

REPUBLIC OF KENYA



*Paper laid*  
*By Hon. Chn. Aden Duha (MP)*  
*24/10/2018*  
*Wednesday*  
*Attorney*  
*Slating*  
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OFFICE OF THE AUDITOR-GENERAL

REPORT

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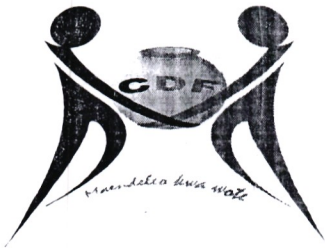
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND RUNYENJES  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2017



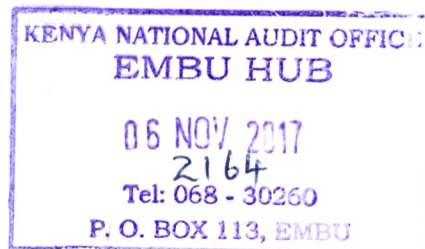
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-  
RUNYENJES CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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



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



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – RUNYENJES  
CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2017**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

**KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**Background information**

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Development Fund (CDF) was established under the Constituencies Development Fund (CDF) Act, 2003, amended in 2007 and repealed by the CDF Act of 2013.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

**Key Management**

The *RUNYENJES Constituency's NG-CDF* day-to-day management is under the following key organs:

Constituencies Development Fund Board (NG-CDFB)  
Constituency Development Fund Committee (NG-CDFC)

**Fiduciary Management**

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

| No. | Designation        | Name                           |
|-----|--------------------|--------------------------------|
| 1.  | Accounting Officer | <b>Yusuf Mbuno</b>             |
| 2.  | A.I.E holder       | <b>Paul Thiga</b>              |
| 3.  | Accountant         | <b>Sebastian Kiarie Nthiga</b> |

**Fiduciary Oversight Arrangements**

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

**RUNYENJESNG-CDF Headquarters**

P.O. Box 518 Runyenjes  
CDF Building  
Along Embu-Meru Road Next to Runyenjes sub county H/Qs  
RUNYENJES, KENYA

***NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY***

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

**RUNYENJESNG-CDF Contacts**

Telephone: (254) 732 886 705  
E-mail: [cdfrunyenjes@gmail.com](mailto:cdfrunyenjes@gmail.com)  
Website: [www.cdfrunyenjes.co.ke](http://www.cdfrunyenjes.co.ke)

**RUNYENJESNG-CDF Bankers**

Kenya Commercial Bank  
Embu Branch  
A/C no. 1158881193

**Independent Auditors**

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

**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- RUNYENJES  
CONSTITUENCY**

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

**FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY  
DEVELOPMENT FUND COMMITTEE (NG-CDFC)**

**Budget Performance against Actual Amounts for Current Year Based On Economic  
Classification and Programmes**

In the financial year 2016/17, Runyenjes CDF was allocated Kshs.81,896,552.72 With  
Kshs.7,370,689.65 going to recurrent expenses and the balance to development projects as follows;

| <b>Sector</b>         | <b>Amount (Kshs)</b> |
|-----------------------|----------------------|
| Primary schools       | 21,900,000           |
| Secondary schools     | 600,000              |
| Tertiary institutions | 150,000              |
| Security              | 4,200,000            |
| Bursary               | 28,663,793           |
| Electricity           | 13,279,313           |
| Other statutory       | 13,103,445           |

A total of Kshs.96,344,078 has been spent on various projects as follows in the financial year  
2016/17 as follows;

| <b>Item</b>                         | <b>Amount (Kshs.)</b>    |
|-------------------------------------|--------------------------|
| Compensation of employees           | 1,918,474                |
| Use of goods and services           | 8,558,989                |
| Transfers to Other Government Units | 26,065,592               |
| Other grants and transfers          | <u>59,801,023</u>        |
| <b>Total</b>                        | <b><u>96,344,078</u></b> |

**Key achievements for the Runyenjes NG-CDF**

The NG-CDFC has realised the following key achievements in the course of NG-CDF projects  
implementation in the year 2016/17;

- The CDFC has paid fees to many students in the form of bursaries leading to higher retention of students in learning institutions thus enhancing performance.
- Construction and renovation in education institutions leading to improved learning environments and thus performance.

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

- Construction and renovation of A.P. lines and chiefs' offices thus leading to enhanced security and officers' morale.

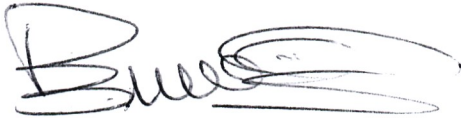
**Emerging issues related to the Runyenjes NG-CDF**

- Conflict between county governments and NG-CDF in co-funded projects.

**Implementation challenges and recommended way forward.**

- Insufficient funding to constituency as compared to the requirements.
- Local politics surrounding projects implementation.
- Price fluctuations of materials.
- Poor record keeping by PMC's

*Sign*



**CHAIRMAN NG-CDFC**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

**STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that NG-CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Runyenjes *NG-CDF* is responsible for the preparation and presentation of the *NG-CDF's* financial statements, which give a true and fair view of the state of affairs of the *NG-CDF* for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *NG-CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Runyenjes *NG-CDF* accepts responsibility for the *NG-CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NG-CDF's* financial statements give a true and fair view of the state of *NG-CDF's* transactions during the financial year ended June 30, 2017, and of the *NG-CDF's* financial position as at that date. The Accounting Officer in charge of the Runyenjes *NG-CDF* further confirms the completeness of the accounting records maintained for the *NG-CDF*, which have been relied upon in the preparation of the *NG-CDF's* financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The *NG-CDF's* financial statements were approved and signed by the Accounting Officer on

18/8/ 2017.



Fund Account Manager



NG-CDFC Chairman



# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Runyenjes Constituency set out on pages 6 to 24, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of summary appropriation: recurrent and development for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Runyenjes Constituency as at 30 June 2017, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

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

#### Basis for Qualified Opinion

##### 1. Accuracy and Completeness of the Financial Statement

The statement of receipts and payments for the year under review did not reflect the 2015/2016 comparative balance in respect to committee expenses. However, the audited financial statements for the financial year 2015/2016 reflects a committee

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*Report of the Auditor-General on the financial statements of National Government Constituencies Development Fund-Runyenjes Constituency for the year ended 30 June 2017*

expense balance of Kshs.1,979,000 resulting in unexplained and unreconciled difference of Kshs.1,979,000.

In the circumstances, the accuracy of the financial statements balances as at 30 June 2017 could not be ascertained.

