

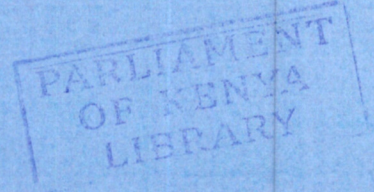
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID		DAY. Wednesday
DATE: 20 MAR 2019		
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REPORT

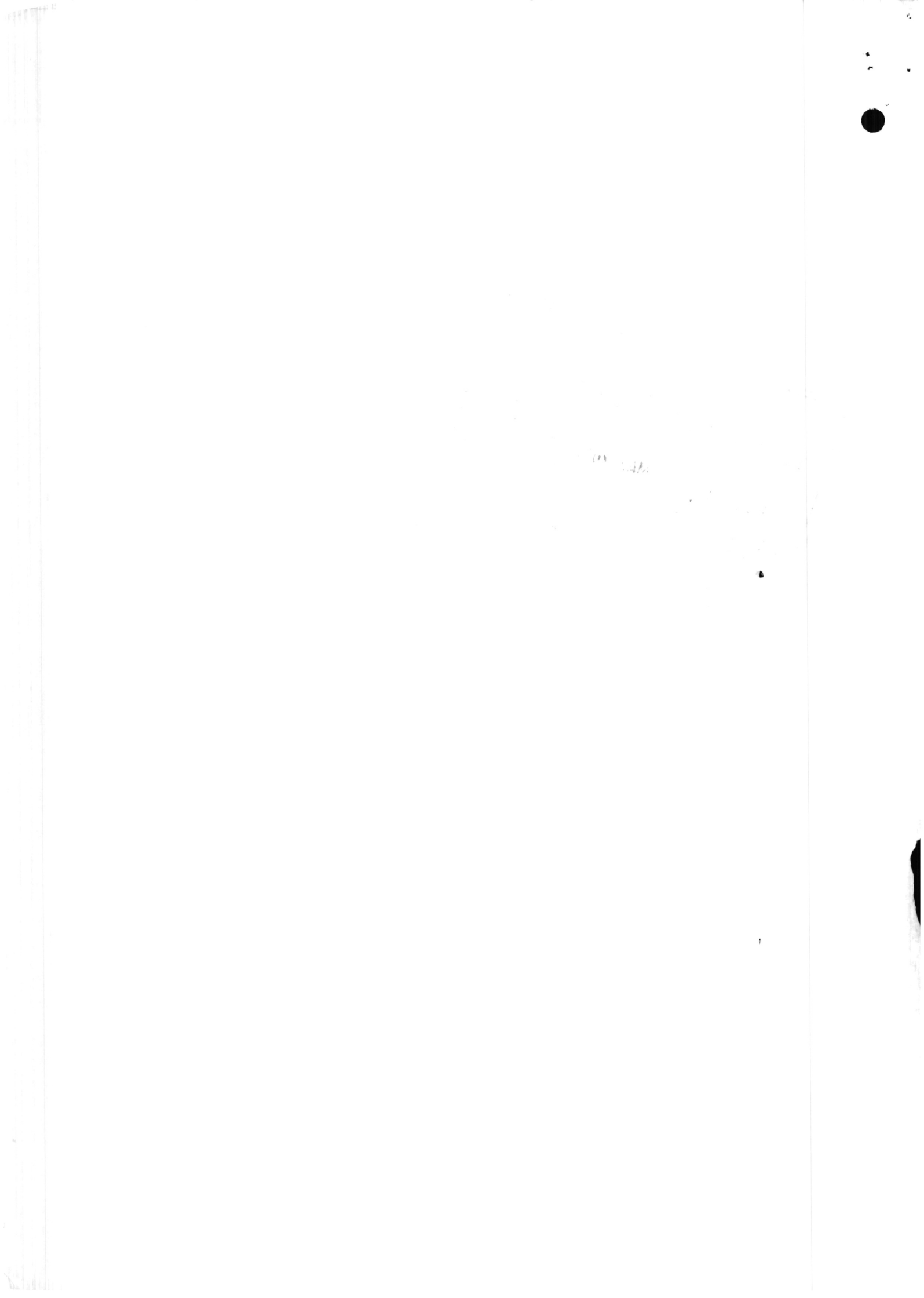
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
AWENDO CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017





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**CONSTITUENCY DEVELOPMENT FUND- AWENDO CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



