

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID		DAY Thursday
OF	DATE: 09 MAY 2019	
TABLED BY:	HON. BENJAMIN WHITHAM MAJORITY PARTY WHIP	
	INDORU MWALE	

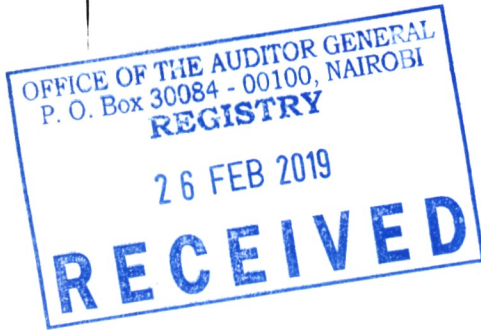
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2017**



CONSTITUENCY DEVELOPMENT FUND- LIKUYANI 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 – LIKUYANI
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

• I KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013 and further repealed by the NG-CDF Act 2015. The NG-*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 NG-*Constituencies Development Fund*. The objective of the fund is to ensure that a portion of the national government annual fund consisting of monies of an amount of not less than 2.5% of all the National Governments share of revenue as divided by the annual Division of revenue Act enacted pursuant to Article 218 of the constitution 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 *Likuyani Constituency's* day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Xystus Sifuna Musuya
3.	Accountant	Kennedy Odongo

(d) Fiduciary Oversight Arrangements

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

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

(e) **LIKUYANI NG-CDF Headquarters**
P.O. Box 12-30205
Matunda,
Eldoret-Kitale Road,
Likuyani Sub County HQ-Kongoni
Matunda, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI
CONSTITUENCY**

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

(f) LIKUYANI NG-CDF Contacts

Telephone: (254) 715-560-144
E-mail: ngcdflikuyani@ngcdf.go.ke
Website: likuyanicdf.go.ke

(g) Likuyani NG-CDF Bankers

1. Equity Bank
A/C no 0500261734009
P.O. Box 2512-50100
Kakamega
Tel: 056-30239/40

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

The NG-CDFC wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The Likuyani NG-CDFC has improved the Education and Security infrastructures of Likuyani. In the education Sector all projects budgeted for were implemented as scheduled. From the year 2013 to date a total of 112 classrooms have been built and renovated to completion in primary schools, 3 Dining Halls, 3 twin Laboratories, 47 Classrooms and 3 School buses for secondary Schools. We have also completed 2 dispensaries that the county Government has failed to take over and therefore they are not in use.

However there have been emerging issues like need for construction of river crossings, completion of project started by NG-CDF and were devolved to the counties. The Key implementation challenges influencing the implementation of NG-CDF Project currently include proper procurement by PMCs who seem not to understand the procurement and asset disposal Act 2015. We therefore recommend that the function of procurement of contractors for projects is carried out by the NG-CDFC. Other issues affecting the project implementation process is the late disbursement of funds by the Board to the committee, late approval of proposals and reallocations by the NG-CDF Board.

It is our desired wish that in future we allocate adequate funds for projects to be completed in one year.

Sign
LIKUYANI CONSTITUENCY
DEVELOPMENT FUND
CHAIRMAN NG-CDFC
P.O. BOX 12, MATUNDA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI
CONSTITUENCY**

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

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government agency shall prepare financial statements in respect of that agency. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

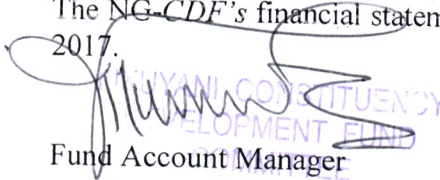
The Accounting Officer in charge of the Likuyani NG-Constituency Development Fund is responsible for the preparation and presentation of the Likuyani NG-CDF financial statements, which give a true and fair view of the state of affairs of the Likuyani NG-CDF for and as at the end of the financial year (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 Likuyani NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer in charge of the Likuyani 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 Likuyani NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NG-CDF's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NG-CDF's financial statements were approved and signed by the Accounting Officer on 14TH July 2017.


Fund Account Manager


Chairman NG-CDFC

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIKUYANI 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 – Likuyani Constituency set out on pages 6 to 29, which comprise the statement of financial assets as at 30 June 2017, and the statements of receipts and payments, statement of cash flows and 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Likuyani National Government Constituency Development Fund 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 Public Finance Management Act, 2012 and 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, 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 manner.

Basis for Qualified Opinion

1. Inaccurate Trial Balance

The trial balance indicates negative bank balance brought forward of Kshs.(15,441,879) which is a similar deficit figure reported in the financial statement under receipts and payments ,whereas the certificate of bank balance confirms a figure of Kshs.6,32,684 reported in the statement of financial assets.

In the circumstances, it was not possible to ascertain the propriety and accuracy of the financial statement balances.

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

2. Compensation of Employees.

The statement of receipts and payments reflects a figure of Kshs.1,964,852 under compensation of employees, which includes an amount of Kshs.331,718 in respect of staff cost expenses whose payment vouchers were not availed for audit verification as detailed in the table below:

			Date	P. v No.	Chq. No	Amount (Ksh)
Compensation of Employees	Basic Wages of contractual Employees	NG CDF Staff salary March 2017	3/3/2017	333	4859	127,906
Compensation of Employees	Basic Wages of contractual Employees	Likuyani CDFC salaries for July 2016	9/08/2016	0002	3321	101,906.60
Compensation of Employees	Basic Wages of contractual Employees	CDF Staff Salary (October)	11/11/2016	113	4090	101,906
	Total					331,719

In the circumstances, it was not possible to ascertain propriety of the expenditure of Kshs.1,964,852 incurred on compensation of employees.

3. Use of Goods and Services

Included in the Use of goods and services figure of Kshs.12,254,516 is Kshs.1,256,500 allocated for fuel, oil and lubricants. However, it was noted that necessary documentations such as fuel register, work tickets and detail orders were not availed for audit verification.

