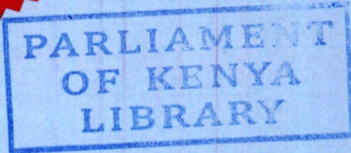


*Paper laid by the
Hon. B. Wambui
19/3/2018*

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

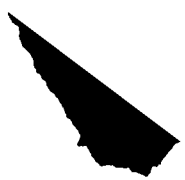
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND-
RANGWE CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2016**





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RANGWE CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
RANGWE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RANGWE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2016

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The Constituencies Development Fund (NGCDF) was set up under the NGCDF Act, 2003 now repealed by the NGCDF Act, 2013. The Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the Constituencies Development Fund. The objective of the fund is to ensure that specific portion of the national annual budget is devoted to the constituency for the purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

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

- i. 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	Victor Omondi
3.	Accountant	Francis Oyoo
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of RANGWE 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) RANGWE NGCDF Headquarters

P.O. Box 63 – 40303,
Rangwe Shopping Center,
Along Orero Sec/Rangwe Sub District Hospital Road,
Rangwe, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RANGWECONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

(f) RANGWE NGCDF Contacts

Telephone: (254) 710835019
E-mail: rangwecdfc2013@gmail.com
Website: www.cdf.go.ke

(g) RANGWE NGCDF Bankers

Equity Bank (K) Ltd,
P.O. Box
Homa Bay
Homa Bay Branch
A/C No. 0980261940653

(h) Independent Auditors

Auditor General
Kenya National Audit Office
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-
RANGWECONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

**II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (NGCDFC)**

The RNGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NGCDF have improved the Education and Security infrastructures of Rangwe.

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

The Rangwe NGCDFCs wish that the issues of having the project on going for more than 2years be stopped and the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Sign. .....
CHAIRMAN NG-CDFC



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RANGWE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

III. STATEMENT OF NGCDF 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 NGCDF shall prepare financial statements in respect of that NGCDF. 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 RANGWE NGCDF is responsible for the preparation and presentation of the NGCDF's financial statements, which give a true and fair view of the state of affairs of the NGCDF for and as at the end of the financial year (period) ended on June 30, 2016. 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 NGCDF; (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 NGCDF; (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 RANGWE NGCDF accepts responsibility for the NGCDF'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 NGCDF's financial statements give a true and fair view of the state of NGCDF's transactions during the financial year ended June 30, 2016, and of the NGCDF's financial position as at that date. The Accounting Officer charge of the RANGWE NGCDF further confirms the completeness of the accounting records maintained for the NGCDF, which have been relied upon in the preparation of the NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the RANGWE NGCDF confirms that the NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF'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 NGCDF'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 NGCDF's financial statements were approved and signed by the Accounting Officer on 2/9/2017 2016.



Fund Account Manager



Chairman



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 – RANGWE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Rangwe Constituency set out on pages 5 to 27, which comprise the statement of assets as at 30 June 2016, 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 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of

Report of the Auditor-General on the Financial Statement of National Government Constituencies Development Fund – Rangwe Constituency for the year ended 30 June 2016

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Acquisition of Sports Items

Included under other grants and transfers balance of Kshs.37,413,204 is Kshs.2,567,400 under sports which includes Kshs.995,700 for acquisition of balls, uniforms and boots for football, netball and volley ball. The items were purchased in cash through an imprest issued to the Fund manager instead of use of quotations as required by Section 88 of the Public Procurement and Disposal Act, 2005.

Consequently, the management breached the Public Procurement and Disposal Act 2005 and Regulations of 2006.

2. Incomplete Aora Chak Box Culvert

Included under other grants and other transfers balance of Kshs.37,413,204 is Kshs.4,519,000 for emergency projects which includes Kshs.850,000 for emergency funds earmarked for rehabilitation of Aora Chak Culvert. The bill of quantities verified indicated that 28 metres of 900mm box culverts was to be installed at a unit cost of Kshs.30,400 amounting to Kshs.851,200. However, physical verification revealed that only 7 metres out of the 28 metres paid for by the CDF was constructed by the contractor. However, the entire amount for 28 metres culverts was paid to the contractor.

Consequently, the propriety of the payment of Kshs.850,000 in respect of emergency funds towards rehabilitation of Aora Chak Culvert cannot be confirmed.

