

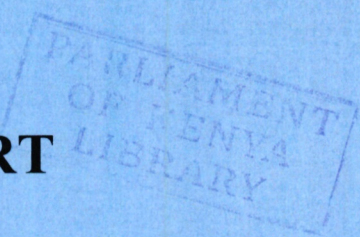
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 27 MAR 2019	DAY: WEDNESDAY
TABLED BY: Hon. Aden Duale Leader of majority Party	
CLERK-AT THE TABLE:	



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KITUI WEST CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KITUI WEST
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NG-CDF Kitui West day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Mr. Yusuf Mbuno
2.	A.I.E holder	Mr. Nicholas N. Kimanzi
3.	Sub-County Accountant	Mr. Antony M. Mutwii
4.	Chairman NG-CDFC	Mr. Wilfred N. Keli
5.	Member NG-CDFC	Ms. Rhodester M. Muthui

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF Kitui West Constituency Headquarters

P.O. Box 244-90205
KITUI WEST NG-CDFC OFFICE
Ndolo's Corner, along Tulia Road
Next to Kitui West DCC's Office
KABATI-KITUI

(f) NG-CDF Kitui West Constituency Contacts

Telephone: (254) 706585534
E-mail: kituiwestcdf@yahoo.com
Website: www.ngcdf.go.ke

(g) NG-CDF Kitui West Constituency Bankers

Equity Bank
Kitui
0720 262 084 328
Kitui Town

(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 CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

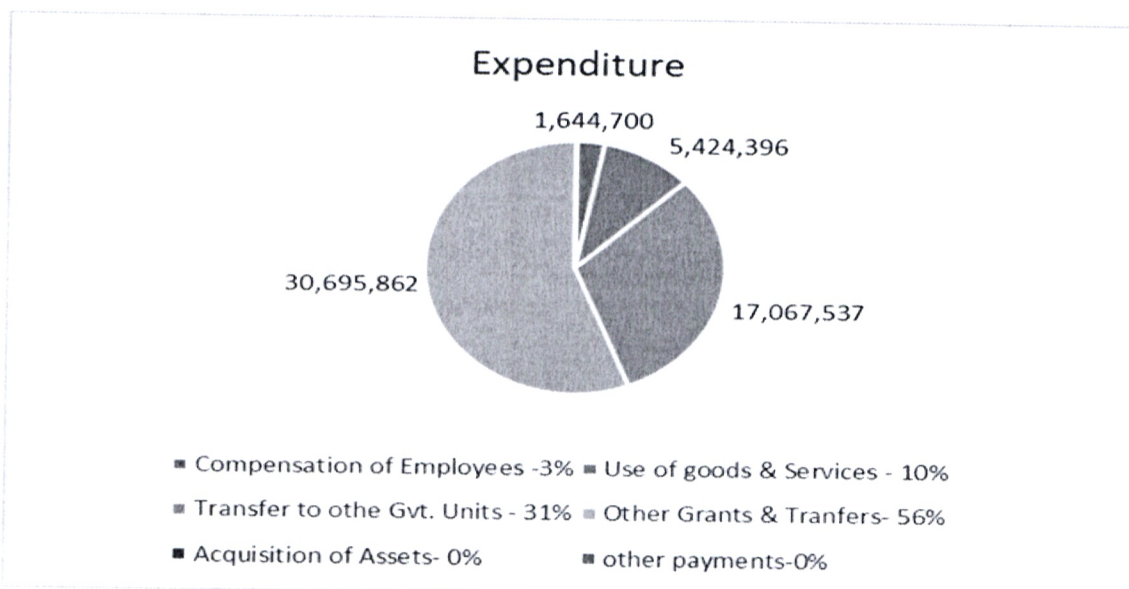
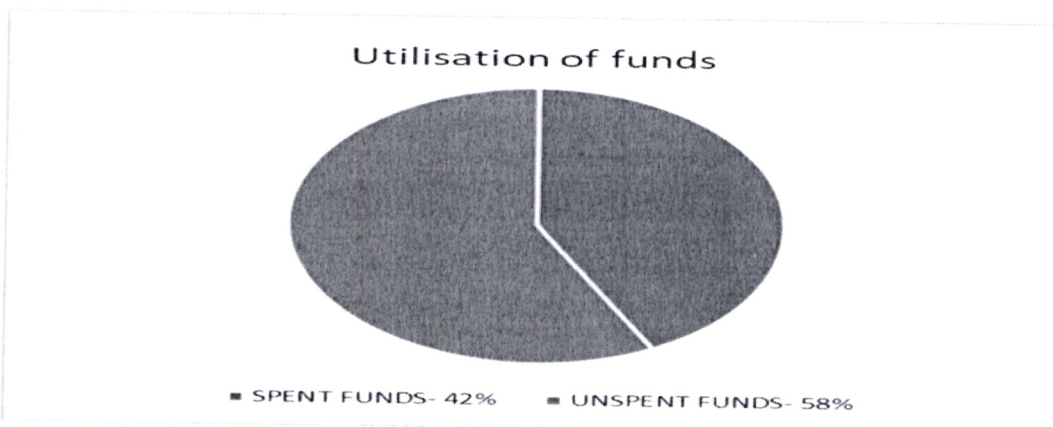
INTRODUCTION