# CONSTITUENCY DEVELOPMENT FUND – AWENDO CONSTITUENCY

## Reports and Financial Statements

For the year ended June 30, 2017

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<b>I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT</b>	

### (a) Background information

The National Government *Constituencies Development Fund* ( *NG-CDF*) was set up under the NG-CDF Act, 2003 now repealed by the CDF Act, 2015. The National Government *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the National government *Constituencies Development Fund*. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

### (b) Key Management

The *AWENDO 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 30<sup>th</sup> June

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO  
CONSTITUENCY**

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

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2016 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>JANES AWITI MAJENGO</b>
3.	Accountant	<b>DANIEL SIGILAI</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) AWENDO NG-CDF Headquarters**

P.O. Box  
HarambeBuilding/House/Plaza  
Uhuru Avenue/Road/Highway  
Nairobi, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

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**(f) AWENDO CDF Contacts**

Telephone: (254) 710444849

E-mail: Awendo@cdf.go.ke

Website: www.go.ke

**(g) AWENDO CDF Bankers**

1. EQUITY  
AWENDO BRANCH  
P.O. Box 450  
City Square 40405  
SARE, AWENDO

**(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- AWENDO  
CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017**

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

It is with pleasure to present the Awendo National Government Constituency Development Fund financial records for the financial year 2016/2017 which ended on 30<sup>th</sup> June 2017. I hope the financial records will be able to provide an insight as to our performance as a NG-CDF committee.

This year being our year of election, we are able to provide comparative figures to our financial records for the previous year 2015/16. There has been improved performance in most areas with a faster disbursement to projects than in the previous year. This shows improved performance especially in-terms of procedure and hence accelerating development. There has been increased expenditure in terms of goods and services and committee expenses reason being that there has been an increased activity for the NG-CDFC especially in the area of monitoring and evaluation. We also increased our staff to assist in better service delivery.

Our main areas of achievement include being able to facilitate the purchase of two school buses for Komolorume Secondary School and Kanyasrega School and disbursement of fund to additional two schools. We were able to complete many schools and the handover of dispensary to Migori county government is also an achievement.

Emerging issues in CDF regards the role of different players in implementing projects. This is especially in terms of procurement roles of PMCs and the oversight role of both locals and various government departments. There is need for a clear coordination structure between the various arms of government.

The main challenge with regard to the implementation of the project is limited resources against immense needs of the people. This is not a problem we can wish away now but hope that proper prioritization of projects will occur,

I hope we will all benefit from this report in trying to achieve the CDF motto of '*Maendeleo kwa Wote*'.

**Sign**

**CHAIRMAN CDFC.....**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO  
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 the Public Sector Accounting Standards Board of Kenya from time to time.

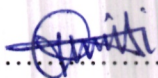
The Accounting Officer in charge of the AWENDO National Government Constituency Development Fund is responsible for the preparation and presentation of the AWENDO NG-CDF financial statements, which give a true and fair view of the state of affairs of the AWENDO NG- CDF for and as at the end of the financial 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 AWENDO NG-CDF accepts responsibility for the CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the 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 AWENDO 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.

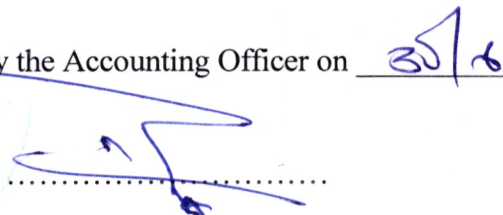
The Accounting Officer in charge of the AWENDO NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes 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 CDF's financial statements were approved and signed by the Accounting Officer on 30/6 2017.



.....  
Fund Account Manager



.....  
Chairman CDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

<b>I. STATEMENT OF RECEIPTS AND PAYMENTS</b>			
	<b>Note</b>	<b>2016-2017</b>	<b>2015-2016</b>
		<b>Ksh</b>	<b>Ksh</b>
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	<b>1</b>	<b>83,577,210.70</b>	<b>99,485,189.00</b>
Proceeds from Sale of Assets	<b>2</b>		
Other Receipts	<b>3</b>	<b>40,000.00</b>	
<b>TOTAL RECEIPTS</b>		<b><u>83,617,210.70</u></b>	<b><u>99,485,189.00</u></b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	<b>2,293,436.00</b>	<b>2,390,330.00</b>
Use of goods and services	<b>5</b>	<b>7,388,940.40</b>	<b>6,073,990.45</b>
Transfers to Other Government Units	<b>6</b>	<b>32,633,990.80</b>	<b>47,343,981.20</b>
Other grants and transfers	<b>7</b>	<b>39,770,969.60</b>	<b>45,116,739.00</b>
Acquisition of Assets	<b>8</b>	<b>2,800,000.00</b>	<b>19,350,000.00</b>
Other Payments	<b>9</b>	<b>3,175,586.20</b>	<b>-</b>
<b>TOTAL PAYMENTS</b>		<b><u>88,062,923.00</u></b>	<b><u>120,275,040.65</u></b>
<b>SURPLUS/DEFICIT</b>		<b>(4,445,712.30)</b>	<b>(20,789,851.65)</b>

