

REPUBLIC OF KENYA

PARLIAMENT  
OF KENYA  
LIBRARY



OFFICE OF THE AUDITOR-GENERAL

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 13 March 2018 DAY: THURSDAY 10:55 AM

TABLED BY: LEADER OF THE MAJORITY PARTY

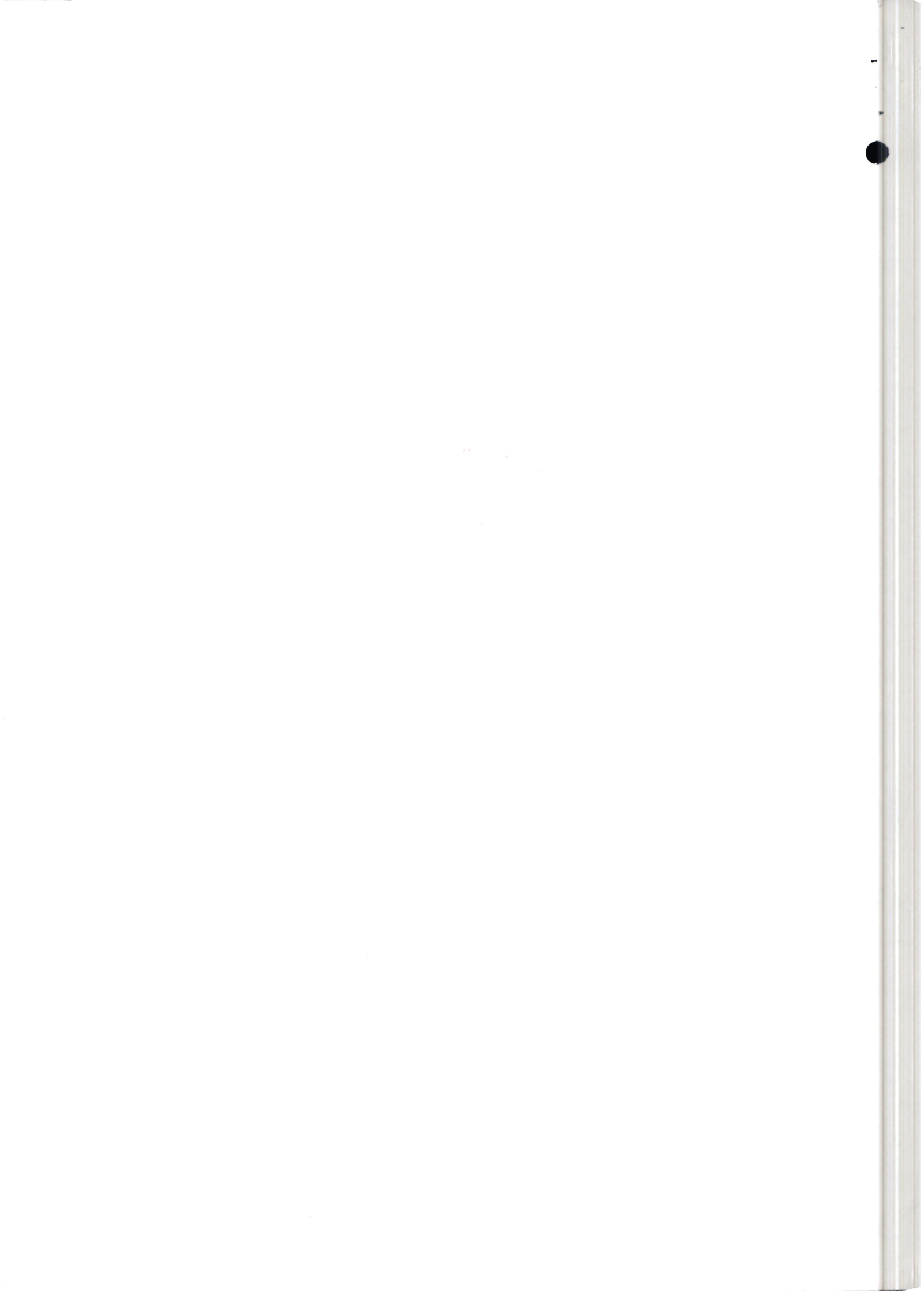
CLERK-AT-THE-TABLE: MN OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
KISUMU EAST CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017