## **2. Irregular and Unsupported Electricity Projects Expenditure**

The statement of receipts and payments reflects a balance of Kshs.59,801,023 in respect to other grants and transfers which included Kshs.20,279,313 paid to Rural Electricity Authority for implementation of nineteen (19) electricity projects within the Constituency. However, no records were made available to confirm that there was user request in the form of ward committees requests for the electricity projects including how the respective areas were identified and prioritized by the Constituency Development Fund Committee (CDFC) as required by Section 27 (2) of the National Government Constituencies Development Fund Act, 2015. It was therefore not possible to ascertain that the projects were implemented in the most needy areas through prioritization and public participation as required by Section 27 (1) of the NGCDF Act 2015

Further, documents made available for audit review showed that the projects were to be implemented jointly with Rural Electrification Authority by contributing equally towards funding the projects. However, details of the works to be done including design, survey report, scope of work, names of the contractors, contract agreements, duration of the projects and minutes of project implementation committee were not provided for audit review. In addition, no documents were made available to show that project management committee was appointed as required by Section 36 of the NGCDF Act, 2015. It was therefore not possible to ascertain that there was effective monitoring and follow up of the projects.

In the circumstances, the propriety and value for money of the Kshs.20,279,313 electricity projects expenditure as at June 2017 could not be ascertained.

## **3. Irregular Application of Emergency Funds**

Note 6 to the financial statements reflects a balance of Kshs.1,714,100 in respect to emergency projects which include Kshs.482,550 spent on completion of a water tank in Kagaari south water project. Further, the CDFC paid Kshs.231,550 to Eagle Twenty Enterprises for supply of 421 pieces of 1 ¼ inch PVC pipes class C for installation of a subline in Ndamunge Water Project to serve the area between Gitare shopping Centre and Kagaari.

However, the NGCDF Regulations 2016, Section 8(3) defines an emergency as unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. The expenditure of Kshs.482,550 and Kshs.231,550 both totaling to Kshs.714,100 did not appear to be of emergency nature as they did not meet the conditions set by Section 8(3) of the NGCDF regulations 2016.

In the circumstances, the Fund was in breach of law and the Kshs.714,100 expenditure as at 30 June 2017 was therefore irregular..

#### **4. Unacknowledged Bursaries**

Note 6 to the financial statement reflects bursaries totaling to Kshs.25,707,610 comprising of Kshs.15,846,410 and Kshs.9,861,200 disbursed to Secondary Schools and Tertiary Institutions respectively as at 30 June 2017. However, only bursaries totaling Kshs.23,459,945 (91.26%) were acknowledged by the respective beneficiaries through letters of acknowledgement or issue of official receipts leaving a balance of Kshs.2,247,665 (8.74%) unacknowledged by the beneficiary institutions.

Under the circumstance, it has not been possible to ascertain whether the bursaries amounting to Kshs.2,247,665 benefited the intended beneficiaries and were expended as appropriated.

#### **5. Un Procedural Implementation of Projects**

Note 6 to the financial statements reflects a balance of Kshs.3,100,000 for security projects comprising of Kshs.2,200,000 to Runyenjes AP Line, Kshs.600,000 to District Criminal Investigation Officer (DCIO) Runyenjes and Kshs.300,000 to Kiangungi Assistant Chief's office. However, records made available for audit review and physical verification of the projects revealed that the projects were implemented without preparing work plan, progress report and certificate of work done to certify payments at every stage. In the absence of the technical documentation, it was not possible to quantify the payments for work done.

In the circumstances, it was not possible to confirm the propriety and value for money for the Kshs.3,100,000 expenditure as at 30 June 2017.

#### **6. Transfer to Secondary School- Stalled Projects**

Records made available showed that thirty-one (31) projects with a total budget of Kshs.31,480,000 which were funded during the financial year 2015/2016 had not been completed. However, no budgetary allocation was provided during the year under review to enable completion of these projects contrary to Section- 46(2) of NGCDF Act, 2015. A Physical verification of the thirty-one (31) projects done between 28 August and 8 September 2017 revealed that the projects had stalled due to lack of funding. No reasons were availed as to why these projects were not funded during the year. The stalled projects may lead to possible wasteful expenditure.

As a result, the Constituents have not received value for money in respect to the thirty-one (31) projects worth Kshs.31,480,000 as at 30 June 2017.

#### **7. Delay in Implementation of Projects**

Records made available for audit review including the project implementation status showed that Kshs.600,000 was paid on 13 January 2016 in respect to two (2) projects namely Kathari Assistant Chiefs office and Njeruri Assistant chiefs office. However, a

physical verification done on 8 September 2017 revealed that the projects had not started. Although it was explained that the projects delayed due to non-availability of land earmarked to undertake the projects due to legal and other reasons, it was not clear why the NGCDF- Runyenjes Constituency paid funds to such projects without confirming availability of land.

In the circumstances, the Fund is yet to receive value for money equivalent to the Kshs.600,000 payment as at 30 June 2017.

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

### Key Audit Matters

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

### Other Matter

#### 1. Budget Control and Performance

The combined summary statement of appropriation reflected budgeted receipts totaling to Kshs.143,451,942 comprising of Kshs.81,896,552 approved budget for 2016/17, Kshs.53,050,362 which was budgeted for in 2015/16 but released in 2016/17 and a cash balance of Kshs.8,505,027 brought forward from 2015/16. However, out of the approved budget of Kshs.81,896,552, for the year only, Kshs.50,948,276 (62.2%) was disbursed during the year resulting in revenue shortfall of Kshs.30,948,276 (37.8%). Further, out of the Kshs.143,451,942 total available budget for the year only Kshs.96,344,078 (67.5%) was spent during the year while Kshs.46,672,314 remained unutilized as at 30 June 2017 as shown below.

| Item                     | Original Budget (Kshs) | Adjustments (Kshs) | Final Budget (Kshs) | Actual (Kshs)      | Variance (Kshs)   | Performance (%) |
|--------------------------|------------------------|--------------------|---------------------|--------------------|-------------------|-----------------|
| Balance b/f              |                        | 8,505,027          | 8,505,027           | 8,505,027          | 0                 |                 |
| Transfers from CDF Board | 81,896,552             | 53,050,362         | 134,946,914         | 103,998,639        | 30,948,275        | 77.1%           |
| Other Receipts           |                        |                    | 0                   | 435,550            | (435,550)         | -<br>100.0<br>% |
| <b>Projected income</b>  | <b>81,896,552</b>      | <b>61,555,389</b>  | <b>143,451,941</b>  | <b>112,939,216</b> | <b>30,512,725</b> | <b>78.7%</b>    |

|                                     |                   |                   |                    |                   |                   |              |
|-------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------|
| Compensation of employees           | 1,550,000         | 1,416,173         | 2,966,173          | 3,211,423         | (245,250)         | 108.3 %      |
| Use of goods & services             | 5,820,690         | 6,679,753         | 12,500,443         | 8,156,220         | 4,344,223         | 65.2%        |
| Transfers to other Government Units | 22,650,000        | 9,378,244         | 32,028,244         | 27,065,592        | 4,962,652         | 84.5%        |
| Other Grants & Transfers            | 51,875,862        | 44,081,219        | 95,957,081         | 58,341,613        | 37,615,468        | 60.8%        |
| Other payments                      |                   |                   | 0                  | 4,779             | (4,779)           | -<br>100.0 % |
| <b>Total</b>                        | <b>81,896,552</b> | <b>61,555,389</b> | <b>143,451,941</b> | <b>96,779,627</b> | <b>46,672,314</b> | <b>67.5%</b> |