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

  
\_\_\_\_\_  
**Chairman - CDFC**

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

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - AWENDO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

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#### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Awendo Constituency set out on pages 5 to 27, which comprise the statement of financial assets as at 30 June 2017, statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Awendo 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 Reporting 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 raised in the Other Matter section 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. Unsupported Cash and Cash Equivalents**

The Statement of Assets as at 30 June 2017 reflects a bank balance of Kshs.3,509,676. However, examination of the bank reconciliation statement as at 30 June 2017 revealed receipts in cash book not recorded in bank statement totaling Kshs.260,000 and payments in bank statement not yet recorded in cash book totaling Kshs.203,211. Further, there were unrepresented cheques totaling Kshs.2,597,333 out of which old cheques worth Kshs.830,630 had not been reversed in the cash book and were therefore stale.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.3,509,676 as at 30 June 2017 cannot be confirmed.

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

## 2. Unconfirmed Receipts Balance

The statement of receipts and payments for the year under review reflects other receipts totaling Kshs.40,000,000 which in turn include the sum of Kshs.40,000 received from sale of tender documents. However, the counterfoil official receipt book reflected receipts totaling Kshs.49,000 resulting to a variance of Kshs.9,000. Management have not provided a plausible explanation for the discrepancy.

Consequently, the accuracy of the other receipts balance of Kshs.40,000,000 for the year ended 30 June 2017 cannot 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 - Awendo 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 and internal control in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

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

### Other Matter

#### 1. Budget Implementation- Under absorption of Expenditure

The Fund had a final budget of Kshs.98,472,598 and actual expenditure of Kshs.88,062,923 during the year under review resulting in an absorption rate of 89% as tabulated below:

Receipt/ Expense	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Over/Under) Expenditure (Kshs)	% Utilization
<b>Receipts</b>				
Transfers from CDF Board	98,432,598	91,532,599	6,900,000	93
Other Receipts (AIA)	40,000	40,000	-	100
<b>Payments</b>				
Compensation of Employees	2,392,800	2,293,439	99,364	96
Use of Goods and Services	7,428,940	7,388,940	40,000	99
Transfers to Other Government Units	41,779,225	32,633,991	9,145,234	78
Other Grants and Transfers	39,786,047	39,770,970	15,077	100
Acquisition of Assets	2,800,000	2,800,000	-	100
Other Payments (Audit Fees)	4,285,586	3,175,586	1,110,000	74

Thus, the rate of absorption of budgeted funds during the year under review was satisfactory.

## **2. Poor Workmanship and Unresolved Issues on Construction of Awendo Police Headquarters**

Included in other grants and transfers balance of Kshs.39,770,969 reflected in the statement of receipts and payments are security projects costed at Kshs.8,265,000 which in turn include Kshs.5,000,000 expenditures incurred on walling, plastering, roofing concreting cells and strong room and ceiling at Awendo Police Headquarters. However, a court injunction issued to stop this project was issued on 27 August 2014. No records were presented for audit to confirm whether the matter had been resolved.

Further, physical verification of works done revealed that a portion of one of the walls wall had collapsed and indications were that the contractor had abandoned the project. Further, the doors installed had no locks and given that the plot on which the project stands is not fenced, the project is prone to vandalism.

Consequently, value- for-money and propriety of the expenditure amounting to Kshs.5,000,000 incurred on the project cannot be confirmed.

## **3. Poor Workmanship in Transfers to Other Government Units Projects**

### **3.1 Construction of Classrooms at Mariwa and Uradi Primary schools**

Included in transfers to other government entities balance of Kshs.32,633,990 reflected in the statement of receipts and payments are transfers to primary schools of Kshs.11,583,448 which in turn include Kshs.2,900,000 being Kshs.1,500,000 for construction of two classrooms to completion but excluding painting at Mariwa Primary School and Kshs.1,400,000 being additional funds for roofing, painting and plastering of three classrooms at Uradi Primary School. Physical verification of the newly completed classrooms in both schools revealed that the floors had cracked, an indication of poor workmanship.

