARKET SHED CDF	Equity		168,350	
NJURI CHIEFS OFFICE NG-CDF	Equity	210271498767	200,000	-
NJURI-KIDIGA ROAD NG-CDF PROJECT	Equity	210269033226	910	-
NKUMBO PRIMARY SCHOOL NG-CDF	Equity	210271353568	5	-
NYAKI NJERU FOOT BRIDGE	Equity	210265363069	440	2,215,000



NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

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

RUBATE A.P LINE CDF	Equity	210265362914	25	25
RUBATE POLYTECHNIC CDF	Equity	210265362936	487	487
RUBATE PRIMARY SCHOOL NG-CDF	Equity	210271397408	18,960	-
TUMAINI PRIMARY SCHOOL NG-CDF	Equity	210272134978	59,240	-
TOTAL			3,959,089	3,218,573



NATIONAL GOVERNMENT-CONSTITUENCIES DEVELOPMENT FUND – CHUKA-IGAMBANGOME CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

ANNEX 5 - 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	Status: (Resolved / Not Resolved)	Timeframe
1.0	Cash and Cash Equivalent. No reversal of stale cheques of Kshs.305,748	The stale cheques have been reversed in the cashbook	Accountant	Resolved	
2.0	Budget Control and Performance Kshs. 12,353,936 undisbursed Kshs. 23,666,789 unspent	Undisbursed amount was disbursed and unspent amount has since been spent	PMCs and FAM	Resolved	
Other Matter	Projects Implementation	Projects have since been implemented	PMCs and FAM	Resolved	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The CHUKA IGAMBANGOMBE CDF financial statements were amended on 29/05/2018 and signed by:


Chairman - CDFC


Fund Account Manager