The residents of Runyenjes Constituency did not therefore get expected services amounting to Kshs.46,672,314. Further, out of the above Kshs.112,939,216 actual funds available during the year, only Kshs.96,344,078 was spent while Kshs.16,159,589 remained unutilized as at 30 June 2017 which also impacted on expected services to the constituents.

## 2. Un implemented Projects

The management of the Fund approved a development budget of Kshs.74,525,862 which was apportioned among projects in various sectors within the Constituency namely education, sports, bursary, electrification, security, and emergencies.

However, a review of the project implementation status report as at 30 June 2017 revealed that out of the sixty four (64) projects worth Kshs.74,525,862 budgeted to be undertaken during the year under review, only four (4) projects worth Kshs.2,280,000 were completed, forty two (42) projects worth Kshs.61,607,931 were on going while eighteen (18) projects worth Kshs.10,637,931 had not started as shown below.

| Sector           | Project Status | Amount Allocated (Kshs) | Amount Disbursed (Kshs.) | Number Of Projects |
|------------------|----------------|-------------------------|--------------------------|--------------------|
| <b>Education</b> | Completed      | 2,280,000               | 2,280,000                | 4                  |
|                  | Ongoing        | 11,470,000              | 5,320,000                | 31                 |
|                  | Not Started    | 8,900,000               | 900,000                  | 16                 |
|                  | <b>Total</b>   | <b>22,650,000</b>       | <b>8,500,000</b>         | <b>51</b>          |
| <b>Sport</b>     | Completed      | 0                       | 0                        | 0                  |
|                  | Ongoing        | 0                       | 0                        | 0                  |
|                  | Not Started    | 1,637,931               | 0                        | 1                  |
|                  | <b>Total</b>   | <b>1,637,931</b>        | <b>0</b>                 | <b>1</b>           |
| <b>Bursary</b>   | Completed      |                         | 0                        | 0                  |
|                  | Ongoing        | 28,663,793              | 17,798,271               | 1                  |
|                  | Not Started    | 0                       | 0                        | 0                  |
|                  | <b>Total</b>   | <b>28,663,793</b>       | <b>17,798,271</b>        | <b>1</b>           |

|                        |                    |                   |                   |           |
|------------------------|--------------------|-------------------|-------------------|-----------|
| <b>Security</b>        | Completed          | 0                 | 0                 | 0         |
|                        | Ongoing            | 4,100,000         | 2,900,000         | 8         |
|                        | Not Started        | 100,000           | 0                 | 1         |
|                        | <b>Total</b>       | <b>4,200,000</b>  | <b>2,900,000</b>  | <b>9</b>  |
| <b>Electrification</b> | Completed          | 0                 | 0                 | 0         |
|                        | Ongoing            | 13,279,313        | 13,279,313        | 1         |
|                        | Not Started        | 0                 | 0                 | 0         |
|                        | <b>Total</b>       | <b>13,279,313</b> | <b>13,279,313</b> | <b>1</b>  |
| <b>Emergency</b>       | Completed          | 0                 | 0                 | 0         |
|                        | Ongoing            | 4,094,824.59      | 1,100,000.00      | 1         |
|                        | Not Started        | 0                 | 0                 | 0         |
|                        | <b>Total</b>       | <b>4,094,825</b>  | <b>1,100,000</b>  | <b>1</b>  |
|                        | <b>Grand Total</b> | <b>74,525,862</b> | <b>43,577,584</b> | <b>64</b> |

The residents of Runyenjes Constituency did not therefore get the expected services equivalent to Kshs.10,637,931 being the budgeted for but unimplemented projects as at 30 June 2017.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the NGCDF- Runyenjes Constituency's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting, unless the management either intends 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.

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



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

**Nairobi**

**10 October 2018**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

**STATEMENT OF RECEIPTS AND PAYMENTS**

|   | Note | 2016 – 2017<br>Kshs. | 2015 – 2016<br>Kshs |
|---|------|----------------------|---------------------|
| <b>RECEIPTS</b>                         |      |                      |                     |
| Transfers from CDF board-AIEs' Received | 1    | 103,998,639          | 101,598,394         |
| Other Receipts                          | 2    |                      | 11,325              |
|   |      |                      |                     |
| <b>TOTAL RECEIPTS</b>                   |      | <b>103,998,639</b>   | <b>101,609,720</b>  |
| <b>PAYMENTS</b>                         |      |                      |                     |
|   |      |                      |                     |
| Compensation of employees               | 3    | 1,918,474            | 1,733,827           |
| Use of goods and services               | 4    | 8,558,989            | 4,582,502           |
| Transfers to Other Government Units     | 5    | 26,065,592           | 67,137,931          |
| Other grants and transfers              | 6    | 59,801,023           | 26,279,600          |
| Other Payments                          | 7    | -                    | 322,160             |
|   |      |                      |                     |
| <b>TOTAL PAYMENTS</b>                   |      | <b>96,344,078</b>    | <b>100,056,020</b>  |
|   |      |                      |                     |
| <b>SURPLUS/DEFICIT</b>                  |      | <b>7,654,561</b>     | <b>1,553,700</b>    |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RUNYENJESNG-CDF financial statements were approved on 18/8/ 2017 and signed by:

  
Chairman - CDFC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

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

**STATEMENT OF ASSETS**

|                                       | Note | 2016 – 2017<br>Kshs. | 2015 – 2016<br>Kshs |
|---------------------------------------|------|----------------------|---------------------|
| <b>FINANCIAL ASSETS</b>               |      |                      |                     |
| <b>Cash and Cash Equivalents</b>      |      |                      |                     |
| Bank Balances ( as per the cash book) | 8A   | 15,851,656           | 8,274,561           |
| Cash Balances (cash at hand)          | 8B   | 194,432              | 162,466             |
| Outstanding Imprests                  | 9    | 113,500              | 68,000              |
|                                       |      |                      |                     |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>16,159,588</b>    | <b>8,505,027</b>    |
|                                       |      |                      |                     |
| <b>REPRESENTED BY</b>                 |      |                      |                     |
| Fund balance b/fwd 1st July...        | 10   | 8,505,027            | 6,951,327           |
| Surplus/Deficit for the year          |      | 7,654,561            | 1,553,700           |
|                                       |      |                      |                     |
| <b>NET LIABILITIES</b>                |      | <b>16,159,588</b>    | <b>8,505,027</b>    |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RUNYENJES NG-CDF financial statements were approved on 18/8 2017 and signed by:

  
Chairman - CDFC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

**STATEMENT OF CASHFLOW**

|  |    | <b>2016 – 2017<br/>Kshs.</b> | <b>2015 – 2016<br/>Kshs</b> |
|--|----|------------------------------|-----------------------------|
| <b>Receipts for operating income</b>                         |    |                              |                             |
| Transfers from CDF Board                                     | 1  | 103,998,639                  | 101,598,394                 |
| Other Receipts   | 2  |                              | 11,325                      |
|  |    | <b>103,998,639</b>           | <b>101,609,720</b>          |
| <b>Payments for operating expenses</b>                       |    |                              |                             |
| Compensation of employees                                    | 3  | 1,918,474                    | 1,733,827                   |
| Use of goods and services                                    | 4  | <b>8,558,989</b>             | 4,582,502                   |
| Transfers to Other Government Units                          | 5  | 26,065,592                   | 67,137,931                  |
| Other grants and transfers                                   | 6  | 59,801,023                   | 26,279,600                  |
| Other Payments   | 7  | -                            | 322,160                     |
|  |    | <b>96,344,078</b>            | <b>100,056,020</b>          |
| <b>Net cash flow from operating activities</b>               |    | <b>7,654,561</b>             | <b>1,553,700</b>            |
| <b>NET INCREASE IN CASH AND CASH<br/>EQUIVALENT</b>          |    | <b>7,654,561</b>             | <b>1,553,700</b>            |
| <b>Cash and cash equivalent at BEGINNING<br/>of the year</b> | 10 | <b>8,505,027</b>             | <b>6,951,327</b>            |
| <b>Cash and cash equivalent at END of the<br/>year</b>       |    | <b>16,159,588</b>            | <b>8,505,027</b>            |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The RUNYENJES NG-CDF financial statements were approved on

18/8/ 2017 and signed by:

  
Chairman CDFC

  
Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

| Receipt/Expense Item                | Original Budget   | Adjustments       | Final Budget       | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|-------------------|-------------------|--------------------|----------------------------|-------------------------------|------------------|
|                                     | a                 | b                 | c=a+b              | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                     |                   |                   |                    |                            |                               |                  |
| Balance b/f                         |                   | 8,505,027         | 8,505,027          | 8,505,027                  | -                             |                  |
| Transfers from CDF Board            | 81,896,552        | 53,050,362        | 134,946,914        | 103,998,639                | 30,948,275                    | 77.07            |
| Other Receipts                      |                   |                   |                    |                            |                               |                  |
| <b>Total</b>                        | <b>81,896,552</b> | <b>61,555,389</b> | <b>143,451,941</b> | <b>112,503,666</b>         | <b>30,948,275</b>             | <b>78.43</b>     |
| <b>PAYMENTS</b>                     |                   |                   |                    |                            |                               |                  |
| Compensation of Employees           | 1,550,000         | 2,123,519         | 3,673,519          | 1,918,474                  | 1,755,045                     | 52.22            |
| Use of goods and services           | 5,820,690         | 8,016,839         | 13,837,529         | 8,558,989                  | 5,278,540                     | 61.85            |
| Transfers to Other Government Units | 22,650,000        | 13,465,592        | 36,115,592         | 26,065,592                 | 10,050,000                    | 72.17            |
| Other grants and transfers          | 51,875,862        | 37,949,439        | 89,825,301         | 59,801,023                 | 30,024,278                    | 66.57            |
| Social Security Benefits            |                   |                   |                    |                            |                               |                  |
| Acquisition of Assets               |                   |                   |                    |                            |                               |                  |
| Other Payments                      |                   |                   |                    |                            |                               |                  |
| <b>TOTALS</b>                       | <b>81,896,552</b> | <b>61,555,389</b> | <b>143,451,942</b> | <b>96,344,078</b>          | <b>47,107,865</b>             | <b>67.16</b>     |

Commentary on significant underutilization (below 50% of utilization) and any overutilization]

The underutilization noted under other payments resulted from delay in release of funds from NG-CDFB. 36.6% of 2016/17 allocation not received at the close of the 2016/17 financial year.

The RUNYENJESNG-CDF financial statements were approved on 18/8/ 2017 and signed by:



**Chairman NG-CDF**



**Fund Account Manager**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

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

**SIGNIFICANT ACCOUNTING POLICIES**

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

**Statement of compliance and basis of preparation**

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

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

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

**Recognition of revenue and expenses**

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

**In-kind contributions**

In-kind contributions are donations that are made to the NG-CDF in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the NG-CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**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)*

**Pending bills**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

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

**Budget**

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

**Comparative figures**

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

**Subsequent events**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES**

| Description               | A.I.E. NO.      | 2016 – 2017<br>Kshs. | 2015 – 2016<br>Kshs |
|---------------------------|-----------------|----------------------|---------------------|
| Receipts from NGCDF Board | A825888/A796002 | 47,550,362           | 24,799,197          |
| Receipts from NGCDF Board | A829987/A796150 | 4,094,828            | 21,654,197          |
| Receipts from NGCDF Board | A825969/A724185 | 5,500,000            | 3,145,000           |
| Receipts from NGCDF Board | A855082/A796448 | 36,853,449           | 30,000,000          |
| Receipts from NGCDF Board | A839696/A820782 | 10,000,000           | 22,000,000          |
| <b>TOTAL</b>              |                 | <b>103,998,639</b>   | <b>101,598,394</b>  |

**2 OTHER RECEIPTS**

| Description   | 2016 – 2017<br>Kshs | 2015 – 2016<br>Kshs |
|---|---------------------|---------------------|
| Other Receipts Not Classified Elsewhere (specify)-<br>Untransferred bal |                     | (0.02)              |
| Reversal-K.C.B./coop bank   |                     | 5,200               |
| Underpaid chq   |                     | 500                 |
| Reversal-comm. D. txs   |                     | 5,625               |
| <b>Total</b>  |                     | <b>11,325</b>       |