In the circumstances, it was not possible to ascertain propriety of Kshs.1,256,500 incurred on use of goods and services.

4.0 Transfers to Other Government Units

4.1 Lack of Project Expenditure Returns by PMCs

Included in the transfer to other Government Units figure of Kshs.40,979,828 is an amount of Kshs.11,800,000 being cash transferred to several institutions as indicated below which were not supported with expenditure returns from the responsible implementing institutions.

	Paye	Amount Kshs.
1	Aligula Primary School	400,000.00
2	Chief Banda Primary	800,000.00
3	Chief Banda Primary	800,000.00
4	Friends Secondary School Kongoni	500,000.00

	Paye	Amount Kshs.
5	Friends Secondary School Kongoni	500,000.00
6	Mapera Primary School	400,000.00
7	Mary Lusweti Primary School	400,000.00
8	Mary Lusweti Secondary School	900,000.00
9	Mukunga Primary School	600,000.00
10	Mukunga Primary School	800,000.00
11	St Michaels Kilimani Se	500,000.00
12	St Michaels Kilimani Se	500,000.00
13	Everglade Primary School	800,000.00
14	Aligula Primary School	400,000.00
15	Mufunga Primary school	600,000.00
16	Mirembe Primary School	400,000.00
17	Gimaiyo Primry School	800,000.00
18	Sirende Blessing Primary School	800,000.00
19	Mary Lusweti Secondary School	900,000.00
	Total	11,800,000.00

4.2 Poor implementation of projects

Included in the transfer to other Government Units figure of Kshs.40,979,828 is an amount Kshs. 3,500,000 incurred on various projects in the constituency. A physical verification of the projects revealed that a number of projects were poorly done as detailed below.

No.	Name of project	Details	Amount disbursed Kshs	Remarks
1.	St. Michaels Kilimani secondary schools	Construction of library	1,000,000	Concrete pillars done without iron bars
2.	Mirembe primary schools	Renovation of 3 classrooms	400,000	-Veranda floor was poorly done and has pot holes -Interior walls were not painted -Classroom floors were poorly done and have potholes Window grills were fixed but no glasses put
3.	Mapera primary school	8 door pit latrines	300,000	Door were of poor quality and are already broken
4.	Mary Lusweti secondary	Construction of twin classrooms	1,800,000	-Only one coat of paint applied to walls, doors and window grills -Floor poorly done and already has pot holes
		Total	3,500,000	

4.3 Irregular procurement of contracts

Included in the transfer to other Government Units figure of Kshs.40,979,828 is an amount Kshs.10,700,000 incurred on various projects. However, a review of a sample of projects selected for audit verification revealed that the procurement process was not done as per the requirements of Public Procurement and Disposal regulations, 2015. All BQs did not have an appendix to the conditions of the contracts therefore the following could not be ascertained:

- i. Date of commencement of the contract
- ii. Duration of the contract
- iii. Date of completion of contract
- iv. Defects liability period

The projects are detailed here below;

Paye	Details	Amount Kshs.
Aligula Primary School	Renovation of twin classroom	400,000.00
Chief Banda Primary	Construction of twin classroom	800,000.00
Friends Secondary School Kongoni	Completion of dining hall	500,000.00
Friends Secondary School Kongoni	Completion of dining hall	500,000.00
Mapera Primary School	Renovation of 2 classrooms	400,000.00
Mary Lusweti Primary School	Renovation of 2 classrooms	400,000.00
Mary Lusweti Secondary School	Construction of twin classroom	900,000.00
Mukunga Primary School	Construction of 2 classrooms	600,000.00
Mukunga Primary School	Construction of 2 classrooms	800,000.00
St Michaels Kilimani Se	Construction of library	500,000.00
St Michaels Kilimani Se	Construction of library	500,000.00
Everglade Primary School		800,000.00
Mufunga Primary school	Construction of two classrooms	600,000.00
Mirembe Primary School	Renovation of 3 classrooms	400,000.00
Gimaiyo Primary School	Construction of 1 classroom	800,000.00
Nasianda Primary School	Renovation of twin classroom	400,000.00
St Michaels Kilimani Se	Construction of library	500,000.00
Mary Lusweti Secondary School	Construction of twin classroom	900,000.00
Total		10,700,000.00

4.4 Award of contracts to ineligible contractors

A review of project analysis minutes for award of contracts revealed that contracts amounting to Kshs.7,300,000 were irregularly awarded to contractors since they were not registered with National Construction Authority (NCA). Some of the contractors had expired certificates as at the time of awarding the contract and some contained bids with arithmetical errors as detailed below.

Disbursement	Contractor	Amount (Ksh)	Remarks
Aligula Primary	Zion Grace Enterprises	400,000	BQ contains arithmetical errors
Chief Banda Primary	Selika Gen. Contractors	800,000	-BQ contains arithmetical errors -No NCA certificate
Nasianda Primary	Jackpass Building & Construction	400,000	-BQ contains arithmetical errors -Expired NCA certificate
Kongoni Secondary	La Jossy MC Traders	1,000,000	BQ contains arithmetical errors
St. Michaels Kilimani Secondary	Zion Grace Enterprises	1,000,000	BQ contains arithmetical errors
Mukunga Primary	Jackpass Building & Construction	1,400,000	-BQ contains arithmetical errors -Expired NCA certificate
Everglade Forest Primary	Demtre Ventures Ltd	800,000	BQ contains arithmetical errors
Gimaiyo Primary	Benchulet Construction Co.	800,000	BQ contains arithmetical errors
Mary Lusweti Primary	Wana Builders & Maintenance	400,000	BQ contains arithmetical errors
Mapera Primary	Rubia Investment	300,000	BQ contains arithmetical errors
Total		7,300,000	

In the circumstances, it has not been possible to ascertain the propriety of expenditure incurred under transfer to other government units figure of Kshs.40,979,828 and the efficient implementation of the planned projects.