Kitui West Constituency is one of the constituencies that were created in 2013 and was curved from the old Kitui West Constituency. It comprises of a population of about 102,316 with a poverty head count of 26.53 as per the 2009 census.

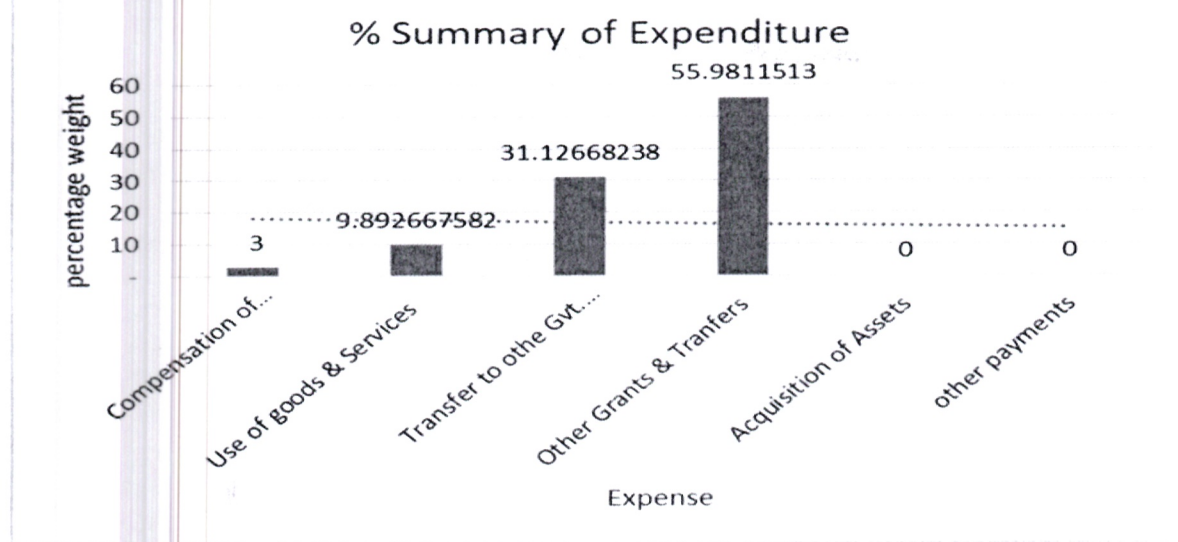
The NG-CDFC has always dedicated time to ensure prudent allocation of resources received from the NG-CDF Board within the four wards in the constituency. Since its inception, the NG-CDFC has completed several development projects that are geared towards infrastructural development, wealth creation and fighting against poverty in the constituency.

During the financial year 2017/2018, the NG-CDFC was able to utilize 42% of its allocated resources. At the closure of the financial year, the constituency had unutilised fund amounting to Kshs. 20,475,085.31 out of the funds received of Kshs. 69,353,447.10.

The implementation of funded projects was slow due to a prolonged delay in disbursement of funds by the NG-CDF Board occasioned by two general elections and a by-election in Kitui West Constituency.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018



2017 /2018 FINANCIAL YEAR ACHIEVEMENTS

During the financial year 2017/2018, Kitui West NG-CDF constructed a NG-CDFC office. This has improved service delivery to the public, good working environment to the staff and savings on rent payment. Kitui West NG-CDF further constructed three classrooms in Kitamwiki Primary school and made renovations in various learning institutions. A number of other development projects initiated during the year stalled due to prolonged delay in funds disbursements by the NG-CDF Board.



Kitui West NG-CDFC Office

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**



Construction of 3 classrooms in Kitamwiki Primary School



Purchase of Kitui West NG-CDFC Motor Vehicle

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

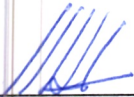
EMERGING ISSUES

Immediately after the general elections, the immediate Member of Parliament the Late Hon. Francis Nyenze passed on and this prompted a by-election which further contributed to delayed release of project funds. On 26th March, 2018 a by-election was held in Kitui West Constituency where Hon. Edith Nyenze was elected as the new member of National Assembly for Kitui West. On 10th April, 2018, she was sworn in and subsequently the NG- CDF Board released the final tranche for 2016/2017 and the first tranche for 2017/2018 amounting to Kshs. 69,353,447.10. The Funds were received between April and May 2018 and could not be absorbed fully at the closure of the year 2017/2018.