Consequently, value - for - money on the expenditure of Kshs.2,900,000 incurred on construction of the classrooms cannot be confirmed.

### **3.2 Construction of District Education Office**

Included in transfers to other government entities balance of Kshs.32,633,990 reflected in the statement of receipts and payments are disbursements to tertiary institutions totaling Kshs.6,500,000 which in turn include Kshs.1,400,000 in respect of construction of a district education office. Painting was described in the bills of quantities as being the application of one undercoat and two finishing coats of 1st quality silk vinyl paint to the general plastered walls. However, project verification on 18 May 2018 revealed that only an undercoat paint was applied.

Consequently, value for money on the expenditure of Kshs.1,400,000 incurred on the project cannot not be confirmed.

#### 4. Incomplete CDF Office Project

Included in acquisition of assets balance of Kshs.2,800,000 reflected in the statement of assets as at 30 June 2017 is Kshs.2,000,000 incurred on fencing the CDF office compound and building a six-door pit latrine. Physical verification revealed that the pit latrine was constructed but not plastered and doors were not fitted, whereas the fencing project was constructed halfway through.

Consequently, value-for-money on the expenditure of Kshs.2,000,000 cannot be confirmed.

#### 5. Irregular Emergency Expenditure

Included in compensation of employees balance of Kshs.2,293,439 reflected in the statement of receipts and payments for the year under review is Kshs.900,726 which was charged on emergency account but paid as gratuity to several officers. However, gratuity should be an allocation in the budget and not emergency expenditure.

Consequently, the regularity of Kshs.900,726 of the compensation of employees expenditure totaling Kshs.2,293,439 for the year ended 30 June 2017 cannot be confirmed.

#### 6. Project Verification

Physical verification of several projects revealed their status of implementation was as outlined in the table below:

	Project	Details	Amount (Kshs)	Status
1.	Mariwa Primary School	Construction of two (2) classrooms	1,500,000	Complete and in use but the floor had visible cracks
2.	Uradi Primary School	Construction of 3 classrooms	2,700,000	ongoing
3.	Wawaga Primary School	Construction of 2 classrooms	1,000,000	ongoing
4.	Dede Divisional Headquarters	Plastering, painting, and ceiling of administration block	2,000,000	Plastering and painting yet to be done

5.	Awendo Police Station	Walling, plastering, roofing, concreting cells and strong room, ceiling of 1 <sup>st</sup> phase offices for Awendo police division	5,000,000	A portion of the wall had collapsed and the project was abandoned. Payment made on the project despite a court injunction.
6.	Street Lighting	Installation of street lights in various market centres	1,150,000	Complete but some of the light masts were vandalised
7.	Construction of Siruti TTI	Construction of TTI	4,500,000	Ongoing
8.	Completion of Awendo DEO's Office	Completion of Awendo DEO's Office	1,400,000	Ongoing
9.	Construction of Awendo DEO's Office	Construction of Awendo DEO's Office	600,000	Ongoing
10.	Ombo Bita Dispensary, Dede Dispensary and Bonde Dispensary	Completion of staff quarters		Complete
11.	CDF Office	Fencing office compound and building pit latrine	2,000,000.00	Ongoing

Out of the eleven projects sampled for audit, only four had been completed but two of these were not completed to expectations; six were ongoing and one had been abandoned.

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

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless the management is aware of the intention to liquidate the Fund or have its operations ceased.

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

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

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

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

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

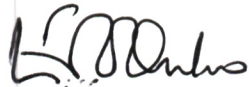
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- 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 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**

**25 October 2018**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO  
CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**IV. STATEMENT OF ASSETS**

	Note	2016-2017	2015-2016
		Ksh	
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,509,675.55	7,955,387.85
Cash Balances (cash at hand)	10B	-	
Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,509,675.55</b>	<b>7,955,387.85</b>
<b>REPRESENTED BY</b>			
Retention	12		
Fund balance b/fwd 1st July...	13	7,955,387.85	28,627,239.50
Surplus/Deficit for the year		(4,445,712.30)	(20,671,851.65)
Prior year adjustments	14		
<b>NET LIABILITIES</b>		<b>3,509,675.55</b>	<b>7,955,387.85</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The AWENDO CDF financial statements were approved on 20/6 2017 and signed by:

Chairman - CDFC

Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- AWENDO  
CONSTITUENCY**

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

**I. STATEMENT OF CASHFLOW**

	Notes	2016-2017	2015-2016
<b>Receipts for operating income</b>			
Transfers from CDF Board	1	83,577,210.70	99,603,189.00
Other Receipts	3	40,000.00	
		83,617,210.70	99,603,189.00
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,293,436.00	2,390,330.00
Use of goods and services	5	7,388,940.40	6,073,990.45
Transfers to Other Government Units	6	32,633,990.80	47,343,981.20
Other grants and transfers	7	39,770,969.60	45,116,739.00
Other Payments	9	3,175,586.20	
		85,262,923.00	100,925,040.65
<b>Adjusted for:</b>			
Adjustments during the year			-
<b>Net cash flow from operating activities</b>		85,262,923.00	100,925,040.65
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	8	2,800,000.00	19,350,000.00
<b>Net cash flows from Investing Activities</b>		(2,800,000.00)	(19,350,000.00)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(4,445,712.30)	(20,671,851.65)
<b>Cash and cash equivalent at BEGINNING of the year</b>	15	7,955,387.85	28,627,239.50
<b>Cash and cash equivalent at END of the year</b>		3,509,675.55	7,955,387.85

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The AWENDO CDF financial statements were approved on 30/6 2017 and signed by:

**Chairman CDFC** ..... **Fund Account Manager**..... 

**CONSTITUENCIES DEVELOPMENT FUND – AWENDO CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

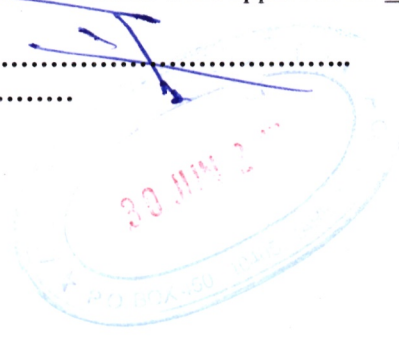
**I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparison
	a	b	c=a+b	
<b>RECEIPTS</b>				
Transfers from CDF Board	81,896,552	16,536,047	98,432,598	9
Proceeds from Sale of Assets		-	-	
Other Receipts (AIA)		40,000	40,000	
	<b>81,896,552</b>	<b>16,576,047</b>	<b>98,472,598</b>	<b>91</b>
<b>PAYMENTS</b>				
Compensation of Employees	2,352,800	40,000	2,392,800	2
Use of goods and services	7,428,940		7,428,940	7
Transfers to Other Government Units	41,779,225		41,779,225	32
Other grants and transfers	23,750,000	16,036,047	39,786,047	39
Acquisition of Assets	2,800,000		2,800,000	2
Other Payments( Audit fee)	3,785,586	500,000	4,285,586	3
<b>TOTALS</b>	<b>81,896,552</b>	<b>16,576,047</b>	<b>98,472,598</b>	<b>88,0</b>

The AWENDO CDF financial statements were approved on 30/6 2017 and signed by:

Chairman CDF.....  
 Manager.....

Fund Account



## **II. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

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

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

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

### **2. Recognition of revenue and expenses**

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

### **3. In-kind contributions**

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

### **4. Cash and cash equivalents**

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

**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
Development fund)**

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

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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 ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

*SIGNIFICANT ACCOUNTING POLICIES (Continued)*

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**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 ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**III. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2016 - 2017</b>	<b>2015 - 2016</b>
CDF Board		<b>Kshs</b>	<b>Kshs</b>
AIE NO	839582	36,853,449.00	10,000,000.00
AIE NO	825601	9,100,000.00	10,000,000.00
AIE NO	825906	8,080,659.00	10,000,000.00
AIE NO	825997	4,094,827.60	24,000,000.00
AIE NO	855599	24,948,275.10	27,000,000.00
AIE NO	855590	500,000.00	18,485,189.00
(other constituency e.g. parent constituency)			
	Reversal		118,000.00
<b>TOTAL</b>		<b>83,577,210.70</b>	<b>99,603,189.00</b>

