

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

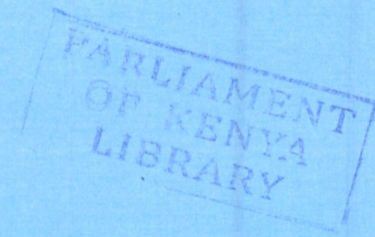
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
SABATIA CONSTITUENCY

FOR THE YEAR  
ENDED 30 JUNE 2018







RECEIVED  
08 APR 2019  
P. O. Box 78, WODANGA - 50311

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND SABATIA  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

NATIONAL GOVERNMENT  
CONSTITUENCY  
DEVELOPMENT FUND  
FUND ACCOUNT MANAGER  
  
17 APR 2019  
  
SABATIA CONSTITUENCY  
P. O. Box 2091 - 50311  
WODANGA

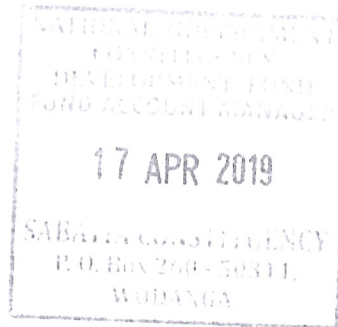
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
SABATIA CONSTITUENCY

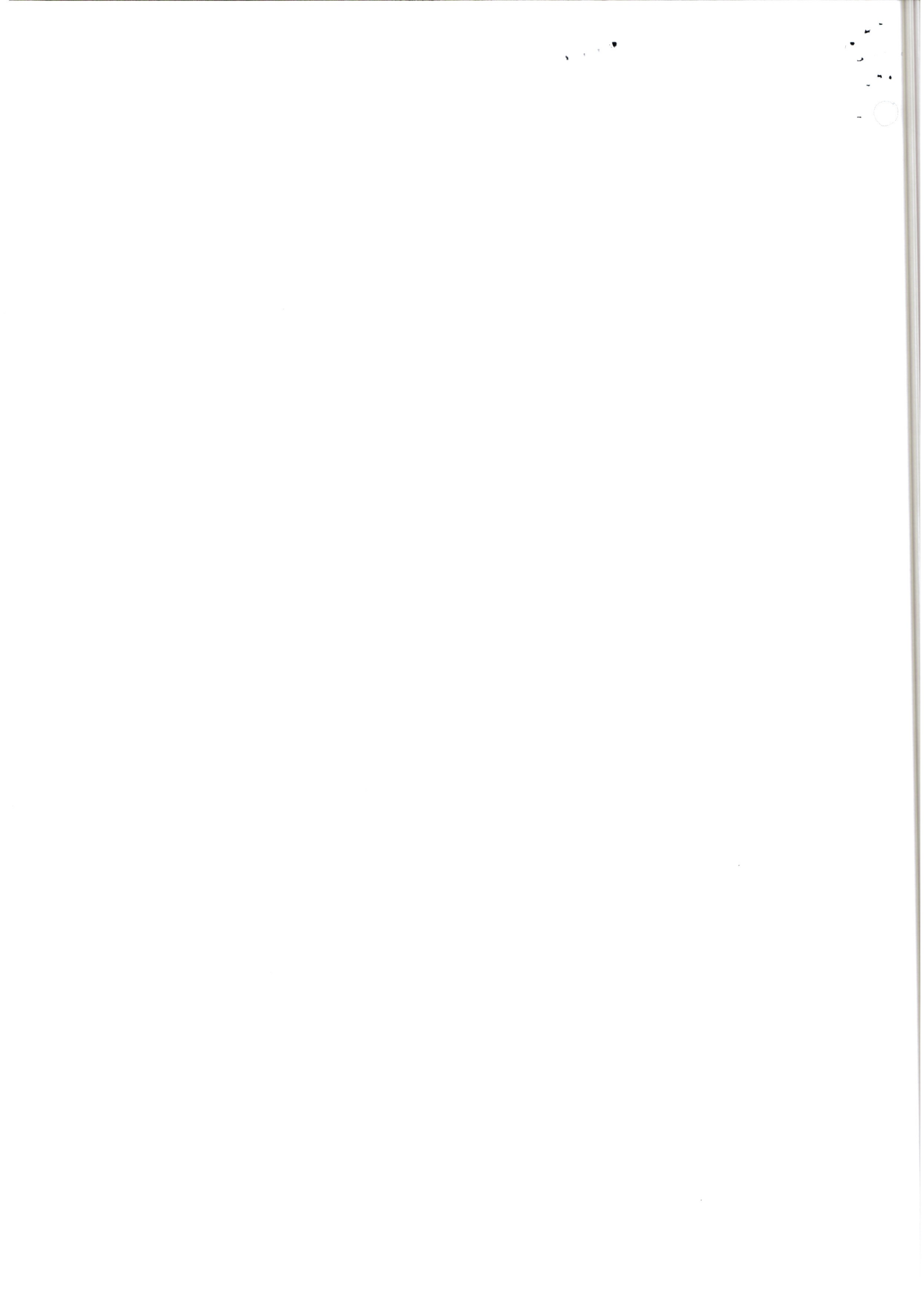
Reports and Financial Statements

For the year ended June 30, 2018

Table of Content

	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN .....	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES.....	7
IV. STATEMENT OF RECEIPTS AND PAYMENTS .....	8
V. STATEMENT OF ASSETS AND LIABILITIES.....	9
VI. STATEMENT OF CASHFLOW.....	10
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	11
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	24
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26





## Reports and Financial Statements

For the year ended June 30, 2018

**KEY CONSTITUENCY INFORMATION AND MANAGEMENT****(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**(b) Key Management**

The NGCDF SABATIA day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Tom M. Gimonge
3.	Sub-County Accountant	Consolata Oyinda
4.	Chairman NGCDFC	Paul Gimode
5.	Member NGCDFC	Ephraim Galo

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF SABATIA Constituency Headquarters**

Sabatia DCC's Office Ground's  
P.O Bo 260-50300,  
WODANGA.

