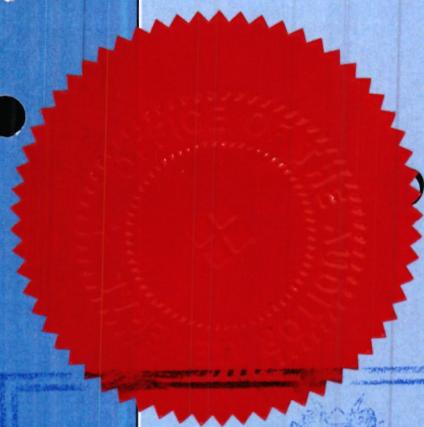




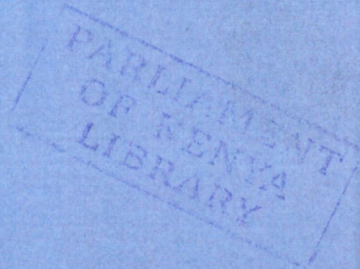
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
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**REPORT**

**OF**

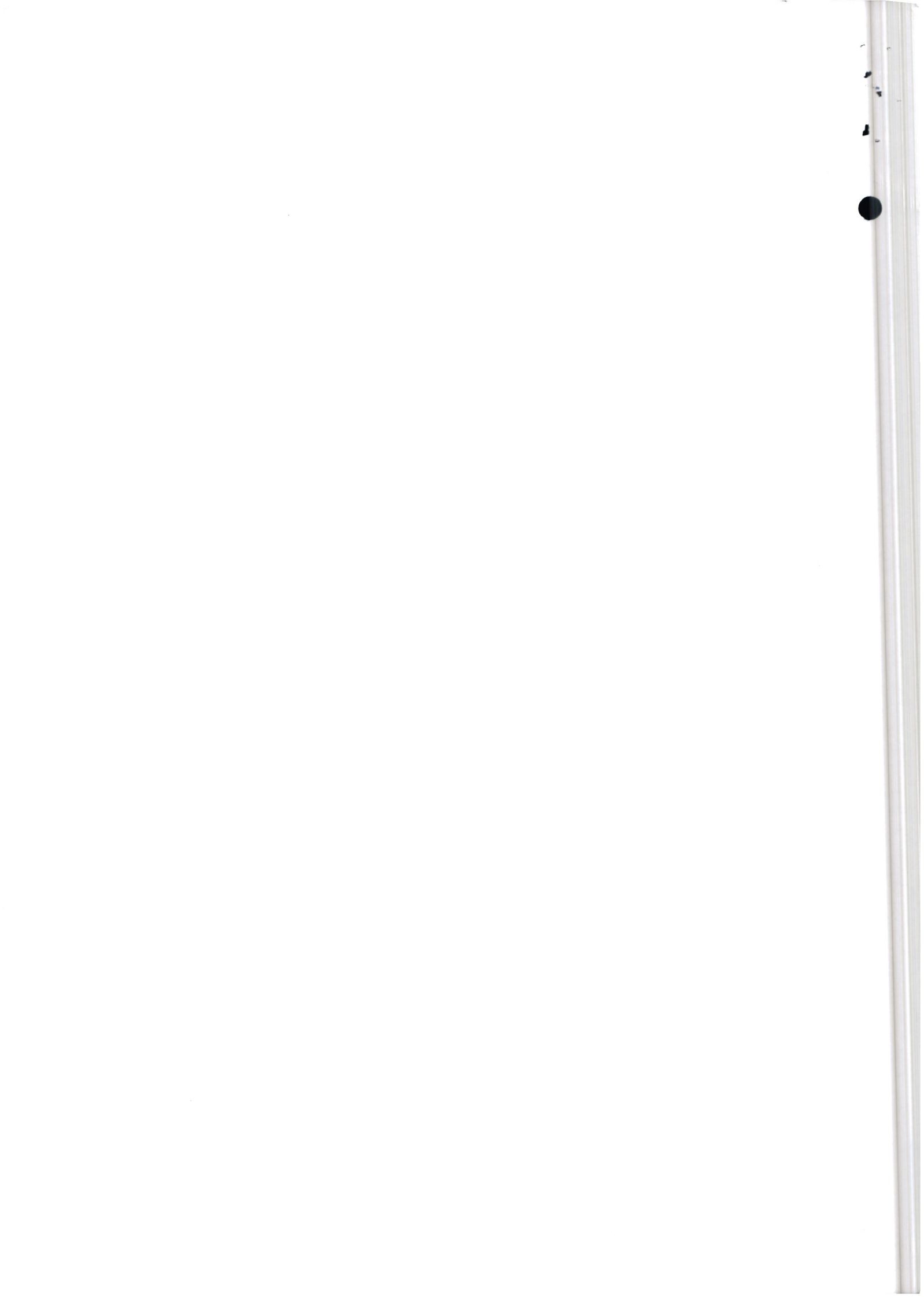
**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
NYARIBARI CACHE CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE 2017**







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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
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)**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE CONSTITUENCY**

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG-CDF Act, 2015.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 *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 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	<b>Yusuf Mbuno</b>
2.	A.I.E holder	<b>John Onger</b>
3.	Accountant	<b>Charles O. Nyasani</b>
4.		

