REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KITUTU CHACHE SOUTH CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE 2017

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-KITUTU CHACHE SOUTH 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)

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2015.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

(b) Key Management

The Kitutu Chache South *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	**Edwin K. Rutto**
3.	Accountant	**Charles Nyasani**
4.		

(d) Fiduciary Oversight Arrangements

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

(e) KITUTU CHACHE SOUTH NG- CDF Headquarters

Kitutu Chache South NG-CDF Office Building
Monarch Building-Opposite D.O's Office Mosocho
P.o Box 2223-40200
KISII.

(f) KITUTU CHACHE SOUTH NG- CDF Contacts

Telephone: (254) 720 140 374
E-mail: ngcdfkitutuchachesouth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) KITUTU CHACHE SOUTH NG-CDF Bankers

Co-operative Bank of Kenya
Kisii Branch
P.o Box 2469
KISII, KENYA

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017
KITUTU CHACHE SOUTH
P. O. Box

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

In the financial year 2016/2017 Kitutu Chache South Constituency was allocated Ksh.81,896,551.72. Of these Ksh.72, 396,551.72 was approved a total of Ksh. 9,500,000 was deferred until requested documents are provided. The allocation was budgeted for several infrastructural projects falling within the National Government functions as per the Constitution of Kenya 2010.

On appropriation the constituency utilization was above average, the constituency was able to absorb about 95 % of the total available fund this was an improvement from the previous year where the absorption rate has been low.

The constituency was able to build and renovate security in the constituency; because of this most of these projects are currently good condition.

These Kitutu Chache South National Government Constituency Development Fund Committee (NGCDF) projects were implemented through Project Management Committees.

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.

The major challenge faced by the Committee was slow disbursement of fund by CDF Board which meant that some projects had to be held back thereby affecting performance and effecting utilization of funds when need. This challenge was highly felt while disbursing bursary funds because these fund are more effective when disbursed when needed and not later.

It is our hope that these challenges will be handled effectively in future through proper planning on priority areas.

Sign

CHAIRMAN CDFC

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017
KITUTU CHACHE SOUTH
P.O. Box 2[illegible]

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUTU CHACHE SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Kitutu Chache South Constituency set out on pages 6 to 28 which comprise statement of assets as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, the financial position of National Government Constituency Development Fund- Kitutu Chache South Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters raised in the Other Matter section of my report, 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent National Government Constituencies Development Fund - Kitutu Chache South Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Under-absorption of the Budget

Comparison of budgeted and actual expenditure balances revealed the variances detailed below:

Item	Budget Kshs.	Actual Kshs.	Variance Kshs.	Performance (%)
Compensation to Employees	1,758,657	1,676,528	82,129	95
Use of Goods and Services	6,417,548	7,995,748	(1,578,200)	124
Transfer to Other Government Entities	86,700,000	74,150,000	12,550,000	85
Other Grants and Transfers	54,969,334	49,067,233	5,902,101	89
Other Payments	500,000	0	500,000	0
Total	**150,345,539**	**132,889,509**	**17,456,029**	**88**

As the table shows NGCDF- Kitutu Chache South Constituency underspent on three (3) items namely; compensation of employees, transfer to other government entities, and other grants and transfers but overspent on use of goods and services. The total amount budgeted was Kshs.150,345,539 but total actual expenditure amounted to Kshs.132,889,509 resulting to a variance of Kshs.17,456,029 equivalent to 88 % of the budget. Because of the under-expenditure, the Fund could not carry out all its activities planned for the year under review. As a result, the Constituents were denied services budgeted for their use.

Management have not provided a plausible explanation for the under-expenditure.

2. Funding of Devolved Government Functions

Included in other grants and transfers balance of Kshs.48,567,233 is Kshs.2,500,000 and Kshs.600,000 allocated to water and agricultural projects respectively. However, even after the enactment of the National Government Constituency Development Fund (NG-CDF) Act, 2015, the management continued to fund functions meant for County Governments contrary to Section 24 of the Act which states that projects under the Act shall be in respect of works and services falling within the functions of the National Government under the Constitution.

Consequently, the management was in breach of the law.

3. Irregular Use of Emergency Funds

Included under other grants and transfers balance of Kshs.48,567,233 is Kshs.4,048,540 which in turn includes Kshs.2,500,000 disbursed to fund emergency projects. However, the projects funded did not qualify as emergencies as required under Section 8(3) of the NG-CDF Act, 2015.

Consequently, the sum of the Kshs.2,500,000 was incurred contrary to the law.