---

**CONSTITUENCY DEVELOPMENT FUND- KISUMU EAST CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

---

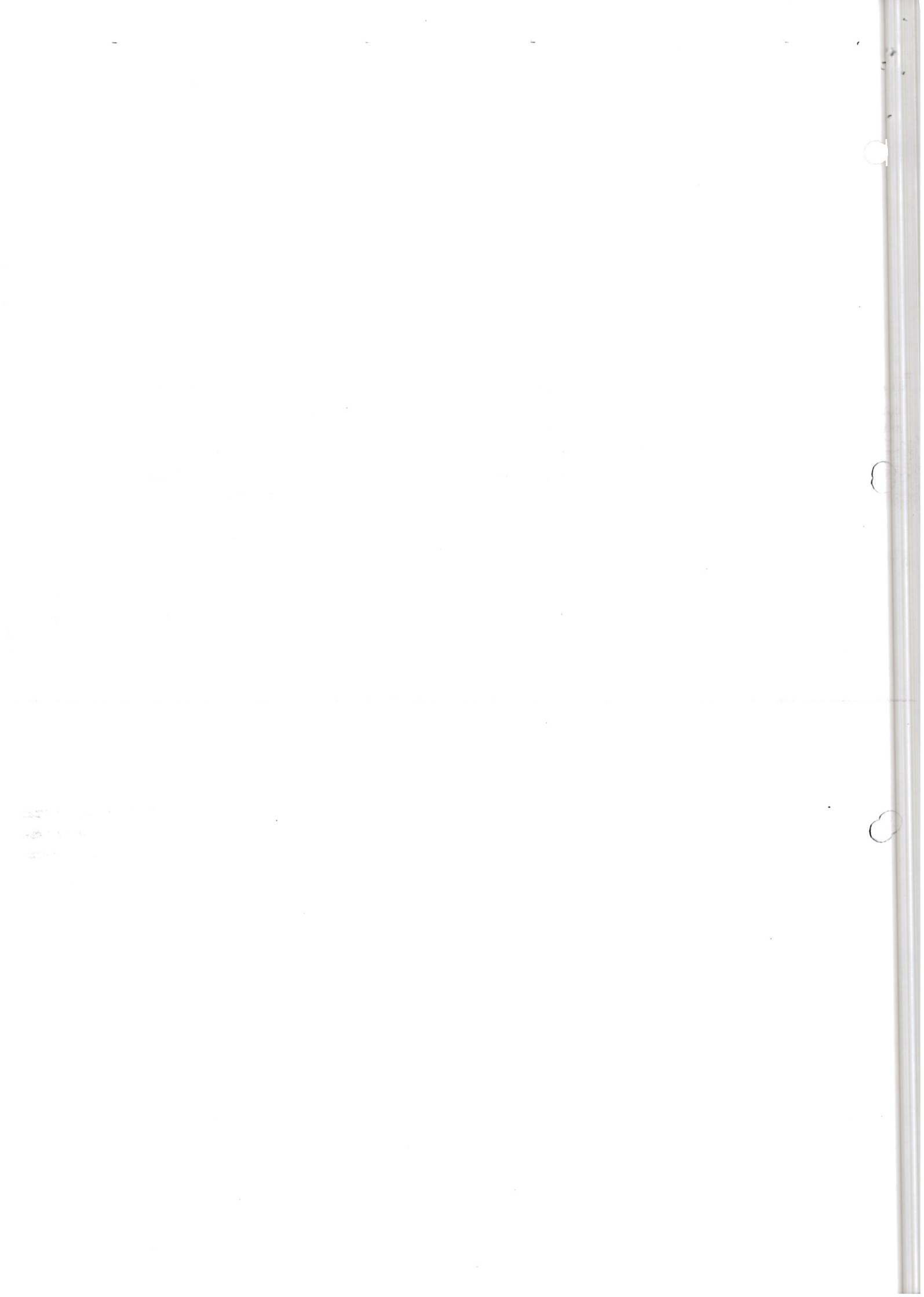
**Prepared in accordance with the Cash Basis of Accounting Method under the  
International Public Sector Accounting Standards (IPSAS)**



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

---

| Table of Content  | Page |
|---|------|
| I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....                               | 1    |
| II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC).....   | 3    |
| III. STATEMENT OF NG-CDF MANAGEMENT RESPONSIBILITIES.....                         | 4    |
| IV. STATEMENT OF RECEIPTS AND PAYMENTS.....                                       | 5    |
| V. STATEMENT OF ASSETS .....  | 6    |
| VI. STATEMENT OF CASHFLOW .....   | 7    |
| VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED ..... | 8    |
| VIII. SIGNIFICANT ACCOUNTING POLICIES.....  | 9    |
| IX. NOTES TO THE FINANCIAL STATEMENTS.....  | 11   |



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

---

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2015.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 *KISUMU EAST Constituency's* day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

| <b>No.</b> | <b>Designation</b> | <b>Name</b>      |
|------------|--------------------|------------------|
| 1.         | Accounting Officer | Yusuf Mbuno      |
| 2.         | A.I.E holder       | Kipnetich Langat |
| 3.         | Accountant         | Kennedy Menge    |

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 3618 - 40100  
Kenya Re – Road  
Off – Kakamega Road  
Kisumu

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

---

**(f) Kisumu East NG-CDF Contacts**

Telephone: (254) 572028092  
E-mail: cdfkisumueast@ngcdf.go.ke  
Website: www.go.ke

**(g) Kisumu East NG-CDF Bankers**

Equity Bank Limited  
Kisumu Branch  
Oginga Odinga Street  
P.O Box 3621 – 40100  
Kisumu

**(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



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

---

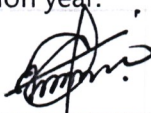
**II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)**

It is my pleasure to present to you the annual report and financial statements for the year ended June 30, 2017. During the year under review, the entity was allocated **Kshs 81,896,552** which represents a 29% decline in allocation from the previous year. Our performance is generally impressive and we have been able to offer more services to our constituents.

The NG-CDF Board released all the funds within the financial year, however, the second batch was released late and hence delayed the implementation of some projects.. In addition, we did receive the balance of Kshs 58,305,552 which had been outstanding from the 2015/2016 financial year. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure where close to 84% of the funds were allocated to these initiatives.

Overall utilization of funds stood at **94.9%**as compared to 66.4% in the year 2015/16. This was a remarkable improvement due to proper planning by our office to absorb the funds

With my team our aim is to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities in this election year.

  
Sign.....  
**Charles Otieno Okello**  
**CHAIRMAN NG-CDFC**

**CONSTITUENCY DEVELOPMENT FUND- KISUMU EAST 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 NG-CDF shall prepare financial statements in respect of that NG-CDF. 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 Kisumu East NG-CDF is responsible for the preparation and presentation of the NG-CDF's financial statements, which give a true and fair view of the state of affairs of the 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 Kisumu East NG-CDF accepts responsibility for the NG-CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG-CDF's financial statements give a true and fair view of the state of NG-CDF's transactions during the financial year ended June 30, 2017, and of the NG-CDF's financial position as at that date. The Accounting Officer charge of the KISUMU EAST 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.

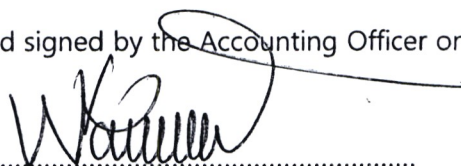
The Accounting Officer in charge of the Kisumu East NG-CDF confirms that the NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG-CDF's funds received during the year under audit were used for the eligible purposes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

**Approval of the financial statements**

The NG-CDF's financial statements were approved and signed by the Accounting Officer on August 3, 2017.