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of BOBASI Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the 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) NG-CDF Headquarters**

P.O. Box 78-40204  
NG-NG-CDF Office Building  
KEUMBU -KISII.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE CONSTITUENCY**

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

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**(f) NG-CDF Contacts**

Telephone: (254) 710426880  
E-mail: NG-CDFnyaribarichache@NG-CDF.go.ke  
Website: www.NG-CDF.go.ke

**(g) NG-CDF Bankers**

1. EQUITY BANK –Kisii Branch  
A/C No.0510294577003  
P.O BOX  
Kisii

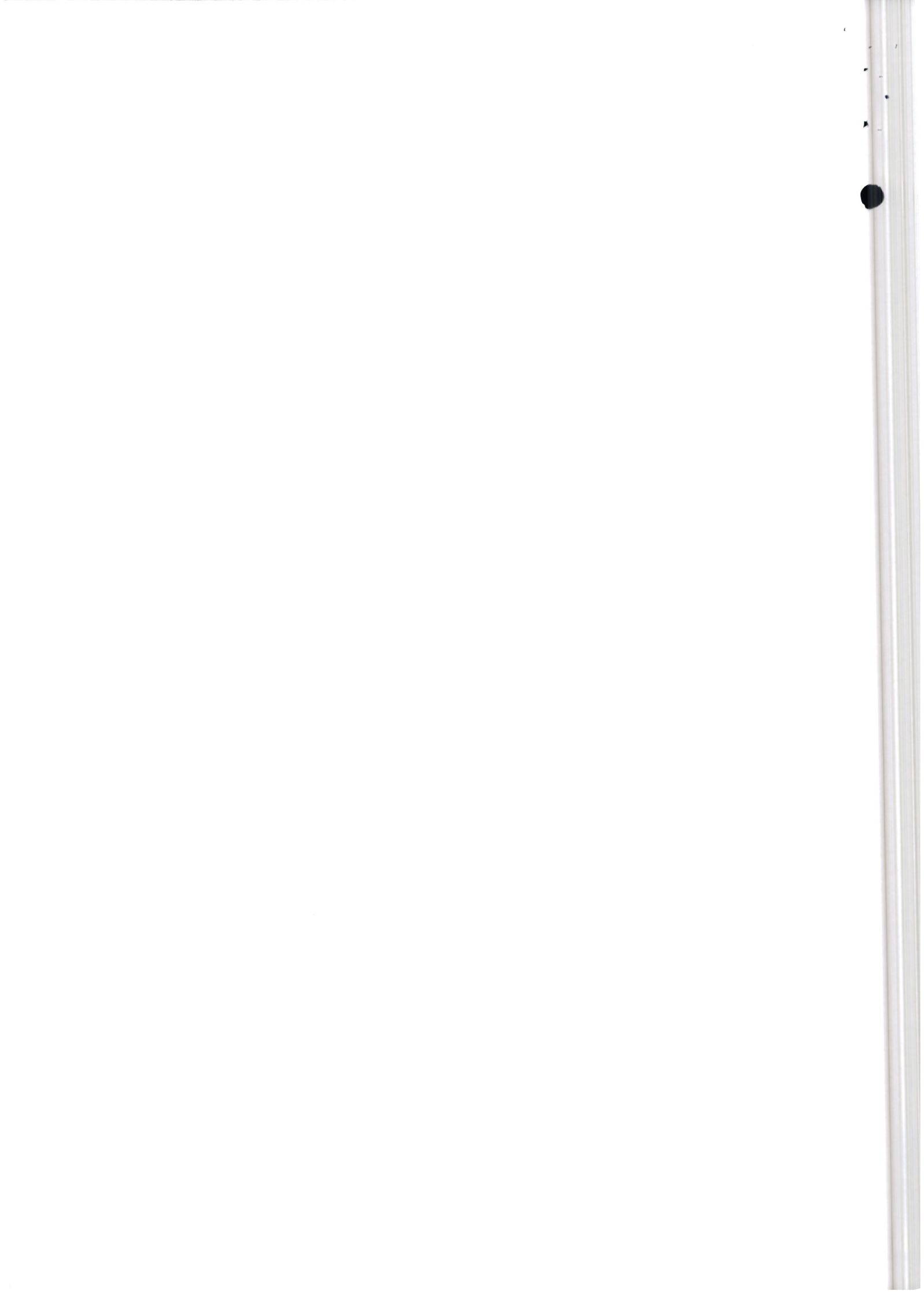
**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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





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

The NG-CDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes.

This year, National Government Constituency Development Fund had an allocation of Ksh. 81,896,551.72. Out of the total allocation; NG-CDF Board was able to disburse Ksh. 40,948,276 of the current financial year to the constituency plus balance of Ksh. 57,544,624 of the previous financial year 2015-2016 by end of the financial year. The constituency also had Ksh. 8,753,520 rolled over from financial year 2015/2016 making the total funds available for use in the financial year to be Ksh. 107,246,420. By the end of the financial year the Board had not disbursed Ksh. 52,648,278 to the constituency accruing from financial year 2014-2015 to 2016-2017. The constituency was able to utilize Ksh. **106,647,942.00** Out of funds available of Ksh. 107,246,420 translating to 99.4%.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations

The NG-CDFCs wish that the issues of having the project on going for more than two years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign \_\_\_\_\_



**CHAIRMAN NGNG-CDFC**









## OFFICE OF THE AUDITOR-GENERAL

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

#### REPORT ON THE FINANCIAL STATEMENTS

#### Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Nyaribari Chache Constituency set out on pages 5 to 37 which comprise the statement of assets as at 30 June 2017 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund-Nyaribari Chache Constituency as at 30 June 2017, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not 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, I confirm that public money has not been applied lawfully and in an effective way.