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**(f) NGCDF SABATIA Constituency Contacts**

Telephone: (254) 0722358998  
E-mail: [cdfsabatia@cdf.go.ke](mailto:cdfsabatia@cdf.go.ke)  
Website: [www.cdfsabatia.go.ke](http://www.cdfsabatia.go.ke)

**(g) NGCDF SABATIA Constituency Bankers**

- I. Kenya Commercial Bank  
Account No. 1102377678  
P.O Box 1123  
Maragoli

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya



**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

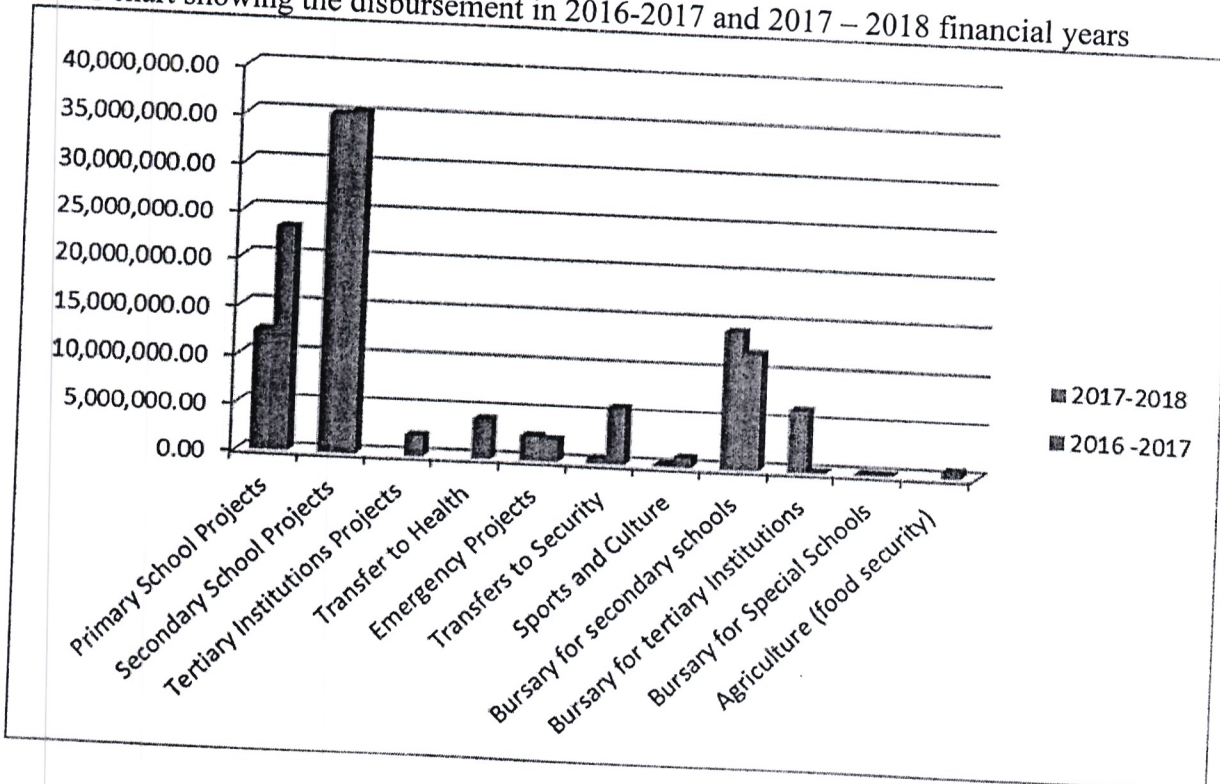
In the financial year 2017/2018, Sabatia NGCDF received a total of Ksh. 68,353,447.10 from the NGCDF Board. This was 69.61% of the total budget for the financial year.

A large percentage of the NG-CDF Sabatia funding goes towards the Education sector, especially in construction and renovation of primary schools, laboratories, libraries and classrooms in secondary schools

The Sabatia NGCDF funding for the 2016 – 2017 and 2017-2018 is as in the bar and pie charts below

Sector	2017-2018	2016 -2017
1. Primary School Projects	13,000,000.00	23,300,000.00
2. Secondary School Projects	34,150,000.00	35,400,000.00
3. Tertiary Institutions Projects		2,196,535.00
4. Transfer to Health		4,170,000.00
5. Emergency Projects	3,100,000.00	2,364,000.00
6. Transfers to Security	600,000.00	5,932,891.00
7. Sports and Culture	250,000.00	1,070,000.00
8. Bursary for secondary schools	14,282,500.00	12,102,000.00
9. Bursary for tertiary Institutions	6,470,000.00	135,000.00
10. Bursary for Special Schools	180,200.00	130,000.00
11. Agriculture (food security)		800,000.00