.....  
**Charles Otieno Okello**  
NG-CDF Chairman



.....  
**Kipngetich Langat**  
Fund Account Manager

# REPUBLIC OF KENYA

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



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

---

#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kisumu East Constituency set out on pages 5 to 22, which comprise the 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kisumu East 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 Constituency Development Fund Act, 2015.

In addition, as required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Other Matter section of my report, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

#### Basis for Qualified Opinion

##### 1. Inaccuracies in the Statement of Appropriation

The summary statement of appropriation indicates that the Fund received Kshs.146,030,747 during the year under review as shown in the actual on comparable basis column. The balance however differs from the sum of Kshs.140,201,818 reflected in the statement of receipts and payments. In addition, adjustments amounting to Kshs.64,634,196 shown in the statement have not been explained.

Consequently, the accuracy of the summary statement of appropriation for the year ended 30 June 2017 cannot be confirmed

---

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

## **2. Summary of Fixed Assets Register**

The summary of fixed assets register as highlighted in annex 4 to the financial statements indicates that the total cumulative historical cost as at 30 June 2017 was Kshs.34,702,251 as compared to the Kshs.20,980,791 as at 30 June 2016. However, the increase of Kshs.13,721,460 differs with the additions totaling Kshs.3,000,000 shown in the statement of receipts and payments as shaving been made in the year under review.

Consequently, the accuracy of the summary of fixed assets register cannot be confirmed.

## **3. Project Management Committee Bank Balances**

The Project Management Committees (PMC) bank balances on Annexure 4 of the financial statements totaled Kshs.24,785,483 as at 30 June 2017. However, the balances are not supported with expenditure returns from project committees.

Consequently, the accuracy of the project management committee balances of Kshs.24,785,483 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 – Kisumu East Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budget Performance**

The CDF's approved budget for the year 2016/2017 amounted to Kshs.146,530,747. As shown in the following table which also compares budgeted and actual expenditure items:

| <b>Expenditure</b>                  | <b>Approved Budget<br/>Kshs</b> | <b>Actual Expenditure<br/>Kshs</b> | <b>Variance<br/>Kshs</b> | <b>% of Utilization</b> |
|-------------------------------------|---------------------------------|------------------------------------|--------------------------|-------------------------|
| Compensation of Employees           | 5,453,737                       | 4,803,260                          | 650,477                  | 12%                     |
| Use of goods and Services           | 10,888,512                      | 11,009,566                         | -121,054                 | -1%                     |
| Transfers to Other Government Units | 73,206,897                      | 73,100,397                         | 106,500                  | 0%                      |
| Other Grants and Transfers          | 52,106,602                      | 45,874,821                         | 6,231,781                | 12%                     |
| Acquisition of Assets               | 3,000,000                       | 3,000,000                          | 0                        | 0%                      |
| Other Payments                      | 1,875,000                       | 1,250,000                          | 625,000                  | 33%                     |
| <b>Total</b>                        | <b>146,530,748</b>              | <b>139,038,044</b>                 | <b>7,492,704</b>         |                         |

During the period, the Fund's total expenditure was Kshs.139,038,044 which was equivalent to 95% of the approved budget and resulted in under-expenditure of Kshs.7,492,704. Underutilization of the budget denied the constituents services that were due to them.

## **2. Expenditures on Unapproved Projects**

Included in transfers to other government units is Kshs.2,400,000 paid to various schools for the purchase of laboratory equipment. Also other grants and transfers include Kshs.450,000 for construction of Rapogi Footbridge. However, no indication has been given on how these projects were approved since they are not in the approved projects list.

## **3. Other Grants and Transfers**

### **3.1 Irregular Designation of Expenditure as Emergency**

Note 6 indicates that payments for emergency projects totaled Kshs.6,500,000 during the year under review. Included in this amount was a payment of Kshs.2,200,000 for construction of two classrooms at Tido Primary School. However, the use of emergency funds did not meet the thresholds set for urgent and unforeseen needs for expenditure as required by Section 8 (3) of the National Government Constituencies Development Fund Act, 2015. Further, inspection of the project during audit in May 2018 revealed multiple cracks on the walls yet the project was completed in July 2017.

Consequently, the use of emergency funds amounting to Kshs.2,200,000 contravened the provisions of the Constituencies Development Fund Act 2015.

### **3.2 Anomalies Road Project Expenditures**

Note 6 to the financial statements indicates that payments for construction of roads totaled Kshs.2,854,064 during the year under review. However, the following anomalies were noted from the review of project records:

#### **i) Kondele – Rabuor Road**

Kshs.1,498,720 was paid for this project during the year under review. However, the project was not among those included in the approved projects list.

#### **ii) Ringroad – Nyaori Road**

Expenditure totaling Kshs.1,355,344 was incurred on this project during the year. However, procurement documents for identification and award of the contractor were not available for audit review. Further, there was no indication that the project had been approved by the National Government - Constituency Development Fund Board since it was not in the approved projects list.

Consequently, the propriety of the Kshs.2,854,064 incurred on construction of roads by NCDF - Kisumu East cannot be confirmed.

### **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 to cease its operations, or have no realistic alternative but to do so.