IMPLEMENTATION CHALLENGES

Kitui West has a new member of National Assembly who requires time to acquaint herself on the operations of both NG-CDF and Constituency office. Project implementation especially construction of classrooms in schools was greatly affected by the delocalisation of head teachers, the change of which affected the composition Project Management Committees.

In regard to the above challenges, the Member of National Assembly has been oriented on her role by the Parliamentary Service Commission and is being briefed on NG-CDF matters by the Fund Account Manager.



CHAIRMAN NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY 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 Entity shall prepare financial statements in respect of that entity. 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.

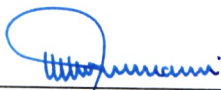
The Accounting Officer in charge of the NG-CDF-Kitui West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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 entity; (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 entity; (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 NG-CDF-Kitui West Constituency accepts responsibility for the entity'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 *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF-Kitui West Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

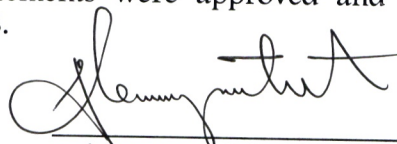
The Accounting Officer in charge of the NG-CDF-Kitui West Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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-Kitui West Constituency financial statements were approved and signed by the Accounting Officer on 25th September 2018.



Fund Account Manager
Name: Nicholas N. Kimanzi



Sub-County Accountant
Name: Antony M. Mutwii
ICPAK Member Number: N/A

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- KITUI WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund- Kitui West Constituency set out on pages 9 to 40, which comprise statement of assets as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects the financial position of National Government Constituencies Development Fund- Kitui West Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no Key Audit Matters to report in the year under review.

*Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund
- Kitui West Constituency for the year ended 30 June 2018*

Other Matter

1.0 Budgetary Controls and Performance

1.1 Receipts

The combined summary statement of appropriation recurrent and development reflects approved budgeted receipts of Kshs.130,092,064 and actual receipts of Kshs.75,307,580 resulting to an unrealized revenue from the National Government Constituency Development Fund (NG- CDF) board of Kshs.54,784,484 or 42% for the year ended 30 June 2018 as detailed below:

Receipts analysis

Item	Final Budget (Kshs)	Actual (Kshs)	Under Receipts (Kshs.)	% Under Receipt
Receipts analysis				
Exchequer Release	130,089,064	75,304,580	54,784,484	42
Other Receipts (AIA)	3,000	3,000	0.00	
Total	130,092,064	75,307,580	54,784,484	42

The Kshs.54,784,484 being the approved budget that was not released by the National Government Constituency Development Fund Board translates to equivalent promised but denied services to the citizens of Kitui West Constituency.

Further the statement of receipts and payments reflects receipts of Kshs.69,353,447 for the year under review while the summary statement of appropriations: recurrent and development combined reflects receipts of Kshs.75,307,580 resulting into an unexplained and unreconciled variance of Kshs.5,954,133.

In the circumstances, the accuracy of the Kshs.69,353,447 receipts reflected in the statements of receipts and payments for the year under review cannot be ascertained.

1.2 Expenditure

The combined summary statement of appropriation - recurrent and development reflects approved expenditure budget of Kshs.130,089,064 and actual expenditure of Kshs.54,832,495 resulting to under absorption of Kshs.75,256,568 or 58 % as detailed below:

Expenditure Analysis

Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs.)	Under Expenditure (%)
Compensation of employees	2,855,595	1,644,700	1,210,895	42

Use of goods and services	8,689,767	5,424,396	3,265,370	60
Transfers to other Government entities	46,252,628	17,067,537	29,185,091	63
Other Grants and transfers	55,613,047	30,695,862	24,918,185	45
Acquisition of Assets	8,000,000	0.00	8,000,000	100
Other payments	8,677,027	0.00	8,677,027	100
Total	130,089,064	54,832,495	75,256,568	58

In overall, the Fund under spent its budget by Kshs. 75,256,568 of the total budget allocation. The funds could have been allocated to other deserving areas that would have improved delivery of goods and services to the residents of Kitui West Constituency. There is need therefore for the management to re-look at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the citizens of Kitui West Constituency.

In the circumstances the residents of the Constituency did not get expected services equivalent to the Kshs. 75,256,568 under expenditure for the year ended 30 June 2018.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Basis of Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-compliance with Public Sector Accounting Standards Board Guidelines

The Public Sector Accounting Standards Board revised template of June 2018, requires the Sub- County Accountant, to sign and indicate Institute of Certified Public Accountants of Kenya (ICPAK) membership number in the financial statements. However, during the year under review, the Sub- County Accountant's ICPAK membership number was not included in all the signed financial statements.