**3 COMPENSATION OF EMPLOYEES**

| Description                                       | 2016 – 2017<br>Kshs | 2015 – 2016<br>Kshs |
|---|---------------------|---------------------|
| Basic wages of contractual employees              | 1,378,244           | 1,276,137           |
| <b>Personal allowances paid as part of salary</b> |                     |                     |
| Transport allowance                               | 540,230             | 457,690             |
| <b>Total</b>                                      | <b>1,918,474</b>    | <b>1,733,827</b>    |

**4 USE OF GOODS AND SERVICES**

| Description  | 2016 – 2017<br>Kshs | 2015 – 2016<br>Kshs |
|--|---------------------|---------------------|
| Utilities, supplies and services                   | 1,581,486           | 525,872             |
| Training expenses                                  | 2,783,650           | 1,167,260           |
| Insurance costs                                    | 65,853              | 103,985             |
| Fuel ,oil & lubricants                             | 450,000             | 520,000             |
| Routine maintenance – vehicles and other transport | 57,000              | 276,385             |
| Other Committee Expenses                           | 494,100             | 485,000             |
| Committee Allowance                                | 3,126,900           | 1,504,000           |
| <b>Total</b>                                       | <b>8,558,989</b>    | <b>4,582,502</b>    |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

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

**5 TRANSFER TO OTHER GOVERNMENT ENTITIES**

| Description                        | 2016 – 2017<br>Kshs. | 2015– 2016<br>Kshs. |
|------------------------------------|----------------------|---------------------|
| Transfers to Primary schools       | 11,215,592           | 32,987,931          |
| Transfers to Secondary schools     | 8,850,000            | 22,550,000          |
| Transfers to Tertiary institutions | 6,000,000            | 10,600,000          |
| Transfers to Health institutions   |                      | 1,000,000           |
| <b>TOTAL</b>                       | <b>26,065,592</b>    | <b>67,137,931</b>   |

**6 OTHER GRANTS AND OTHER PAYMENTS**

| Description                 | 2016 – 2017<br>Kshs | 2015– 2016<br>Kshs |
|-----------------------------|---------------------|--------------------|
| Bursary -Secondary          | 15,846,410          | 10,533,260         |
| Bursary -Tertiary           | 9,861,200           | 8,796,340          |
| water                       | 9,000,000           | 3,000,000          |
| Agriculture (food security) |                     | 400,000            |
| Electricity projects        | 20,279,313          |                    |
| Security                    | 3,100,000           | 3,350,000          |
| Roads                       | 0                   | 200,000            |
| <b>Emergency Projects</b>   | <b>1,714,100</b>    |                    |
| <b>Total</b>                | <b>59,801,023</b>   | <b>26,279,600</b>  |

**7 OTHER PAYMENTS**

| Description        | 2016 – 2017<br>Kshs | 2015 – 2016<br>Kshs |
|--------------------|---------------------|---------------------|
| CDF Office project |                     | 300,000             |
| Bank charges       |                     | 22,160.00           |
| <b>TOTAL</b>       |                     | <b>322,160</b>      |

**8A: Bank Balances (cash book bank balance)**

| Name of Bank, Account No. & currency   | Account Number | 2016 – 2017<br>Kshs | 2015 – 2016<br>Kshs |
|--|----------------|---------------------|---------------------|
| KCB Embu branch A/C no. /Equity<br>Bank embu Branch A/c no.<br>0190270618472 | 1158881193     | 15,851,656          | 8,274,561           |
| <b>Total</b>   |                | <b>15,851,656</b>   | <b>8,274,561</b>    |

**8B: CASH IN HAND**

|   | 2016 – 2017<br>Kshs. | 2015 – 2016<br>Kshs. |
|---|----------------------|----------------------|
| Other receipts (specify)--Cash with D.A. for office use | 194,432              | 162,466              |
| <b>Total</b>  | <b>194,432</b>       | <b>162,466</b>       |



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

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

**9 OUTSTANDING IMPRESTS**

| <i>Name of Officer</i> | <i>Date imprest taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance (30/6/2017)</i> |
|------------------------|---------------------------|---------------------|---------------------------|----------------------------|
|                        |                           | <b>Kshs.</b>        | <b>Kshs.</b>              | <b>Kshs.</b>               |
| <i>Paul N. Thiga</i>   |                           | 113,500             | -                         | 113,500                    |
| <b>Total</b>           |                           |                     |                           | <b>113,500</b>             |

**10 BALANCES BROUGHT FORWARD**

|               | <b>2016 – 2017<br/>Kshs.</b> | <b>2015 – 2016<br/>Kshs.</b> |
|---------------|------------------------------|------------------------------|
| Bank accounts | 6,951,327                    | 6,008,945                    |
| Cash in hand  | 1,553,700                    | 393,382                      |
| Imprest       | 0                            | 549,000                      |
| <b>Total</b>  | <b>8,505,027</b>             | <b>6,951,327</b>             |

**11 OTHER IMPORTANT DISCLOSURES**

**11.1: NON CURRENT ASSETS (See Annex 1)**

|              | <b>2016-2017<br/>Kshs.</b> | <b>2015-2016<br/>Kshs.</b> |
|--------------|----------------------------|----------------------------|
| Fixed Assets | 10,090,126                 | 10,090,126                 |
| <b>Total</b> | <b>10,090,126</b>          | <b>10,090,126</b>          |

**11.2: RECEIVABLES FROM CDF BOARD (See Annex 2)**

|                           | <b>2016-2017<br/>Kshs.</b> | <b>2015-2016<br/>Kshs.</b> |
|---------------------------|----------------------------|----------------------------|
| Amount Due from CDF Board | 30,948,278                 | 53,050,362                 |
| <b>Total</b>              | <b>30,948,278</b>          | <b>53,050,362</b>          |

**11.3: PAYABLES (See Annex 3)**

|                        | <b>2016-2017<br/>Kshs.</b> | <b>2015-2016<br/>Kshs.</b> |
|------------------------|----------------------------|----------------------------|
| Amount Due to Projects | 47,107,865                 | 61,555,389                 |
| <b>Total</b>           | <b>47,107,865</b>          | <b>61,555,389</b>          |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

**ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER**

| Type Asset                  | Cost              |                   |
|-----------------------------|-------------------|-------------------|
|                             | 2016/17           | 2015/2016         |
| FURNITURE & FITTINGS        | 485,072           | 485,072           |
| PROPERTY, PLANT & EQUIPMENT |                   |                   |
| CDF-OFFICE BUILDING         | 6,066,306         | 6,066,306         |
| OTHER P,P&E                 | 712,838           | 712,838           |
| CDF VEHICLE                 | 2,825,910         | 2,825,910         |
| <b>G. Total</b>             | <b>10,090,126</b> | <b>10,090,126</b> |