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue 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 to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**18 September 2018**



**CONSTITUENCY DEVELOPMENT FUND- KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017.**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

|  | Note | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|--|------|--------------------|--------------------|
| <b>RECEIPTS</b>                            |      |                    |                    |
| Transfers from NG-CDF board-AIEs' Received | 1    | 140,201,818        | 114,633,313        |
| Other Receipts                             | 2    | 208,376            | 1,278,647          |
| <b>TOTAL RECEIPTS</b>                      |      | <b>140,410,194</b> | <b>115,911,959</b> |
| <b>PAYMENTS</b>                            |      |                    |                    |
| Compensation of employees                  | 3    | 4,803,260          | 2,579,862          |
| Use of goods and services                  | 4    | 10,878,566         | 8,726,347          |
| Transfers to Other Government Units        | 5    | 73,100,397         | 52,826,258         |
| Other grants and transfers                 | 6    | 46,005,821         | 34,306,319         |
| Acquisition of Assets                      | 7    | 3,000,000          | 15,356,600         |
| Other Payments                             | 8    | 1,250,000          | 6,250,000          |
| <b>TOTAL PAYMENTS</b>                      |      | <b>139,038,044</b> | <b>120,045,386</b> |
| <b>SURPLUS/DEFICIT</b>                     |      | <b>1,372,150</b>   | <b>(4,133,427)</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kisumu East NG- CDF financial statements were approved on August 2, 2017 and signed by:

  
 .....  
 Charles Otieno Okello  
**NG-CDF Chairman**

  
 .....  
 Kipngetich Langat  
**Fund Account Manager**

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

---

**V. STATEMENT OF ASSETS**

|                                       | Note | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|---------------------------------------|------|--------------------|--------------------|
| <b>FINANCIAL ASSETS</b>               |      |                    |                    |
| <b>Cash and Cash Equivalents</b>      |      |                    |                    |
| Bank Balances ( as per the cash book) | 9    | 10,145,884         | 5,227,654          |
| Outstanding Imprests                  |      | -                  | 392,900            |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>10,145,884</b>  | <b>5,620,554</b>   |
| <b>REPRESENTED BY</b>                 |      |                    |                    |
| Fund balance b/fwd. 1st July...       | 10   | 5,620,554          | 8,888,980          |
| Surplus/Deficit for the year          |      | 1,372,150          | (4,133,427)        |
| Prior year adjustments                | 11   | 3,153,180          | 864,999            |
| <b>NET LIABILITIES</b>                |      | <b>10,145,884</b>  | <b>5,620,553</b>   |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kisumu East NG-CDF financial statements were approved on August 3, 2017 and signed by:

  
 .....  
 Charles Otieno Okello  
**NG-CDF Chairman**

  
 .....  
 Kipngetich Langat  
**Fund Account Manager**

**CONSTITUENCY DEVELOPMENT FUND- KISUMU EAST CONSTITUENCY**

**Reports and Financial Statements**

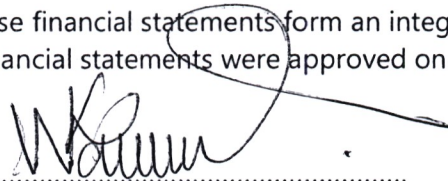
**For the year ended June 30, 2017**

**VI. STATEMENT OF CASHFLOW**

|  |           | <b>2016 - 2017</b> | <b>2015 - 2016</b>  |
|--|-----------|--------------------|---------------------|
| <b>Receipts for operating income</b>                     |           |                    |                     |
| Transfers from CDF Board                                 | <b>1</b>  | 140,201,818        | 114,633,313         |
| Other Receipts   | <b>2</b>  | 103,211            | 1,278,647           |
|  |           | <b>140,305,029</b> | <b>115,911,959</b>  |
| <b>Payments for operating expenses</b>                   |           |                    |                     |
| Compensation of Employees                                | <b>3</b>  | 4,803,260          | 2,579,862           |
| Use of goods and services                                | <b>4</b>  | 10,878,566         | 8,726,347           |
| Transfers to Other Government Units                      | <b>5</b>  | 73,100,397         | 52,826,258          |
| Other grants and transfers                               | <b>6</b>  | 46,005,821         | 34,306,319          |
| Other Payments   | <b>8</b>  | 1,250,000          | 6,250,000           |
|  |           | <b>136,038,044</b> | <b>104,688,786</b>  |
| <b>Adjusted for:</b>                                     |           |                    |                     |
| Adjustments during the year                              | <b>11</b> | 3,153,180          | 864,999             |
| <b>Net cash flow from operating activities</b>           |           | <b>7,420,164</b>   | <b>12,088,172</b>   |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |           |                    |                     |
| Proceeds from Sale of Assets                             |           | 105,165            | -                   |
| Acquisition of Assets                                    | <b>7</b>  | 3,000,000          | 15,356,600          |
| <b>Net cash flows from Investing Activities</b>          |           | <b>(2,894,835)</b> | <b>(15,356,600)</b> |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |           | <b>4,525,329</b>   | <b>(3,268,428)</b>  |
| <b>Cash and cash equivalent at BEGINNING of the year</b> | <b>10</b> | <b>5,620,554</b>   | <b>8,888,981</b>    |
| <b>Cash and cash equivalent at END of the year</b>       |           | <b>10,145,883</b>  | <b>5,620,554</b>    |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Kisumu East NG-CDF financial statements were approved on August 3, 2017 and signed by;