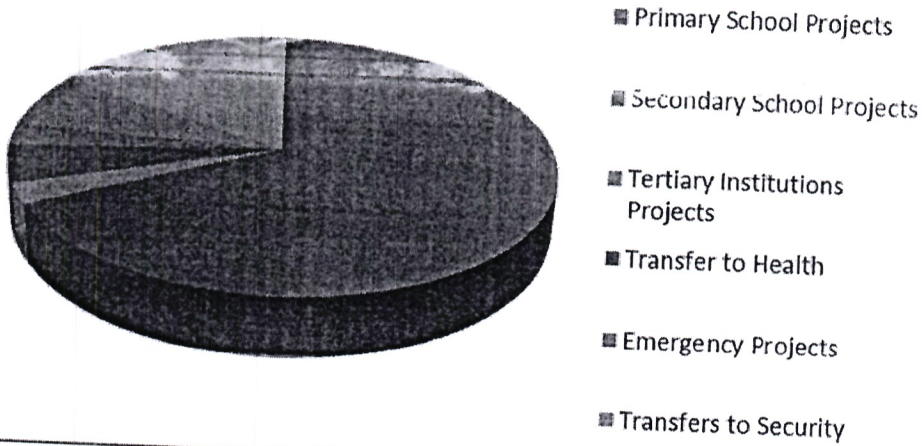
A bar chart showing the disbursement in 2016-2017 and 2017 – 2018 financial years



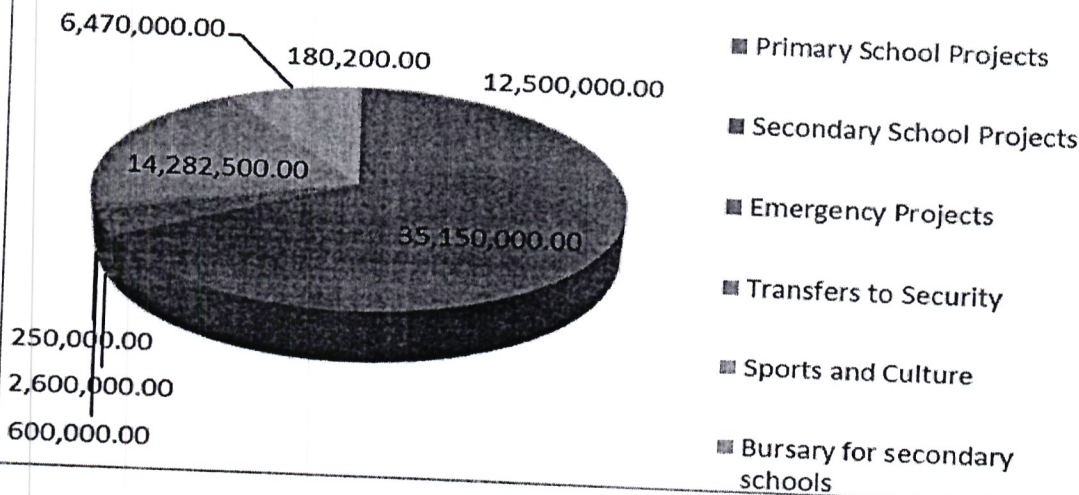


A pie chart showing disbursement of funds to projects in 2016-2017 and 2017 -2018 financial years

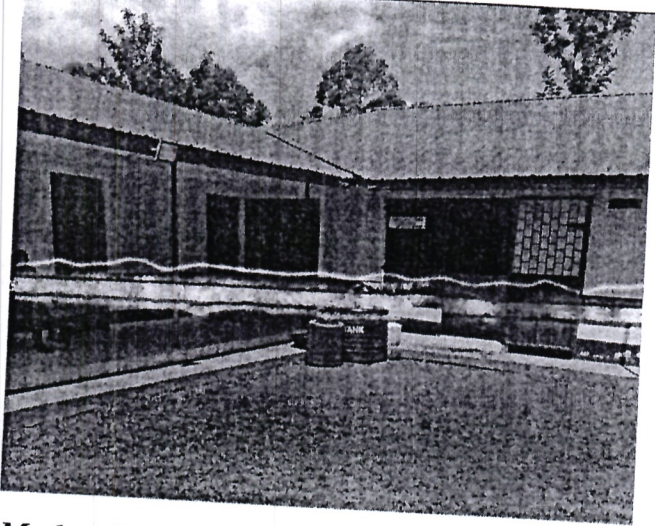
**2016 -2017 F/Y DISBURSEMENT**



**2017-2018 F/Y DISBURSEMENT**



The NGCDF have improved the Education and Security infrastructures of Sabatia. Some of the successful projects undertaken during the year are as in the pictures below:-



*Mudete Police station funded by Sabatia NG-CDF to enhance security*



*Front view classrooms at Kivagala Secondary School funded Sabatia NG-CDF*

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 NGNGCDFCs 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 NGCDF COMMITTEE**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
**SABATIA CONSTITUENCY**

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

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

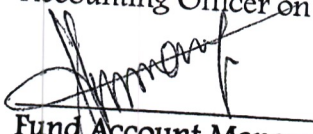
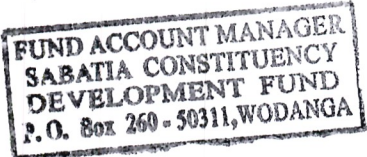
The Accounting Officer in charge of the NGCDF SABATIA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

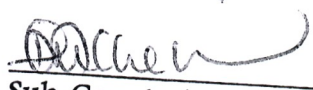
The Accounting Officer in charge of the NGCDF-SABATIA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-SABATIA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The NGCDF-SABATIA Constituency financial statements were approved and signed by the Accounting Officer on \_\_\_\_\_ 2018.

  
Fund Account Manager  
Name: Gimonke Tom  
  
FUND ACCOUNT MANAGER  
SABATIA CONSTITUENCY  
DEVELOPMENT FUND  
P.O. Box 260 - 50311, WODANGA

  
Sub-County Accountant  
Name: LEHIT MUKOTIA BARASA  
ICPAK Member Number: 22552  
For: DISTRICT ACCOUNTANT  
SABATIA DISTRICT

# 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 – SABATIA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

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#### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Sabatia Constituency National Government Constituency Development Fund (NGCDF) set out on pages 8 to 42 which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Sabatia NG-CDF as at 30 June 2018, 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* NG-CDF Act.