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

**CONSTITUENCIES DEVELOPMENT FUND  
INVENTORY OF CDFC ASSETS AS AT 30<sup>TH</sup> JUNE 2017  
CONSTITUENCY RUNYENJES**

**FURNITURE & FITTINGS**

| Type of furniture                      | Asset Number | Asset Serial Number | Acquisition Date | Cost      |
|--|--------------|---------------------|------------------|-----------|
| Office Table                           | 057/CDF/1    | 057/CDF/1/01        | 2004             | 7,000     |
| Office Table                           | 057/CDF/1    | 057/CDF/1/02        | 2004             | 3,000     |
| Office Table                           | 057/CDF/1    | 057/CDF/1/03        | 2004             | 3,000     |
| L-Shape Tables                         |              | 057/CDF/1/04-07     | 27/11/2008       | 34,483    |
| Office Table                           |              | 057/CDF/1/08        | 27/11/2008       | 60,345    |
| Workstation                            |              | 057/CDF/1/09        | 27/11/2008       | 81,724    |
| Coffee Table                           |              | 057/CDF/1/10        | 27/11/08         | 15,517    |
| Conference Table                       |              | 057/CDF/1/011-012   | 01/10/09         | 20,000    |
| Conference Table                       |              | 057/CDF/1/013-014   | 01/10/09         | 19,000    |
| Office Chair                           |              | 057/CDF/2/01        | 2004             | 700       |
| Office Chair                           | 057/CDF/2    | 057/CDF/2/01-02     | 2004             | 500       |
| Office Chair                           | 057/CDF/2    | 057/CDF/2/04-08     | 2008             | 750       |
| Sofa Set                               |              | 057/CDF/4/01        | 27/11/2008       | 168,276   |
| Office Chair                           |              | 057/CDF/2/09-037    | 27/11/08         | 3,966     |
| H/B Leather Chair                      |              | 057/CDF/2/038       | 27/11/08         | 34,483    |
| L/B Leather Chair                      |              | 057/CDF/2/039-040   | 27/11/08         | 13,362    |
| Secretarial W/A                        |              | 057/CDF/2/041-042   | 27/11/08         | 8,621     |
| High Back Office W/A                   |              | 057/CDF/2/043-044   | 27/11/08         | 10,345    |
|  |              |                     |                  |           |
| <b>PROPERTY, PLANT &amp; EQUIPMENT</b> |              |                     |                  |           |
| Type of P,P & E                        | Asset Number | Serial Number       | Acquisition Date | Cost      |
| Cdf-Office Building                    | 057/CDF/3    | 057/CDF/3/01        | 2005-2008        | 6,066,306 |
| Office Cabinet(4drw)                   | 057/CDF/5    | 057/CDF/5/01-03     | 27/11/2008       | 15,517    |
| Exe/Cabinet W/H/Glass                  | 057/CDF/7    | 057/CDF/7/01        | 27/11/2008       | 68,103    |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- RUNYENJES  
CONSTITUENCY**

**Reports and Financial Statements**

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

|                             |            |                       |            |           |
|-----------------------------|------------|-----------------------|------------|-----------|
| Storage Cupboard wooden     |            | 057/CDF/12/01         | 27/11/2008 | 16,206.90 |
| Computers                   | 057/CDF/8  | 057/CDF/8/01-03       | 13/1/09    | 66,700    |
| Printer1005/Lj              | 057/CDF/9  | 057/CDF/9/01-02       | 13/1/09    | 9,500     |
| Fax Machine                 | 057/CDF/10 | 057/CDF/10/01         | 13/1/09    | 17,000    |
| Scanner(Office)             | 057/CDF/11 | 057/CDF/11/01         | 13/1/09    | 7,500     |
| Kyocera Copier 1635         | 057/CDF/13 | 057CDF/13/01          | 13/1/09    | 140,000   |
| Ups-650va                   | 057/CDF/14 | 057/CDF/14/01-03      | 13/1/09    | 8,500     |
| Curtains F/H                | 057/CDF/15 | 057/CDF/15/01         | 11/10/08   | 177,710   |
| Stapler                     | 057/CDF/16 | 057/CDF/16/01-03      | 01/12/09   | 500       |
| Paper Punch                 | 057/CDF/17 | 057/CDF/17/01-02      | 01/12/09   | 600       |
| Flash Disk                  | 057/CDF/19 | 057/CDF/19/01         | 2008       | 1,800     |
| TOYOTA HILUX 4*4 Single Cab | 057/CDF/20 | 057/CDF/20/1-GKA 298U | Apr-10     | 2,825,910 |
| Public Address System       | 057/CDF/21 | 057/CDF/21/01-10      | Apr-10     | 118,700   |
| (Complete With Speakers ,   |            | (AS PER RECEIPT)      |            |           |
| Pwer Cables,Amplifier Etc.  |            |                       |            |           |
| Honda Generator-2.2kva      | 057/CDF/22 | 057/CDF/22/01         | 21/7/2010  | 64,500    |

PREPARED BY: MR. PAUL N. THIGA

CONFIRMED BY: PHINEAS G. KAMWEGA

FUND ACCOUNT MANAGER.....Date.....