  
.....  
Charles Otieno Okello  
**NG-CDF Chairman**

  
.....  
Kipngetich Langat  
**Fund Account Manager**

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

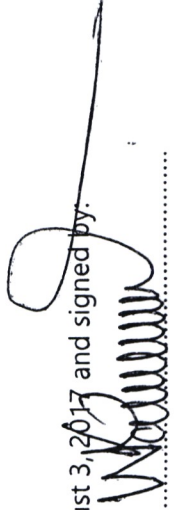
| Receipt/Expense Item                | Original Budget<br>a | Adjustments<br>b  | Final Budget<br>c=a+b | Actual on<br>Comparable<br>Basis<br>d | Budget<br>Utilization<br>Difference<br>e=c-d | % of<br>Utilization<br>f=d/c % |
|-------------------------------------|----------------------|-------------------|-----------------------|---------------------------------------|--|--------------------------------|
| <b>RECEIPTS</b>                     |                      |                   |                       |                                       |  |                                |
| Transfers from CDF Board            | 81,896,552           | 64,425,820        | 146,322,371           | 145,822,371                           | 500,000                                      | 99.7%                          |
| Proceeds from Sale of Assets        |                      | 105,165           | 105,165               | 105,165                               | 0  | -                              |
| Other Receipts                      |                      | 103,211           | 103,211               | 103,211                               | 0  | -                              |
|                                     | <b>81,896,552</b>    | <b>64,634,196</b> | <b>146,530,747</b>    | <b>146,030,747</b>                    | <b>500,000</b>                               | <b>99.7%</b>                   |
| <b>PAYMENTS</b>                     |                      |                   |                       |                                       |  |                                |
| Compensation of Employees           | 3,523,110            | 1,930,627         | 5,453,737             | 4,803,260                             | 650,477                                      | 75.4%                          |
| Use of goods and services           | 3,847,580            | 7,040,932         | 10,888,512            | 10,878,566                            | 9,945  | 92.2%                          |
| Transfers to Other Government Units | 48,456,897           | 24,750,000        | 73,206,897            | 73,100,397                            | 106,500                                      | 99.9%                          |
| Other grants and transfers          | 26,068,966           | 26,037,636        | 52,106,602            | 46,005,821                            | 6,100,781                                    | 87.7%                          |
| Acquisition of Assets               |                      | 3,000,000         | 3,000,000             | 3,000,000                             | 0  | 100.0%                         |
| Other Payments                      |                      | 1,875,000         | 1,875,000             | 1,250,000                             | 625,000                                      | 66.7%                          |
| <b>TOTALS</b>                       | <b>81,896,552</b>    | <b>64,634,195</b> | <b>146,530,747</b>    | <b>139,038,044</b>                    | <b>7,492,703</b>                             | <b>93.5%</b>                   |

- a) The Adjustment (column b) indicating receipts of Kshs 64,634,196 relates to funds approved in previous financial years but received in 2016/2017. (i.e. part of approved budget for 2015/2016 financial year but received in 2015/2016 (Kshs 58,305,266 , funds approved but not received from the NGCDF Board – Kshs 500,000 ( 2014/15) , balances carried forward from 2015/2016 of Kshs 5,620,554, receipts from sale of tenders (Kshs 105,211) and receipts from closure of bank account ( KSh 103,211)

The Kisumu East NG-CDF financial statements were approved on August 3, 2017 and signed by:



Charles Otiño Okello – **NG-CDF Chairman**



Kipngetchi Langat – **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 *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 statements, cash and cash equivalents also include short term cash impress and advances to authorise public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

## CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY

### Reports and Financial Statements

For the year ended June 30, 2017

---

#### *SIGNIFICANT ACCOUNTING POLICIES (Continued)*

#### **5. Pending bills**

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

#### **6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *CDF's* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *CDF's* actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

#### **7. Comparative figures**

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

#### **8. Subsequent events**

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

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Description      | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|------------------|--------------------|--------------------|
| <b>CDF Board</b> |                    |                    |
| AIE NO A825864   | 58,305,266         | 1,000,000          |
| AIE NO A829618   | 4,094,828          | 42,121,826         |
| AIE NO A855124   | 36,853,449         | 12,511,487         |
| AIE NO A855658   | 40,948,275         | 2,000,000          |
|                  |                    | 57,000,000         |
| <b>TOTAL</b>     | <b>140,201,818</b> | <b>114,633,313</b> |

**2. OTHER RECEIPTS**

|  | 2016- 2017<br>Ksh | 2015 - 2016<br>Ksh |
|--|-------------------|--------------------|
| Interest Received  |                   | 744,127            |
| Receipts from Sale of tender documents                                       | 105,165           | -                  |
| Other Receipts Not Classified Elsewhere (Funds Transferred from OLD account) | 103,211           | 534,520            |
| <b>Total</b>   | <b>208,736</b>    | <b>1,278,647</b>   |

**3. COMPENSATION OF EMPLOYEES**

|   | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|---|--------------------|--------------------|
| Basic wages of contractual employees              | 2,289,963          | 2,034,282          |
| <b>Personal allowances paid as part of salary</b> |                    |                    |
| House allowance                                   | 288,000            | 288,000.           |
| Medical Allowance                                 | 156,000            | 135,000            |
| Gratuity  | 1,868,057          | -                  |
| Employer contribution to NSSF                     | 201,240            | 122,580.           |
| <b>Total</b>                                      | <b>4,803,260</b>   | <b>2,579,862</b>   |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**4. USE OF GOODS AND SERVICES**

|   | <b>2016 - 2017</b> | <b>2015 -2016</b> |
|---|--------------------|-------------------|
|   | <b>Ksh</b>         | <b>Ksh</b>        |
| Utilities, supplies and services                                | 729,175            | 1,491,900         |
| Office rent   | 168,000            | 168,000           |
| Communication, supplies and services                            | 26,300             | -                 |
| Domestic travel and subsistence                                 | 44,400             | 24,000            |
| Printing, advertising and information supplies & services       | 102,853            | -                 |
| Training expenses   | 1,222,400          | 451,200           |
| Other committee expenses  | 2,963,707          | 3,401,420         |
| Committee allowance   | 728,000            | 214,000           |
| Insurance costs   | 106,477            | -                 |
| Specialised materials and services                              | 574,850            | 106,477           |
| Office and general supplies and services                        | 799,568            | 467,525           |
| Fuel ,oil & lubricants  | 1,300,000          | 900,000           |
| Other operating expenses  | 969,503            | 744,308           |
| Routine maintenance – vehicles and other<br>transport equipment | 1,102,333          | 757,517           |
| Routine maintenance – other assets                              | 41,000             | -                 |
| <b>TOTAL</b>  | <b>10,878,566</b>  | <b>8,726,347</b>  |



