

REPUBLIC OF KENYA

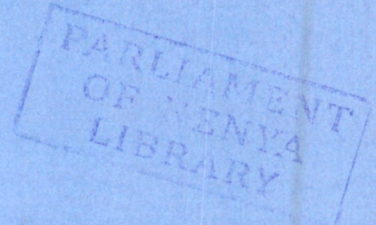


OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 FEB 2018	DAY: TUESDAY
TABLED BY: MAJORITY LEADER	
CLERK-AT THE-TABLE:	

REPORT



OF

THE AUDITOR-GENERAL

ON

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

FOR THE YEAR ENDED
30 JUNE 2017





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
SEME CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
SEME CONSTITUENCY**

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

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CONSTITUENCY DEVELOPMENT FUND- SEME 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The Constituencies Development Fund (CDF) was established under the CDF Act 2003, amended in 2007 and repealed by the CDF Act, 2013. In 2015 the CDF Act 2013 was declared unconstitutional and a new Act was enacted in 2015, being the National Government Constituencies Development Fund (NG CDF) Act 2015. The National Government Constituencies Development Fund is under the Ministry of Devolution and Planning. The objective of the fund is to provide mechanism of supplementing implementation of National Government agenda at the constituency level.

(b) Key Management

The Seme Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Tom Wasike
3.	Accountant	George Okongo

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Seme Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND Committee (NGCDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) SEME NGCDF Headquarters

NGCDF Office Building
P.O Bo 209-40100
KOMBEWA.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND SEME
CONSTITUENCY**

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

(f) SEME NGCDF Contacts

Telephone: (254) 0722 359230

E-mail: seme@ngcdf.go.ke

(g) SEME NGCDF Bankers

Equity Bank Angawa Avenue

P.O Box

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND SEME
CONSTITUENCY**

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

II. FORWARD BY THE CHAIRPERSON SEME NGCDFC

Seme NGCDFC wish to state, in its summary, the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF has improved the Education and Security infrastructures of Seme constituency.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals, reallocations and the long project procurement process.

The NGCDFC wish that the issues of having projects on going status for more than 2 years be stopped and the NGCDF board to reduce the rate of staff turnovers in constituencies, that is, FAM transfers.

Sign.....


CHAIRMAN NGCDFC



REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SEME 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 – Seme Constituency set out on pages 6 to 29, 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 – Seme Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

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

Basis for Qualified Opinion

1. Bank Balances

Included in the statement of financial assets is an aggregate bank balance of Kshs.2,935,053 as at 30 June 2017. However, the balance differs with the cash book balance of Kshs.2,742,332 resulting in an unexplained variance of Kshs.192,721. In addition, the bank reconciliation statement as at 30 June 2017

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

includes unrepresented stale cheques amounting to Kshs.378,220 which had not yet been replaced nor reversed in the cashbook as at 30 June 2017.

Consequently, the accuracy of the bank balance of Kshs.2,935,053 cannot be confirmed.

2. Use of Goods and Services

Included in the use of goods and services balance of Kshs.8,227,695 are payments totaling to Kshs.1,093,000 relating to monitoring and evaluation activities which have not been supported with relevant documentation such as minutes of the respective management committees, signed acknowledgement schedules and signed evaluation reports.

Consequently, the validity of the expenditures totaling Kshs.1,093,000 incurred on use of goods and services cannot be confirmed.

3. Other Grants and Transfers

Included in other grants and transfers balance of Kshs.38,446,129 are mocks and continuous assessment tests expenditures totaling Kshs.300,000. However, the payments were not supported with acknowledgment receipts from the recipient.

Consequently, validity of the Kshs.300,000 expenditure incurred under other grants and transfers cannot be confirmed.

4. Summary Statement of Appropriation

The summary statement of appropriation indicates that the Fund received grants totaling Kshs.133,741,730 during the year under review as shown in the actual- on - comparable basis column. This is however at variance with the computed sum of Kshs.134,775,732 being the opening cash and cash equivalents of Kshs.29,637,362 and receipts in the year of Kshs.105,138,370. In addition, the adjustments of Kshs.82,793,454 have not been supported.

Consequently, the accuracy of the summary statement of appropriation cannot be confirmed.

5. Project Management Committee (PMC) Account Balances

Annex 6 to the financial statements indicates that PMC account balances as at 30 June 2017 were Kshs.23,974,655. However, documentary evidence to support the balances has not been provided.

Consequently, the accuracy of the Project Management Committee account balance amounting to Kshs.23,974,655 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 – Seme 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 the financial statements. except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other Key Audit Matters to communicate in my report.

Other Matter

1. Budget Performance

The Fund's approved budget for the year 2016/2017 amounted to Kshs.164,690,006. The total payments for the period amounted to Kshs.131,840,679. The analysis of comparison of budget and actuals is shown below:

Expenditure	Approved Budget Kshs	Actual Expenditure Kshs	Variance Kshs	% of Utilization
Compensation of employees	3,494,406	1,788,032	1,706,374	51%
Use of goods and services	9,221,463	8,227,695	993,768	89%
Transfers to other government units	101,634,316	82,127,819	19,506,497	81%
Other grants and transfers	49,088,257	38,446,129	10,642,128	78%
Acquisition of assets	1,251,564	1,251,004	560	100%
Total	164,690,006	131,840,679	32,849,327	80%

During the period under review, the Fund incurred expenditure of Kshs.131,840,679 or 80% of the approved budget resulting in under-expenditure of Kshs.32,849,327. This is attributed to late funding by the National Government Constituency Development Fund Board. Failure by the Board to remit funds on time denies the residents of Seme Constituency benefits of services from the planned projects.

2. Transfers to Other Government Units

Included in transfers to other government units balance of Kshs.82,127,819 were transfers to primary schools totaling Kshs.53,744,316 and transfers to secondary schools totaling Kshs.10,468,503 all totaling to Kshs.64,212,819. The transfers include Kshs.6,060,000 that were paid out of the emergency fund yet classified as transfers to other government units. Management has not explained why these payments were misclassified and whether they met the threshold for the utilization of

emergency funds as per Section 8 of the National Government Constituencies Development Fund Act, 2015.

In addition, the following anomalies were noted:

- i. Ami Primary School received Kshs.1,600,000 for construction of two (2) classrooms for foundation, walling, plastering, roofing, fittings and painting. Physical verification of the works in July 2018 revealed that the classrooms were complete and in use but cracks on the floors were visible.
- ii. Oruga Primary School received Kshs.1,000,000 in March 2017 for floor hacking, plastering, painting and fitting works on four (4) classrooms. Physical verification of the works in July 2018 revealed that only two classrooms were renovated but the walls developed cracks immediately thereafter.
- iii. Ranen Girls Secondary School received Kshs.800,000 in May 2017. However, the remittances had been budgeted and approved for Ranen Primary school. Management has not explained why the re-allocation was done without the board's approval.