5.0 Other grants and transfers

5.1 Un vouched Expenditure

Included in the other grants and transfers figure of Kshs.39,894,749 is an amount of Kshs.1,801,760 for payment vouchers which were not availed for audit verification as per the table below.

Sub Vote Head	Payee	Date	PV No	Chq No.	Amount
Emergency Projects	Karimi Soysambu Bridge	14/11/2016	114	4096	600,880.00
Emergency Projects	Karimi Soysambu Bridge	14/11/2016	114	4097	600,880.00
Emergency Projects	Seregeya Primary School	14/11/2016	117	4101	300,000.00
Emergency Projects	Mapera Primary	14/11/2016	119	4103	300,000.00
Total					1,801,760.00

5.2 Security Projects

5.2.1 Unsupported balance

Included in the other grants and transfers figure of Kshs.39,894,749 is an amount of Kshs.2,734,657 incurred on projects out of which only expenditure totaling Kshs.2,436,207 was supported, leaving a balance of Kshs.406,207 unsupported.

5.2.2 Poor Execution of Projects

The following anomalies were noted in the execution of the security projects done by the Fund as detailed in the table below;

Project	Amount (Kshs)	Remarks
Sango AP Line	400,000.00	<ul style="list-style-type: none">No ceiling had been done as stipulated in the BQ.The floor done had already cracked meaning it had been poorly done.No fascia board as stipulated in the BQ
Godown AP Line	1,000,000.00	<ul style="list-style-type: none">No ceiling had been put in place as required.No evaluation report of the bidders.There was no provision for fencing as would be expected in such a project.The project was deemed complete, as per the PIS, but was not even operational.No PMC Minutes approving payments
Matunda Police Station	300,000.00	<ul style="list-style-type: none">There were specifications in the BQ on the gauge of barbed wire to be used.Not all posts were erected on a concrete base as required in the BQ.The above 2 issues made the fence put in place very weak as it was noted during field inspection contrary to what would be expected of a Police station fence.

Also, it was noted that no payment certificates were being raised by the Public Works officer prior to making of payments as required by Law. Further, the projects had no engineer's estimates which would essentially provide a guideline during procurement.

5.3 Un Supported Emergency Payments

Included in the other grants and transfers figure of Kshs.39,894,749 is an amount of Kshs.1,260,000 for various projects as per the table below which were paid out of the emergency vote head but had no supporting evidence, like request letters from entities, entailing justification of the emergency.

Date	Pv No.	Payee	Description	Amount
05/01/2017	252	St. Marks Catholic Church Culvert	repair of culvert crossing river	180,000.00
05/01/2017	251	Namunyiri Primary school	Rehabilitation of toilets	200,000.00
05/01/2017	250	Matunda S.A Secondary School	Renovation of one classroom	200,000.00
05/01/2017	249	Godown Primary School	Construction of one classroom	200,000.00
05/01/2017	246	Bukaya Bridge	Repair of foundations	180,000.00
05/01/2017	245	Mapera Cattle Dip	Rehabilitation of Mapera Cattle dip	100,000.00
06/02/2017	328	Everglade Forest Primary School	Emergency Funds for renovation of one classroom	100,000.00
06/02/2017	327	Mirembe Primary School	Emergency funds for flooring one classrrom	100,000.00
				1,260,000.00

Additionally, the Mapera Cattle Dip project borehole pump repair had not been done as required in the Bill of Quantities, no steel gate had been put in place, fencing had been done on one side and was vandalized, there were no PMC minutes approving payments nor were payment certificates being raised and no Tax Compliance Certificate were attached for the winning bidder. Subsequently, the fund and the public has not received value for the money spent on the project.

5.4 Irregular Procurement of Sports Items

Included in the other grants and transfers Kshs.39,894,749 is an amount of Kshs.1,383,200 for the procurement of sports items with various irregularities in disregard of section 48(3) (b) and section 105 of the Procurement and Disposal Act 2015 as per the table below.

Date	PV No.	Payee	Description	Amount Kshs.	
30/03/2107	388	Comtez Media Ltd	Payment for supply of sports materials	829,200.00	<ul style="list-style-type: none"> • Evaluation report, which was not even dated, detailed that tender advert did not contain any requirements to be fulfilled by the tenderers. It's therefore difficult how the bidders were able to quote. • No I & A report, or how they were distributed.
27/06/2017	453	Black Rock ltd	Supply of sports goods and goal posts installation	385,000.00	<ul style="list-style-type: none"> • No quotations • No inspection certificate.

Date	PV No.	Payee	Description	Amount Kshs.	
27/06/2017	455	Comtel Media Ltd	Supply of sports materials	169,000.00	<ul style="list-style-type: none"> no quotations no inspection certificate No details of issuance to recipients No CDFC minutes approving payment.
				1,383,200.00	

Without such, it was difficult to ascertain that procurement for the above was done competitively as required by the law. Further, the Fund incurred Kshs.298,450 with regards to fencing of its headquarters and classified this expenditure under other grants and transfers instead of acquisition of assets. This wrong classification thereby overstated the balance of other grants and transfer making the financial statements incorrect and misleading. In addition, no file containing the details of this expenditure was availed for audit verification.

Details	Payee	Date	PV Number	Cheque No.	Amount
Construction of a Fence	Hill Holding Construction Co.	30/06/2017	453	5144	254,565
Construction of a Fence	Domestic Tax		453	5145	13,885
Construction of a Fence	Joash Amagomere	30/06/2017	457	5146	28,449
Construction of a Fence	Domestic Tax		458	5147	1,551
					298,450

5.5 Un availed Project Files

Included in the other grants and transfers Kshs.39,894,749 is Kshs.3,290,197 for various projects as per the table below whose files were not availed for audit verification.