4. Status of Projects

During the year under review, twenty-three (23) projects costing Kshs.30,300,000 were verified. Out of this number, nineteen (19) projects were found to have been completed and put to use while four (4) detailed below were on-going:

	Project Name	Activities	Budget Kshs	Status
1	Raganga Youth Polytechnic	Completion of tuition block, plastering, fixing doors and windows and flooring	2,000,000	Incomplete and Stalled
2	Rera Primary School	Construction 1 classroom, foundation, walling, roofing, fixing doors and windows, flooring and roofing. Completion of one classroom/ roofing.	900,000	Almost 75% done but in use
3	Keera Health Centre	Completion of wards, plastering, fixing doors and windows and painting	500,000	About 80% complete. Stalled
4	Raganga Dispensary	Renovating of leaking roofs, re-roofing and painting	500,000	About 90% complete but not in use
	Total		**3,900,000**	

Documented plans showing the intentions of management to revive the stalled projects and complete those that were ongoing were not presented for audit and as a result, the expected end of the projects could not be confirmed.

Management's Responsibility 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 ability of the Fund to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management is aware of the intention to liquidate the Fund or cease its operations.

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 of Kenya. 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue offering 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 offering 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 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

18 January 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- KITUTU CHACHE SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2017

IV. \STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	127,932,725.72	56,000,000.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		127,932,725.72	56,000,000.00
PAYMENTS			
Compensation of employees	4	1,676,528.00	1,353,141.00
Use of goods and services	5	7,995,748.92	8,014,100.00
Transfers to Other Government Units	6	74,650,000 .00	44,900,000.00
Other grants and transfers	7	48,567,233 .00	32,033,098.00
Acquisition of Assets	8		
Other Payments	9	-	-
TOTAL PAYMENTS		**132,889,509.90**	**86,300,339.00**
SURPLUS/DEFICIT		**(4,956,784.20)**	**(30,300,339.00)**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitutu Chache South NG-CDF financial statements were approved on 15/09/ 2017and signed by:

Chairman - CDFC

Fund Account Manager

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017
KITUTU CHACHE SOUTH
P. O. Box 22[illegible]

V. STATEMENT OF ASSETS

	Note	2016 - 2017 Kshs	2014 - 2015 Kshs
FINANCIAL ASSETS		7,456,029.80	12,412,814.00
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	-	-
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		7,456,029.80	12,412,814.00
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	12,412,814.00	42,624,257.00
Surplus/Deficit for the year		(4,956,784.20)	(30,300,339.00)
Prior year adjustments	14	-	88.896.00
NET LIABILITIES		**7,456,029.80**	**12,412,814.00**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitutu Chache South NG-CDF financial statements were approved on 15/09/ 2017 and signed by:

Chairman - CDFC

Fund Account Manager

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017
KITUTU CHACHE SOUTH
P.O. Box 2[illegible]

VI. STATEMENT OF CASHFLOW

		2016 - 2017	2015 – 2016
Receipts for operating income			
Transfers from CDF Board	1	127,932,725.72	56,000,000.00
Other Receipts	3		
		127,932,725.72	**56,000,000**
Payments for operating expenses			
Compensation of Employees	4	1,676,528.00	(1,353,141)
Use of goods and services	5	7,995,748.92	(8,041.100)
Transfers to Other Government Units	6	74,650,000.00	(44,900,000)
Other grants and transfers	7	48,567,233.00	(32,033,098)
Other Payments	9	-	-
		(132,889,509.92)	**(86,300,339)**
Adjusted for:			
Adjustments during the year	14		88,896
Net cash flow from operating activities		**(4,956,784.20)**	**(30,211,443)**
CASHFLOW FROM INVESTING ACTIVITIES		-	-
Proceeds from Sale of Assets	2	(-)	(-)
Acquisition of Assets	9		
Net cash flows from Investing Activities		0	**0**
NET INCREASE IN CASH AND CASH EQUIVALENT		**(4,956,784.20)**	**(30,211,443)**
Cash and cash equivalent at BEGINNING of the year	13	**12,412,814.00**	**42,624,257**
Cash and cash equivalent at END of the year		**7,456,029.80**	**12,412,814**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kitutu Chache South NG- CDF financial statements were approved on 15/09/ 2017 and signed by:

Chairman CDFC **Fund Account Manager**

FUND ACCOUNT ... NATIONAL GOVERNMENT - C...
15 SEP 2017
KITUTU CHACHE SOUTH
P. O. Box ...

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	81,896,551.72	68,448,988.00	150,345,539.72	140,345,539.72	10,000,000.00	93.30%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	**81,896,551.72**	68,448,988.00	**150,345,539.72**	**140,345,725.72**	**10,000,000.00**	93.30%
PAYMENTS						
Compensation of Employees	1,686,150.00	72,507	1,758,657.00	1,676,528	82,129.00	95.30%
Use of goods and services	5,684,539.13	733,009	6,417,548.13	7,995,748.92	(1,578,200.79)	124.60%
Transfers to Other Government Units	44,000,000.00	43,200,000	87,200,000.00	74,650,000	12,550,000	85.50%
Other grants and transfers	30,525,862.59	23,943,472	54,469,334.59	48,567,233	5,902,101.59	90.10%
Acquisition of Assets	0	0	0	0		0.0%
Other Payments	0	500,000.00	500,000	0	500000.00	0.0%
TOTALS	**81,896,551.72**	**68,448,988.00**	**150,345,539.72**	**132,889,509.90**	**17,456,029.80**	**88.40%**

Note:

a) The over ove. utilization on use of goods and services was as results of training costs for new NG-CDF Committee members and PMCs training

b Underutilization of other payments of 0% relates to provision for audit fee which has not been spend. The amount will be re-allocated.