Consequently, value-for-money and regularity of expenditure totaling Kshs.9,460,000 transferred to other government units 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 International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain its services, 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

18 January 2019

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND SEME
CONSTITUENCY**

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

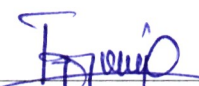
	Note	2016 -2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	105,138,370	105,068,263
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
TOTAL RECEIPTS		105,138,370	105,068,263
PAYMENTS			
Compensation of employees	4	1,788,032	1,508,190
Use of goods and services	5	8,227,695	6,293,156
Transfers to Other Government Units	6	82,127,819	59,958,666
Other grants and transfers	7	38,446,129	9,589,225
Acquisition of Assets	8	1,251,004	4,173,500
Other Payments	9		-
TOTAL PAYMENTS		131,840,679	81,522,737
SURPLUS/DEFICIT		(26,702,309)	23,545,525

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Seme NGCDF financial statements were approved on

31/9 2017 and signed by:



Chairperson- NGCDFC



Fund Account Manager



**'NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND SEME
CONSTITUENCY**

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

V. STATEMENT OF ASSETS

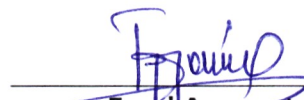
	Note	2016 -2017 Kshs	2015 - 2016 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,935,053	28,603,361
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		2,935,053	
Outstanding Imprests	11		1,034,000
TOTAL FINANCIAL ASSETS		2,935,053	29,637,361
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July 2016	13	29,637,362	6,091,837
Surplus/Deficit for the year		(26,702,309)	23,545,525
Prior year adjustments	14		
NET LIABILITIES		2,935,053	29,637,362

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Seme NGCDF financial statements were approved on

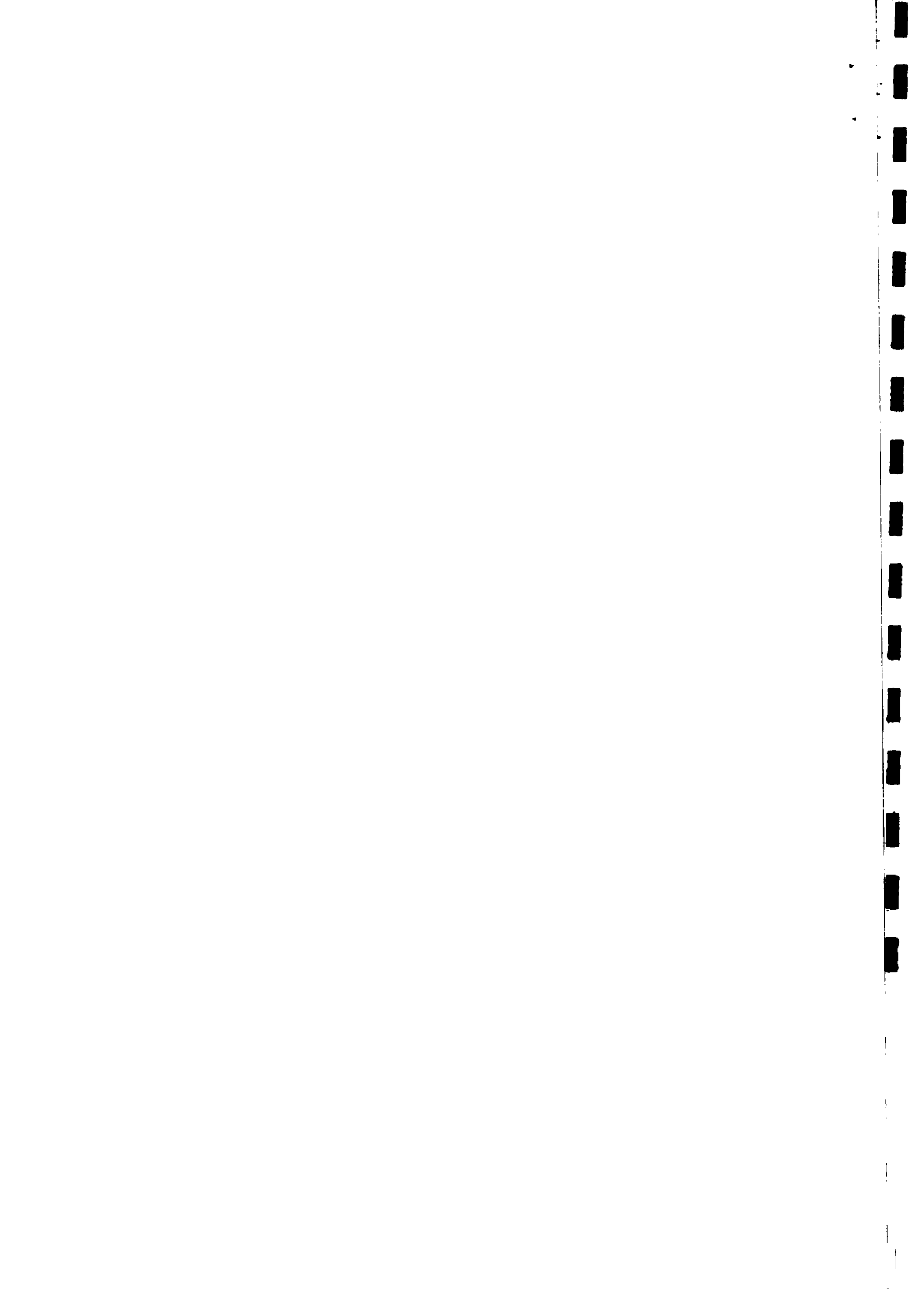
30/9 2017 and signed by:



Chairperson - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND SEME
CONSTITUENCY**

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

VI. STATEMENT OF CASHFLOW

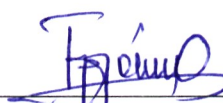
RECEIPTS FOR OPERATING INCOME		2016-2017	2015 - 2016
Transfers from CDF Board	1	105,138,370	105,068,263
Other Receipts	3	-	-
		105,138,370	105,068,263
Payments for operating expenses			
Compensation of Employees	4	1,788,032	1,508,190
Use of goods and services	5	8,227,695	6,293,156
Transfers to Other Government Units	6	82,127,819	59,958,666
Other grants and transfers	7	38,446,129	9,589,225
Other Payments	9	-	-
		130,589,675	77,349,237
Adjusted for:			
Adjustments during the year	14	-	-
Changes in Accounts Receivables		1,034,000	(1,034,000)
Net cash flow from operating activities		(24,417,305)	26,685,025
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,251,004)	(4,173,500)
Net cash flows from Investing Activities		(1,251,004)	(4,173,500)
NET INCREASE IN CASH AND CASH EQUIVALENT		(25,668,309)	22,511,525
Cash and cash equivalent at BEGINNING of the year	13	28,603,361	6,091,837
Cash and cash equivalent at END of the year		2,935,052	28,603,362

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Seme NGCDF financial statements were approved on