**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**  
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. TRANSFER TO OTHER GOVERNMENT ENTITIES**

| Description  | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|--|--------------------|--------------------|
| <b>Transfers to National Government entities</b>       |                    |                    |
| Transfers to primary schools (see attached list)       | 63,463,002         | 28,500,000         |
| Transfers to secondary schools (see attached list)     | 9,137,395          | 17,000,000         |
| Transfers to tertiary institutions (see attached list) | 500,000            | -                  |
| Transfer to Health Institutions                        | -                  | 7,326,258          |
| <b>TOTAL</b>   | <b>73,100,397</b>  | <b>52,826,258</b>  |

**6. OTHER GRANTS AND OTHER PAYMENTS**

|   | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|---|--------------------|--------------------|
| Bursary – Secondary schools (see attached list)     | 16,475,175         | 7,754,000          |
| Bursary – Tertiary institutions (see attached list) | 5,458,000          | 3,799,300          |
| Bursary – special schools (see attached list)       | 4,460,000          | -                  |
| Water projects (see attached list)                  | -                  | 2,360,000          |
| Electricity Projects ( see attached list)           | 160,187            |                    |
| Security projects (see attached list)               | 7,293,500          | 5,250,000          |
| Roads projects (see attached list)                  | 2,854,064          | 7,913,251          |
| Sports projects (see attached list)                 | 1,792,300          | 1,020,512          |
| Environment projects (see attached list)            | 1,012,595          | -                  |
| Emergency projects (see attached list)              | 6,500,000          | 6,209,256          |
| <b>Total</b>  | <b>46,005,821</b>  | <b>34,306,319</b>  |

**7. ACQUISITION OF ASSETS**  
**Non-Financial Assets**

|  | 2016 - 2017<br>Kshs | 2015 - 2016<br>Kshs |
|--|---------------------|---------------------|
| Construction of Buildings                          | 3,000,000 ✓         | 13,500,000          |
| Purchase of Vehicles and Other Transport Equipment | -                   | 388,000             |
| Acquisition of Land                                | -                   | 1,468,600           |
| <b>Total</b>                                       | <b>3,000,000</b>    | <b>15,356,600</b>   |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2017***NOTES TO THE FINANCIAL STATEMENTS (Continued)***8. OTHER PAYMENTS**

|                           | 2016 - 2017<br>Ksh | 2015 - 2016<br>Ksh |
|---------------------------|--------------------|--------------------|
| Purchase of Learning Aids | 1,250,000          | 6,250,000          |
| <b>TOTALS</b>             | <b>1,250,000</b>   | <b>6,250,000</b>   |

**9. Bank Accounts (cash book bank balance)**

| Name of Bank, Account No. & currency | 2016 -2017<br>Ksh | 2015 - 2016<br>Ksh |
|--------------------------------------|-------------------|--------------------|
| Equity Bank Ltd, Kisumu Branch       | 10,145,884        | 5,227,654          |
| <b>Total</b>                         | <b>10,145,884</b> | <b>5,227,654</b>   |

**10. BALANCES BROUGHT FORWARD**

|               | 2016 - 2017<br>Kshs | 2015 - 2016<br>Kshs |
|---------------|---------------------|---------------------|
| Bank accounts | 5,227,654           | 7,413,681           |
| Imprest       | 392,900             | 1,475,300           |
| <b>Total</b>  | <b>5,620,554</b>    | <b>8,888,981</b>    |

**11. PRIOR YEAR ADJUSTMENTS**

|                       | 2016 - 2017<br>Kshs | 2015 - 2016<br>Kshs |
|-----------------------|---------------------|---------------------|
| Cash Book Adjustments | 3,153,179.85        | 864,999             |
| <b>Total</b>          | <b>2,153,179.85</b> | <b>864,999</b>      |

- Cash adjustments of Ksh 3,153,179.85 relates to (cheques issued in 2015/2016 that were reversed of Kshs 2,153,179.85 and project cheques refunded of Kshs 1,000,000)

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

---

**12. OTHER IMPORTANT DISCLOSURES**

**12.1 PENDING ACCOUNTS PAYABLE (See Annex 1)**

|                             | <b>2016 - 2017</b> | <b>2015 - 2016</b> |
|-----------------------------|--------------------|--------------------|
|                             | <b>Ksh</b>         | <b>Ksh</b>         |
| Construction of civil works | -                  | 1,954,942          |
| Supply of goods             | 625,000            | -                  |
| Supply of services          | 521,225            | 521,245            |
| <b>Total</b>                | <b>1,146,225</b>   | <b>2,476,187</b>   |

**12.2 PENDING STAFF PAYABLES (See Annex 2)**

|                       | <b>2016 - 2017</b> | <b>2015 - 2016</b> |
|-----------------------|--------------------|--------------------|
|                       | <b>Ksh</b>         | <b>Ksh</b>         |
| NGCDFC Staff Gratuity | -                  | 435,970            |
| <b>Total</b>          | <b>-</b>           | <b>435,970</b>     |

**12.3 OTHER PENDING PAYABLES (See Annex 3)**

|   | <b>2016 - 2017</b> | <b>2015 - 2016</b> |
|---|--------------------|--------------------|
|   | <b>Ksh</b>         | <b>Ksh</b>         |
| Amounts due to other Government entities (see attached list)        | 106,500            | 1,879,860          |
| Amounts due to other grants and other transfers (see attached list) | 6,100,781          | 3,198,648          |
| Others ( <i>see attached list</i> )                                 | 1,285,422          | 1,334,803          |
|   | <b>7,492,703</b>   | <b>6,413,311</b>   |

**12.4 PMC account balances (See Annex 5)**

|  | <b>2016 - 2017</b> | <b>2015 - 2016</b> |
|--|--------------------|--------------------|
|  | <b>Ksh</b>         | <b>Ksh</b>         |
| PMC account Balances (see attached list) | 24,785,483         | 37,809,776         |
|  | <b>24,785,483</b>  | <b>37,809,776</b>  |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