**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEPTS**

	<b>2017- 2016</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	40,000.00	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>40,000.00</b>	<b>0</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2016 - 2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	2,293,436.00	2,342,330.00
Basic wages of casual labour	0	48,000.00
<b>Personal allowances paid as part of salary</b>		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	0	0
Other personnel payments	0	0
<b>Total</b>	<b>2,293,439.00</b>	<b>2,390,000.00</b>





**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements  
For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2016 - 2017</b>	<b>2015 – 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	606,080.00	11,280.00
Utilities, supplies and services		
Communication, supplies and services	50,000.00	
Domestic travel and subsistence	214,100.00	223,615.00
Printing, advertising and information supplies & services	200,000.00	57,260.00
Rentals of produced assets	250,000.00	479,100.00
Training expenses	100,000.00	100,000.00
Hospitality supplies and services		328,723.00
Insurance costs	106,100.00	82,000.00
Specialized materials and services	105,000.00	495,668.00
Office and general supplies and services	577,783.00	700,000.00
Other operating expenses	581,627.00	558,290.10
Routine maintenance – vehicles and other transport equipment	2,267,050.40	1,513,200.00
Routine maintenance – other assets	2,331,200.00	1,524,854.35
<b>Total</b>	<b>7,388,940.40</b>	<b>6,073,990.45</b>

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**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
Development fund)**

**Reports and Financial Statements**

**For the year ended June 30, 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities		
Transfers to Secondary schools (see attached list)	13,312,000.00	17,364,723.20
Transfers to primary schools (see attached list)	11,583,448.30	21,775,758.00
Transfers to tertiary institutions (see attached list)	6,500,000.00	7,503,500.00
Transfers to health institutions (see attached list)	1,238,542.50	700,000.00
<b>TOTAL</b>	<b>32,633,990.80</b>	<b>47,343,981.20</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	11,093,699.60	7,832,905.00
Bursary – tertiary institutions (see attached list)	12,138,500.00	15,279,000.00
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		800,000.00
Water projects (see attached list)		
Agriculture projects (see attached list)		
Electricity projects (see attached list)		
Security projects (see attached list)	8,265,000.00	13,775,000.00
Roads projects (see attached list)		
Sports projects (see attached list)	2,458,500.00	2,031,500.00
Environment projects (see attached list)	1,610,164.80	47,137.00
Emergency projects (see attached list)	4,205,105.20	5,351,197.00
<b>Total</b>	<b>39,770,969.60</b>	<b>45,116,739.00</b>

NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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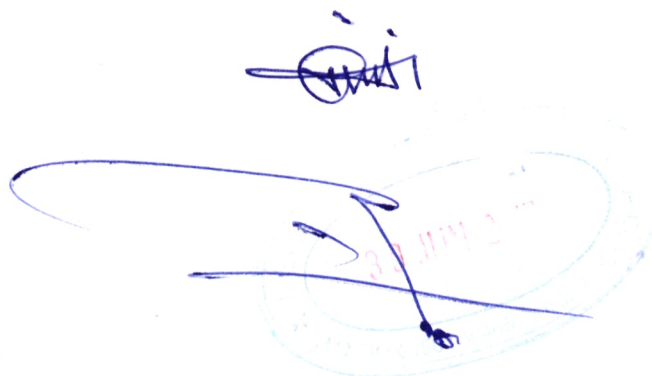
Reports and Financial Statements

For the year ended June 30, 2017

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.ACQUISITION OF ASSETS

<b>Non Financial Assets</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	0	0
Construction of Buildings	0	19,350,000.00
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	2,800,000.00	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<b>Total</b>	<b>2,800,000.00</b>	<b>19,350,000.00</b>



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**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**9. OTHER PAYMENTS**

	<b>2016 - 2017</b>	<b>2015 - 2015</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDF Office.	3,175,586.20	0
	<b>3,175,586.20</b>	<b>0</b>

**10A: Bank Accounts (cash book bank balance)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Name of Bank, Account No. 1430263965406</i>	3,509,675.55	7,955,387.85
<b>Total</b>	3,509,675.55	7,955,387.85

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**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
Development fund)**

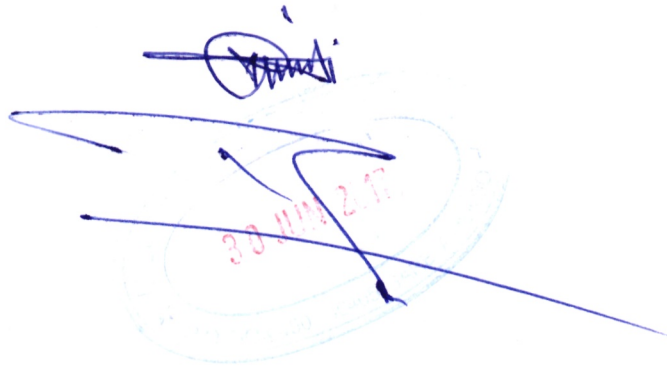
**Reports and Financial Statements  
For the year ended June 30, 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**13. BALANCES BROUGHT FORWARD**