The Kitutu Chache South NG-CDF financial statements were approved on 15/09/ 2017 and signed by:

Chairman CDF

Fund Account Manager

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017
KITUTU CHACHE SOUTH
P. O. Box 222/[illegible] KISII

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

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

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

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 commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

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

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 NG-*CDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the NG-*CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. Subsequent events

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2016 - 2017	2015 - 2016
Normal Allocation		Kshs	Kshs
CDF Board			
AIE NO	A825826	55,536,174.00	
AIE NO	A829626	4,094,827.62	
AIE NO	A855654	31,448,275.10	
AIE NO	A855126	36,853,449.00	
AIE NO	A796485		20,000,000.00
AIE NO	A820823		20,000,000.00
AIE NO	A820971		16,000,000.00
TOTAL		**127,932,725.72**	**56,000,000.00**

2.PROCEEDS FROM SALE OF ASSETS

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

3. OTHER RECEPTS

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

4. COMPENSATION OF EMPLOYEES

	2016 - 2017 Kshs	2015 - 2016 Kshs
Basic wages of contractual employees	1,676,528.00	1,353,141.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Total	**1,676,528.00**	**1,353,141.00**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Utilities, supplies and services	1,825,000	1,614,100
Office rent	180,000	360,000
Communication, supplies and services	205,000	185,675
Domestic travel and subsistence	212,000	212,000
Printing, advertising and information supplies & services	230,000	130,000
Rentals of produced assets		-
Training expenses	400,000	400,000
Hospitality supplies and services		-
Other commitee expenses	1,495,896	2,150,000
Commitee allowance	1,200,000	1 000,000
Insurance costs		-
Specialised materials and services	175,000	67,000
Office and general supplies and services	458,000	337,000
Fuel ,oil & lubricants	1200,000	1,250,000
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	414,852.92	308,325
Routine maintenance – other assets		-
Total	**7,995,748.92**	**8,014,100**

6.TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016 - 2017 Kshs	2015 - 2016 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	43,200,000	25,400,000
Transfers to secondary schools (see attached list)	22,050,000	12,600,000
Transfers to tertiary institutions (see attached list)	5,200,000	2,800,000
Transfers to health institutions (see attached list)	4,200,000	4,100,000
TOTAL	**74,650,000**	**44,900,000**

7. OTHER GRANTS AND OTHER PAYMENTS

	2016 – 2017 Kshs	2015- 2016 Kshs
Bursary – secondary schools (see attached list)	8,640,000	-
Bursary – tertiary institutions (see attached list)	25,160,000	4,680,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	2,500,000	1,500,000
Agriculture projects (see attached list)	600,000	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	4,300,000	1,250,000
Roads projects (see attached list)	-	17,633,440
Sports projects (see attached list)	2,818,693	400,000
Environment projects (see attached list)	500,000	840,000
Emergency projects (see attached list)	4,048,540	5,515,658
Total	**48,567,233**	**32,033,098**

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017

8. ACQUISITION OF ASSETS

Non Financial Assets	2016 - 2017 Kshs	2015 - 2016 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2016 - 2017 Kshs	2015 – 2016 Kshs
Specify		
	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2016 - 2017	2015 - 2016
	Kshs	Kshs
Co-operative Bank, Kisii Branch A/C No.011414231855500	7,456,029.80	12,412,814.00
Total		

10B: CASH IN HAND

	2016 – 2017 Kshs	2016 – 2017 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (*specify*)	-	-
Total	-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Total				

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

12RETENTION

	2016 – 2017 Kshs	2015 - 2016 Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total		-

[Provide short appropriate explanations as necessary

13. BALANCES BROUGHT FORWARD

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

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2015- 2016 Kshs	2014 - 2015 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2016/2017 Kshs	2015/2016 Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (*specify*)	-	-
	-	-

15.3: OTHER PENDING PAYABLES (See Annex 3)

	2016/2017 Kshs	2015/2016 Kshs
Amounts due to other Government entities (see attached list)	12,600,000.00	-
Amounts due to other grants and other transfers (see attached list)	4,856,029.80	-
Others (*specify*)	-	-
	17,456,029.80	-

15.4: PMC account balances (See Annex 5)