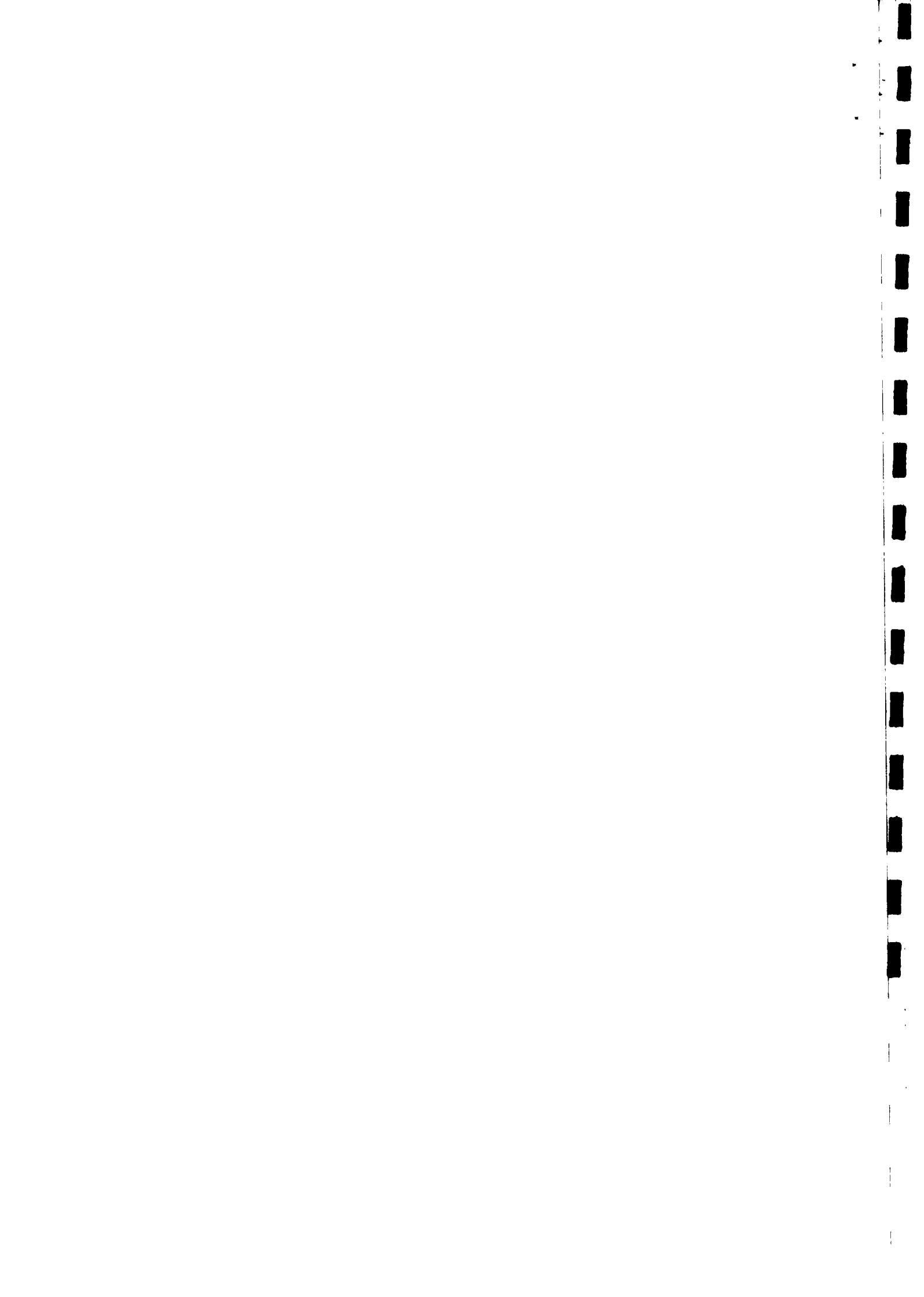
20/9 2017 and signed by:



Chairperson NGCDFC



Fund Account Manager



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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	81,896,552	82,793,454	164,690,005	133,741,730	30,948,275	81.2%
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	81,896,552	82,793,454	164,690,005	133,741,730	30,948,275	81.2%
PAYMENTS						
Compensation of Employees	1,874,160	1,620,246	3,494,406	1,788,032	1,706,374	51.2%
Use of goods and services	5,204,481	4,016,982	9,221,463	8,227,695	993,768	89.2%
Transfers to Other Government Units	41,461,014	60,173,302	101,634,316	82,127,819	19,506,497	80.8%
Other grants and transfers	32,105,333	16,982,924	49,088,257	38,446,129	10,642,128	78.3%
Acquisition of Assets	1,251,564		1,251,564	1,251,004	560	100.0%
Other Payments						
TOTAL	81,896,552	82,793,454	164,690,006	131,840,679	32,849,327	80.1%

Seme constituency was able to attain 81.2% absorption rate of its budget during the financial year under review. The achievement could have been much higher if our last half request made in March 2017 to the NGCDF Board was honoured fully. The Seme NGCDF financial statements were approved on 30/9 2017 and signed by:



Chairperson NGCDF



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 NGCDF 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 NGCDF.

2. Recognition of revenue and expenses

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

3. In-kind contributions

In-kind contributions are donations that are made to the NGCDF 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 NGCDF 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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SEME
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SEME
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 NGCDF 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 NGCDF'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 NGCDF'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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SEME
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Reports and Financial Statements

For the year ended June 30, 2017

IX. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES

Description		2016-2017	2015-2016
		Kshs	Kshs
Normal Allocation NGCDFB	A825944	54,190,093	17,000,000.00
	A855176	4,094,828	27,000,000.00
	A855176	36,853,449	10,000,000.00
	A839699	10,000,000	25,534,131.25
		0	25,534,131.25
		105,138,370	105,068,262.5

2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SEME
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Reports and Financial Statements

For the year ended June 30, 2017

3 OTHER RECEIPTS		
Description	2016-2017	2015-2016
	Kshs	Kshs
Interest Received		-
Rents	-	-
Interest Received	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
Total	-	-

4 COMPENSATION OF EMPLOYEES

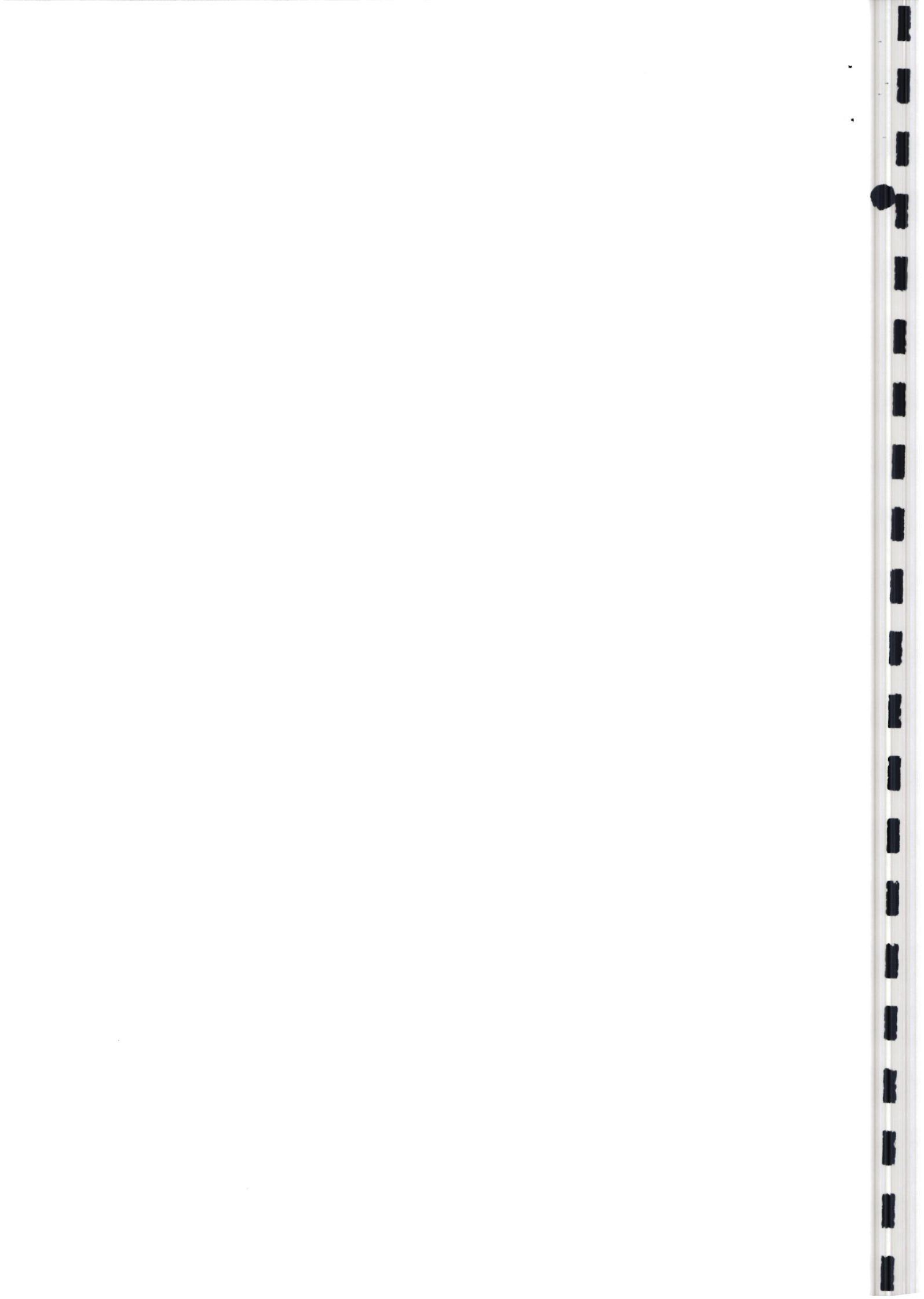
Description	2016-2017	2015-2016
	Kshs	Kshs
Basic wages of contractual employees	2,007,753	1,433,990
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF gratuity		74,200
Total	2,007,753	1,508,190