	<b>2016 - 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	5,643,797.30	7,955,387.85
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>5,643,797.30</b>	<b>7,955,387.85</b>

*[Provide short appropriate explanations as necessary]*



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**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

**15 OTHER IMPORTANT DISCLOSURES**

<b>15.1: OTHER PENDING PAYABLES (See annex 1)</b>	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	4,000,000.00	-
Amounts due to other grants and other transfers (see attached list)	2,900,000.00	8,080,659.00
	<b>6,900,000.00</b>	<b>8,080,659.00</b>

<b>15.2 PMC account balances (See annex 3)</b>	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
	4,299,194.55	

<b>15.3 PENDING DISBURSEMENTS FROM THE BOARD</b>	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs</b>	<b>Kshs</b>
	6,900,000	8,080,659

**ANNEX 1 - 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		
<b>Amounts due to other Government entities</b>							
1.							
2.							
3.							
	<b>Sub-Total</b>						
<b>Amounts due to other grants and other transfers</b>							
4.							
5.							
6.							
	<b>Sub-Total</b>						
	<b>Sub-Total</b>						
<b>Others (specify)</b>							
7.							
8.							
9.							
	<b>Sub-Total</b>						
	<b>Grand Total</b>						



**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2016/17</b>	<b>Historical Cost (Kshs) 2015/16</b>
Land	0	0
Buildings and structures	25,000,000.00	25,000,000.00
Transport equipment	4,343,000.00	4,343,000.00
Office equipment, furniture and fittings	3,181,914.00	381,914.00
ICT Equipment, Software and Other ICT Assets	110,000.00	110,000.00
Other Machinery and Equipment	0	0
Heritage and cultural assets	0	0
Intangible assets	0	0
<b>Total</b>	<b>32,634,914.00</b>	<b>29,834,914</b>





**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2017**

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
ST ALBERT ULANDA GIRS			240.00	
RINGA KODONGO PRIMARY SCHOOL			199.20	
OWIRO AKOKO GIRLS SEC SCHOOL			50,140.00	
SAKA PRIMARY SCHOOL			2,565.00	
NYANGINJA PRIMARY SCHOOL			873.30	
ST MARYS ANGOGO MIXED SEC SCHOOL			1,085.00	
WAWAGA PRIMARY SCHOOL			5,245.00	
AWENDO POLICE DIVISIONAL			41,785.80	
SARE PRIMARY SCHOOL PMC ACCOUNT			250,750.00	
SIANY PRIMARY			2,442.50	
RARUOWA KADERA PRIMARY SCHOOL			145.00	
RANEN PRIMARY SCHOOL			1,890.00	
RARUOWA KADERA SECONDARY SCHOOL			407.50	
AWENDO SUB COUNTY PMC			9,835.00	
KASIDULA CHIEFS CAMP			497.50	
KODHIANG SPRING WATER COMMUNITY			139.80	
AWENDO CONSTITUENCY SCHOOL LABORATORY EQUIPMENT PMC			6,245.25	
CANON APINDI MIXED SEC SCHOOL			900.00	
AWENDO DISTRICT HOSPITAL PMC			910.00	

**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements  
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PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
AWENDO BUS STOP/MARKET SHADES			500.00	
MARIENGA PRIMARY SCHOOL			1,875.00	
GET PRIMARY SCHOOL			1,277.50	
KWAR PRIMARY SCHOOL			445.00	
BONGU PRIMARY SCHOOL			145.00	
AWENDO SEC SCHOOL PMC			7,005.00	
MULO PRIMARY SCHOOL PMC			350.00	
MAHENA PRIMARY SCHOOL			852.50	
UTOMA PRIMARY SCHOOL			829.00	
KINDU DISPENSARY PMC			160.00	
OTACHO PRIMARY SCHOOL			2,035.00	
LIANDA PRIMARY SCHOOL			-	
RANJIRA PRIMARY SCHOOL			87.50	
BONDO OTUCHI PRIMARY			1,972.50	
YAGO PRIMARY SCHOOL			1,862.50	
KINDU PRIMARY SCHOOL			107.50	
SANGLA KAGAK PRIMARY SCHOOL			1,725.00	
NYAKURU PRIMARY SCHOOL			45.00	
OBOKE PRIMARY SCHOOL			1,170.00	
NYAROMBO PRIMARY SCHOOL			925.00	