NG-CDFC CMAN

DATE...18/8/17

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

**ANNEX 2 - ANALYSIS OF ACCOUNTS RECEIVABLES**

| <b>PROJECT NAME</b>                | <b>2016/2017<br/>ALLOC</b> | <b>A.I.E. 1</b> | <b>A.I.E. 2</b> | <b>BALANCE</b>    |
|------------------------------------|----------------------------|-----------------|-----------------|-------------------|
| Emergency                          | 4,094,825                  | 1,100,000       |                 | <b>2,994,825</b>  |
| Bursary                            | 28,663,793                 | 14,948,961      | 2,849,310       | <b>10,865,522</b> |
| Sports                             | 1,637,931                  |                 |                 | <b>1,637,931</b>  |
| Administration/recurrent-6%        | 4,913,793                  | 2,000,000       | 2,913,793       | -                 |
| Monitoring & Evaluation (M & E) 3% | 2,456,897                  | 1,500,000       | 956,897         | -                 |
| <b>ELECTRICITY PROJECT</b>         | -                          |                 |                 | -                 |
| Rural Electrification Authority    | 13,279,313                 | 13,279,313      |                 | -                 |
| <b>PROJECT(S)</b>                  | -                          |                 |                 | -                 |
| Karurumo pry                       | 300,000                    |                 |                 | <b>300,000</b>    |
| Kasafari Pry                       | 300,000                    |                 |                 | <b>300,000</b>    |
| Kavutiri pry                       | 300,000                    |                 |                 | <b>300,000</b>    |
| Ngeniari pry                       | 200,000                    |                 |                 | <b>200,000</b>    |
| Kithunguthia pry                   | 200,000                    |                 |                 | <b>200,000</b>    |
| St Michael pry-Home                | 100,000                    |                 | 100,000         | -                 |
| Kianjuki pry                       | 300,000                    |                 |                 | <b>300,000</b>    |
| Kigaa Pry                          | 300,000                    | 300,000         |                 | -                 |
| Ndumari Pry                        | 600,000                    |                 |                 | <b>600,000</b>    |
| Macumo pry                         | 600,000                    |                 |                 | <b>600,000</b>    |
| Kangondi pry                       | 200,000                    | 200,000         |                 | -                 |
| Kangondi pry                       | 500,000                    |                 |                 | <b>500,000</b>    |
| Kathugu pry                        | 500,000                    |                 |                 | <b>500,000</b>    |
| Gakwegori pry                      | 600,000                    |                 |                 | <b>600,000</b>    |
| Gichiche pry                       | 400,000                    | 400,000         |                 | -                 |
| Nthagaiya pry                      | 300,000                    |                 |                 | <b>300,000</b>    |
| Nyagari pry                        | 500,000                    |                 |                 | <b>500,000</b>    |
| Ciamanda pry                       | 400,000                    |                 |                 | <b>400,000</b>    |
| Ugweri Pry                         | 300,000                    |                 |                 | <b>300,000</b>    |
| Karumiri pry                       | 700,000                    |                 |                 | <b>700,000</b>    |

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

|                               |           |           |         |                  |
|-------------------------------|-----------|-----------|---------|------------------|
| Matururi Pry                  | 500,000   |           |         | <b>500,000</b>   |
| Kithare pry                   | 500,000   |           |         | <b>500,000</b>   |
| Kianjokoma pry                | 1,000,000 | 1,000,000 |         | -                |
| Kariru Pry                    | 300,000   |           |         | <b>300,000</b>   |
| St phillips                   | 600,000   |           |         | <b>600,000</b>   |
| Keruri pry                    | 500,000   | 500,000   |         | -                |
| Ndumari Pry                   | 300,000   |           |         | <b>300,000</b>   |
| s.a. kyeni pry                | 1,000,000 |           |         | <b>1,000,000</b> |
| Sacred heart pry              | 1,500,000 | 1,500,000 |         | -                |
| Gikuuri pry                   | 500,000   |           | 500,000 | -                |
| kathabaison pry               | 300,000   |           |         | <b>300,000</b>   |
| Kivuria pry                   | 300,000   | 300,000   |         | -                |
| Karue pry                     | 600,000   |           |         | <b>600,000</b>   |
| Ena pry                       | 600,000   |           |         | <b>600,000</b>   |
| Consolata pry kevote          | 400,000   |           | 400,000 | -                |
| Nduuri asst chief             | 100,000   |           |         | <b>100,000</b>   |
| Kanja pry                     | 300,000   |           |         | <b>300,000</b>   |
| Kubukubu pry                  | 500,000   | 500,000   |         | -                |
| Muragari pry                  | 300,000   |           |         | <b>300,000</b>   |
| Mugui pry                     | 300,000   |           | 300,000 | -                |
| Kathugu pry                   | 220,000   | 220,000   |         | -                |
| Kanginga pry                  | 500,000   |           |         | <b>500,000</b>   |
| Karundori pry                 | 800,000   |           |         | <b>800,000</b>   |
| Karumiri pry                  | 200,000   |           |         | <b>200,000</b>   |
| Mugui pry                     | 300,000   |           | 300,000 | -                |
| Gichera pry                   | 300,000   |           |         | <b>300,000</b>   |
| Rukuriri pry                  | 380,000   |           | 380,000 | -                |
| Nguyori pry                   | 1,000,000 | 1,000,000 |         | -                |
| Mbuinjeru pry                 | 300,000   |           |         | <b>300,000</b>   |
| kevote assistant chief office | 100,000   |           |         | <b>100,000</b>   |
| Mbuinjeru asst chief offc     | 200,000   |           |         | <b>200,000</b>   |

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|                                |                   |                   |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Mwenendega asst chief          | 200,000           |                   |                   | <b>200,000</b>    |
| Runyenjes DCIO office          | 600,000           | 600,000           |                   | -                 |
| Runyenjes A.P. Line            | 2,500,000         | 1,000,000         | 1,000,000         | <b>500,000</b>    |
| kiangungi asst chief offc      | 300,000           |                   | 300,000           | -                 |
| Mukuuri assistant chief office | 100,000           |                   |                   | <b>100,000</b>    |
| Kavutiri A.P. line line        | 100,000           |                   |                   | <b>100,000</b>    |
| Mbiruri sec                    | 600,000           | 600,000           |                   | -                 |
| Kanja A.E.O.                   | 150,000           |                   |                   | <b>150,000</b>    |
| <b>Total</b>                   | <b>81,896,552</b> | <b>40,948,274</b> | <b>10,000,000</b> | <b>30,948,278</b> |

**ANNEX 3 - ANALYSIS OF ACCOUNTS PAYABLES**

| <b>PROJECT NAME</b>                                  | <b>2016/2017<br/>ALLOC</b> | <b>A.I.E. 1</b> | <b>A.I.E. 2</b> | <b>BALANCE</b>    |
|--|----------------------------|-----------------|-----------------|-------------------|
| <b>Emergency</b>                                     | 4,094,825                  | 1,100,000       |                 | <b>2,994,825</b>  |
| <b>Bursary</b>                                       | 28,663,793                 | 14,948,961      | 2,849,310       | <b>10,865,522</b> |
| <b>Sports</b>  | 1,637,931                  |                 |                 | <b>1,637,931</b>  |
| <b>Administration/recurrent-<br/>6%</b>              | 4,913,793                  | 2,000,000       | 2,913,793       | -                 |
| <b>Monitoring &amp; Evaluation (M<br/>&amp;E) 3%</b> | 2,456,897                  | 1,500,000       | 956,897         | -                 |
| <b>ELECTRICITY PROJECT</b>                           | -                          |                 |                 | -                 |
| Rural Electrification Authority                      | 13,279,313                 | 13,279,313      |                 | -                 |
| <b>PROJECT(S)</b>                                    | -                          |                 |                 | -                 |
| Karurumo pry   | 300,000                    |                 |                 | <b>300,000</b>    |
| Kasafari Pry   | 300,000                    |                 |                 | <b>300,000</b>    |
| Kavutiri pry   | 300,000                    |                 |                 | <b>300,000</b>    |
| Ngeniari pry   | 200,000                    |                 |                 | <b>200,000</b>    |
| Kithunguthia pry                                     | 200,000                    |                 |                 | <b>200,000</b>    |
| St Michael pry-Home                                  | 100,000                    |                 | 100,000         | -                 |
| Kianjuki pry   | 300,000                    |                 |                 | <b>300,000</b>    |
| Kigaa Pry  | 300,000                    | 300,000         |                 | -                 |
| Ndumari Pry  | 600,000                    |                 |                 | <b>600,000</b>    |
| Macumo pry   | 600,000                    |                 |                 | <b>600,000</b>    |