	2016/2017 Kshs	2015/206 Kshs
PMC account Balances (see attached list)	602,164.58	0
	602,164.58	**0**

15.5: Pending Disbursement from the Board

2016/2017 Kshs	2015/2016 Kshs
10,000,000	56,036,174
10,000,000	**56,036,174**

FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT - CDF
15 SEP 2017
KITUTU CHACHE SOUTH
P.O. Box

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	a	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1. St. Patrick's Secondary School-Mosocho					2,500,000.00		
2. Botori Primary School					9,000,000.0		
3. Daraja Mbili Primary School					300,000.00		
4. Kiamwasi Primary School					300,000.00		
5. Kiongongi Secondary School					500,000.00		
Sub-Total					**12,600,000.00**		
Amounts due to other grants and other transfers							
6. Sports Activities					200,000.00		
7. Environment					943,104.00		
8. Nyatieko Chief Camp					1,000,000.00		
9. Audit Fee					500,000.00		
10. Mosocho Market					1,500,00.00		
11. Office furniture					500,000.00		
12. Roads(Several)					212,925.80		
13.							
Sub-Total					4,856,029.80		
Sub-Total					**17,456,029.80**		
Others (*specify*)							
14.							
15.							
16.							
Sub-Total							
Grand Total					**17,456,029.80**		

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	Historical Cost (Kshs) 2015/16
Land		
Buildings and structures		
Transport equipment	4,300,000.00	4,300,000.00
Office equipment, furniture and fittings	251,400.00	251,400.00
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
Total	**4,551,400.00**	**4,551,400.00**

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

PMC	Bank	Account number	Bank Balance 2016/17	Bank Balance 2015/16
Getembe Health Centre	Co-operative Bank	01100423512700	273.25	
Nyamondo Primary School	Co-operative Bank	01100016653500	3,200	
Nyatieko S.D.A Primary School	Co-operative Bank	01100423364000	9,432.45	
Getembe Primary School	Co-operative Bank	01100424508300	503,322.97	
Jogoo Primary School	Co-operative Bank	01100423989700	1,076.97	
St. Peters Soko Primary School	Co-operative Bank	01120016580700	1363.58	
St. Joseph's Nyabururu Pr. School	Co-operative Bank	01120297952700	6,542.50	
Nyankongo DOK Pri School	Co-operative Bank	01120422758700	354.66	
Raganga Village Polytechnic	Co-operative Bank	01129423497000	7611.10	
Mariiba DOK Primary	Co-operative Bank	01100423502500	1,640.77	
Kiong'ongi DOK II School	Co-operative Bank	01100016952900	62,311.44	
Nyaore DOK Primary School	Co-operative Bank	01100423365300	543.18	
Nyaore Youth Polytechnic	Co-operative Bank	01120018850600	238.39	
St. Luke's Kanunda Sec School	Co-operative Bank	01120017970000	1,943.32	
Kanunda DOK Primary School	Co-operative Bank	01100017461100	1,810	
Total			**602,164.58**	

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.1 Summary statement of appropriation	The summary statement of appropriation indicates the current year's final budget figures for total receipts and total payments as Kshs. 134,293,185. However, records from the National Government Constituency Development Fund Board indicate that the final approved budget for the year 2014/2015 was Kshs. 105, 737,617. The accuracy of the Summary statement of appropriation could not therefore be confirmed.	The total amount of Ksh.134, 293, 185 is inclusive of Ksh. 28,555,568 being balance brought forward from the financial year 2013/2014.	Fund Manager	Resolved	
1.1 Cash and bank balances	The statement of financial assets indicates that the bank balances as at 30 June 2015 amounted to Kshs. 42,624,257. However, a review of the funds' cash book, bank statements and other records indicates that, there were cheques	All the stale cheques have now been reversed in the Cash Book	Fund Manager and District Accountant	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	totalling Kshs 1,046,697 which had not been presented for payment within six months from the date of issue. Consequently, the accuracy of the bank balance of Kshs. 42,624,257 could not be confirmed.				
2. **Unsupported Documentation for Transfers to Other Government Units and Other Grants and Transfers**	The Kitutu Chache South Constituency Development Fund committee disbursed a total of Kshs. 79,879,268 in the form of transfers to other Government units and other grants and transfers during the year under review as reflected in the statement of receipts and transfers. Out of this amount, Kshs.66,758,662 was administered through Project Management Committees (PMCs) spread throughout the constituency. During the audit review, disbursements totalling Kshs. 24,006,500 made to various PMCs were not adequately supported with complete expenditure returns including cashbooks, bank statements, stores records, minutes, and other relevant accounting documents. Consequently, in the absence of the support documents	Complete project files have now been submitted by Project Management Committees and are now available in NG-CDF Office.	Fund Manager and Project Management Committees	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	we could not confirm the propriety of the funds disbursed to the PMCs during the year.				

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