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5 USE OF GOODS AND SERVICES		
Description	2016-2017	2015-2016
	Kshs	Kshs
Utilities, supplies and services	93,751	16,301
Office rent	180,000	
Communication, supplies and services	69,000	
Domestic travel and subsistence	56,400	249,500
Printing, advertising and information supplies & services	782,600	549,104
Rentals of produced assets		
Training expenses	1,180,439	1,528,704
Hospitality supplies and services	400,000	642,750
Other committee expenses		
Committee allowance	3,554,500	2,417,060
Insurance costs		
Specialised materials and services		
Office and general supplies and services	289,250	
Fuel ,oil & lubricants	714,481	500,000
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	907,275	389,737
Routine maintenance – other assets		
	-	-
Total	8,227,696	6,293,156



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6 TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2016-2017	2015-2016
	Kshs	Kshs
Transfers to primary schools	49,044,316	12,394,000
Transfers to secondary schools	9,268,503	40,264,666
Transfers to Tertiary institutions	17,915,000	7,300,000
Transfers to Health institutions		
TOTAL	76,227,819	59,958,666

7 OTHER GRANTS AND OTHER PAYMENTS

Description	2016-2017	2015-2016
	Kshs	Kshs
Bursary -Secondary	15,647,290	4,084,000
Bursary -Tertiary	5,823,800	1,691,000
Bursary-Special schools		
Mocks & CAT	300,000	
Environment	1,200,000	1,615,972
Agriculture (food security)		
Electricity projects		
Security	7,684,434	500,000
Roads		
Sports	4,263,602	898,253
Other capital grants and transfer		
Emergency Projects (specify)	9,400,000	800,000
Total	44,319,126	9,589,225



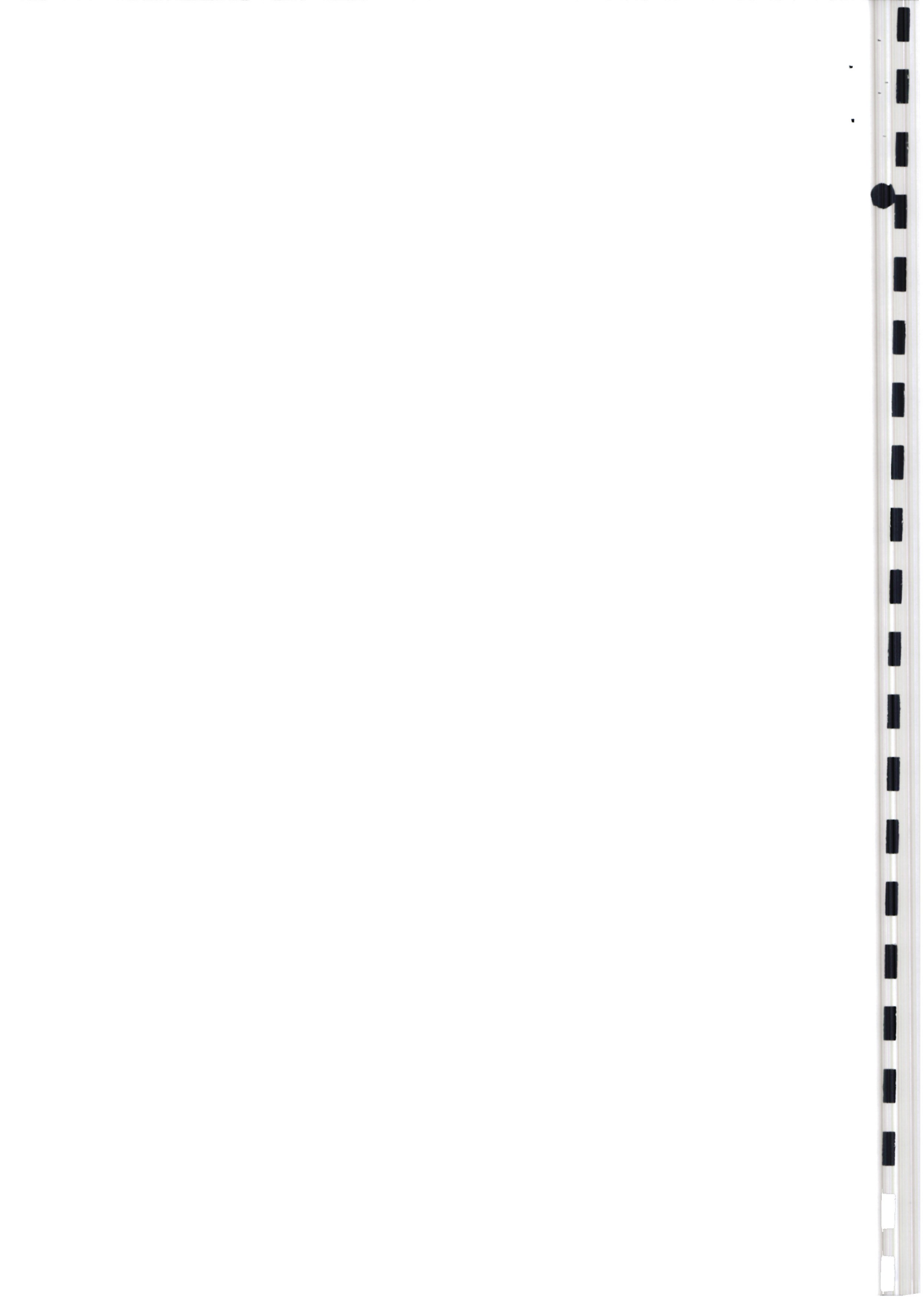
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SEME
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8 ACQUISITION OF ASSETS

Non Financial Assets	2016-2017	2015-2016
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	951,504	4,000,000
Refurbishment of Buildings		-
Purchase of Vehicles		-
Purchase of Bicycles & Motorcycles		-
Overhaul of Vehicles		-
Purchase of office furniture and fittings	299,500	
Purchase of computers ,printers and other IT equipments		173,500
Purchase of photocopier		-
Purchase of other office equipments		-
Purchase of soft ware		-
Acquisition of Land	-	-
		-
Total	1,251,004	4,173,500

9 Other Payments

Description	2016-2017	2015-2016
NA	-	-
	-	-
	-	-
TOTAL	-	-



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10A: Bank Balances (cash book bank balance)