In the circumstance, Sub- County Accountant contravened the Public Sector Accounting Standard Board revised financial statement reporting template guidelines of June 2018.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE.

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSA 1330. The standard requires that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance was operating effectively, in all material respects.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

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 either intends to liquidate the Fund's or to cease 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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 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.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.


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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue offering services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue offering services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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

04 March 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

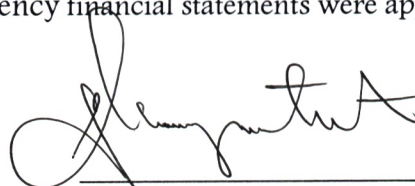
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board-AIEs' Received	1	69,353,447	106,645,107
Proceeds from Sale of Assets	2		-
Other Receipts	3	-	3,000
TOTAL RECEIPTS		69,353,447	106,648,107
PAYMENTS			
Compensation of employees	4	1,644,700	2,019,622
Use of goods and services	5	5,424,396	8,754,429
Transfers to Other Government Units	6	17,067,537	39,400,000
Other grants and transfers	7	30,695,862	36,540,984
Acquisition of Assets	8	-	17,608,121
Other Payments	9	-	753,566.00
TOTAL PAYMENTS		54,832,495	105,076,722
SURPLUS/DEFICIT		14,520,952	1,571,384

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Kitui West Constituency financial statements were approved on 25th September 2018 and signed by:



Fund Account Manager
Name: Nicholas N. Kimanzi



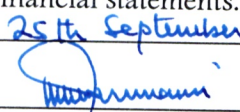
Sub-County Accountant
Name: Antony M. Mutwii
ICPAK Member Number: N/A

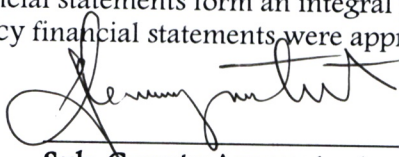
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	20,475,085	5,954,133
Cash Balances (cash at hand)	10B	-	-
Total cash and Cash Equivalents		20,475,085	5,954,133
Current receivables- Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		20,475,085	5,954,133
FINANCIAL LIABILITIES			
Account Payable- Retention	12	-	-
NET FINANCIAL ASSETS		20,475,085	5,954,133
REPRESENTED BY			
Fund balance b/fwd 1st July 2017	13	5,954,133	4,382,749
Surplus/Deficit for the year		14,520,952	1,571,384
Prior year adjustments	14	-	
NET LIABILITIES		20,475,085	5,954,133

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Kitui West Constituency financial statements were approved on 25th September 2018 and signed by:


 Fund Account Manager
 Name: Nicholas N. Kimanzi


 Sub-County Accountant
 Name: Antony M. Mutwii
 ICPAK Member Number:N/A

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

KITUI WEST CONSTITUENCY

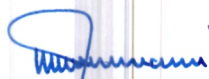
Reports and Financial Statements

For the year ended June 30, 2018

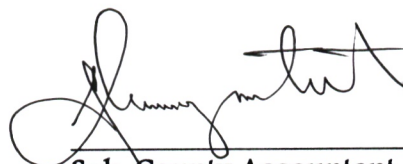
VI. STATEMENT OF CASHFLOW

		2017-2018	2016-2017
Receipts for operating income			
Transfers from NG-CDF Board	1	69,353,447	106,645,107
Other Receipts	3	-	3,000
		-	
Payments for operating expenses			
Compensation of Employees	4	1,644,700	2,019,622
Use of goods and services	5	5,424,396	8,754,429
Transfers to Other Government Units	6	17,067,537	39,400,000
Other grants and transfers	7	30,695,862	36,540,984
Other Payments	9	-	753,566
Adjusted for:			
Adjustments during the year		-	-
Net cash flow from operating activities		14,520,952	19,179,506
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	17,608,121
Net cash flows from Investing Activities		-	(17,608,121)
NET INCREASE IN CASH AND CASH EQUIVALENT		14,520,952	1,571,384
Cash and cash equivalent at BEGINNING of the year	13	5,954,133	4,382,749
Cash and cash equivalent at END of the year	10A	20,475,085	5,954,133

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Kitui West Constituency financial statements were approved on 25th September 2018 and signed by:



Fund Account Manager
Name: Nicholas N. Kimanzi



Sub-County Accountant
Name: Antony M. Mutwii
ICPAK Member Number: N/A

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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 NG-CDF Board	86,810,345	43,278,719	130,089,064	75,304,580	54,784,483	58
Proceeds from Sale of Assets	-		-	-	-	
Other Receipts (AIA)	-	3,000	3,000	3,000	-	
	86,810,345	43,281,719	130,092,064	75,307,580	54,784,483	58
PAYMENTS						
Compensation of Employees	1,923,600	931,995	2,855,595	1,644,700	1,210,895	58
Use of goods and services	5,889,331	2,800,436	8,689,767	5,424,396	3,265,370	62
Transfers to Other Government Units	23,546,421	22,706,207	46,252,628	17,067,537	29,185,091	37
Other grants and transfers	38,773,966	16,840,081	55,614,047	30,695,862	24,918,185	55
Acquisition of Assets	8,000,000	-	8,000,000	-	8,000,000	0
Other Payments	8,677,027	-	8,677,027	-	8,677,027	0
TOTALS	86,810,345	43,278,719	130,089,064	54,832,495	75,256,568	42

(a) Underutilization (below 90%)

Reports and Financial Statements

For the year ended June 30, 2018

- i. Compensation of Employee - 58% Compensation of employees is usually budget for the whole financial year hence cannot be fully exhausted.
- ii. Use of goods and services – 62% the funds budgeted for use of goods and services had not been fully received as at closure of the financial year.
- iii. Transfers to Other Government Units – 37% funds under this vote relates to allocation to secondary schools whose money had not been received as at the closure of the year.
- iv. Other grants and transfers -55%. The funds relate to bursaries to secondary schools, bursaries to tertiary institutions and security projects whose funds had not been released by closure of the financial year.
- v. Acquisition of Assets – 0% Funds for these projects were received towards the end of the financial year and the implementation was delayed by the procurement process.
- vi. Other Payments- 0% The Funds for these projects had not been received as at the end of the financial year except for the development of 5 Year strategic plan whose funds were received towards the end of the financial year and the project delayed by the procurement process.

The difference between the original and the final budget was a result of balances carried forward from the previous year and a supplementary budget approved mid-year.

The NG-CDF-Kitui West Constituency financial statements were approved on 25/09 2018 and signed by:

Fund Account Manager
 Name: Nicholas N. Kimanzi

Sub-County Accountant
 Name: Antony M. Mutwii
 ICPAK Member Number:N/A

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 Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NG-CDF-Kitui West Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. 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.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. 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 Entity 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.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NG-CDF Act, 2015.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. 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 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IX NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NG-CDF Board			
A825795	1	-	50,696,830
A829624	2	-	4,094,828
A855044	3	-	36,853,449
A839678	4	-	10,000,000
A839730	5	-	5,000,000
A855882	1	5,500,000	
A896757	2	10,000,000	
A892931	3	25,948,275	
A892956	4	27,905,172	
TOTAL		69,353,447	106,645,107

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	3,000
Other Receipts Not Classified Elsewhere	-	-
Total	<u>≡</u>	<u>3,000</u>

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,291,500	1,165,136
Basic wages of casual labour	41,200	77,300
Employer Contribution to NSSF	14,400	17,200
Personal allowances paid as part of salary		
House allowance	177,600	142,400
Transport allowance	120,000	98,000
Leave allowance	-	-
Gratuity	-	519,587
Other personnel payments	-	-
Total	<u>1,644,700</u>	<u>2,019,622</u>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	2,242,000	3,061,000
Utilities, supplies and services	83,852	111,357
Office Rent	420,000	360,000
Communication, supplies and services	59,600	677,941
Domestic travel and subsistence	506,700	1,247,800
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	863,450	1,469,400
Hospitality supplies and services	355,786	450,093
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	460,065	1,139,122
Fuel , Oil and Lubricants	337,840	-
Other operating expenses	11,605	11,220
Routine maintenance – vehicles and other transport equipment	56,498	-
Routine maintenance – other assets	27,000	226,496
Total	5,424,396	8,754,429

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	10,796,421	23,200,000
Transfers to secondary schools (see attached list)	5,771,116	15,700,000
Transfers to tertiary institutions (see attached list)	500,000	-
Transfers to health institutions (see attached list)	-	500,000
TOTAL	17,067,537	39,400,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	11,390,000	12,073,000
Bursary – tertiary institutions (see attached list)	10,880,000	10,508,525
Bursary – special schools (see attached list)	70,000	44,000
Mock & CAT (see attached list)	-	2,768,085
Security projects (see attached list)	1,500,000	1,000,000
Sports projects (see attached list)	1,637,931	2,013,937
Environment projects (see attached list)	1,637,931	2,013,937
Emergency projects (see attached list)	3,580,000	6,119,500
Total	30,695,862	36,540,984