Payee	Description	Amount Kshs.
Makutano Primary School	Payment for renovation of one classroom	104,990.00
Bondeni primary School	Construction of 2 block of four-door toilets	200,000.00
St. Michael's Kilimani Secondary school	Funds for completion of one classroom	108,678.00
Likuyani Environmental projects	Disbursement of funds for tree seedlings and installation of dust bins containers within the constituency	961,964.00
St. Marks Catholic Church Culvert	repair of culvert crossing river	180,000.00

Payee	Description	Amount Kshs.
Namunyi Primary school	Rehabilitation of toilets	200,000.00
Matunda S.A Secondary School	Renovation of one classroom	200,000.00
Godown Primary School	Construction of one classroom	200,000.00
Bukaya Bridge	Repair of foundations	180,000.00
Everglade Forest Primary School	Emergency Funds for renovation of one classroom	100,000.00
Emergency Projects	Seregeya Primary School	300,000.00
Emergency Projects	Mapera Primary	300,000.00
Construction of a Fence	Hill Holding Construction Co.	254,565.00
		3,290,197.00

5.6 Expenditure Above Budgetary Provisions

The table below gives an outline of components whose expenditure was above the budgetary provisions. There were no approvals from the Board for excess expenditure in disregard of section 44(2) of the Public Finance Management Act 2015.

Component	Budget Amount Kshs	Actual Amount Kshs.	Excess Amount Kshs.
Security	2,030,000.00	2,734,657.00	704,657.00
Environment	1,000,000.00	2,338,273.00	1,338,273.00
Sports	1,000,000.00	1,383,200.00	383,200.00
Emergency	4,094,827.00	4,192,660.40	97,833.40
	8,124,827.00	10,648,790.40	2,523,963.40

In the circumstances, it was not possible to ascertain propriety of the expenditure of Kshs.39,894,749 incurred on other grants and transfers during the year under review.

6.0 Acquisition of Assets

6.1 Un supported project

Included in the acquisition of assets figure of Kshs.2,564,636 is an amount of Kshs.2,564,635 paid to local contractors, for construction of building, purchase of ICT software & other assets and purchase of office furniture respectively. However, no expenditure returns were availed for audit verification. In addition, the fixed assets register was not availed for audit verification.

6.2 Re-allocation of funds

Included in the acquisition of assets figure of Kshs.2,564,636 is Kshs.118,440 as part of acquisition of assets expenditure account balance in respect of goods and services as per the table below not in line with the requirement of Section 6(2) of NG-CDF Act.

Vote Head	Sub Vote Head	Payee	Date	PV No	Chq No	Amount Kshs
Administration /recurrent expenses goods and services	Goods and services	Lobiack Enterprises	13/10/2016	0089	4022	112,314.00
Administration/ recurrent expenses goods and services	Goods and services	Domestic Tax	13/10/2016	0089	4022	6,126.00
Total						118,440

In the circumstances, it was not possible to ascertain propriety of the acquisitions figure of Kshs.2,564,636 incurred during the year under review.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituency Development Fund – Likuyani 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 requirements applicable to performing audits of financial statements in Kenya. I believe that the 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 judgements, are of most significance in the audit of the financial statements. Except for the matters described in the Basis of Qualified Opinion and Other Matter sections of my report, I have determined that there were no key audit matters to report in the year under review.

Other Matter

1.0 Budget Analysis

The table below indicates that out of the approved budget of Kshs.103,298,131 for transfer from CDF Board, only Kshs.102,977,981 was received leaving a variance of Kshs.320,150 un explained. Further out of the expenditure budget of Kshs.103,298,161, Kshs.97,658,581 was utilized leaving balance of Kshs.5,639,580 under-expenditure as detailed in the table below.

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 %
Receipts	Kshs.	Kshs	Kshs	Kshs	Kshs	
Transfers from CDF Board	81,896,552	21,401,579	103,298,131	102,977,981	320,150	99.7%
Proceeds from Sale of Assets	-	--	0	-	-	-
Other Receipts		320,150	320,150	320,150	0	
Total	81,896,552	21,401,579	103,298,131	103,298,131	320,150	100%
Payments						
Compensation of Employees	1,964,853		1,964,853	1,964,852	1	100%
Use of goods and services	1,444,635	10,809,881	12,254,516	12,254,516	0	100%
Transfers to Other Government Units	33,825,862	7,474,146	41,300,008	40,979,828	320,180	99.2%
Other grants and transfers	42,825,862	100,000	42,925,862	39,894,749	3,031,113	92.9%
Acquisition of Assets	1,835,340	3,017,582	4,852,922	2,564,636	2,288,286	52.8%
Other Payments	0	0	0		0	
Total	81,896,552	21,401,609	103,298,161	97,658,581	5,639,580	94.5%

Further, the Fund's previous year budget (2015/16), had un-utilized final budget balance of Kshs.21,068,817 as per the table below . However, the adjustments of Kshs.21,401,609 was made leaving a variance of Kshs.332,752 un explained.

Component	Unutilized Balance Kshs
Compensation of Employees	144,407.00
Use of goods and services	2,593,886.00
Transfers to Other Government Units	85,000.00
Other grants and transfers	17,449,574.00
Acquisition of Assets	795,950.00
Total	21,068,817.00

In addition, the adjustments made in the budget for respective components were not in tandem with the unutilized balances of those figures making the whole budget questionable, for example, the unutilized balance for use of goods and services was Kshs.2, 593,886 but it was adjusted by Kshs.10,809,881, other grants and transfers had an unutilized balance of Kshs.17,449,574.00 but was adjusted by Kshs.100,000.

The budget disclosed is thereby misleading and a total misrepresentation of Fund's true estimates.