**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                    |                          |          |
| <b>Supply of goods</b>        |                 |                 |                     |                          |                          |          |
| 1. Supply of School Desks     | 1,875,000       | 2016            | 1,250,000           | 625,000                  | 0                        |          |
| <b>Sub-Total</b>              |                 |                 |                     | <b>625,000</b>           |                          |          |
| <b>Supply of services</b>     |                 |                 |                     |                          |                          |          |
| 2. Review of Strategic Plan   | 745,000         | 2015            | 223,775             | 521,255                  | 521,255                  |          |
| <b>Sub-Total</b>              |                 |                 |                     | <b>521,255</b>           |                          |          |
| <b>Grand Total</b>            |                 |                 |                     | <b>1,146,225</b>         |                          |          |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

**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                    |                          |          |
| <b>NG-CDF Staff</b> |           |                 |                         |                     |                          |                          |          |
| 1. Staff Gratuity   | Various   | 1,868,057       | 2015                    | 1,868,057           | 0                        | 0                        |          |
| <b>Sub-Total</b>    |           |                 |                         |                     | <b>0</b>                 | <b>0</b>                 |          |
| <b>Grand Total</b>  |           |                 |                         |                     | <b>0</b>                 | <b>0</b>                 |          |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

**ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES**

| Name   | Brief Transaction Description | Original Amount   | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|--|-------------------------------|-------------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
|  |                               | a                 | B                       | c                   | d=a-c                    |                          |          |
| <b>Amounts due to other Government entities</b>        |                               |                   |                         |                     |                          |                          |          |
| 1. Secondary Schools                                   |                               | 14,168,500        | 2015/16                 | 14,125,000          | 43,500                   | 0                        |          |
| 2. Primary Schools                                     |                               | 41,359,500        | 2015/16                 | 41,296,500          | 63,000                   |                          |          |
|  | <b>Sub-Total</b>              | <b>55,528,800</b> |                         |                     | <b>106,500</b>           |                          |          |
| <b>Amounts due to other grants and other transfers</b> |                               |                   |                         |                     |                          |                          |          |
| 3. Bursary   |                               | 20,474,138        |                         | 15,351,064          | 5,123,074                |                          |          |
| 4. Environment   |                               | 1,200,000         |                         | 556,595             | 643,405                  |                          |          |
| 5. Emergency   |                               | 4,094,828         |                         | 3,760,526           | 334,302                  |                          |          |
|  | <b>Sub-Total</b>              | <b>26,518,966</b> |                         |                     | <b>6,100,781</b>         |                          |          |
| <b>Others (specify)</b>                                |                               |                   |                         |                     |                          |                          |          |
| 6. Use of Goods  |                               | 3,847,580         |                         | 3,837,635           | 9,945                    |                          |          |
| 7. Compensation of Employees                           |                               | 3,523,110         |                         | 2,821,067           | 650,477                  |                          |          |
|  | <b>Sub-Total</b>              | <b>8,920,690</b>  |                         |                     | <b>660,422</b>           |                          |          |
|  | <b>Grand Total</b>            | <b>35,439,656</b> |                         |                     | <b>6,867,703</b>         |                          |          |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

| Asset class                                  | Historical Cost<br>(Kshs)<br>2016/17 | Historical Cost<br>(Kshs)<br>2015/16 |
|--|--------------------------------------|--------------------------------------|
| Land   | 1,468,600                            | 1,468,600                            |
| Buildings and structures                     | 27,221,460                           | 13,500,000                           |
| Transport equipment                          | 3,857,017                            | 3,857,017                            |
| Office equipment, furniture and fittings     | 1,267,575                            | 1,267,575                            |
| ICT Equipment, Software and Other ICT Assets | 887,599                              | 887,599                              |
| <b>Total</b>                                 | <b>34,702,251</b>                    | <b>20,980,791</b>                    |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

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

| PMC   | Bank                | Account Number | Balance 2016/17 | Balance 2015/16 |
|---|---------------------|----------------|-----------------|-----------------|
| Akado Youth Polytechnic                     | Equity Bank Limited | 0290264448000  | 131,617         | 7,758           |
| Alango Primary School                       | Equity Bank Limited | 0290266615670  | 1,645,606       | 37,581          |
| Anywang' Primary School                     | Equity Bank Limited | 0290299063127  | 3,170           | 561,037         |
| Ayaro Primary School                        | Equity Bank Limited | 1260298195339  | 1,207,162.50    | 7,382.50        |
| Bwanda Primary School                       | Equity Bank Limited | 0290266854359  | 2,195           | 111,090         |
| Chiga Dispensary                            | Cooperative Bank    | 01141295565000 | 1,674.50        | 766,075.50      |
| Chiga Primary School                        | Equity Bank Limited | 0290266900550  | 420,371         | 5,338           |
| Dago Primary School                         | Equity Bank Limited | 0290266339714  | 281634          | 3483400         |
| Dr. Aloo Gumbi Secondary School             | Equity Bank Limited | 0290264050722  | 19,700.00       | 1,007,258       |
| G.P Owiti Secondary School                  | Cooperative Bank    | 01141295112600 | 1,938.00        | 392,558.00      |
| Gita AP Line Committee                      | Equity Bank Limited | 1260266770898  | 1,418.65        | 1,499,464.65    |
| Gita Health Center Management Committee     | Equity Bank Limited | 0290266773766  | 121,119         | 955,513         |
| Got Nyabondo Secondary School               | Equity Bank Limited | 0290294027172  | 276,721         | 726,124.00      |
| Got Ongo Nursery School                     | Cooperative Bank    | 113429557350   | 112,884.00      | 178,016.00      |
| Kajulu West Development SHG                 | KCB                 | 1145170943     | 87,780.17       | 1,376,702.17    |
| Kianja Primary School                       | Cooperative Bank    | 01141014694000 | 1,002,080.00    | 2,080.00        |
| Kibos Primary School                        | Equity Bank Limited | 1260299471720  | 605,584         | 105,584         |
| Kibos Secondary School                      | Cooperative Bank    | 01141431407400 | 238,926.00      | 1,479,723.00    |
| Kindu RC Primary School                     | Equity Bank Limited | 1260298212482  | 348,069.50      | 2,622.50        |
| Kindu Secondary School                      | Equity Bank Limited | 1260298212482  | 348,069.50      | 2,622.50        |
| Kisumu East NG-CDF Office Project Committee | Equity Bank Limited | 0290267475582  | 83,489.50       | 9,890,300.00    |
| Kunya Primary School                        | Cooperative Bank    | 01139494118700 | 1,213,040.00    | 219,040.00      |
| Kuoyo Dispensary                            | Cooperative Bank    | 1134295699300  | 928.75          | 1,309,962.75    |
| Mayenya Primary School                      | Equity Bank Limited | 1260161963897  | 20,420.76       | 72,990.76       |
| Mbeme Primary School                        | Equity Bank Limited | 1260266678026  | 54,280.00       | 1,204,765.00    |
| Nyabera Chiefs Camp Development Committee   | KCB                 | 1113965452     | 223,709.00      | 572,989.00      |
| Nyalunya Primary School                     | Cooperative Bank    | 1141295846000  | 1,200,000.00    | -               |
| Nyalunya Secondary School                   | Cooperative Bank    | 01141294527300 | 7,890.00        | 8,726.00        |
| Nyamasaria Secondary School                 | Equity Bank Limited | 0290263882112  | 371,915.80      | 811,709.80      |
| Nyamonge Primary School                     | Equity Bank Limited | 0290299474900  | 74,699.00       | 133,393         |
| Nyatege Primary School                      | Equity Bank Limited | 0290299919471  | 6,243.90        | 1,047,646.90    |
| Obino Nursery School                        | Equity Bank Limited | 0290296380239  | 4,075.00        | 4,075.00        |
| Obino Primary School                        | Equity Bank Limited | 0290296380336  | 111,612         | 31,997          |