3. Emergency Expenditure

Included in other grants and transfers expenditure of Kshs.37,413,204 reflected in the statement of receipts and payments are disbursements to emergency projects totalling Kshs.4,519,000. However, no documentary evidence has been provided for audit review to show why the projects were identified and funded under emergency funds as required by Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

Consequently, the authenticity of the expenditure of Kshs.4,519,000 cannot be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly the financial position of National Government Constituencies Development Fund – Rangwe Constituency as at 30 June 2016, 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.

Other Matter

1. Budget Analysis

The table below indicates that the overall budget absorption rate was at 66% with seven (7) items having attained absorption rates below 66%. This occurred after bursaries to secondary schools attained an absorption rate of 63%, transfers to primary schools recorded absorption rate of 62%, environment projects(62%), security projects (30%), purchase of assets (53%) while one item on sports had an over-expenditure of 23%.

Component	Final Budget Kshs.	Actual Kshs.	Variance Kshs.	Absorption %
Compensation of Employees	2,318,100	1,799,428	518,672	78%
Use of Goods and Services	7,855,323	7,354,812	500,511	93%
Sports	2,087,784	2,567,400	(479,616)	123%
Environment	2,087,778	1,303,192	784,586	62%
Transfer to Primary Schools	28,099,366	17,550,000	10,549,366	62%
Transfer to Secondary Schools	29,901,851	23,300,000	6,601,851	78%
Transfer to Tertiary Institutions	13,640,469	1,100,000	12,540,469	8%
Transfer to Health Institutions	3,137,308	2,300,000	837,308	73%
Roads and Bridges	4,250,000	4,000,000	250,000	94%
Security	2,850,000	850,000	2,000,000	30%

Water	1,500,000	1,500,000	-	100%
Purchase of Assets	1,900,000	1,000,000	900,000	53%
Bursary to Secondary Schools	19,273,606	15,253,795	4,019,811	79%
Bursary to University and Colleges	11,776,261	7,399,817	4,376,444	63%
Mocks and Assessment Schemes	2,000,000	0	2,000,000	0%
Emergency	5,767,647	4,519,000	1,248,647	78%
Total	138,445,493	91,797,444	46,648,049	66%

Overall, the under-absorption amounted to Kshs.46,648,049 (34% of the budgeted) indicating that residents of Rangwe did not receive some of the much desired services.

2. Project Implementation Status

During the year under review Rangwe CDF had an approved budget of Kshs.110,157,021 in respect of sixty eight (68) projects out of which an amount of Kshs.93,758,485 was disbursed to fifty seven (57) projects while Kshs.17,050,000 budgeted for ten (10) projects had not been disbursed as at 30 June 2016. Below is the status of the sampled 36 projects:

S/No	Project Name	Activity	Allocation (Kshs)	Disbursement 2015/2016 (Kshs)	Cumulative Achievement %	Status
	Environment					
1	Environment conservation	Tree planting	2,739,374	2,087,778	76%	Kshs 651,596 reallocated to construction of DCC's residence
	Primary Schools					
2	Andingo Primary School	Construction of one classroom	800,000	800,000	100%	Ongoing
3	God Puro Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
4	Kuoyo Kaura Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
5	Ligisa Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
6	Ludhe Dongo Primary School	Construction of administration block	800,000	800,000	100%	Ongoing

7	Lwaho Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
8	Manga Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
9	Marienga Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
10	Nyandema Primary School	Construction of 2 classrooms	1,500,000	1,500,000	100%	Ongoing
11	Nyando Primary School	Fitting, painting and plastering of an administration block	400,000	400,000	100%	Ongoing
12	Nyarut Primary School	Fitting, painting and plastering 2 classroom	600,000	600,000	100%	Ongoing
13	Nyawita Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
14	Oboke Primary School	Construction of 1 classroom	800,000	800,000	100%	Ongoing
15	Obuya Primary School	Fitting, plastering etc	500,000	500,000	95%	Ongoing
16	Oluso Primary School	Construction of 1 classroom	800,000	800,000	95%	Ongoing
17	Ojeno Primary School	Construction of 1 classroom	800,000	800,000	95%	Ongoing
18	Pap Kamathayo Primary School	Fitting, painting and plastering of 1 classroom	300,000	300,000	95%	Ongoing
19	Rabuor Kaura Primary School	Painting, plastering and fitting of 4 classrooms	600,000	600,000	95%	Ongoing
20	Rachar Primary School	Construction of 1 classroom	800,000	800,000	95%	Ongoing
Secondary Schools						
21	Ang'iro Secondary School	Construction of administration block	1,000,000	1,000,000	95%	Ongoing
22	Kuoyo Kochia Sec School	Construction of dormitory	1,200,000			Not yet implemented
23	Luora Mixed Secondary School	Completion of laboratory	800,000			Not yet implemented
24	Opinde Mixed Secondary School	Fitting window fasteners, glazing and painting of 3 classrooms	221,425	221,425	80%	Ongoing