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	10,007,468
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	6,700,653
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	900,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	17,608,121

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	-	753,566
TOTAL	-	753,566

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity bank Kitui ,0720262084328, (Kshs.)</i>	20,475,085	5,954,133
Total	20,475,085	5,954,133
10B. CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>	-	-	-	-
Total				-

12. RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	5,954,133	4,382,749
Cash in hand	-	-
Imprest	-	-
Total	5,954,133	4,382,749

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts		-
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs 2017-2018	Kshs 2016-2017
Compensation of employees	1,210,895	931,995
Use of goods and services	3,265,370	1,776,298
Amounts due to other Government entities (see attached list)	29,185,091	13,320,000
Amounts due to other grants and other transfers (see attached list)	24,918,185	15,871,116
Acquisition of assets	8,000,000.	-
Others (<i>specify</i>)	8,677,027	-
	75,256,568	31,899,408

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KITUI WEST CONSTITUENCY
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For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	8,873,388	23,450,299
	8,873,388	23,450,299

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,210,895	931,995	
Use of goods & services		3,265,370	1,776,298	
Amounts due to other Government entities		29,185,091	13,320,000	
Sub-Total		33,661,356	16,028,293	
Amounts due to other grants and other transfers		24,918,185	15,871,116	
Sub-Total		24,918,185	31,899,408	
Sub-Total		58,579,541		
Acquisition of assets		8,000,000	-	
Others (<i>specify</i>)		8,677,027	-	
Sub-Total		16,677,027	-	
Grand Total		75,256,568	31,899,408	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – KITUI WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Buildings and structures	10,007,468	-	-	10,007,468
Transport equipment	6,700,653	-	-	6,700,653
Office equipment, furniture and fittings	1,291,700	-	-	1,291,700
ICT Equipment, Software and Other ICT Assets	1,473,181	-	-	1,473,181
Other Machinery and Equipment	600,300	-	-	600,300
Total	20,073,302	-	-	20,073,302

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kasue Primary School	National Bank	01024100619200	11,280.00	501,095.00
Kithuiani Primary School	KCB	1210615096	535.00	500,000.00
Kwa Ndila Primary School	Equity Bank Ltd	0720271471358	(97.50)	500,000.00
Ngengekani Primary School	KCB	1200029771	1,120.00	1,150.00
Ukuni Primary School	National Bank	01024117802900	(360.00)	690.00
St. Patricks Kalindilo Secondary School	National Bank	01020100625400	(1,658.26)	138,029.80
Muthale Primary School	National Bank	01024117829800	6,360.00	500,240.00
Misyini Primary School	National Bank	0102418692900	198,100.00	500,250.00
Maseki Primary School	National Bank	01024100620400	950.00	500,450.00
Mangelu Primary School	National Bank	01024117833700	1,286.00	27,620.00
Kyeni Primary School	National Bank	01024132044600	654.00	500,250.00
Kwa Musyimi Primary School	National Bank	01024128680400	420.00	250.00
Kivani Primary School	National Bank	01024128679300	2,235.00	2,565.00
Kaluni Primary School	National Bank	01024128609600	280.00	280.00
Kalinditi Primary School	National Bank	01024100600500	1,255.00	1,255.00

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kakumuti Primary School	National Bank	01024117806900	445.00	501,005.00
Mavalo Primary School	National Bank	01024132031700	430.00	1,090.00
Emivia Primary School	National Bank	01024128680700	100.00	144,355.00
Kithumula Primary School	Equity Bank Ltd	0720271468490	130,405.00	500,000.00
Mikuyu Mikya Primary School	Equity Bank Ltd	0720267148948	500,005.00	5.00
Nzinia Assistant Chief's Office	Equity Bank Ltd	0720271476099	-	206,305.00
Kyondoni Ap-Line	Equity Bank Ltd	0720271501684	477.00	477,000.00
Matinyani Police Headquarters	Equity Bank Ltd	0720271611245	2,477.20	2,477.00
Kasakini Primary School	Equity Bank Ltd	0720162485434	0.95	120,948.95
Utoo Primary School	Equity Bank Ltd	0720271259673	745.00	745.00
Syokithumbi Primary School	Equity Bank Ltd	0720272986610	37.00	500,000.00
St. Peters Ngengekani sec. School	Equity Bank Ltd	0720271507722	722.00	722.00
Kasakini Primary School	Equity Bank Ltd	0720162485434	0.95	120,948.95
Nzinia Primary School	Equity Bank Ltd	0720271458879	1,490.00	1,490.00
Ndiuni Primary School	Equity Bank Ltd	0720271461312	901.00	901.00
Ndiuni Primary School- Mithumu Water line	Equity Bank Ltd	0720272150341	1,980.00	1,980.00
Mwangya Primary School	Equity Bank Ltd	0720266838732	145.00	14,560.00