#### Basis for Adverse Opinion

##### 1. Inaccuracies in the Financial Statements

##### 1.1 Expenditure Balances

There are variances between the balances reflected in the financial statements and those reflected in the expenditure schedules as shown below:

Item	Financial Statements Kshs.	Schedules Kshs.	Variance Kshs.
Bursary to Secondary Schools	7,243,959	13,243,959	6,000,000
Bursary to tertiary Institutions	33,282,712	35,571,257	2,288,545



Transfer to Health Institutions	8,200,000	3,800,000	4,400,000
Transfer to Secondary Schools	17,300,000	13,200,000	4,100,000
<b>Total</b>			<b>16,788,545</b>

No plausible explanation has been provided by management for the variances.

## 1.2 Trial Balance

The trial balance as at 30 June 2017 reflects a variance of Kshs.21,197,596 which however, has not been explained. Consequently, the correctness of the financial statements for the year ended 30 June 2017 cannot be confirmed.

## 2. Fuel Not Accounted For

Included in the use of goods and services balance of Kshs.8,320,471 is Kshs.1,854,000 reportedly spent on for fuel, oil and lubricants. However, examination of records relating to the expenditure confirmed use of fuel costing Kshs.84,480. Therefore, expenditure on fuel, oil and lubricants Kshs.1,769,520 incurred in the year under review was not supported with records and as a result the propriety of the expenditure cannot be confirmed. In addition, the management did not maintain a fuel register during the year as required by stores regulations.

## 3. Expenditure Not Supported

Included under transfers to other government entities balance of Kshs.34,050,000 is Kshs.2,400,000 disbursed to tertiary institutions. However, there was no indication that the disbursements were included in the approved budgets of the said institutions. In addition, the remittance of the funds to the project management committees could not be confirmed as these were not reflected in the respective bank statements. Further, physical location of the projects was not disclosed to enable audit verification.

Consequently, the propriety of the expenditure of Kshs.2,400,000 reported to have been disbursed to tertiary institutions during the year under review cannot be confirmed.

## 4. Fixed Assets Summary

The summary of fixed assets registers under annex 4 reflects a balance of Kshs.15,101,772 for the year ended 2015/2016. However, the closing balance of fixed assets in the previous year's (2015/2016) audited statements was Kshs.20,225,376. The difference of Kshs.5,123,604 has not been explained.

Consequently, the fixed assets summary is not correct.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Nyaribari Chache 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 adverse opinion.

### Key Audit Matters

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

### Other Matter

#### 1. Budget Analysis

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

Item	Budget Kshs.	Actual Kshs.	Variance Kshs.	Performance (%)
Compensation of Employees	3,000,000	1,647,800	1,352,200	55
Use of Goods and Services	8,896,552	8,320,471	576,081	93
Transfers to Other Government Entities	61,999,071	34,050,000	27,949,071	55
Other Grants and Transfers	85,999,071	62,629,671	23,369,400	73
<b>Total</b>	<b>159,894,694</b>	<b>106,647,942</b>	<b>53,246,752</b>	<b>67</b>

As the table shows, the Fund underspent on four (4) items namely; compensation of employees, use of goods and services, transfers to other government entities and other grants and transfers. The total amount budgeted was Kshs.159,894,694 but total amount spent was Kshs.106,647,942 leading to a variance of Kshs.53,246,752 which performance was equivalent to 67% absorption rate. Because of the under-absorption, the Fund did not achieve its goals for the year under review and the constituents did not receive all the services due to them.

#### Non-Disclosure of Project Management Committees (PMC) Account Balances

The management has not disclosed closing balances in the PMC accounts for the financial year ended 30 June 2016 as required by the reporting format prescribed by the Public Sector Accounting Standards Board.

#### 3. Summary Statement of Appropriation Recurrent and Development

The summary statement of appropriation indicates an original budget of Kshs.81,896,552 and an adjustment of Kshs.77,998,144 resulting in the total budget of Kshs.159,894,695. However, the management has not provided schedules of projects that were earmarked for implementation from the funds rolled over from the previous year.



In the absence of the list of earmarked projects, it is not possible to confirm the nature of projects implemented through the funds that were rolled-over from the previous year

#### **4. Change of Project Activity**

Included under transfers to other government units balance of Kshs.34,650,000 is Kshs.13,200,000 transferred to secondary schools out of which the management disbursed Kshs.3,000,000 for construction of a tuition block at Otamba Girls Secondary School. However, audit inspection carried out on 26 June 2018 revealed that the tuition block was not built. Instead, the funds were used for other purposes such as levelling of a playing field, purchase of a school bus and a laboratory project. Further, the change in project activity was not approved by the Board as required.

Consequently, the management breached the law by diverting funds to unauthorized projects and activities.

#### **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 Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the management 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.

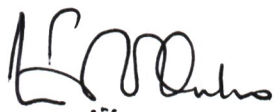
As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:



- 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 of the Fund to express an opinion on the financial statements.

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**

**29 January 2019**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE 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
<b>RECEIPTS</b>			
Transfers from NG- CDF board	<b>1</b>	98,492,897.00	103,307,149.00
<b>TOTAL RECEIPTS</b>		<b>98,492,897.00</b>	<b>103,307,149.00</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>2</b>	1,647,800.00	3,349,286.00
Use of goods and services	<b>3</b>	8,320,471.00	9,657,641.00
Transfers to Other Government Units	<b>4</b>	34,650,000.00	74,600,000.00
Other grants and transfers	<b>5</b>	62,029,671.05	42,210,507.00
<b>TOTAL PAYMENTS</b>		<b>106,647,944.00</b>	<b>129,817,434.00</b>
<b>SURPLUS/DEFICIT</b>		<b>(8,155,045.00)</b>	<b>(26,510,285.00)</b>