2. Compensation of Employees

The total budget under compensation of employees was Kshs.2,171,795.00 while the actual expenditure was Kshs.1,964,852.00. No explanation was given for the under absorption of Kshs.206,943.

3.0 Committee Expenses

3.1 Failure to adhere to the budget

Included in the Use of goods and services Kshs.12,254,516 is Kshs.4,372,101 for committee expenses of which the budgeted amount was Kshs.1,556,896 resulting into over expenditure of Kshs.2,815,205 un explained

3.2 Specialized materials and services

Labeling and designing of projects

It was noted that projects labelling was undertaken by the CDFC, contrary to the NGCDF Act 2015.

4.0 Project Analysis

The Fund did not avail the project approved by the NG CDF Board for implementation during the financial year 2016/2017. Subsequently, it was not possible to assess the projects implementation status report which indicated that all projects for 2016/2017 were complete and handed.

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 its services and disclosing as applicable matters related to sustainability of services.

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.

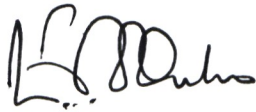
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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's 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's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

28 January 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI CONSTITUENCY


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

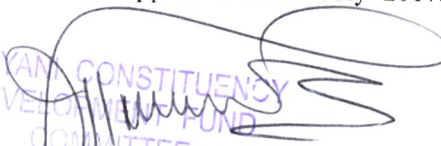
IV. STATEMENT OF RECEIPTS AND PAYMENTS

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016-2017	2015 - 2016
		Kshs.	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	81,896,552	118,315,444
Proceeds from Sale of Assets	2		-
Other Receipts	3	320,150	226,800
TOTAL RECEIPTS		82,216,702	118,542,244
PAYMENTS			
Compensation of employees	4	1,964,852	1,659,577
Use of goods and services	5	12,254,516	6,440,067
Transfers to Other Government Units	6	40,979,828	75,675,005
Other grants and transfers	7	39,894,749	37,114,606
Acquisition of Assets	8	2,564,636	3,933,497
Other Payments			
TOTAL PAYMENTS		97,658,581	124,822,752
SURPLUS/DEFICIT		(15,441,879)	(6,280,508)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Likuyani NG-CDF financial statements were approved on 13th July 2017 and signed by:


Chairman – NG-CDFC


LIKUYANI CONSTITUENCY
DEVELOPMENT FUND
COMMITTEE
P.O. BOX 12, KATUNDA
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

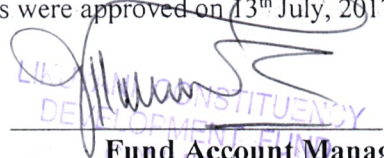
For the year ended June 30, 2017

V. STATEMENT OF ASSETS

	Note	2016-2017	2015 - 2016
		Kshs.	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,382,684	20,803,220
Cash Balances (cash at hand)	10B		278,209
Outstanding Imprests	11		-
TOTAL FINANCIAL ASSETS		6,382,684	21,081,429
REPRESENTED BY			
Retention	12	743,134	
Fund balance b/fwd 1st July...	13	21,081,429	26,761,937
Surplus/Defict for the year		(15,441,879)	(6,280,508)
Prior year adjustments	14		600,000
NET LIABILITIES		6,382,684	21,081,429

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Likuyani NG-CDF financial statements were approved on 13th July, 2017 and signed by:


Chairman – NG-CDFC


Fund Account Manager

LIKUYANI CONSTITUENCY
DEVELOPMENT FUND
COMMITTEE
P O Box 12, MATUNDA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- LIKUYANI
CONSTITUENCY**

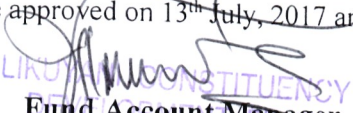
**Reports and Financial Statements
For the year ended June 30, 2017**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2016-2017	2015 - 2016
Transfers from CDF Board	1	81,896,552	118,315,444
Other Receipts	3	320,150	226,800
		82,216,702	118,542,244
Payments for operating expenses			
Compensation of Employees	4	(1,964,852)	(1,659,577)
Use of goods and services	5	(12,254,516)	(6,440,067)
Transfers to Other Government Units	6	(40,979,828)	(75,675,005)
Other grants and transfers	7	(39,894,749)	(37,114,606)
Other Payments	9	-	-
		(95,093,945)	(120,889,255)
Adjusted for:			
Adjustments during the year	14	743,134	600,000
Net cash flow from operating activities		(12,134,109)	(1,747,011)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	2,564,636	3,933,497
Net cash flows from Investing Activities		(2,564,636)	(3,933,497)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(14,698,745)	(5,680,508)
Cash and cash equivalent at BEGINNING of the year	13	21,081,429	26,761,935
Cash and cash equivalent at END of the year		6,382,683	21,081,428

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Likuyani NG- CDF financial statements were approved on 13th July, 2017 and signed by:


Chairman NG-CDFC


Fund Account Manager

COMMITTEE

P. O. BOX 100000
NAIROBI

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LIKYANI CONSTITUENCY
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 Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552.00	21,401,579.00	103,298,131.00	102,977,981.00	320,150.00	99.7%
Proceeds from Sale of Assets			0.00			
Other Receipts		320,150.00	320,150.00	320,150.00	0.00	
TOTAL	81,896,552.00	21,401,579.00	103,298,131.00	103,298,131.00	320,150.00	100.0%
PAYMENTS			0.00			
Compensation of Employees	1,964,853.00		1,964,853.00	1,964,852.00	1.00	100.0%
Use of goods and services	1,444,635.00	10,809,881.00	12,254,516.00	12,254,516.00	0.00	100.0%
Transfers to Other Government Units	33,825,862.00	7,474,146.00	41,300,008.00	40,979,828.00	320,180.00	99.2%
Other grants and transfers	42,825,862.00	100,000.00	42,925,862.00	39,894,749.00	3,031,113.00	92.9%
Acquisition of Assets	1,835,340.00	3,017,582.00	4,852,922.00	2,564,636.00	2,288,286.00	52.8%
Other Payments	0.00	0.00	0.00		0.00	
TOTAL	81,896,552.00	21,401,609.00	103,298,161.00	97,658,581.00	5,639,580.00	94.5%

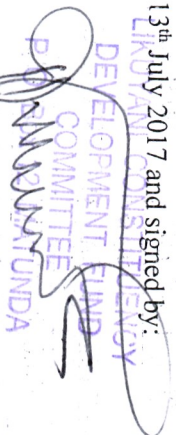
(a) [For the revenue items, indicate whether they form part of the ALA by inserting the "ALA" alongside the revenue category.]