#### **Basis for Qualified Opinion**

##### **1. Inaccuracy in the Financial Statements**

##### **1.1 Long Outstanding Reconciling Items**

The cash and cash equivalents balance of Kshs.206,217 as analyzed in the bank reconciliation statement had unrepresented cheques amounting to Kshs.6,568,969 which included stale cheques amounting to Kshs.1,501,969 which, at the time of the audit, had not been written back in the cash book. Consequently, it was not possible to confirm the accuracy of the cash and cash equivalents balance of Kshs.206,216 as at 30 June 2018.

##### **1.2 Unreconciled Balance of Transfers to Secondary Schools**

Included in transfer to other government entities of Kshs.47,150,000 is a transfer to secondary schools of Kshs.35,150,000. However, the schedule made available to support the transfers amounted to Kshs.34,150,000 leading to unexplained difference of Kshs.1,000,000.

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

### 1.3 Inappropriate Disclosure in Statement of Appropriation

The management understatement of appropriation disclosed an adjustment in the budget of Kshs.51,441,806 which comprised of Kshs.9,114,221 being balance of cash balance brought forward, Kshs.11,379,310 being an amount waiting Board's approval and Kshs.30,948,275 approved but not disbursed. No explanation was offered how the amount of Kshs.11,379,310 not approved by the Board could be recognized in the financial statements.

Consequently, the accuracy of the financial statements for the year ended 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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.

#### Emphasis of Matter

#### Difference Between the Budgeted Amount and the Actual Amount of Transfers from NG-CDF Board

It was observed that the management in the summary statement of appropriation - recurrent and development combined disclosed an amount of Kshs.77,261,451 transferred from the CDF Board, while in the statement of receipts and payments the management disclosed amount is Kshs.68,353,447 as the actual receipts received from the CDF Board thereby creating an unexplained variance of Kshs.8,908,004.

Consequently, the accuracy of the statements could not be confirmed.

#### 1. Non Implementation of Approved Budgeted Projects

Examination of the budget of Sabatia National Government Constituency Development Fund showed that four (4) projects in the approved budget were not implemented during the financial year under review as shown in the table below:

Projects	Approved Amount (Kshs)	Actual Expenditure (Kshs)
Capacity Building	1,061,488.35	0
Social Security	1,000,000.00	0
ICT Hub	1,169,256.93	0
Strategic Plan	2,395,041.00	0
<b>Total</b>	<b>5,625,776.28</b>	<b>0</b>

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements of the current year. These matters were

addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Failure to Open Separate Project Bank Account - Mbale High School Double Storied Block

Included in transfers to other government entities balance of Kshs.47,150,000 are transfers to secondary schools of Kshs.35,150,000. Further included in transfer to secondary schools' balance of Kshs.35,150,000 is a transfer of Kshs.1,000,000 to Mbale High School for the construction of a double storied block. The amount of Kshs.1,000,000 was deposited in the school's account against the requirements of the NG-CDF Act. In addition, physical verification of the project on 7 February 2019 revealed that the project is in place, has reached third floor and is co-funded by parents and Sabatia National Government Constituencies Development Fund. It was not clear which part of the project construction was done by the Sabatia National Government Constituency Development Fund.

Consequently, the propriety of Kshs.1,000,000 could not be confirmed for the year ended 30 June 2018.

#### 2. Diversion of Funds for Construction of Administration Block at Friends School Wangulu Secondary

Included in transfers to other government entities balance of Kshs.47,150,000, is transfer to secondary schools of Kshs.35,150,000. Further included in transfer to secondary schools' balance is a transfer of Kshs.1,500,000 to Friends Wangulu Secondary School for the construction of an administration block as per the approved budget from Board. However, the following were observed:



- i. The project returns file revealed that no administration block was being constructed but instead the money was diverted to construction of two (2) number laboratories which was contrary to section 16 and 29 of the NG-CDF Act.
- ii. Physical verification of the project revealed that the school was constructing a one storied building which was having ring beams up to the first floor. Furthermore, the contractor was not on site.
- iii. It was also revealed that the project is co-funded by parents and Sabatia National Government Constituency Development Fund with no clear defined phase as to which part the parents were constructing and which part was the Constituency Fund undertaking, contrary to section 49 of the NG-CDF Act.
- iv. No documentary evidence was made available for audit verification seeking the approval by the board to change the project.

Consequently, the management were in breach of the law.

### **3. Diversion of Funds for Construction of Three (3) Classrooms at Jemovo Secondary School**

Included in transfers to other government entities balance of Kshs.47,150,000 is transfer to secondary schools of Kshs.35,150,000. Further included in transfer to secondary schools' balance of Kshs.35,150,000 was a transfer of Kshs.1,000,000 to Jemovo Secondary School for walling, flooring, fitting doors and windows in three (3) number classrooms as per the approved budget from Board. The amount was transferred vide cash book payment voucher Number 62 of 18 June 2018. However, the following anomalies were observed:

- i. The project returns file revealed that no three classrooms were being constructed but instead the money was diverted to the construction of an administration complex which was contrary to section 16 and 29 of the NG-CDF Act.
- ii. It was not clear as how the contractor was identified to construct the administration complex.
- iii. Physical verification of the project revealed that the school was constructing a one storied administration complex building. Furthermore, the contractor was not on site.
- iv. It was also revealed that the project is co-funded by parents and Sabatia National Government Constituency Development fund with no clear defined phase as to which part the parents were constructing and which part was the Constituency Fund undertaking which is contrary to section 49 of the NG-CDF Act.