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|                      |           |           |         |                  |
|----------------------|-----------|-----------|---------|------------------|
| Kangondi pry         | 200,000   | 200,000   |         | -                |
| Kangondi pry         | 500,000   |           |         | <b>500,000</b>   |
| Kathugu pry          | 500,000   |           |         | <b>500,000</b>   |
| Gakwegori pry        | 600,000   |           |         | <b>600,000</b>   |
| Gichiche pry         | 400,000   | 400,000   |         | -                |
| Nthagaiya pry        | 300,000   |           |         | <b>300,000</b>   |
| Nyagari pry          | 500,000   |           |         | <b>500,000</b>   |
| Ciamanda pry         | 400,000   |           |         | <b>400,000</b>   |
| Ugweri Pry           | 300,000   |           |         | <b>300,000</b>   |
| Karumiri pry         | 700,000   |           |         | <b>700,000</b>   |
| Matururi Pry         | 500,000   |           |         | <b>500,000</b>   |
| Kithare pry          | 500,000   |           |         | <b>500,000</b>   |
| Kianjokoma pry       | 1,000,000 | 1,000,000 |         | -                |
| Kariru Pry           | 300,000   |           |         | <b>300,000</b>   |
| St phillips          | 600,000   |           |         | <b>600,000</b>   |
| Keruri pry           | 500,000   | 500,000   |         | -                |
| Ndumari Pry          | 300,000   |           |         | <b>300,000</b>   |
| s.a. kyeni pry       | 1,000,000 |           |         | <b>1,000,000</b> |
| Sacred heart pry     | 1,500,000 | 1,500,000 |         | -                |
| Gikuuri pry          | 500,000   |           | 500,000 | -                |
| kathabaison pry      | 300,000   |           |         | <b>300,000</b>   |
| Kivuria pry          | 300,000   | 300,000   |         | -                |
| Karue pry            | 600,000   |           |         | <b>600,000</b>   |
| Ena pry              | 600,000   |           |         | <b>600,000</b>   |
| Consolata pry kevote | 400,000   |           | 400,000 | -                |
| Nduuri asst chief    | 100,000   |           |         | <b>100,000</b>   |
| Kanja pry            | 300,000   |           |         | <b>300,000</b>   |
| Kubukubu pry         | 500,000   | 500,000   |         | -                |
| Muragari pry         | 300,000   |           |         | <b>300,000</b>   |
| Mugui pry            | 300,000   |           | 300,000 | -                |
| Kathugu pry          | 220,000   | 220,000   |         | -                |



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|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Kanginga pry   | 500,000           |                   |                   | <b>500,000</b>    |
| Karundori pry  | 800,000           |                   |                   | <b>800,000</b>    |
| Karumiri pry   | 200,000           |                   |                   | <b>200,000</b>    |
| Mugui pry  | 300,000           |                   | 300,000           | -                 |
| Gichera pry  | 300,000           |                   |                   | <b>300,000</b>    |
| Rukuriri pry   | 380,000           |                   | 380,000           | -                 |
| Nguyori pry  | 1,000,000         | 1,000,000         |                   | -                 |
| Mbuijeru pry   | 300,000           |                   |                   | <b>300,000</b>    |
| kevote assistant chief office  | 100,000           |                   |                   | <b>100,000</b>    |
| Mbuijeru asst chief offc   | 200,000           |                   |                   | <b>200,000</b>    |
| Mwenendega asst chief  | 200,000           |                   |                   | <b>200,000</b>    |
| Runyenjes DCIO office  | 600,000           | 600,000           |                   | -                 |
| Runyenjes A.P. Line  | 2,500,000         | 1,000,000         | 1,000,000         | <b>500,000</b>    |
| kiangungi asst chief offc  | 300,000           |                   | 300,000           | -                 |
| Mukuuri assistant chief office   | 100,000           |                   |                   | <b>100,000</b>    |
| Kavutiri A.P. line line  | 100,000           |                   |                   | <b>100,000</b>    |
| Mbiruri sec  | 600,000           | 600,000           |                   | -                 |
| Kanja A.E.O.   | 150,000           |                   |                   | <b>150,000</b>    |
| Funds available for use but yet<br>to be paid to projects and other<br>costs |                   |                   |                   | 16,159,588        |
| <b>Total</b>   | <b>81,896,552</b> | <b>40,948,274</b> | <b>10,000,000</b> | <b>47,107,865</b> |

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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.

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b>  | <b>Management comments</b>  | <b>Focal Point person to resolve the issue (Name and designation )</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe : (Put a date when you expect the issue to be resolved)</b> |
|---|---|---|--|--|--|
| 1.0   | <b>Cash and Cash Equivalent.</b><br><br><b>No reversal of stale cheques of Kshs.143,500</b>                         | The stale cheques have been reversed in the cashbook  | Accountant   | Resolved                                 | 31/12/16   |
| 2   | <b>Non acknowledgements of bursary funds from education institutions.</b>   | Employed a records officer to assist in following up on the acknowledgements. The bursary acknowledgements drastically improved in the following year. Forwarding letter for bursary cheques improved and clearly demands the beneficiaries to bring back acknowledgements from the learning institutions. A cheques register with the details of all the persons collecting the cheques also maintained. | Dennis Mugendi   | Not resolved                             | 31/12/16   |
| 3   | <b>Unprocessed Land title deeds</b><br><br>Runyenjes CDF Purchased land for three primary schools. However, purpose |   | F.A.M.   | Not Resolved                             | 31/12/16   |

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|   |  |   |     |          |          |
|---|--|---|-----|----------|----------|
|   | of land search,<br>purchase<br>agreements,<br>consent for<br>transfer, valuation<br>report, title deed |   |     |          |          |
| Budgetary<br>performance                  | <b>Shortfall in<br/>receipts of<br/>Kshs.45,598,394.</b>   | The funds were received<br>in 2015/2017 and were<br>used to implement projects<br>that were not implemented<br>in 2014/2015 | FAM | Resolved | 31/12/16 |
| Payment for<br>Unimplemente<br>d projects |  |   |     |          |          |