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Mwaani Primary School	Equity Bank Ltd	0720272734869	1,295.00	25.00
Muthi Primary School	Equity Bank Ltd	0720262235179	(161.30)	0.00
Mbuini Primary School	Equity Bank Ltd	0720266680975	1,935.00	74,700.00
Matinyani DEB Primary School	Equity Bank Ltd	0720269970286	7.00	7.00
Matinyani AP-Line	Equity Bank Ltd	0720272300081	90.00	0.00
Maselele Primary School	Equity Bank Ltd	0720272223413	6,415.00	150,000.00
Kyondoni Primary School	Equity Bank Ltd	0720266791438	343.00	40,453.00
Kyenge Primary School	Equity Bank Ltd	0720270060591	20.00	500,160.00
Kyamutimba Primary School	Equity Bank Ltd	0720271487039	760.00	500,000.00
Kwa Nyingi Primary School	Equity Bank Ltd	0720271475275	9.00	19,034.00
Kwa Mumo Assistant Chief's Office	Equity Bank Ltd	0720271682942	60.00	41,260.00
Kwa Mutonga Primary School	Equity Bank Ltd	0720266840973	1,239.00	500,580.00
Kyaani Ap-Line	Equity Bank Ltd	0720271771765	2,380.30	2,380.30
Kivulu Primary School	Equity Bank Ltd	0720268442233	185.00	185.00
Kalimani Primary School	Equity Bank Ltd	0720271771436	2,290.00	500,000.00
Kitui West NG-CDF Office Construction PMC	Equity Bank Ltd	0720272284375	1,021,869.42	9,893,358.42
Kitamwiki Primary School	Equity Bank Ltd	0720270553334	1,060.70	2,015,505.00

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kiamani Primary School	Equity Bank Ltd	0720266621282	-	2,160.00
Kathivo Primary School	Equity Bank Ltd	0720266872482	3,849.00	508,684.00
Kasakini Primary School	Equity Bank Ltd	0720162485434	0.95	120,948.95
Kakeani Chief's Office	Equity Bank Ltd	0720271699288	0.55	39,209.00
AIC Kiuwani Primary School	Equity Bank Ltd	0720266563664	14,921.00	14,921.00
Kangii Primary School	Equity Bank Ltd	0720271495924	1,557.00	57,587.00
Kangungi Primary School	Equity Bank Ltd	0720266577103	92.00	500,042.00
St. Marys Kavole Primary School	Co-operative Bank	01139304794800	12,765.50	701,296.50
Sangala Primary School	Co-operative Bank	01139304888500	3,917.50	499,572.50
Kalia Primary School	Co-operative Bank	01139304890600	150,362.00	499,572.50
AIC Makolo Primary School	Co-operative Bank	01139303686900	191,032.50	-
Kwa Mutonga AP Line	Co-operative Bank	01141304793600	100,325.00	-
St. Mary's Kavole Primary School	Co-operative Bank	01139304794800	1,276.50	-
Kitui West Environment PMC	Co-operative Bank	01141303239200	1,637,756.00	-
Iiani Sec. School	Equity Bank Ltd	0720261924848	3,175.00	-
Ivulya Muu Pri. School	Equity Bank Ltd	0720263880351	285.00	-
Kyeng'e Primary School	Equity Bank Ltd	0720270060591	20.00	-

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kathiani Pri. School	Equity Bank Ltd	0720266594159	96,640.00	-
Kiseveni Pri. School	Equity Bank Ltd	0720263618863	585.00	-
Komu Pri. School	Equity Bank Ltd	0720273326585	53,813.50	-
Kwa Mumo Pri. School	Equity Bank Ltd	0720266564351	501,670.00	-
Kwa Mutonga Police	Equity Bank Ltd	0720272165972	1,457,070.00	-
Kwa Mwambi Pri. School	Equity Bank Ltd	0720271463553	207,700.00	-
Kyambevo Pri. School	Equity Bank Ltd	0720267134930	9,700.00	-
Maaini Pri. School	Equity Bank Ltd	0720266850107	4,860.00	-
Manzi Itumo Pri. School	Equity Bank Ltd	0720264382305	400.00	-
Mithiikwani Pri. School	Equity Bank Ltd	0720163606643	500,917.50	-
Mwatate Pri. School	Equity Bank Ltd	072026655210	4,738.00	-
Nzemeli Pri. School	Equity Bank Ltd	0720266578066	3,020.00	-
Kitui West Sports PMC	Equity Bank Ltd	0720264789324	(205.00)	-
Kauwi Resource Centre	Kenya Commercial Bank	1178956377	1,345.25	-
Kwa Kitui Pri. School	Kenya Commercial Bank	1178401804	449,574.00	-
Mithiikwani Sec. School	Kenya Commercial Bank	1148058915	3,129.50	-
Mumbuni Pri. School	Kenya Commercial Bank	1178476480	5,851.00	-