25	Omoche Secondary School	Completion of laboratory	500,000			Not yet implemented
26	Onyege Secondary School	Fitting, plastering and painting of administration block	600,000			Not yet implemented
27	St Mary's Kachar Girls Sec School	Completion of 8 classrooms 1 storey building	8,700,000	8,700,000	80%	Ongoing
28	St Mathew God Bondo Sec School	Construction of laboratory and construction of administration block	3,000,000	2,200,000	80%	Ongoing
29	St Paul's Secondary School - Ligisa	Construction of Kitchen	1,500,000			Not yet implemented
30	Wikoteng' Secondary School	Construction of a dormitory	1,200,000			Not yet implemented
31	Rangwe Technical Training Institute	Construction of technical training institute	10,000,000			Not yet implemented
32	Koga Footbridge	Construction of a footbridge	125,000			Not yet implemented
33	Nyogumo Footbridge	Construction of a footbridge	125,000			Not yet implemented
34	Omoya Chief's Office	Construction of 2 AP houses	1,000,000			Not yet implemented
35	Gongo Chief's Office	Fencing and wiring (electrical) of chief's office	300,000	300,000	60%	Ongoing
36	Rangwe Police Post	Construction of 2 houses and purchase of 2 water tanks	700,000	700,000	50%	Ongoing
	Total		48,010,799	29,509,203		

Out of a total of sixty eight (68) projects planned for execution in the year under review, ten (10) projects with an aggregate budget of Kshs.17,050,000 were not executed during the year despite the Fund having idle cash at bank of Kshs.47,410,964 as at 30 June 2016. Thirty two (32) projects with an aggregate budget of Kshs.64,885,596 were completed during the year, twenty five (25) projects with a budget of Kshs.26,621,425 were at various levels of completion while ten (10) other projects worth Kshs.17,050,000 did not commence.

3. Project Verification

During the year under review, sixteen (16) projects of Kshs.38,380,000 were physically verified in June 2017 and fifteen (15) projects were found to be complete and in use

while construction of an administration block at Got Marera Mixed Secondary School was not completed. A summary showing the status of the projects as at 30 June 2016 is as shown below:

	Project Name	Activity	Budget (Kshs)	Level Of Completion %	Status
1	Rangwe Health Centre	Construction of a male ward	1,200,000	100	The ward was complete though not in use because it had not been fitted with beds. It should be noted furnishing the ward was not part of the project. The project has not been branded.
2	Orero Boys School	Construction of 6 new classrooms	4,200,000	100	Complete this project was undertaken jointly with PTA. The ground floor after the foundation slab was done with CDF funds. The ground floor was complete and in use. The project has not been branded.
3	Got Marera Mixed Secondary School	Construction of administration block	1,000,000	100	The funds allocated did the walling and roofing, the plastering of the walls and flooring was not done. The returns indicate the money was exhausted. No evidence of fresh allocation for completion was seen.
4	Asumbi Mixed Primary School	Construction of 1 classroom	800,000	100	Completed and Branded
5	St. Mary's Kachar Girls Sec School	Completion of 8 classrooms 1 storey building	8,700,000	100	Complete and labelled

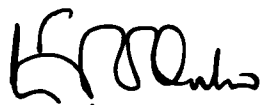
6	Luora Mixed Sec School	Completion of a laboratory	800,000	100	Complete
7	Achego Mixed Secondary School	Construction of a dining hall and kitchen	4,000,000	100	Complete and in use
8	Obwanda Primary School	Construction of 3 classrooms	3,000,000	100	Complete and in use
9	God Kado Sec School	Construction of a staff house	1,100,000	100	Complete and was already occupied by the Deputy Principal
10	Rehabilitation of CDF Office	Painting, replacement of tiles and ceiling boards	1,000,000	100% complete	Complete and in use
11	Luora Secondary School	Clear outstanding bus loan	700,000	100% complete	Confirmed cleared
12	Purchase of Sport Items	Purchase of balls, uniforms and shoes and payment of allowances	1,500,000	100% Complete	Procurement regulations not followed
13	Omoya-Lwanda Road	Opening, installation of culverts, spot gravelling	2,000,000	100% complete	Unexplained cash withdrawals of project funds. Project file not provided. Opening and sport gravelling done
14	Obuya Ayuyu Road	Opening, installation of culverts, spot gravelling	2,000,000	100% complete	Unexplained cash withdrawal of project funds. Project file not provided. Opening and spot graveling done
15	Aora Chak Box Culvert	Installation of box culvert	850,000	100% complete	7M culvert installed instead of 28M specified in the BQ. Unexplained cash withdrawals of project funds