**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
SARIA PRIMARY SCHOOL			2,532.50	
ST MARY GORETY DEDE GIRLS			2,072.50	
OMBASA PRIMARY SCHOOL			345.00	
KABUORO PRIMARY SCHOOL			1,227.00	
KACHANGWE PRIMARY SCHOOL			200.00	
KWE MIXED SEC SCHOOL			1,175.00	
BISHOP ODERA AGONGO SEC			7,495.00	
AGONGO PRIMARY SCHOOL			775.00	
GADA PRIMARY			500.00	
RABONDO PRIMARY SCHOOL			1,000.00	
ST TIMONS RABONDO SEC SCHOOL			87.50	
GOT OGWAMRONDO PRIMARY SCHOOL			6,890.00	
RAYWER PRIMARY SCHOOL			60.00	
NYAKURU MIXED SEC SCHOOL			2,100,000.00	
ALARA DAGO PRIMARY SCHOOL			830.00	
ANGAGA MIXED SEC SCHOOL			6,400.00	
KOKORE PRIMARY SCHOOL			75.00	
SONY SUGAR MIXED SEC SCHOOL			80.00	
NGONGA PRIMARY SCHOOL			13,945.00	
KOYIER PRIMARY SCHOOL			590.00	

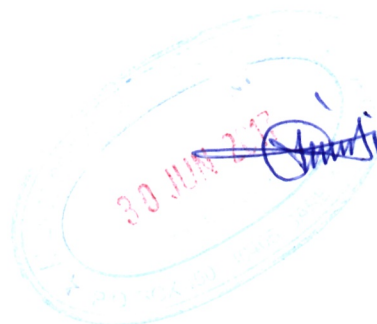
**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**For the year ended June 30, 2017**

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
NYANGAYA PRIMARY SCHOOL			37,565.00	
MANYATTA PRIMARY SCHOOL			1,297.50	
LUANDA KOKURO PRIMARY PMC			321.00	
KOKURO PRIMARY SCHOOL			1,890.00	
ANGOGO PRIMARY SCHOOL			670.00	
ST MARK TOM MBOYA SEC SCHOOL			1,755.00	
RINYA MIXED DAY SEC SCHOOL			4,705.00	
RINYA PRIMARY SCHOOL			179,315.00	
MARIWA PRIMARY SCHOOL			11,415.00	
ST PAULINE MALUNGA MIXED SEC SCH			897.50	
ONGARA PRIMARY SCHOOL PMC			340.00	
ANINDO SEC SCHOOL			1,675.00	
AWENDO CONSTITUENCY SCHOOL BUS PMC			1,511,404.20	
			<b>4,299,194.55</b>	

30 JUN 2017



**NATIONAL GOVERNMENT ENTITY – (Awendo National Government constituency  
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**Reports and Financial Statements**

**For the year ended June 30, 2017**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put date when you expect the issue to be resolved)
1.	Cash and cash equivalent could not be ascertained.	The management responded and relevant books of account presented to auditor as a follow up to ensure that it is cleared. And the explanation was that this was due to failure to submitted fund by the board,	Janes Awiti Majengo(FAM)	Issues resolved to have a 100% and certificate issued.	By 15 <sup>th</sup> August 2017.
2.1	Summary statement of appropriation. That a figure of ksh 29860949 could not be ascertained.	This was not asked in the management letter. The management responded to the issue and the issues raised was cleared..	Janes Awiti Majengo(FAM)	Resolved.	By 15 <sup>th</sup> August 2017
2.2	Procurement of strategic plan. That ksh 400,000 could not been explained.	The explained notes that was sent to auditors explained to them and they were certified.	Janes Awiti Majengo (FAM)	Resolved Issues resolved but under progress to have a 100% clearance.	By 15 <sup>th</sup> August 2017.
3.	Procurement of services. That tender document of ksh 242,000.was not availed.	The management responded to this and attachment were made.	Janes Awiti Majengo (FAM)	Resolved but awaiting clearance.	By 15 <sup>th</sup> August 2017