Consequently, the management was in breach of the law and value for money could not be confirmed.

### **4. Re-allocation of Purchase of Land Funds – Bugina Secondary School**

Included in transfers to other government entities balance of Kshs.47,150,000 are transfers to secondary schools of Kshs.35,150,000. Further included in transfer to secondary schools' balance of Kshs.35,150,000 was a transfer of Kshs.700,000 to Friends Bugina

Secondary School for the purchase of land and Kshs.1,000,000 for the construction of a multi -purpose hall as per the approved budget from Board. The funds were transferred vide cash book payment voucher number 63 of 18 June 2018. However, the following anomalies were observed:

- i. The project file revealed that the school was constructing a multi-purpose hall yet the project implementation status report was misleading as it indicated that the purchase of the land was in progress.
- ii. Scrutiny of the bank statement revealed that the Accounts Clerk of the school was withdrawing money from the project bank account yet she was not a member of the project management committee.
- iii. It was also not clear as to how the contractor was identified to construct the dining and multi-purpose hall.
- iv. Physical verification of the project revealed that the school used Kshs.700,000 to construct a multi-purpose hall instead of buying land as per the approved budget from the Board. Furthermore, the contractor was not on site.
- v. No approval from the Board for the re-allocation of Kshs.700,000 was made available for audit verification.

Consequently, the citizens of the Constituency may not have received value for money and the management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

### **Conclusion**

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for [Conclusion on Effectiveness of Internal Controls, Risk Management and Governance/Qualified Opinion] section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and Those Charged with Governance**

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

In preparing the financial statements, management is responsible for assessing the ability to continue as a sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or 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 to cease to continue as a going concern or 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 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**

**13 August 2019**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
**SABATIA CONSTITUENCY**

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

**IV STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	68,353,447.10	102,559,769.60
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	
<b>TOTAL RECEIPTS</b>		<b>68,353,447.10</b>	<b>102,559,769.60</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,108,867.00	2,045,024.00
Use of goods and services	5	4,119,884.00	7,599,501.50
Transfers to Other Government Units	6	47,150,000.00	65,066,535.00
Other grants and transfers	7	24,882,700.00	22,533,891.00
Acquisition of Assets	8		
Other Payments	9		
<b>TOTAL PAYMENTS</b>		<b>77,261,451.00</b>	<b>97,244,951.50</b>
<b>SURPLUS/DEFICIT</b>		<b>(8,908,003.90)</b>	<b>5,314,818.10</b>

N/B: The deficit was as a result of funds carried forward from the financial year 2016/2017 which was capitalized the year under review. The unutilized fund by the end of 30<sup>th</sup> June 2017 was as a result of delay of funds from the Board Headquarters.

The NGCDF-SABATIA Constituency financial statements were approved on \_\_\_\_\_ 2018 and signed by:

Fund Account Manager

Name: Gloria N. Tom

FUND ACCOUNT MANAGER  
 SABATIA CONSTITUENCY  
 DEVELOPMENT FUND  
 P. O. Box 260 - 50311, WODANGA

[Signature]  
 Sub-County Accountant  
 Name: LEAH M. BAAASA  
 ICPAK Member Number: 22112

For: DISTRICT ACCOUNTANT  
 SABATIA DISTRICT



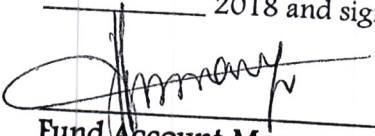
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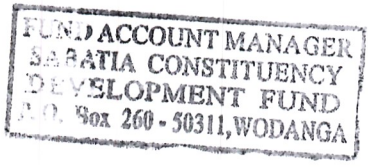
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**SABATIA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

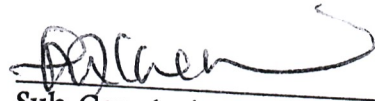
**V. STATEMENT OF ASSETS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	206,216.85	9,114,220.75
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		206,216.85	9,114,220.75
Current receivables - Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		206,216.85	9,114,220.75
<b>FINANCIAL LIABILITIES</b>			
Accounts payable - Retention	12	-	-
<b>NET FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	9,114,220.75	3,799,402.65
Surplus/Deficit for the year		(8,908,003.90)	-
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		206,216.85	3,799,402.65

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SABATIA Constituency financial statements were approved on \_\_\_\_\_ 2018 and signed by:

  
 Fund Account Manager  
 Name: Gimonke Tom



  
 Sub-County Accountant  
 Name: LEAH M. BARAJIA  
 ICPAK Member Number: 22522

For DISTRICT ACCOUNTANT  
 SABATIA DISTRICT



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**SABATIA CONSTITUENCY**

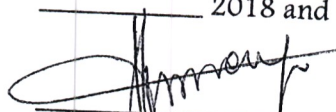
**Reports and Financial Statements**

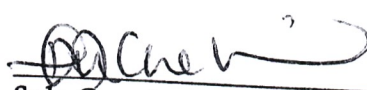
**For the year ended June 30, 2018**

**VI. STATEMENT OF CASHFLOW**

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from CDF Board			
Other Receipts	1	68,353,447.10	102,559,769.60
	3	-	-
<b>Payments for operating expenses</b>		<b>68,353,447.10</b>	<b>102,559,769.60</b>
Compensation of Employees			
Use of goods and services	4	1,108,867.00	2,045,024.00
Transfers to Other Government Units	5	4,119,884.00	7,599,501.50
Other grants and transfers	6	47,150,000.00	65,066,535.00
Other Payments	7	24,882,700.00	22,533,891.00
	9	-	-
<b>Adjusted for:</b>		<b>77,261,451.00</b>	<b>97,244,951.50</b>
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>(8,908,003.90)</b>	<b>5,314,818.10</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>(8,908,003.90)</b>	<b>5,314,818.10</b>
Cash and cash equivalent at BEGINNING of the year	13	9,114,220.75	3,799,402.65
Cash and cash equivalent at END of the year		206,216.85	9,114,220.75