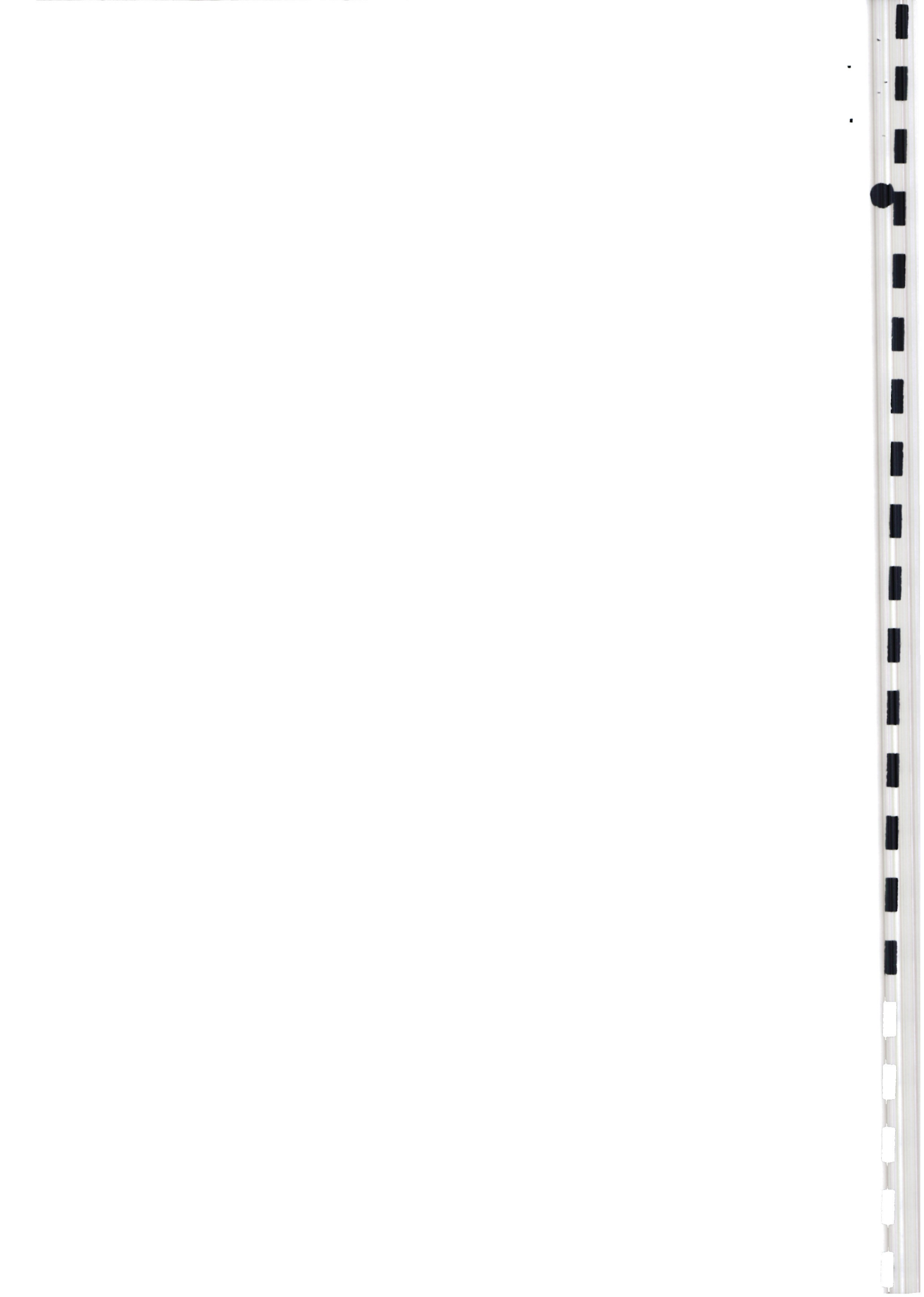
Name of Bank		2016-2017	2015-2016
	Account Number	Kshs (30/6/2016)	Kshs (30/6/2015)
Equity Bank Angawa Branch Kisumu	1260 261 899 624	2,742,333	28,603,361
Total		2,742,333	28,603,361

10B: CASH IN HAND)

	2016-2017	2015-2016
	Kshs (30/6/2015)	Kshs (30/6/2015)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
Total	-	-

11: OUTSTANDING IMPRESTS

Name of Officer	Amount Taken	Amount Surrendered	Balance (30/6/2015)
	Kshs	Kshs	Kshs
Tom Wasike	4,657,689	4,657,689	-



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12 Retention

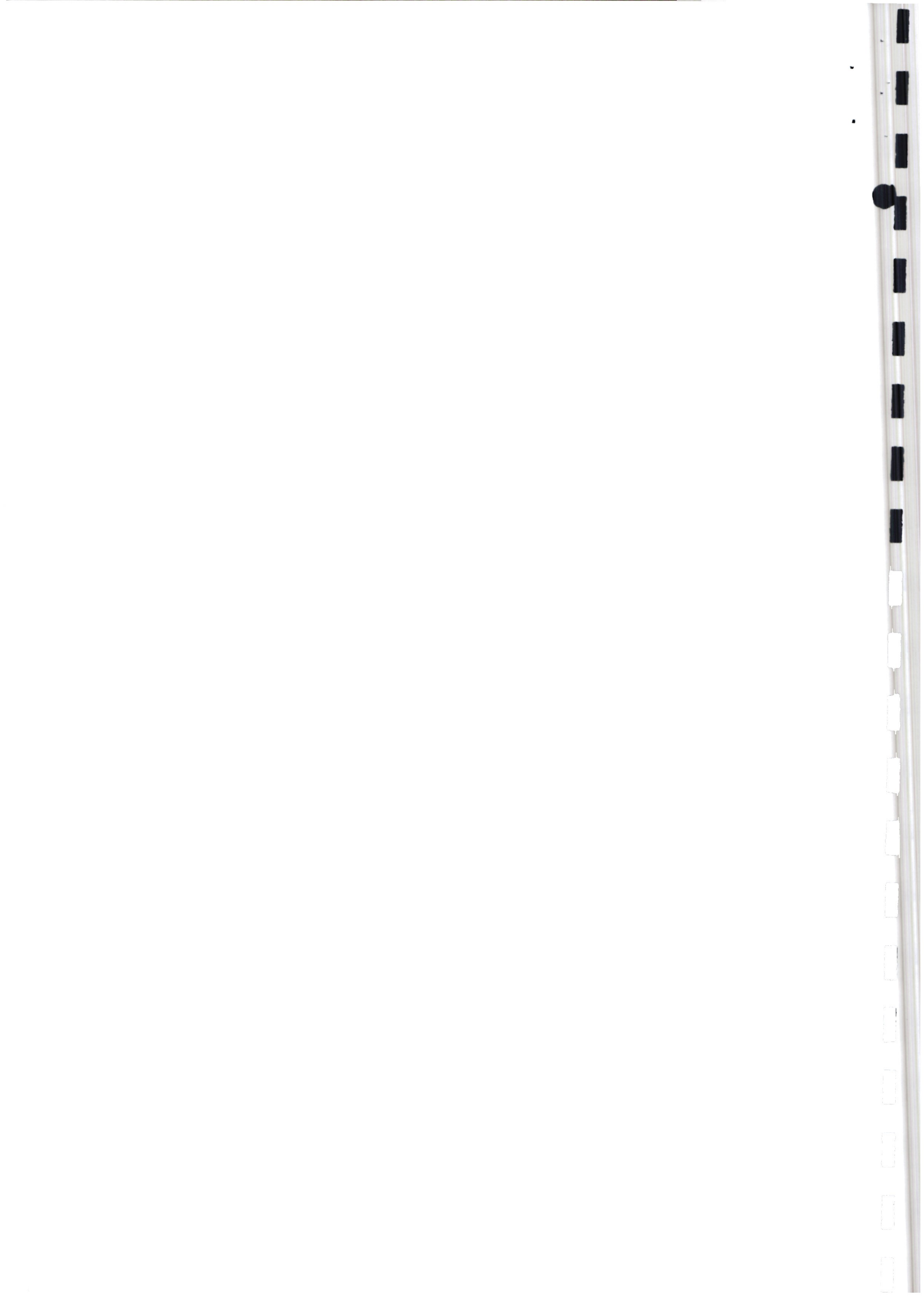
Supplier/Contractor	PV no	2016-2017	2015-2016
NA		0	0

13 BALANCES BROUGHT FORWARD

	2016-2017 Kshs (1/7/2016)	2015-2016 Kshs (1/7/2015)
Bank accounts	28,603,360.71	6,091,837
Cash in hand	-	-
Imprest	1,034,000	-
Total	29,637,361	6,091,837