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

Chairman - NG-CDFC

Fund Account Manager





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE CONSTITUENCY**

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

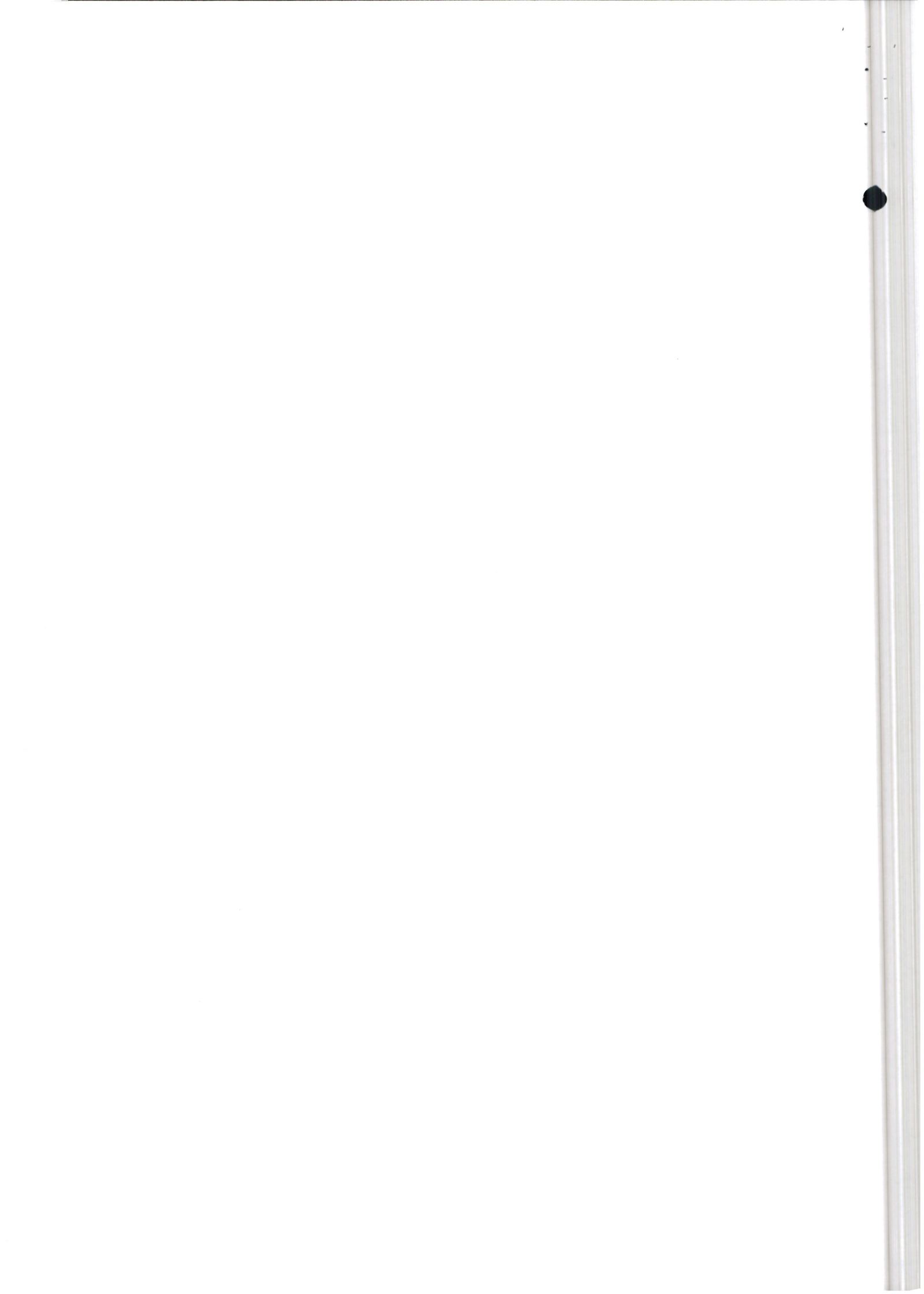
**V. STATEMENT OF ASSETS**

	Note	2016-2017	2015-2016
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	6A	598,476.00	8,753,520.00
		598,476.00	
<b>TOTAL FINANCIAL ASSETS</b>		598,476.00	8,753,520.00
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	7	8,753,521.00	35,263,806.00
Surplus/Deficit for the year		(8,155,045.00)	(26,510,285.00)
<b>NET LIABILITIES</b>		598,476.00	8,753,521.00