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SABATIA Constituency financial statements were approved on \_\_\_\_\_ 2018 and signed by:

  
**Fund Account Manager**  
 Name: Girmondho Tom

  
**Sub-County Accountant**  
 Name: LEAH M. BIRAJA  
 ICPAK Member Number: 22572

ACCOUNT MANAGER  
 SABATIA CONSTITUENCY  
 DEVELOPMENT FUND  
 No. 260-59311, WODANGA

For: DISTRICT ACCOUNTANT  
 SABATIA DISTRICT

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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,344.82	51,441,806.19	138,252,151.01	77,261,451.00	60,990,700.01	55.9%
Proceeds from Sale of Assets	0.00	0.00	0.00	0.00	0.00	
Other Receipts						
<b>TOTAL</b>	<b>86,810,344.82</b>	<b>51,441,806.19</b>	<b>138,252,151.01</b>	<b>77,261,451.00</b>	<b>60,990,700.01</b>	<b>55.9%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,703,972.32	135,779.25	2,839,751.57	1,108,867.00	1,730,884.57	39.0%
Use of goods and services	8,287,049.86	1,224,137.94	9,511,187.80	4,119,884.00	5,391,303.80	43.3%
Transfers to Other Government Units	46,650,000.00	29,050,000.00	75,700,000.00	47,150,000.00	28,550,000.00	62.3%
Other grants and transfers	27,169,322.64	15,031,889.00	42,201,211.64	24,882,700.00	17,318,511.64	59.0%
Acquisition of Assets	2,000,000.00	6,000,000.00	8,000,000.00	0.00	8,000,000.00	0.0%
Other Payments	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL</b>	<b>86,810,344.82</b>	<b>51,441,806.19</b>	<b>138,252,151.01</b>	<b>77,261,451.00</b>	<b>60,990,700.01</b>	<b>55.9%</b>

Note:

The adjustments of Kshs. 51,441,806.19 in column b was the cash book balance brought forward from the FY 2016/2017 of Ksh. 9,114,220.75, Ksh. 11,379,310.34 awaiting board's approval and Ksh. 30,948,275.10 approved but not disbursed from the board.

The Budget utilization difference of Kshs. 60,990,700.01 at column e is the Cash book balance as at 30<sup>th</sup> June 2018 of Ksh. 206,216.85 and total amount owing to the Constituency from the Board of Kshs. 60,784,483.14.


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

The underutilization was caused by the delay in disbursement of funds from the NGCDF Board for the financial year under review while the overutilization was due to the funds for the financial year 2016/2017 carried forward that was later utilized in the year under review.

The NGCDF-SABATIA Constituency financial statements were approved on \_\_\_\_\_ 2018 and signed by:

  
Fund Account Manager  
Name: \_\_\_\_\_



  
Sub-County Accountant  
Name: LETAH-N-PRADANA  
ICPAK Member Number: 22552

For DISTRICT ACCOUNTANT  
SABATIA DISTRICT

## VIII. SIGNIFICANT ACCOUNTING POLICIES

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

### 1. Statement of Compliance and Basis of Preparation

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

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

### 2. Reporting Entity

The financial statements are for the NGCDF-SABATIA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### 3. Reporting Currency

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

### 4. Significant Accounting Policies

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

#### a) Recognition of Receipts

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

#### Tax Receipts

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

#### Transfers from the Exchequer

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

## SIGNIFICANT ACCOUNTING POLICIES

### External Assistance

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

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

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

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

### Other receipts

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

### b) Recognition of payments

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

### Compensation of Employees

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

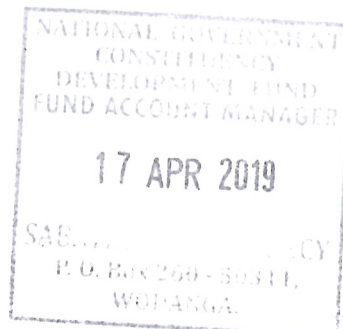
### Use of Goods and Services

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

### Acquisition of Fixed Assets

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

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SABATIA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