PRIOR YEAR ADJUSTMENTS

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



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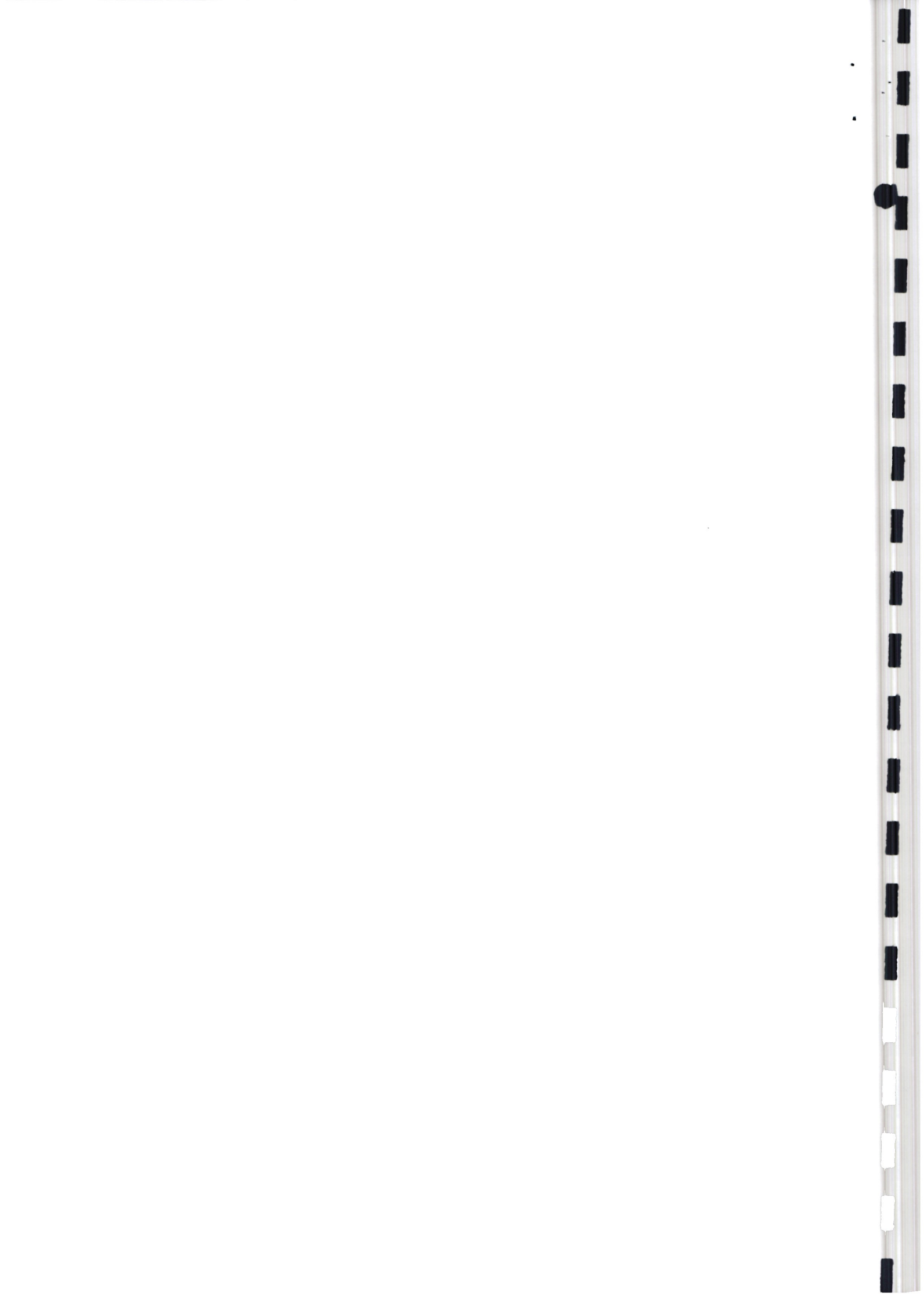
15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description	2016-2017 Kshs	2015-2016 Kshs
Construction of buildings	-	8,828,330
Construction of civil works	-	-
Supply of goods	-	292,059
Supply of services	265,606	612,506
TOTAL	265,606	9,732,895

15.2: PENDING STAFF PAYABLES (See Annex 2)

Description	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify Gratuity)	-	241,990
	-	241,990



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15.3: OTHER PENDING PAYABLES (See Annex 3)

Description	Kshs	Kshs
Amounts due to other Government entities (see attached list)	23,883,433	47,069,904
Amounts due to other grants and other transfers (see attached list)	4,700,000	7,039,189
Others (specify)	2,364,780	-
	30,948,213	54,109,093

15.4 PMC accounts

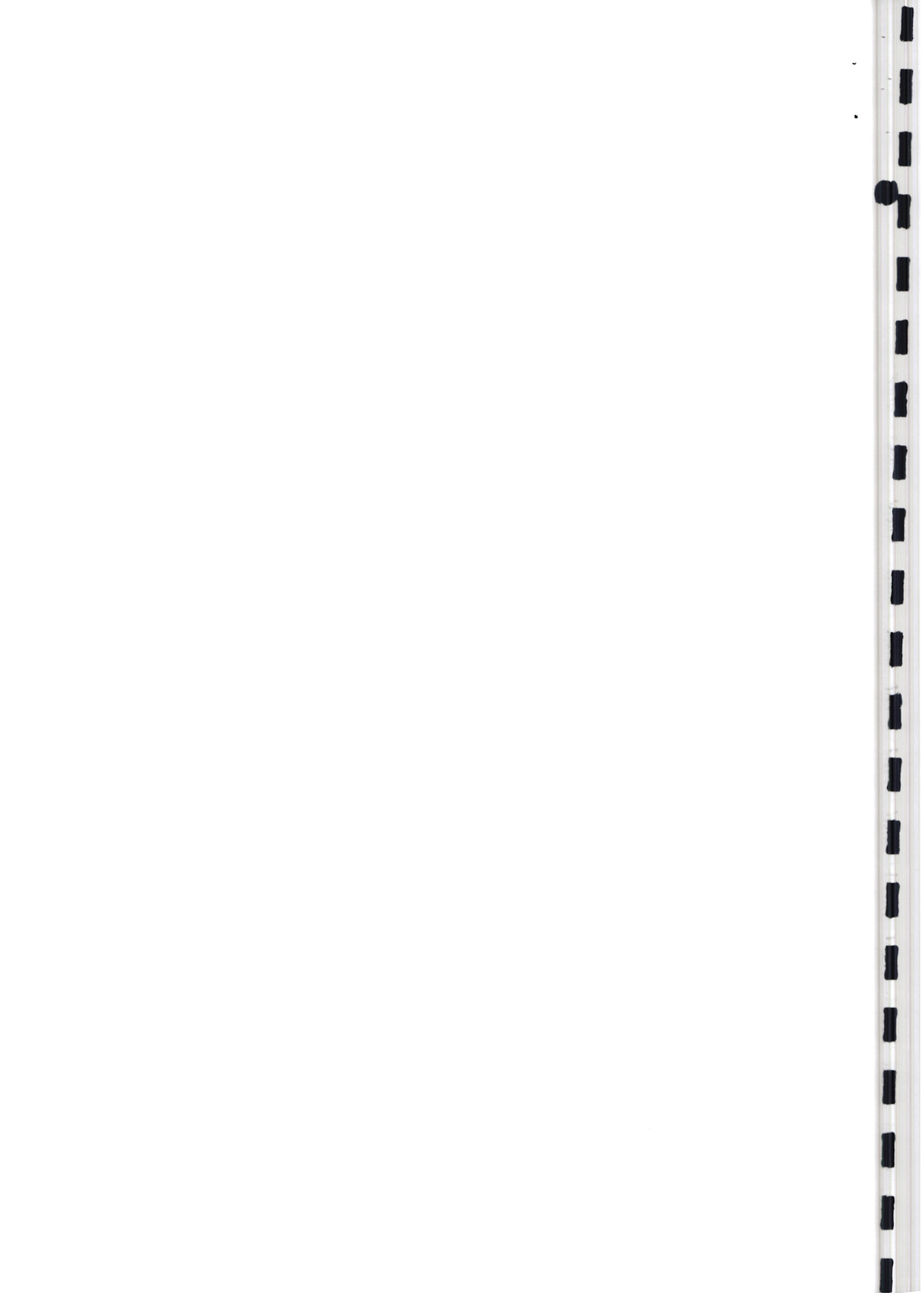
Description	Kshs	Kshs
PMC accounts	23,974,655	22,426,574
TOTAL	23,974,655	22,426,574