**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017 (Kshs)**

| PMC  | Bank                | Account Number | Balance 2016/17   | Balance 2015/16      |
|--|---------------------|----------------|-------------------|----------------------|
| Ogango Primary School                            | Equity Bank Limited | 0290299086592  | 1,503,550.00      | 3,550                |
| Okok Primary School                              | Equity Bank Limited | 0290266494888  | 1,274,894.00      | 9,652.00             |
| Omungi Primary School                            | Equity Bank Limited | 0290299925389  | 2,027,767.85      | 31,982.85            |
| Orongo Primary School                            | Equity Bank Limited | 1260298222885  | 9,402.50          | 9,402.50             |
| Orongo Secondary School                          | Cooperative Bank    | 1141295410200  | 17,038.00         | 560,531.00           |
| Otera Primary School                             | Equity Bank Limited | 1260299885750  | 66,228            | 2,315,636.00         |
| Otiak AP Line                                    | Equity Bank Limited | 0290296411381  | 184,697.50        | 36,792.50            |
| Oyola Primary School                             | KCB                 | 1131079949     | 125,420.00        | -                    |
| Rae Kajulu Primary School                        | Cooperative Bank    | 01141295529300 | 625,599.00        | -                    |
| Rae Kanyaika Primary School                      | Cooperative Bank    | 01139012139301 | 13,098.00         | 732,879.00           |
| Ragumo Chiefs Camp AP House management Committee | Equity Bank Limited | 0290270743881  | 773,811.00        | 0.00                 |
| Ragumo Primary School                            | Equity Bank Limited | 0290299352422  | 1,177,328.45      | 12,898.05            |
| Rapogi Footbridge Project Committee              | Equity Bank Limited | 0290263904705  | 12,406.00         | 5,156.00             |
| Renja Secondary School                           | Equity Bank Limited | 1260263464427  | 425,208.20        | 403,960.20           |
| Rweya Chiefs Camp Project Committee              | Cooperative Bank    | 01134495870500 | 122,519.00        | 2,200.00             |
| Senior Chief Onunga School for the Deaf          | Equity Bank Limited | 0290266679712  | 0.00              | 2,185,405.00         |
| St. Alloys Mayenya Secondary School              | Cooperative Bank    | 01141015889100 | 14,216.00         | 14,416.00            |
| St. Dominic Bukna Secondary School               | Cooperative Bank    | 01141494487400 | 71,258.00         | 1,077,865.00         |
| St. Francis Nyamonge Primary School              | Equity Bank Limited | 1260298198853  | 349,025.00        | 1,102,015.00         |
| St. Johns Masawa Primary School                  | Equity Bank Limited | 1260270546526  | 1,656,087.00      | 0.00                 |
| St. Johns Oriang primary School                  | Equity Bank Limited | 0290299657058  | 129,791.00        | 65.00                |
| St. Mark Nyabera Primary School                  | Cooperative Bank    | 1139012829700  | 396,221.00        | 63,088.00            |
| Tido Primary School                              | Equity Bank Limited | 0290264062442  | 460,788.00        | 78,741.00            |
| Wandiege Primary School                          | Equity Bank Limited | 1260261742733  | 3,119,106         | 2,660,379            |
| <b>TOTAL</b>                                     |                     |                | <b>24,785,483</b> | <b>37,809,776.43</b> |

**CONSTITUENCIES DEVELOPMENT FUND – KISUMU EAST CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2017 (Kshs)****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.   | Unsupported Expenditure           | The issue raised concerned the construction of chief's camp. Documentary evidences were provided to the auditors during the 2015/2016 audit and issues sorted   | Kipngetich Langat ( FAM)                                       | Resolved                          | Resolved   |
| 2  | Acquisition of Assets             | Motorcycles have since been registered in the name of NG-CDF . Documentary evidences were provided to the auditors in the follow up during the 2015/2016 audit. | Kipngetich Langat ( FAM)                                       | Resolved                          | Resolved   |