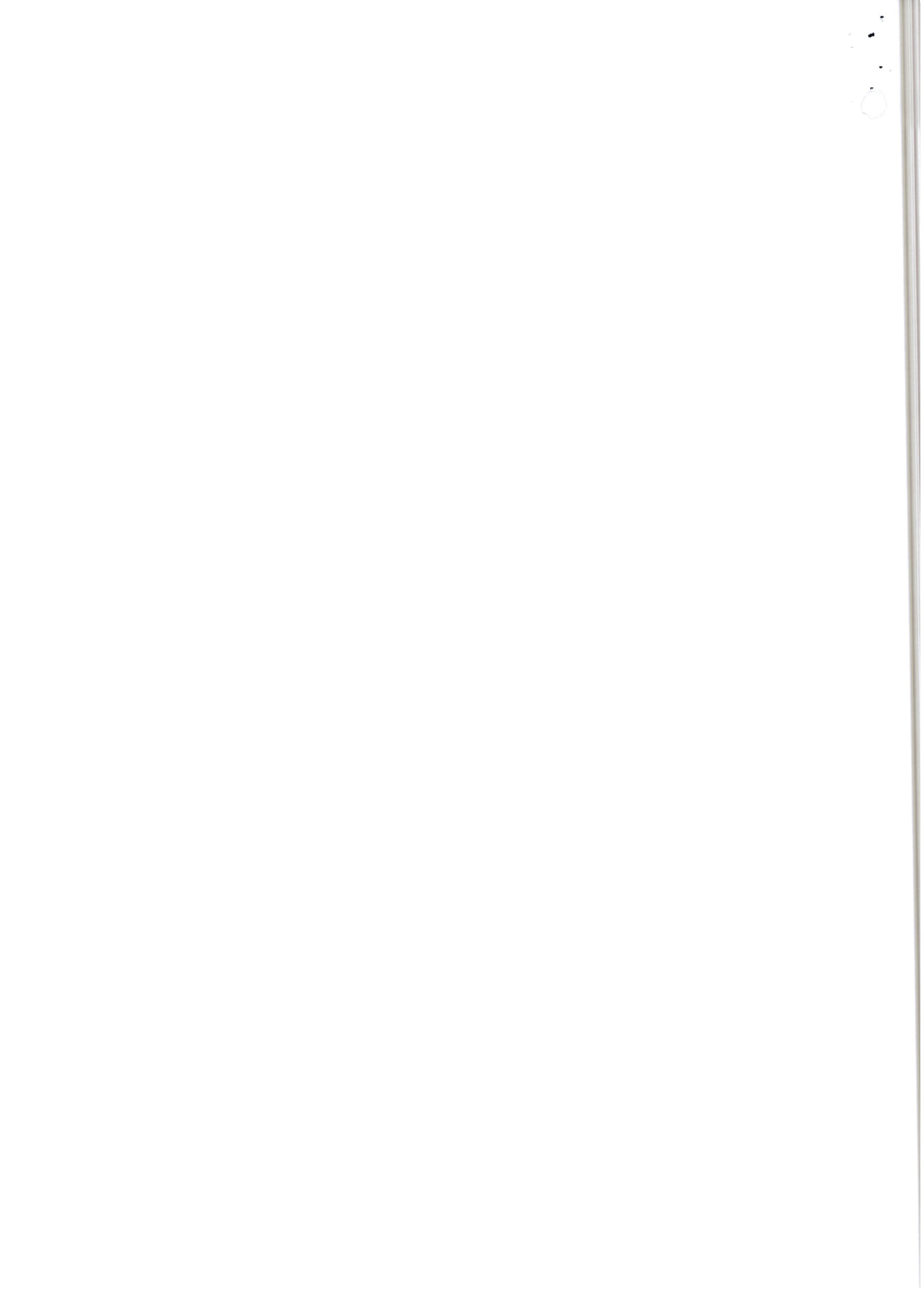
**9. Pending Bills**

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

**10. Unutilized Funds**

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





SIGNIFICANT ACCOUNTING POLICIES

**11. Budget**

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

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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**SABATIA CONSTITUENCY NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO A825088	1		
AIE NO A829988	2		26,111,493.00
AIE NO A839573	3		4,094,827.60
AIE NO A855131	4		25,500,000.00
AIE NO A839698	5		36,853,449.00
AIE NO. A855995	1		10,000,000.00
AIE NO. A892718	2	5,500,000.00	
AIE NO. A896778	3	24,948,275.10	
		37,905,172.00	
<b>TOTAL</b>		<b>68,353,447.10</b>	<b>102,559,769.60</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

NATIONAL GOVERNMENT  
 CONSTITUENCY  
 DEVELOPMENT FUND  
 FUND ACCOUNT MANAGER  
  
**17 APR 2019**  
 SABATIA CONSTITUENCY  
 P.O. Box 260 - 50311,  
 WODANGA.



**SABATIA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents		
Other Receipts Not Classified Elsewhere		
<b>Total</b>		

**4. COMPENSATION OF EMPLOYEES**

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,001,755.00	1,946,884.00
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	-	-
gratuity	107,112.00	98,140.00
<b>Total</b>	<b>1,108,867.00</b>	<b>2,045,024.00</b>



**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services		
Office rent		
Communication, supplies and services		
Domestic travel and subsistence	-	600,000.00
Printing, advertising and information supplies & services		
Rentals of produced assets		496,000.00
Training expenses		
Hospitality supplies and services		
Other committee expenses		
Committee allowance	2,314,450.00	2,567,000.00
Insurance costs	1,441,900.00	2,710,720.00
Specialised materials and services		
Office and general supplies and services		
Fuel ,oil & lubricants	13,751.00	1,075,781.50
Other operating expenses	200,000.00	150,000.00
Routine maintenance – vehicles and other transport equipment	149,783.00	
Routine maintenance – other assets	-	-
<b>Total</b>	<b>4,119,884.00</b>	<b>7,599,501.50</b>



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
SABATIA CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2018

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to primary schools	13,000,000.00	23,300,000.00
Transfers to secondary schools	34,150,000.00	35,100,000.00
Transfers to Tertiary institutions		2,196,535.00
Transfers to Health institutions		4,170,000.00
<b>TOTAL</b>	<b>47,150,000.00</b>	<b>65,066,535.00</b>

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary -Secondary	14,282,500.00	12,102,000.00
Bursary -Tertiary	6,470,000.00	135,000.00
Bursary-Special schools	180,200.00	130,000.00
Mocks & CAT	-	-
water	-	-
Agriculture (food security)	-	800,000.00
Electricity projects	-	-
Security	600,000.00	5,932,891.00
Roads	-	-
Sports	250,000.00	1,070,000.00
Other capital grants and transfer		
Emergency Projects (specify)	3,100,000.00	2,364,000.00
<b>Total</b>	<b>24,882,700.00</b>	<b>22,533,891.00</b>