16	Opere and wakeru springs	Spring protection	1,500,000	100% complete	Complete and in use
	Total		34,350,000		

All except two of the projects were CDF branded as required by National Government Constituencies Development Fund Act, 2015. Failure to brand the two projects breached the Act and raised the risk of funding overlaps especially in instances where other government agencies finance similar projects.

4. Previous Years Audit Issues

The management has not indicated in the financial statements for the year under review the status and follow-up of audit issues reported in the previous year as required by the Public Sector Accounting Standards Board Reporting Template.



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

Nairobi

29 January 2018

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RANGWE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2016

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2015-2016 Kshs	2014-2015 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	110,808,485	103,326,699
Proceeds from Sale of Assets			
Other Receipts			
TOTAL RECEIPTS		110,808,485	103,326,699
PAYMENTS			
Compensation of Employees	2	1,799,428	1,449,700
Use of goods and services	3	7,354,812	8,798,829
Transfers to Other Government Units	4	44,250,000	44,532,902
Other grants and transfers	5	37,281,753	42,907,677
Acquisition of Assets	6	1,000,000	
Other Payments			
TOTAL PAYMENTS		91,685,993	97,689,108
SURPLUS/(DEFICIT)		19,122,492	5,637,591

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RANGWE NGCDF financial statements were approved on 2/10 2016 and signed by:



Chairman - NGCDFC



Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RANGWE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

V. STATEMENT OF ASSETS

	Note	2015-2016 Kshs	2014-2015 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances(as per cash book)	8	47,410,964	28,288,472
Cash in Hand			
Outstanding Imprests			
TOTAL FINANCIAL ASSETS		47,410,964	28,288,472
REPRESENTED BY			
Fund balance b/fwd		28,288,472	22,650,882
Surplus/Deficit for the year (from stm of receipt & expenditure		19,122,492	5,637,590
NET LIABILITIES		47,410,964	28,288,472

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RANGWE NGCDF financial statements were approved on 2/10 2016 and signed by:



Chairman - NGCDFC



Fund Account Manager



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-
RANGWE CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2016**

VI. STATEMENT OF CASHFLOW

		2015-2016	2014-2015
		Kshs	Kshs
Receipts for operating income			
Transfers from Other Government Entities	1	110,808,485	103,326,699
Other Revenues			
		110,808,485	103,326,699
Payments for operating expenses			
Compensation of Employees	2	1,799,428	1,449,700
Use of goods and services	3	7,354,812	8,798,829
Transfers to Other Government Units	4	44,250,000	44,532,902
Other grants and transfers	5	37,281,753	42,907,677
Other Payments			
		90,685,993	97,689,108
Adjusted for			
Adjustments during the year			
Net cash flow from operating activities		19,991,041	5,637,591
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets			
Acquisition of Assets		(1,000,000)	
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		19,122,492	
Cash and cash equivalent at BEGINNING of the year		28,288,472	22,650,881
Cash and cash equivalent at END of the year		47,410,964	28,288,472

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RANGWE NGCDF financial statements were approved on 21/10 2016 and signed by:



Chairman NGCDF



Fund Account Manager



VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilizations Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	110,157,021	28,288,472	138,445,493	110,808,485	27,505,557	80%
Proceeds from Sale of Assets			-	-	-	
Other Receipts(balance b/d)		-	-	-	-	
TOTAL RECEIPTS	110,157,021	28,288,472	138,445,493	110,808,485	27,505,557	80%
PAYMENTS						
Compensation of Employees	2,196,920		2,196,920	1,799,428	397,492	81%
Use of goods and services	6,598,123		6,598,123	7,354,812	(756,302)	111%
Transfers to Other Government Units	54,821,425		54,821,425	44,250,000	10,571,425	81%
Other grants and transfers	44,640,553		44,640,553	37,281,753	7,227,349	84%
Acquisition of Assets	1,900,000		1,900,000	1,000,000	900,000	53%
TOTAL PAYMENTS	110,157,021	28,288,472	138,445,493	91,685,993	18,339,964	66%

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.

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.

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, 2016.