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

**Chairman - NG-CDFC**

**Fund Account Manager**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE CONSTITUENCY**

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

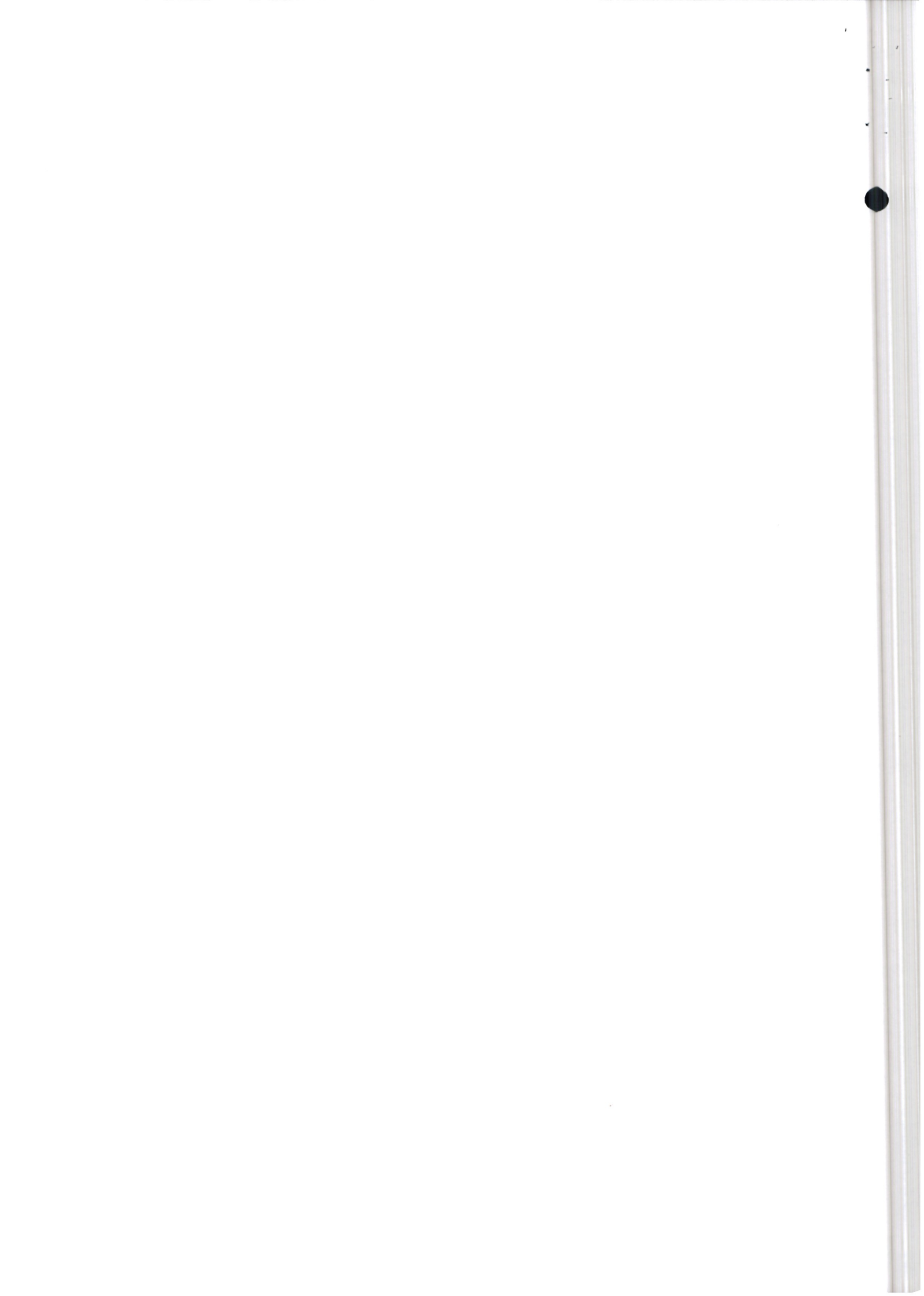
**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2016 – 2017	2015 - 2016
		Kshs	Kshs
Transfers from CDF Board	1	98,492,897	103,307,149
Total		98,492,897	103,307,149
<b>Payments for operating expenses</b>			
Compensation of Employees	2	1,647,800	3,349,286
Use of goods and services	3	8,320,471.00	9,657,641.00
Transfers to Other Government Units	4	34,650,000	74,600,000
Other grants and transfers	5	62,029,671.05	42,210,507
		106,647,944	129,817,434
<b>Adjusted for:</b>			
Adjustments during the year			
Changes in accounts receivables			
<b>Net cash flow from operating activities</b>		<b>(8,155,045)</b>	<b>(26,510,285)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>Net cash flows from Investing Activities</b>		<b>0.00</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>-8,155,045</b>	<b>-26,510,285</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	7	<b>8,753,521.00</b>	<b>35,263,806</b>
<b>Cash and cash equivalent at END of the year</b>	6	<b>598,476.00</b>	<b>8,753,521</b>

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

**Chairman NG-CDFC**

**Fund Account Manager**



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

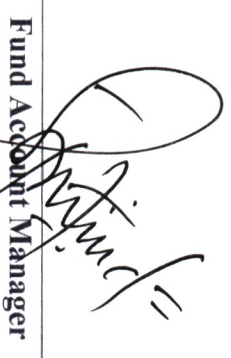
**II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	81,896,552	77,998,144	159,894,695	107,246,417	52,648,278	67
Proceeds from Sale of Assets				0	0	
Other Receipts					0	
<b>TOTAL RECEIPTS</b>	81,896,552	77,998,144	159,894,695	107,246,417	52,648,278	67
<b>PAYMENTS</b>						
Compensation of Employees	3,000,000		3,000,000	1,647,800	1,352,200	55
Use of goods and services	8,896,552		8,896,552	8,320,471	576,081	94
			0			
Transfers to Other Government Units	30,000,000	31,999,071	61,999,071	34,050,000	27,949,071	55
Other grants and transfers	40,000,000	45,999,071	85,999,071	62,029,671.05	23,369,400	73
Acquisition of Assets			0		0	
Other Payments			0		0	
<b>TOTALS</b>	<b>81,896,552</b>	<b>77,998,142</b>	<b>159,894,694</b>	<b>106,647,944</b>	<b>53,246,752</b>	<b>67</b>

The NG-CDF financial statements were approved on \_\_\_\_\_ 2017 and signed by:

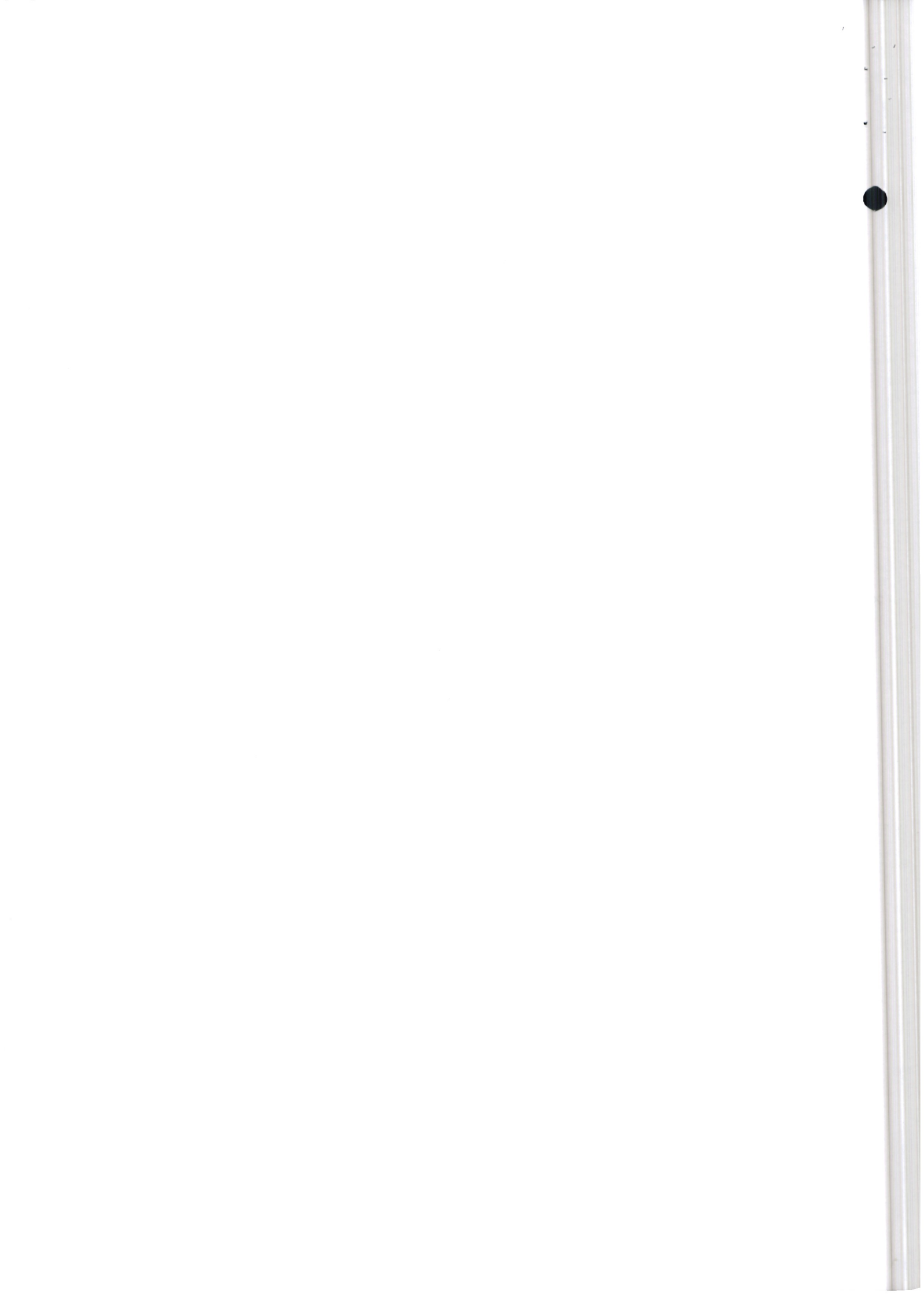


**Chairman NG-CDF**



**Fund Account Manager**





## **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

### **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, 2016.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
CHACHE CONSTITUENCY**

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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2016 - 2017	2015 - 2016
	Kshs	Kshs
NG-CDF Board		
AIE NO. A825940	34,244,624	
AIE NO. A855075	36,853,449	
AIE NO. A855204	23,300,000	
AIE NO. A829972	4,094,827	
		103,307,149
<b>TOTAL</b>	<b>98,492,900</b>	<b>103,307,149</b>

**2. COMPENSATION OF EMPLOYEES**

	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,506,800.00	3,121,466.00
2110202	Basic wages of casual labour		
	<b>Personal allowances paid as part of salary</b>		
2120101	Employer contribution to NSSF	141,000	227,820
	<b>Total</b>	<b>1,647,800</b>	<b>3,349,286</b>

**3. USE OF GOODS AND SERVICES**

	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2210100	Utilities, supplies and services	36,803.00	162,872.00
2210104	Office rent	-	-
2210200	Communication, supplies and services		147,670.00
2210300	Domestic travel and subsistence		
2210500	Printing, advertising and information supplies & services		300,000.00
2210600	Rentals of produced assets		-
2210700	Training expenses		