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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 2017	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
Sub-Total						
Construction of civil works						
2.						
3.						
Sub-Total						
Supply of goods						
4. Desmol Investments					0	
5.						
Sub-Total						
Supply of services						
6. CMC					265,606	repairs of GKA647T
7.						
Sub-Total					265,606	
Grand Total					265,606	



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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 2017	Outstanding Balance 2016	Comments
		A	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10. Staff Gratuity					494280	241990	
11.					0	0	
12.					0	0	
	Sub-Total				494280	241990	
	Grand Total				494280	241990	



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ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		A	b	c	d=a-c		
Amounts due to other Government entities							
1.	Transfer to Schools				23,987,963	47069904	
2.					0	0	
3.					0	0	
	Sub-Total				23,987,963	47069904	
Amounts due to other grants and other transfers							
4.	other transfers				6358987	4102081	
5.	Seme NG CDF				0	2937108	
6.					0	0	
	Sub-Total				6358987	7039189	
	Sub-Total						
Others (specify)							
7.	Administration Expenses and M&E				3536153		
8.							
9.							
	Sub-Total				3536153		
	Grand Total				33,883,103	54109093	



ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2017 -2016	Historical Cost (Kshs) 2016 -2015
Land	-	-
Buildings and structures	19,982,784	19,031,280
Transport equipment	5,152,000	5,152,000
Office equipment, furniture and fittings	592,500	293,000
ICT Equipment, Software and Other ICT Assets	834,000	834,000
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	25,310,280	25,310,280
Total	51,871,564	50,620,560

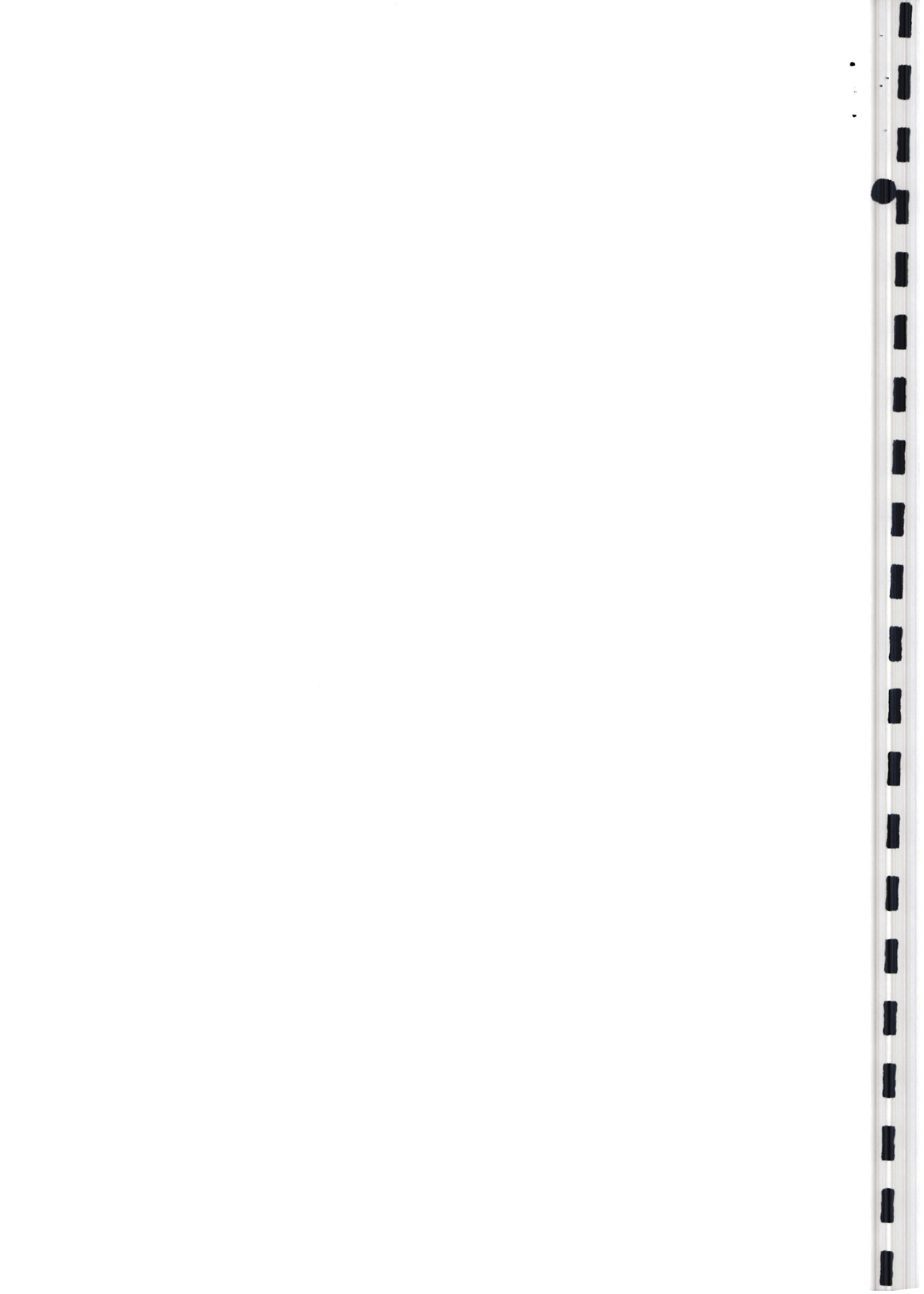
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ANNEX 5. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATION

Reference number on KENAO Report	Issue/Observation of audit team	Management Comments	Focal Point Person to resolve the issue	Status	Timeframe (date when the issue is to be resolved)
1	Administrative cost over expenditure	The extra amount relate to the previous FY 2103 – 2014 that was rolled over	FAM	Unresolved	Four weeks
2	Expenditure on emergency projects that do not conform to section 12(3) of CDF Act 2015	In the opinion of the committee the expenditure of Ksh 600,000 were emergency	FAM	unresolved	Four weeks



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ANNEX 6 - PMC ACCOUNT BALANCES