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

**Reports and Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2015-2016	2014 - 2015
	Kshs	Kshs
A. 750373		7,300,000
A. 759522		18,694,541
A. 796637		14,596,724
A. 796859		11,397,816
A. 797156		25,994,541
A. 796147		25,343,077
A. 820638	10,000,000	
A. 796358	10,000,000	
A. 796297	10,000,000	
A. 724031	651,464	
A. 820781	25,000,000	
A. 825664	27,000,000	
A. 825767	28,157,021	
TOTAL	110,808,485	103,326,699

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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**Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2015-2016		2014 - 2015
	Kshs		Kshs
Basic wages of contractual employees	1,315,840.00		1,288,300.00
Basic wages of casual labour			
Personal allowances paid as part of salary			
House allowance		-	
Transport allowance	483,588.00		-
Social security benefit			
Leave allowance		-	
Other personnel payments		-	
Total	1,799,428.00		1,288,300.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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**Reports and Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2015-2016	2014 - 2015
	Kshs	Kshs
Utilities, supplies and services	2,151,812.00	279,460.00
Office rent		-
Communication, supplies and services		-
Domestic travel and subsistence		-
Printing, advertising and information supplies & services		-
Rentals of produced assets		-
Training expenses	5,203,000.00	5,363,958.00
Committee allowances		-
Hospitality supplies and services		338,010.00
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services		1,345,541.00
Fuel ,oil & lubricants		85,260.00
Other operating expenses		1,386,600.00
Routine maintenance – vehicles and other transport equipment		-
Routine maintenance – other assets		-
Total	7,354,812.00	8,798,829.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2015-2016	2014 - 2015
	Kshs	Kshs
Transfers to primary schools	17,550,000.00	18,950,143.00
Transfers to secondary schools	23,300,000.00	19,900,000.00
Transfers to Tertiary institutions	1,100,000.00	
Transfers to Health institutions	2,300,000.00	5,682,759.00
Total	44,250,000	44,532,902

5. OTHER GRANTS AND OTHER PAYMENTS

Item	2015-2016	2014 - 2015
	Kshs	Kshs
Bursary –Secondary	15,122,344	16,857,209
Bursary -Tertiary/Universities	7,399,817	5,624,438
Bursary-Special schools	20,000	18,000
Mocks & CAT		-
Water	1,500,000	5,500,000
food security		-
Electricity		-
Security	850,000	2,598,786
Roads	4,000,000	6,020,000
Sports	2,567,400	1,835,500
Environment	1,303,192	648,000
Emergency Projects	4,519,000	3,805,744
Total	37,281,753	42,907,677



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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**Reports and Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2015 - 2016	2014 - 2015
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,000,000	4,227,500
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	498,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	6,900,000
Acquisition of Intangible Assets	-	-
Total	1,000,000	11,625,500



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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**Reports and Financial Statements
For the year ended June 30, 2016**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER PAYMENTS

Specify	2015 - 2016 Kshs	2014 - 2015 Kshs

8: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2015 - 2016 Kshs	2014 - 2015 Kshs
Equity Bank, 0980261940653. KSH	47,410,964	28,288,472
	-	-
	-	-
	-	-
	47,410,964	28,288,472
CASH IN HAND		
	2015 - 2016	2014 - 2015
	Kshs	Kshs
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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

For the year ended June 30, 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9: OUTSTANDING IMPRESTS

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

0

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

12 Retention			
Supplier/Contractor	PV no	2015 - 2016	2014 - 2015
		Kshs	Kshs
TOTAL			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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**Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. BALANCES BROUGHT FORWARD

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts		
Cash in hand		
Imprest	-	-
Total	<hr/>	<hr/>

[Provide short appropriate explanations as necessary]

11. PRIOR YEAR ADJUSTMENTS

	2015 - 2016	2014 - 2015
	Kshs	Kshs
Bank accounts	-	350,000
Cash in hand	-	-
Imprest	-	-
Total	<hr/> -	<hr/> 350,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE
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**Reports and Financial Statements
For the year ended June 30, 2016**

12. OTHER IMPORTANT DISCLOSURES

12.1: PENDING ACCOUNTS PAYABLE

	2015- 2016	2014 - 2015
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

12.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify) Contractual Employees	567,000	378,000
	<hr/>	<hr/>
	567,000	378,000
	<hr/> <hr/>	<hr/> <hr/>

15.3: OTHER PENDING PAYABLES (See Annex 3)

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2016



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 2015	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 CONSTITUENCIES DEVELOPMENT FUND – RANGWE CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2016