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

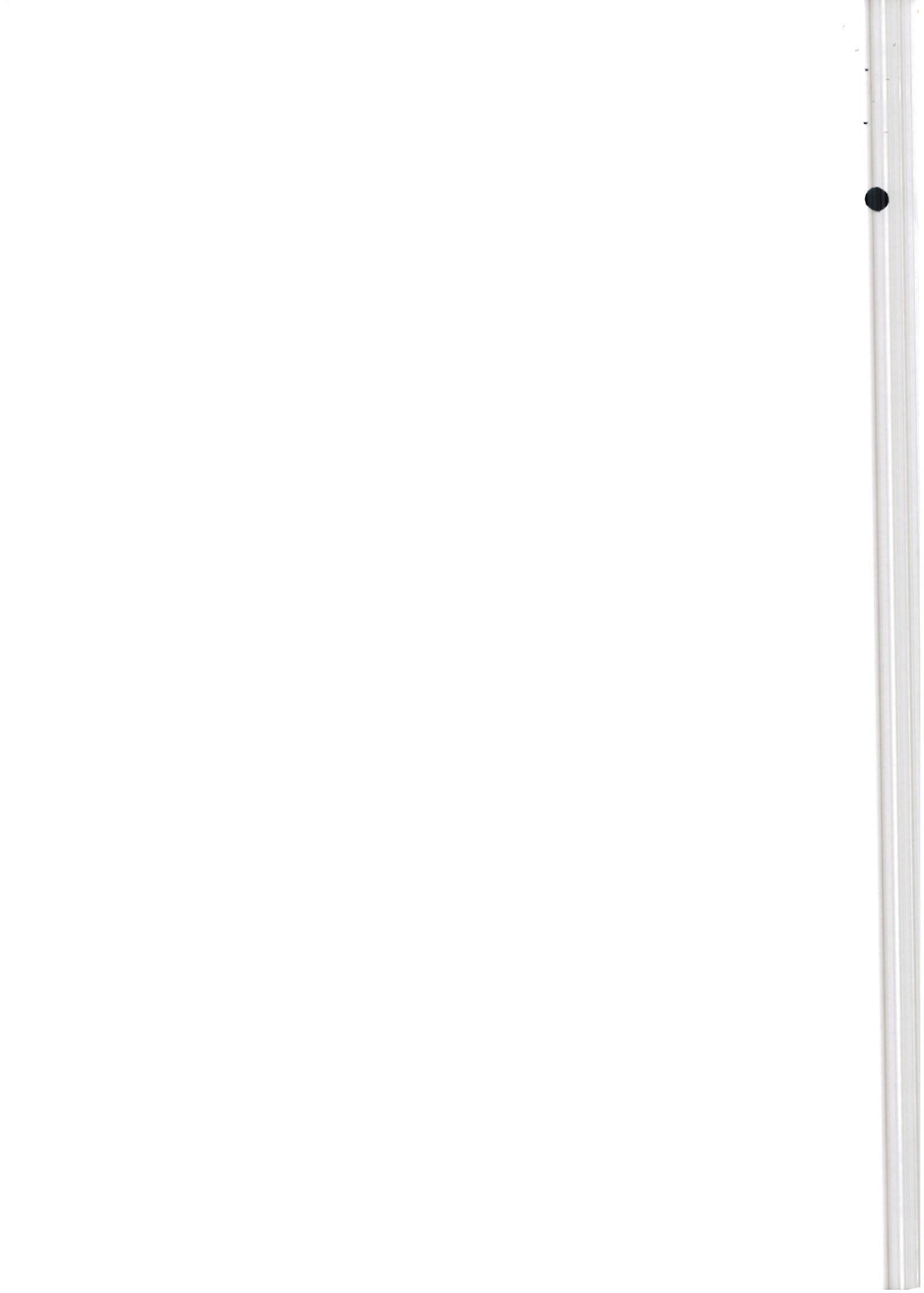
2210800	Hospitality supplies and services		
2210900	Insurance costs	-	262,500.00
2211000	Specialized materials and services	-	-
2211100	Office and general supplies and services		
2211200	Fuel ,oil & lubricants	1,854,000.00	1,250,000.00
2211300	Other operating expenses		7,206.00
2220100	Routine maintenance – vehicles and other transport equipment	168,655.00	227,007.00
2220200	Routine maintenance – other assets		-
2210802	Other committee expenses	2,261,013.00	2,800,000
2210809	Committee allowance	4,000,000	4,500,386
		-	
	<b>Total</b>	<b>8,320,471.00</b>	<b>9,657,641.00</b>

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2630204	Transfers to primary schools	15,250,000	19,680,000
2630205	Transfers to secondary schools	13,200,000	49,320,000
2630206	Transfers to Tertiary institutions	2,400,000.00	3,800,000.00
2630207	Transfers to Health institutions	3,800,000.00	1,800,000.00
	<b>TOTAL</b>	<b>34,650,000</b>	<b>74,600,000</b>

**5 OTHER GRANTS AND OTHER PAYMENTS**

	Description	2016 - 2017	2015 - 2016
		Kshs	Kshs
2640101	Bursary -Secondary	13,243,959	1,642,000
2640102	Bursary -Tertiary	35,571,257	26,748,567
2640104	Bursary-Special schools	-	-
2640105	Mocks & CAT		
2630207	water	1,003,000	603,000
2640505	Agriculture (food security)	4,800,000	3,300,000
2640506	Electricity projects	-	-
2640507	Security	4,700,000	3,750,000
2640508	Roads	2,711,455.05	6,166,940





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2640509	Sports	50,0000	
2640510	Environment		
2640200	Emergency Projects (specify)		
	<b>Total</b>	<b>62,029,671.05</b>	<b>42,210,507</b>



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

<b>6A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2016 - 2017</b>	<b>2015 - 2016</b>
		<b>Kshs (30/6/2017)</b>	<b>Kshs (30/6/2016)</b>
<i>Equity Bank, Kisi Branch A/C no.</i>	1120018104700	598,476.00	8,753,520.00
		-	-
		-	-
<b>Total</b>		<b>598,476.00</b>	<b>8,753,520.00</b>

**7 BALANCES BROUGHT FORWARD**

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>Kshs (1/7/2016)</b>	<b>Kshs (1/7/2015)</b>
Bank accounts	8,753,520.00	35,263,806.00
Cash in hand	-	
Imprest	-	
<b>Total</b>	<b>8,753,520.00</b>	<b>35,263,806.00</b>





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**9. OTHER IMPORTANT DISCLOSURES**

**9.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2016- 2017</b>	<b>2015 - 2016</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		

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

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

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

	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)		
Amounts due to other grants and other transfers (see attached list)		
Others ( <i>specify</i> )		

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

	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
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**9.5: Pending Disbursement from the Board**