PMC NAMES	2016-2017	2015-2016
RUNDA PRIMARY SCHOOL-CDF PROJECT	101340	1340
MAGWAR MODEL SECONDARY SCHOOL	3071.25	603456.25
MILUGO PRIMARY SCHOOL	774425	590
AMI PRIMARY SCHOOL CDF ACCOUNT	765	765
HARAMBEE CHIEF'S CAMP COMMUNITY WATER PROJECT	1274649	300215
LIEYE PRIMARY SCHOOL	1142979	1015
MIRANGA PRIMARY SCHOOL	1452.5	1452.5
ASINO PRIMARY SCHOOL CDF PROJECT	2591	1976
SHILLO KORANGO COMMUNITY WATER PROJECT	1655	1655
SEME BODA BODA RIDERS SHADES PROJECT	105	105
DAGO DISPENSARY	4705	4705
NYAGUDA PRIMARY SCHOOL CDF PROJECT	176946	6
ENG. OWITI ABOL GIRLS SECONDARY SCHOOL CDF ACCOUNT	5659	659
ST.BARNABAS GIRLS SECONDARY SCHOOL CDF PROJECT	13311	5111
GUMO PRIMARY SCHOOL CDF PROJECT	690.95	690.95
NGUTU PRMARY SCHOOL CDF PROJECT	800820	820
MARIWA YOUTH POLYTECHNIC CDF PROJECT	263282.5	437057.5
NYAMGUN SECONDARY SCHOOL CDF PROJECT	245.95	245.95
ABOL PRIMARY SCHOOL CDF PROJECT	261964.55	564.55
ARITO LANGI DISPENSARY CDF PROJECT	790	790
ARITO LANGI DISPENSARY CDF PROJECT	790	790
NGERE HIGH SCHOOL	35354.6	215794.6
MAYIEKA SECONDARY SCHOOL	15299	7365
BONGU KONYANGO DISPENSARY PROJECT	410	410
LUNGA PRIMARY SCHOOL	1841	691
NANGA KOKER PRIMARY SCHOOL CDF	900049.6	489.6
KANYAGUDI COMMUNITY WATER PAN CDF	85	85
ACHWO COMMUNITY WATER PAN CDF	1930	1930
KUOYO KAILA DISPENSARY COMMUNITY WATER BOREHOLE PROJECT	115	115
BISHOP OKOTH MIRANGA SECONDARY SCHOOL CDF PROJECT	785	785
ST. ALOYS RERU GIRLS SECONDARY SCHOOL	2075	2075
NDIRU MIXED SECONDARY SCHOOL	122254	673959
URUDI RATTA PRIMARY SCHOOL CDF PROJECT	4355	2305
KOMBEWA BOREHOLE WATER PROJECT CDF	40	40



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KOMBEWA SOLAR MASTS PROJECT	120	120
KITMIKAYI POLICE POST PROJECT MANAGEMENT COMMITTEE	365	365
ALWALA SECONDARY SCHOOL COMMUNITY WATER PROJECT	400145	365
ODIENYA KAGAY PRIMARY SCHOOL	1755	85
ST PETERS KAJULU SECONDARY SCHOOL CDF ACCOUNT	4530	4530
KOMBEWA MARKET TOILET PROJECT	305	305
SEME SUB COUNTY AP STAFF HOUSING PROJECT CDF ACCOUNT	2100000	0
KORUMBA PRIMARY SCHOOL CDF PROJECT	70	70
MANYWANDA SECONDARY SCHOOL	1085	1085
ATOL PRIMARY SCHOOL	497365	4500
NYAMISRI PRIMARY SCHOOL	805430	4395
ASOL MIXED SECONDARY SCHOOL CDF PROJECT	1501410	1410
LOLWE DISPENSARY FENCING PROJECT-CDF	250	250
ENGINEER OWITI ABOL GIRLS' SECONDARY SCHOOL	10	1472245
MIRANGA PRIMARY SCHOOL-CDF ACCOUNT	723470	494610
RODI PRIMARY SCHOOL-CDF ACCOUNT	11050	360445
RAPOGI SECONDARY SCHOOL-CDF ACCOUNT	3940	3940
OMUYA SECONDARY SCHOOL-CDF ACCOUNT	76190	1199525
NYABERA POLYTECHNIC DEVELOPMENT COMMITTEE	1860	102740
AKONYA PRIMARY SCHOOL-CDF ACCOUNT	154270	799525
JONYO PRIMARY SCHOOL	85	39360
ATOYA PRIMARY SCHOOL-CDF ACCOUNT	862440	473360
OCHOK PRIMARY SCHOOL-CDF ACCOUNT	970	398830
OJOLA KADERO PRIMARY-CDF ACCOUNT	628.45	499525
KEYO KODO PRIMARY-CDF ACCOUNT	3663	3663
RIDORE SECONDARY SCHOOL-CDF ACCOUNT	612908	365605
MALELA PRIMARY SCHOOL-CDF ACCOUNT	1040	81392
DIEMO SECONDARY SCHOOL-CDF ACCOUNT	156875	440085
ADUONG MONGE SECONDARY SCHOOL	131105	364050
KUOYO KAILA PRIMARY SCHOOL CDF ACCOUNT	2255	1599505
KORWENJE SECONDARY SCHOOL CDF ACCOUNT	207010	1599515
NYATIGO PRIMARY SCHOOL CDF ACCOUNT	20720	203940
KAMAGORE PRIMARY SCHOOL CDF ACCOUNT	200000	200000
RACHILO PRIMARY SCHOOL-CDF ACCOUNT	2570	1500000
KOMBEWA TECHNICAL TRAINING INSTITUTE PROJECT NG-CDFC	38040	0
PITH KOCHIEL PRIMARY SCHOOL	9580	800600
GOT AGULU PRIMARY NG CDF COMMITTEE	822715	800000
ALUNGO MIXED SECONDARY SCHOOL -NG CDF COMMITTEE	712340	1100000



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KITMIKAYI PRIMARY SCHOOL NG CDF COMMITTEE	15025	99525
OMORE PRIMARY SCHOOL NG CDF COMMITTEE	800063	799525
EAST SEME CHIEF'S CAMP PROJECT MANAGEMENT COMMITTEE NG CDF COMMITTEE	210	599525
PITH KABONYO PRIMARY SCHOOL- NG SEME CDF COMMITTEE	63508	0
RIDORE PRIMARY SCHOOL NG CDF COMMITTEE	200000	0
OSEWRE PRIMARY SCHOOL NG CDF COMMITTEE	407470	0
LELA PRIMARY SCHOOL NG-CONSTITUENCIES DEVELOPMENT FUND- SEME	3204	200
NGERE PRIMARY SCHOOL -NG-CONSTITUENCIES DEVELOPMENT FUND –SEME	610185	0
KAMONYE PRIMARY SCHOOL - NG-CONSTITUENCIES DEVELOPMENT FUND –SEME	15	0
AMI PRIMARY SCHOOL- NG- CONSTITUENCIES DEVELOPMENT FUND-SEME	680734	200
KITARE PRIMARY SCHOOL - NG-CONSTITUENCIES DEVELOPMENT FUND - SEME	30.6	0
DAGO KANYAGAYA PRIMARY SCHOOL-NG CDF COMMITTEE	15	0
ONYINJO PRIMARY SCHOOL NG CDF COMMITTEE	254885	0
RANEN PRIMARY SCHOOL NG CDF COMMITTEE	1008110	500
SIALA KAILA PRIMARY SCHOOL NG CDF COMMITTEE	176605	800000
AWANYA PRIMARY SCHOOL NG CDF COMMITTEE	450	200000
RATTA PRIMARY SCHOOL NG CDF COMMITTEE	1710295	0
PROF.PETER ANYANG NYONGO SECONDARY SCHOOL NG CDF COMMITTEE	903800	525
GOT ODONGO PRIMARY SCHOOL NG CDF COMMITTEE	124195	0
MAYIEKA PRIMARY SCHOOL NG CDF COMMITTEE	12990	0
PMC OF FENCING DCCS COMPOUND PROJECT NG CDF COMMITTEE	160485	960000
NYABERA PRIMARY SCHOOL NG - SEME CDF COMMITTEE	1950	0
OKUTO PRIMARY SCHOOL NG CDF COMMITTEE	4425	726580
NYAWANGA PRIMARY SCHOOL NG CDF COMMITTEE	415	200000
KALOKA PRIMARY SCHOOL NG CDF COMMITTEE	195	0
NYAMUODA POLICE POST PROJECT NG CDF COMMITTEE	850000	850000
TOTAL	23,974,655	22,426,574

Tom Wasike
Fund Account Manager
SEME CONSTITUENCY