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1		
Supplier 2		
Supplier 3		
<i>Total</i>		

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017 - 2018 Kshs (1/7/2017)	2016 - 2017 Kshs (1/7/2016)
Bank accounts	9,114,220.75	3,799,402.65
Cash in hand	-	-
Imprest		
<i>Total</i>	9,114,220.75	3,799,402.65

[Provide short appropriate explanations as necessary]





**SABATIA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts		
Cash in hand		
Imprest		
<b>Total</b>		

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2017- 2018 Kshs	2016-2017 Kshs
Staff Gratuity (Monthly)		

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

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

**15.3: UNUTILIZED FUNDS (See Annex 3)**

	Kshs	Kshs
Compensation of employees	1,730,884.57	438,469.00
Use of goods and services	5,391,303.80	741,488.30
Amounts due to other Government entities (see attached list)	28,550,000.00	6,247,465.00
Amounts due to other grants and other transfers (see attached list)	17,318,511.64	26,635,073.54
Acquisition of assets	8,000,000.00	6,000,000.00
Others ( <i>specify</i> )	-	-
	<b>60,990,700.01</b>	<b>40,062,495.84</b>

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15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)		

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**NATIONAL GOVERNMENT ENTITY - (SABATIA CONSTITUENCY)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (Kshs'000)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

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NATIONAL GOVERNMENT ENTITY - (SABATIA CONSTITUENCY)  
 Reports and Financial Statements  
 For the year ended June 30, 2018 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
1. Getrude Lidibwi Mideva		27,293.00					
2. Sylvia Mudeizi Odondi		21,179.00					
3. David Odanga Lugada		21,632.00					
4. Janet Kageha Musulwa		17,695.00					
5. Amugune Ronald Mugalitsi		15,805.00					
6.							
<b>Grand Total</b>							







NATIONAL GOVERNMENT ENTITY - (SABATIA CONSTITUENCY)  
 Reports and Financial Statements  
 For the year ended June 30, 2018 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	N/A	N/A	N/A	N/A
Buildings and structures	21,500,000.00	N/A	N/A	21,500,000.00
Transport equipment	5,457,448.00	N/A	N/A	5,457,448.00
Office equipment, furniture and fittings	99,300.00	N/A	N/A	99,300.00
ICT Equipment, Software and Other ICT Assets	1,904,976.00	N/A	N/A	1,904,976.00
Other Machinery and Equipment	20,849.00	N/A	N/A	20,849.00
Heritage and cultural assets	N/A	N/A	N/A	N/A
Intangible assets	N/A	N/A	N/A	N/A
<b>Total</b>	<b>28,982,573.00</b>	<b>N/A</b>	<b>N/A</b>	<b>28,982,573.00</b>

NATIONAL GOVERNMENT ENTITY  
 SABATIA CONSTITUENCY  
 PUBLIC ACCOUNTS OFFICE  
 17 APR 2019  
 SABATIA CONSTITUENCY  
 P.O. BOX 20000, NAIROBI,  
 KENYA



**NATIONAL GOVERNMENT ENTITY - (SABATIA CONSTITUENCY)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (Kshs)**

**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Budaywa Secondary School	KCB Mbale	1161156836	2,077.00	
Mulundu Primary School	KCB Mbale	1121375383	968.00	
Jemovo Primary School	KCB Mbale	1126678503	955.00	
Viyalo Primary School	KCB Mbale	1152498940	90.00	
Hamadira Primary School	KCB Mbale	1121415091	4,856.00	
Nadanya Primary School	KCB Mbale	1135433488	460.00	
Chandumba Primary School	KCB Mbale	1173372288	3,385.50	
Mudungu Primary School	KCB Mbale	1121459374	151,075.00	
Hakedohi Primary School	KCB Mbale	1136688285	705.00	
Viyaro Primary School	KCB Mbale	1152498940	90.00	
Demesi Primary School	KCB Mbale	1109729820	601,378.00	
Chavogere Primary School	KCB Mbale	1111145938	153,348.00	
Ivona Secondary School	KCB Mbale	1102323810	251,015.00	
Bugina Secondary School	KCB Mbale	1141483777	2,456.00	
Vuyiya Primary School	KCB Mbale	1127906828	502,120.00	
<b>Total</b>			<b>1,674,978.50</b>	

NATIONAL GOVERNMENT ENTITY  
 CONSTITUENCY  
 DEVELOPMENT FUND  
 FUND ACCOUNT MANAGER  
 17 APR 2019  
 SABATIA CONSTITUENCY  
 P.O. Box 260 - 50111  
 WOTINGA.

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**NATIONAL GOVERNMENT ENTITY - (SABATIA CONSTITUENCY)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (Kshs)**

**PROGRESS OF 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)	Time frame: (Please state when you expect the issue to be resolved)
2016-2017-1-01-0212-09	Lack of segregation of CDF funds	Delay in disbursement from the Board and the Institutions had received some funds from Ministry of Education thus only allowing the CDF to complete the projects	Fund Account Manager	Not resolved	30 <sup>th</sup> December 2018
2016-2017-1-01-0212-09	Payments of Kshs. 688,000/= to transfers to other government entities not supported by payment vouchers	The payments vouchers are available for perusal	Fund Account Manager	Resolved	
2016-2017-1-01-0212-09	Irregular reallocation of funds	The funds were borrowed from sports, Agriculture and Emergency totaling Ksh. 1,435,000 were borrowed to fund the bursary kitty which did not have enough funds. The funds will be reimbursed back to the various votehead as soon as the office gets the 2017/2018 funding.	Fund account Manager	Not Resolved	30 <sup>th</sup> December 2018

10