The Likyani NG-CDF financial statements were approved on 13th July 2017 and signed by:

Chairman NG-CDF



Fund Account Manager



LIKYANI CONSTITUENCY
 DEVELOPMENT FUND
 COMMITTEE
 PARLIAMENT BUILDING
 NAIROBI

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
LIKUYANI CONSTITUENCY**
Reports and Financial Statements
For the year ended 30 June 2017 (Kshs)

I. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

2. Recognition of revenue and expenses

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

3. In-kind contributions

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

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

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 CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

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 *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, 2016.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM NG-CDF BOARD

	Description		2016-2017	2015 - 2016
			Kshs.	Kshs
1330407	Normal Allocation	AIE NO.A796314		10,000,000.00
	Normal Allocation	AIE NO.A724117		10,000,000.00
	Normal Allocation	AIE NO. A820597		10,000,000.00
	Normal Allocation	AIE.A820833		29,000,000.00
	Normal Allocation	AIE No.825735		59,315,444.00
	Normal Allocation	AIE NO A829645	4,094,827.60	
	Normal Allocation	AIE NO839689	36,853,449.00	
	Normal Allocation	AIE NO A855558	40,948,275.10	
	TOTAL		81,896,551.70	118,315,444

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

1400000	3 OTHER RECEIPTS			
	Description		2016-2017	2015 - 2016
			Kshs	Kshs
1450207	Other Receipts Not Classified Elsewhere (Sale of tender Documents)			
		Tender Feee		20,000.00
		Tender Feee		61,000.00
		Tender Feee		72,000.00
		Tender Feee		10,500.00
		Tender Feee		20,000.00
		Tender Feee		24,300.00
		Tender Feee		19,000.00
		Tender Feee	8,500.00	
		Tender Feee	32,000.00	
		Tender Feee	12,000.00	
		Tender Feee	20,500.00	
		Tender Feee	39,050.00	
		Tender Feee	38,600.00	
		Tender Feee	14,000.00	
		Tender Feee	20,000.00	
		Tender Feee	13,000.00	
		Tender Feee	17,000.00	
		Tender Feee	55,500.00	
		Tender Feee	50,000.00	
	Total		320,150.00	226,800

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)

4. COMPENSATION OF EMPLOYEES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Basic wages of contractual employees	1,451,950.00	1,185,173.00
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	228,000.00	228,000.00
NHIF penalty		6,640.00
Transport allowance		
Other personnel payments		
Employer contribution to NSSF	72,360.00	61,992.00
gratuity	212,542.50	177,771.75
Total	1,964,852.50	1,659,577

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES/COMMITTEE EXPENSES

Description	2016-2017	2015 - 2016
	Kshs	Kshs
Utilities, supplies and services		
Office rent		
Communication, supplies and services	149,000.00	179,390.00
Domestic travel and subsistence	10,100.00	337,492.00
Gratuity in arrears	122,595.00	
Printing, advertising and information supplies & services	182,720.00	10,410.00
Hospitality supplies and services	83,175.00	10,875.00
Insurance costs		
Specialised materials and services	3,708,850.00	794,500.00
Office and general supplies and services	569,484.15	340,847.00
Fuel ,oil & lubricants	1,256,500.00	376,133.00
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	210,000.00	33,600.00
Routine maintenance – other assets		
Total	6,292,424.15	2,083,247
	COMMITTEE EXPENSE	
Other committee expenses	4,372,101.85	2,927,170.00
Committee allowance	1,589,990.00	1,429,650.00
	5,962,091.85	4,356,820
Grand Total	12,254,516.00	6,440,067

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016-2017 Kshs.	2015 - 2016 Kshs
Transfers to primary schools	31,344,828.00	36,319,585.80
Transfers to secondary schools	9,635,000.00	26,280,419.15
Transfers to Tertiary institutions	0.00	10,000,000.00
Transfers to Health institutions	0.00	3,075,000.00
TOTAL	40,979,828.00	75,675,005

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017 (Kshs)

7. OTHER GRANTS AND TRANSFERS

Description	2016-2017	2015 - 2016
		Kshs
Bursary -Secondary	15,055,959.00	7,392,260.00
Bursary -Tertiary	14,190,000.00	7,392,260.00
Bursary-Special schools	0.00	0.00
Mocks & CAT	0.00	4,728,800.00
Water	0.00	
Agriculture (food security)	0.00	1,000,000.00
Electricity projects	0.00	
Security	2,734,657.00	2,050,000.00
Roads	0.00	7,739,171.60
Sports	1,383,200.00	1,141,700.00
Environment	2,338,273.00	
Emergency Projects (specify)	4,192,660.40	5,670,414.20
Total	39,894,749.40	37,114,606

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2016-2017	2015 - 2016
	Kshs.	Kshs
Construction of Buildings	1,729,295.80	3,802,497.35
Refurbishment of Buildings		
Purchase of Vehicles		
Purchase of Bicycles & Motorcycles		
Overhaul of Vehicles		
Purchase of Office furniture and fittings	357,900.00	
Purchase of computers ,printers and other IT equipments	477,440.00	32,000.00
Purchase of photocopier		
Purchase of other office equipments		99,000.00
Purchase of soft ware		
Acquisition of Land		
Total	2,564,635.80	3,933,497