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Matinga Pri. School	National Bank Of Kenya	01024128679800	250.00	-
Iiani Pri. School	National Bank Of Kenya	010241178996000	378,660.00	-
Kakumi Pri. School	National Bank Of Kenya	01024117809500	200,421.00	-
Kathuma Pri. School	National Bank Of Kenya	01024117827200	4,290.00	-
Kavoo Pri. School	National Bank Of Kenya	01024117804000	10,435.00	-
Kilimu Pri. School	National Bank Of Kenya	01024128692600	3,754.31	-
Kitunduni Sec. School	National Bank Of Kenya	01285069381900	6,380.00	-
Kwa Mukoo Pri. School	National Bank Of Kenya	0102226718800	198,100.00	-
St. Philips Mutini Sec. School	National Bank Of Kenya	01025128665400	746,440.00	-
Mutini Pri. School	National Bank Of Kenya	01024117800900	(3.77)	-
				-
Total			8,873,388.25	23,450,298.87

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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)
1.0	<p>Non- Acknowledgement of Bursary Fund</p> <p>During the year under review, the Fund transferred Kshs.22,625,525 to various institutions including Secondary Schools, Tertiary Schools and Special Schools. However, out of Kshs.22.625,525 bursaries disbursed only bursaries totaling to Kshs.4,703,000 were acknowledged by the respective beneficiaries institutions through issuance of receipts for the balance of Kshs. 17,922,525 remained</p>	<p>Bursary cheques are dispatched with a forwarding letter signed by the Fund Account Manager advising the beneficiary institution to acknowledge receipt of the bursary cheque. Most of the unacknowledged bursaries are normally dispatched via EMS to their respective institutions. While some institutions acknowledge receipt of bursary cheques, others choose not to, for the reasons better known to them. In such a situation, the Fund Account Manager may not have any control over the bursary acknowledgements by the institutions.</p>	Nicholas N. Kimanzi FAM	<p>The Institutions advised further and improvement observed on bursary acknowledgements.</p> <p>Partly Resolved</p>	30 th June, 2019

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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)
	<p>unacknowledged by the recipient institutions.</p> <p>Consequently, the propriety, accountability and value for money of the Kshs.17,922,525 could not be established as at 30 June 2017.</p>				
2.0	<p>Stalled Projects</p> <p>During the year under review, the Fund transferred Kshs. 2,000,000 to Mutini and Matinyani Secondary Schools each both totaling to Kshs. 4,000,000 for construction of a dining hall and dormitory respectively. However, the two projects were incomplete as the roofings for the projects were not done</p>	<p>The projects have not stalled since the National Government Constituency Development Fund - Kitui West has already allocated further funding of Kshs. 1,200,000.00 and Kshs. 1,400,000.00 in the current financial year (2017/2018) for completion of the dining hall at Mutini Secondary School and the dormitory at Matinyani Secondary School respectively.</p>	Nicholas N. Kimanzi FAM	Resolved	30 th June ,2018

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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)
	<p>which created a risk of escalation of project cost due to delay.</p> <p>Consequently, the propriety, accountability and value for money of Kshs.4,000,000 could not be ascertained as at 30 June 2017.</p>				
3.0	<p>Doubtful Expenditure on Bench Marking</p> <p>During the year under review, the Fund spent Kshs. 905,400 toward benchmarking and team building tour in Mombasa for fourteen members including Constituency Development Fund Committee Members. However, an amount of Kshs. 220,000 was paid to</p>	<p>The Kshs. 567,000 in question is the normal facilitation paid to the committee members, the chairman and NG-CDFC staff at a rate of Kshs. 5,000, Kshs.7,000 and Kshs. 3,500 per day respectively for six days. This was a normal out of pocket allowance to cater for the members' daily expenses as they were away from their homes and/or work station. The facilitation therefore did not include the cost of their accommodation.</p>	Nicholas N. Kimanzi FAM	Resolved	30 th June 2018

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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)
	<p>Gasaro Hotel vide R/N 818 dated 19 April 2017 to cater for accommodation of 11 people for 4 days who had earlier been paid a total of Kshs. 570,000 as Daily subsistence allowance for the same purpose.</p> <p>In the circumstance, the propriety and value for money of Kshs. 570,000 paid as subsistence allowance could not be ascertained as at 30 June 2017.</p>				