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 2015	Comments
		a	B	c	d=a-c		Gratuity payments
1. Alphonse Odhiambo		136,080.00	Sept, 2015	0.00	136,080.00	90,720.00	Gratuity payments
2. Mercy Oguta		113,400.00	Sept, 2015	0.00	113,400.00	75,600.00	Gratuity payments
3. Janet Achieng		90,720.00	Sept, 2015	0.00	90,720.00	60,480.00	Gratuity payments
4. Kenhastings Ochieng		113,400.00	Sept, 2015	0.00	113,400.00	75,600.00	Gratuity payments
5. Fred Omondi		113,400.00	Sept, 2015	0.00	113,400.00	75,600.00	Gratuity payments
6. Jacton Omondi		130,200.00					
Total		567,000.00			567,000.00	378,000.00	



ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Item Description	Serial no. /Registration	Year of Purchase	Historical cost	
				2015/16 (Kshs)	2014/15 (Kshs)
Motor vehicle (1)	CDF/RAN/MV/001	LAND ROVER DTI GKA 624T	2008 / 2009	4,200,000.00	4,200,000.00
CDF Office at Rangwe (1)	CDF/RAN/OF/001		2011	11,352,286.00	10,352,286.00
Deskjet Printer (1)	CDF/RAN/PR/002	HP F2280 (all in one)	2010 / 2011	8,000.00	8,000.00
Laserjet Printer (1)	CDF/RAN/PR/001	HPP2055B	2010 / 2011		
Desktop Computer	CDF/RAN/COM/001	HP CZC0106SMK	2010 / 2011	Supplied by the Board	
UPS (1)	CDF/RAN/UPS/001	40074510905	2010 / 2011		
Chairs – High back (6)	CDF/RAN/HBC/001 - 006	Leather	2008 / 2009		
Conference tables (3)	CDF/RAN/CT/001 -003	Wooden	2008 / 2009		

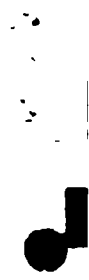


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE CONSTITUENCY

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For the year ended June 30, 2016

Office tables (5)	CDF/RAN/OT/001 - 005	Wooden	2008 / 2009		
Arm chairs (14)	CDF/RAN/AC/001 - 014	Leather	2008 / 2009	700,000.00	700,000.00
Cabinets (2)	CDF/RAN/CBNT/001 - 002	Metalic	2008 / 2009		
Secretary Chair (1)	CDF/RAN/SC/001	Cushioned	2008 / 2009		
Scanner	CDF/RAN/SCAN/001	HP 5590 CN2BPVH03Q	2013 / 2014		
Keyboard (Hp)	CDF/248/RAN/KBD/001	BCYU0HACP7VM3T	2014/2015		
	CDF/248/RAN/KBD/002	BCYUH0ACP7VN2S	2014/2015		





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	CDF/248/RAN/KBD/003	BCYUH0ACP7VAK4	2014/2015		
Monitor (Hp)	CDF/248/RAN/MTR/001	3CQ4491FXJ	2014/2015		
	CDF/248/RAN/MTR/002	3CQ4491FY4	2014/2015		
	CDF/248/RAN/MTR/003	3CQ4381BSL	2014/2015		
CPU (Hp)	CDF/248/RAN/CPU/001	SGH504Q158	2014/2015		
	CDF/248/RAN/CPU/002	SGH504Q1BR	2014/2015		

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	CDF/248/RAN/CPU/003	SGH504Q1CC	2014/2015	
Laptop (Toshiba)	CDF/248/RAN/LPT/003	1F331468C	2014/2015	
Total			16,260,286	15,260,286

Prepared by:



Victor Omondi,
Fund Account Manager
Rangwe

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)
KSM/RCDF/2014/2015(2)	Ksh 19,900,000 disbursed to various projects that is; St. Josephine Bhakita Girls sec. school, Luora mixed sec school, Odiya primary school, St. Marys Kachar Girls. In all the mentioned projects, cracks were noticed on the walls	Value for money was not realised	Victor Ouma - FAM	resolved	June,24,2016
KSM/RCDF/2014/2015(2)	Of A total Ksh 5,682,902 transferred to health institutions namely; Nduga Dispensary, Wikoteng Dispensary, Oneno Dispensary, ndiru Dispensary and Rangwe Dispensary. The contract documents were not presented for audit and verification	Propriety of the expenditures could not be confirmed	Victor Ouma - FAM	Resolved	May, 9, 2016