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-LIKUYANI
CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs)**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. BALANCES BROUGHT FORWARD

	2016 - 2017 Kshs	2015 - 2016 Kshs
A Bank accounts	6,382,684	20,803,220
B. Cash in hand (Impest)	-	278,209
	<hr/>	
Total	6,382,684	<hr/> <hr/> 21,081,429 -

[Provide short appropriate explanations as necessary]

12. RETENTION

NG-CDFC office building construction retention Kshs. 743,134.00

13. FUND BALANCE BROUGHT FORWARD.

	2016 - 2017 Kshs	2015 - 2016 Kshs
Unspent Fund balance b/f as at 1 st July	21,081,429.00	26,761,937.00
	<hr/>	
Total	21,081,429.00	<hr/> <hr/> 26,761,937.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-I IKUYANI
 CONSTITUENCY
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14. PRIOR YEAR ADJUSTMENTS

	2016 - 2017 Kshs	2015 - 2016 Kshs
Bank accounts(Cash book adjustments)	743,134.00	600,000.00
Cash in hand	0.00	-
Imprest	0.00	-
Total	743,134.00	600,000.00

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2016- 2017	2015 – 2016
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	541,960.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
	<u>541,960.00</u>	<u>0.00</u>

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15.1: AMOUNT DUE FROM NG-CDF BOARD

	2016-2017	2015-2016
	Kshs.	Kshs.
Eshikulu Girls Secondary School	500,000.00	0.00
Auditors Fees	<u>0.00</u>	<u>500,000.00</u>
	<u>500,000.00</u>	<u>500,000.00</u>

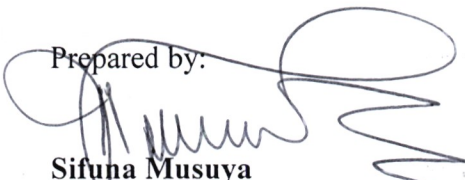
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land	0.00	0.00
Buildings and structures	9,300,525.80	7,571,230.00
Transport equipment(Motor Cycle)	99,000.00	99,000.00
Office equipment, furniture and fittings	515,485.00	157,585.00
ICT Equipment, Software and Other ICT Assets	1,063,037.00	585,597.00
Other Machinery and Equipment	0.00	0.00
Heritage and cultural assets	0.00	0.00
Intangible assets	0.000	0.00
Total	10,978,047.80	8,413,412.00

Prepared by:


Sifuna Musuya
Fund Account Manager
Likuyani

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

PMC NAME	BANK NAME	BRANCH	ACCOUNT NO.	B al 2
FRIENDS SEC SCHOOL MATISI	CO OPERATIVE BANK	KITALE	61268998120	
MAPERA SECONDARY SCHOOL	CO OPERATIVE BANK	ELDORET	6145809050	
Matunda Primary School	CO OPERATIVE BANK	KITALE	01139269981800	
ST JOSEPHS ACK KIPSANGUI PRIMARY SCH	CO-OPERATIVE BANK	ELDORET	6244336090	
ST. JOSEPHS KOGO SECONARY SCHOOL	CO-OPERATIVE BANK	ELDORET	01139181368900	
SANGO AP LINE	CO-OPERATIVE BANK	ELDORET	6244333540	
LUKUSI PRIMARY SCHOOL	CO-OPERATIVE BANK	ELDORET	01139087488900	
SANGO PRIMARY SCHOOL	CO-OPERATIVE BANK	ELDORET	6244333540	
MAKUTANO PROMAY SCHOOL	CO-OPERATIVE BANK	ELDORET	6259545080	
Seregeya Primary School	CO-OPERATIVE BANK	ELDORET	01139088341400	
MAPERA PRIMARY SCHOOL	EQUITY BANK	ELDORET	0295493528	
NANGILI PRIMARY SCHOOL	EQUITY BANK	ELDORET	0261734009	
ST MICHAELS KILIMANI SEC SCHOOL	FAMILY BANK	ELDORET	0000045543	
ALIGULA SECONDARY SCHOOL	KCB	MOIS BRIDGE	1150906715	
ST ELIZABETH LKUYANI GIRLS SEC SCH	KCB	MOIS BRIDGE	1167835131	
MARY LUSWETI SEC SCHOOL	KCB	MOIS BRIDGE	1169090397	
ST STEPHENS LWANDA SEC SCHOOL	KCB	MOIS BRIDGE	1156764513	
FRIENDS SEC SCHOOL KONGONI	KCB	MOIS BRIDGE	1155891198	
KISIGAME MIXED SEC SCHOOL	KCB	MOIS BRIDGE	116452625	
ST VERONICA MIREMBE SEC SCHOOL	KCB	MOIS BRIDGE	1175636525	
ST TERESA SECONDARY SCHOOL	KCB	MOIS	1152067141	