	<b>Kshs</b>	<b>Kshs</b>
Pending disbursement	52,648,278.00	69,244,623.5
Total	52,648,278.00	69,244,623.50





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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**CONSTITUENCY DEVELOPMENT FUND – BOBASI CONSTITUENCY**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI CHACHE CONSTITUENCY**  
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**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount a	Date Payable Contracted b	Amount Paid To-Date c	Outstanding g Balance 2016 d=a-c	Outstanding g Balance 2014	Comments
<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>							

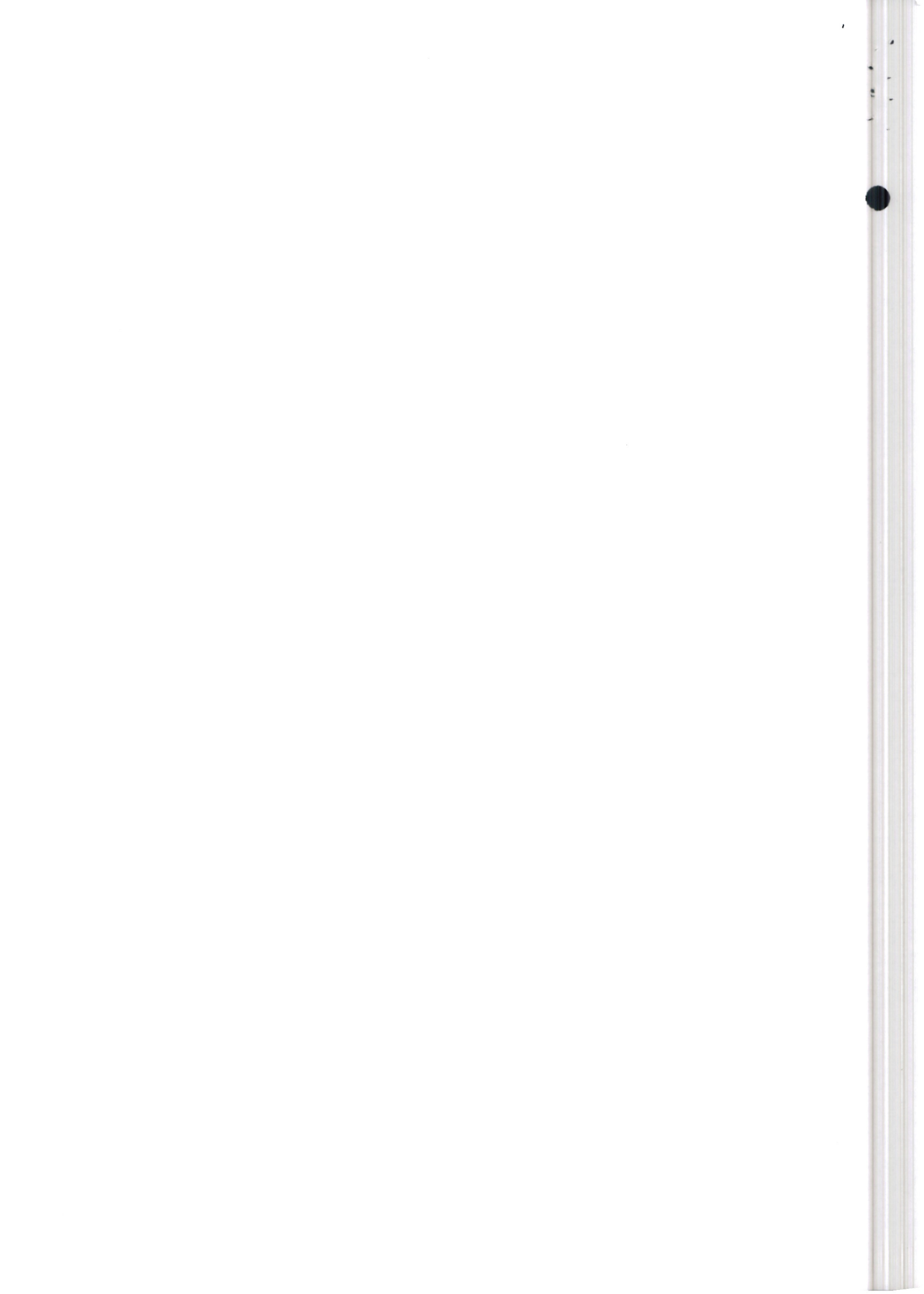




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI CHACHE CONSTITUENCY**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2016/2017</b>	<b>Historical Cost (Kshs) 2015/16</b>
Land	0	0
Buildings and structures	8,096,672.00	8,096,672.00
Transport equipment	6,500,000	6,500,000
Office equipment, furniture and fittings	515,300	115,300
ICT Equipment, Software and Other ICT Assets	382,000	382,000
Other Machinery and Equipment	7,800	7,800
Heritage and cultural assets	0	0
Intangible assets	0	0
<b>Total</b>	<b>15,501,772.00</b>	<b>15,101,772.00</b>









**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- NYARIBARI  
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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 (Name and designation)	Status: (Resolve d / Not Resolved )	Timefra me: (Put a date when you expect the issue to be resolved )
2015/ 2016	Summary statement of appropriations	necessary amendments done on the financial statements	John Ongeru - FAM	Resolved	N/A
2015/ 2016	Transfers from NG-CDF Board	Issue addressed	John Ongeru - FAM	Resolved	N/A
2015/ 2016	Payment of statutory deductions	Issue addressed	John Ongeru - FAM	Resolved	N/A
2015/ 2016	Reallocations of funds	Issue addressed	John Ongeru - FAM	Resolved	N/A
2015/ 2016	project expenditure returns	Issue addressed	John Ongeru - FAM	Resolved	N/A