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		BRIDGE	
ALIGULA PRIMARY SCHOOL	KCB	MOIS BRIDGE	1165991268
KOSOKI PRIMARY SCHOOL	KCB	MOIS BRIDGE	1156553458
MBURURU PRIMARY SCHOOL	KCB	MOIS BRIDGE	1152325442
SIRENDE BLESSING PRIMARY SCHOOL	KCB	MOIS BRIDGE	1150362979
ST AUGUSTINE RIVERSIDE PRIMARY SCH	KCB	MOIS BRIDGE	1150714212
BINYENYA PRIMARY SCHOOL	KCB	MOIS BRIDGE	1165835118
MUKUNGA PRIMARY SCHOOL	KCB	MOIS BRIDGE	1152072250
MAWE TATU PRIMARY SCHOOL	KCB	MOIS BRIDGE	1166594203
GODOWN AP LINE	KCB	MOIS BRIDGE	1200339975
LURENDE PRIMARY SCHOOL	KCB	MOIS BRIDGE	1150105852
MUFUNGU PRIMARY SCHOOL	KCB	MOIS BRIDGE	1160443386
KILIMANI PRIMARY SCHOOL	KCB	MOIS BRIDGE	1167486773
CHEPKAKA PRIMARY SCHOOL	KCB	MOIS BRIDGE	1165295504
SIKULU PRIMARY SCHOOL	KCB	MOIS BRIDGE	1150229616
KAMBI MAWE PRIMARY SCHOOL	KCB	MOIS BRIDGE	1151917540
LUMINO PRIMARY SCHOOL	KCB	MOIS BRIDGE	1205621091
GIMAYO PRIMARY SCHOOL	KCB	MOIS BRIDGE	1178454827
MUTONI PRIMARY SCHOOL	KCB	MOIS BRIDGE	1178830934
FRIENDS SECONDARY SCHOOL MATISI	KCB	MOIS BRIDGE	1199274666
MANDILA PRIMARY SCHOOL	KCB	MOIS BRIDGE	1155799755
KONGONI PRIMARY SCHOOL	KCB	KAKAMEGA	0261734009
SINOKO ANDEYO PRIMARY SCHOOL	KCB	MOIS BRIDGE	1177088185
NANGILI POLICE PATROL	KCB	MOIS BRIDGE	1209026015
EVERGLADE PRIMARY SCHOOL	KCB	MOIS BRIDGE	115682131

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Kipsangui R. crossing(Kola kenya Ltd)	KCB	MOIS BRIDGE	
Karimi Soysambu Bridge	KCB	MOIS BRIDGE	1154015092
Mapera Cattle Dip	KCB	MOIS BRIDGE	
Bukaya Bridge	KCB	MOIS BRIDGE	
Namunyiri Primary School	KCB	MOIS BRIDGE	1113716789
Mirembe Primary School	KCB	MOIS BRIDGE	1152071564
St Marks Catholic Church	KCB	MOIS BRIDGE	
Chief Banda Primary	KCB	MOIS BRIDGE	1183697451
Likuyani Environment	KCB	MOIS BRIDGE	
Gthirwa Water Spring	KCB	MOIS BRIDGE	
Yobela Water Spring	KCB	MOIS BRIDGE	
Robai Water Spring	KCB	MOIS BRIDGE	
Mulama Water Spring	KCB	MOIS BRIDGE	
Okeli Water Spring	KCB	MOIS BRIDGE	
Kasal Bwonya Water Spring	KCB	MOIS BRIDGE	
Keyari Water Spring	KCB	MOIS BRIDGE	
Ikabi Water Spring	KCB	MOIS BRIDGE	
Suruta Water Spring	KCB	MOIS BRIDGE	
Wamwenge Water Spring	KCB	MOIS BRIDGE	
Mahero Water Spring	KCB	MOIS BRIDGE	
Mbwavi Water Spring	KCB	MOIS BRIDGE	
Musundi Water Spring	KCB	MOIS BRIDGE	
Lumino Water Spring	KCB	MOIS BRIDGE	
Masika Water Spring	KCB	MOIS BRIDGE	

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Sikhendu Water Spring	KCB	MOIS BRIDGE	
Sirende Water Spring	KCB	MOIS BRIDGE	
Songa Water Spring	KCB	MOIS BRIDGE	
Abwogi Water Spring	KCB	MOIS BRIDGE	
Sokomoko Water Spring	KCB	MOIS BRIDGE	
Matunda Police Station	KCB	MOIS BRIDGE	
MWIBA S.A SECONDARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2522875000
ST JOSEPHS NYOROTIS SEC SCHOOL	NATIONAL BANK	MOIS BRIDGE	2576024001
FRIENDS SEC SCHOOL BINYENYA	NATIONAL BANK	MOIS BRIDGE	2176004900
FRIENDS SEC SCHOOL MBURURU	NATIONAL BANK	MOIS BRIDGE	2476043400
ST BENEDICT LUGULU SECONDARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2576107000
ST AUGUSTINE SOYSAMBU SEC SCHOOL	NATIONAL BANK	MOIS BRIDGE	1811126580
MARY LUSWETI PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2428218901
MWIBA PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	1105048830
KONA PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2150153000
ARCH ANGEL RAPHAEL SPECIAL SCHOOL	NATIONAL BANK	ELDORET	2431476401
MATISI PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	1705048510
MUSEMWA PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	1705058700
GODOWN PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2476000200
ST MICHAELS NZOIA PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2422827500
PATRICE PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2476122300
LUDODO PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	01246409552200
MOI TOWNSHIP PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	01021050147100
MURULI PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2450154700
KISIGAME PRIMARY SCHOOL	NATIONAL BANK	MOIS	2450147000

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		BRIDGE	
NASIANDA PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	01624050453000
BONDENI PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2450459000
SOY SAMBU PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2450143500
MOIS BRIDGE PRIMARY SCHOOL	NATIONAL BANK	MOIS BRIDGE	2448231401
TOTAL			

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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.

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timefr ame: (<i>Put a date when you expect the issue to be resolv ed</i>)
1.0	Use of goods and Services- Uncounted for stores Kshs. 305,440.00 on supply of office stationery and fuel	We noted the anomaly and immediately put in place the stores ledger books for both stationery and fuel	FAM	Resolved	Imme diately
2.0	Budget Performance- the committee spent 124,822,752 against 145,304,179.resulting into under expenditure of 20,981,427	The AIEs were received late and the anomaly has been corrected this financial year whereby the AIEs were received in good time and therefore under expenditure was Kshs. 6,382,684.00 which consists of bursary to first year students joining tertiary institutions in September, 2017.	FAM/CDF BOARD	Resolved	12 Month s