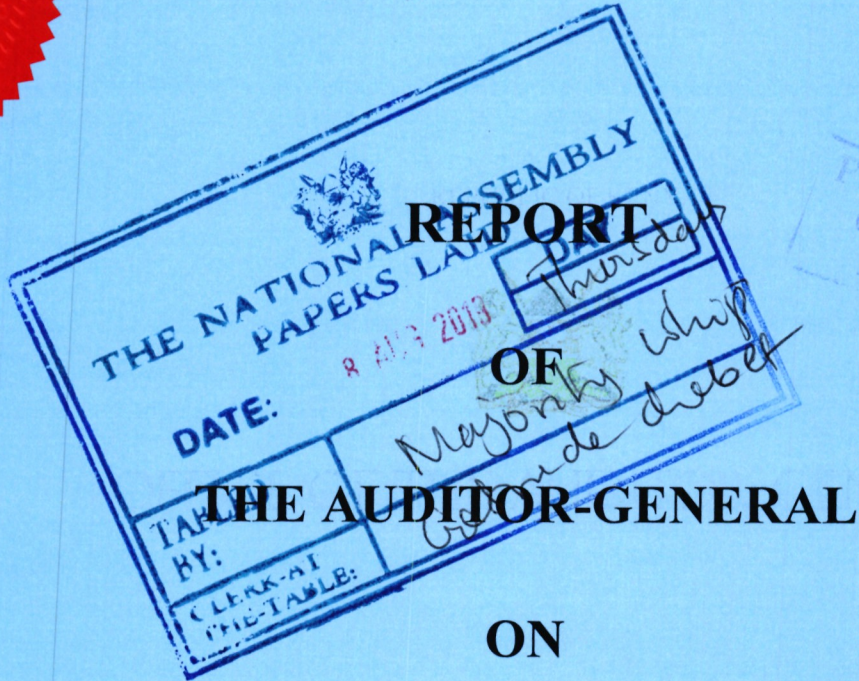


REPUBLIC OF KENYA

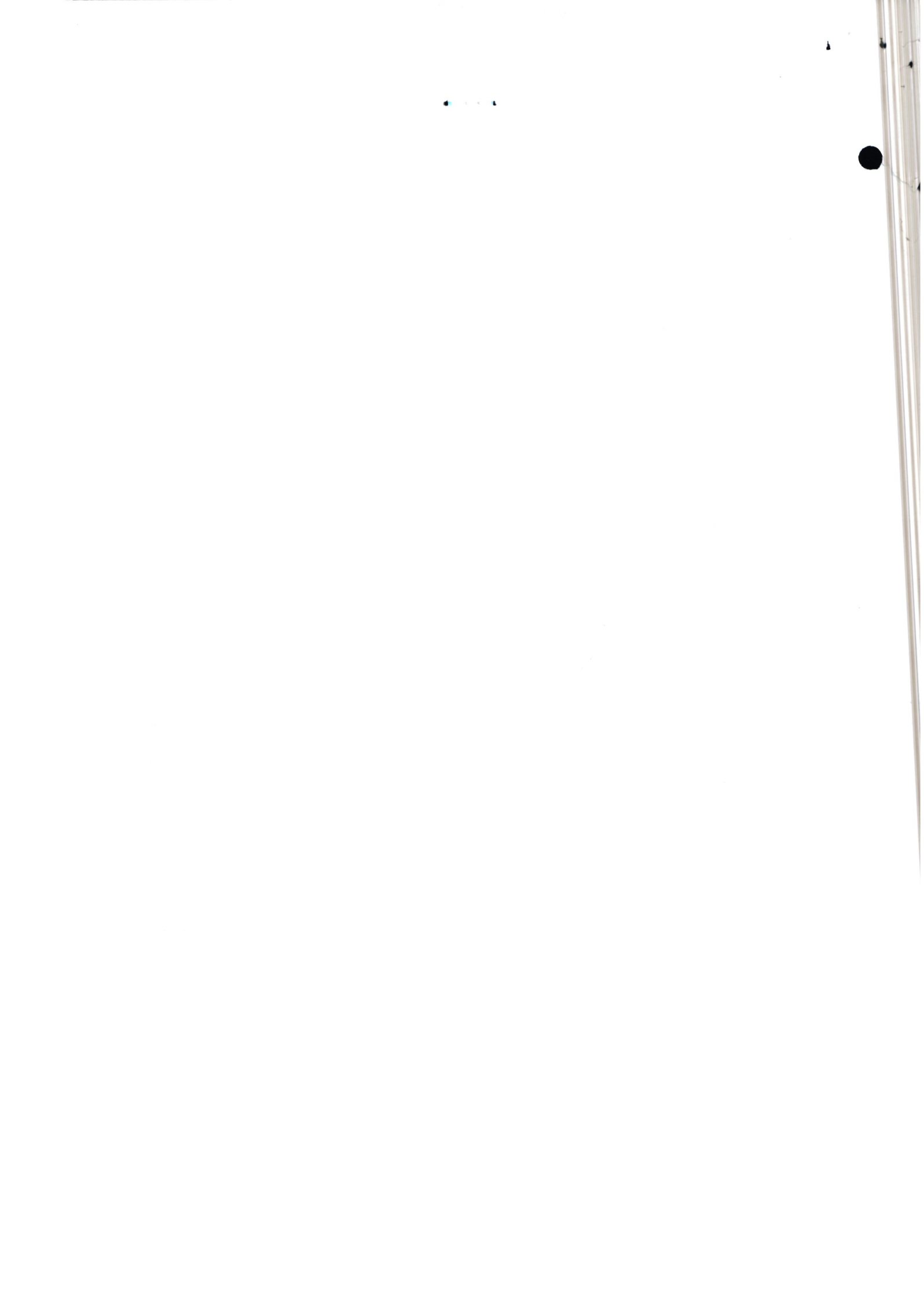


OFFICE OF THE AUDITOR-GENERAL



**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**THE FINANCIAL STATEMENTS OF**  
**NATIONAL GOVERNMENT**  
**CONSTITUENCIES DEVELOPMENT FUND**  
**KURIA EAST CONSTITUENCY**

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





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KURIA EAST  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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

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**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 GILGIL 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	Korir K. Bernard
3.	Sub-County Accountant	Terrafin Mogaga
4.	Chairman NGCDFC	Ravasco N.Mutundi
5.	Member NGCDFC	Flavian Boke signatory

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF - Kuria East 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 Kuria East Constituency Headquarters**

P.O. Box 7-40416  
NGCDF Building/House/Plaza  
Kehancha Kegonga Road  
Kegonga, KENYA

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Reports and Financial Statements**

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

**(f) NGCDF KURIA EAST Constituency Contacts**

Telephone: (254)724669962  
E-mail: [ngcdfkuriaeast@ngcdf.go.ke](mailto:ngcdfkuriaeast@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF KURIA EAST Constituency Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Account Name: Kuria East NGCDF  
Account No.1 147942986  
Branch: Kehancha

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

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

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

It is my pleasure to present to you the annual report and financial statements for the year ended June 30, 2018. During the year under review, the entity was allocated Kshs. 98,189,654 which represents almost 6% increase in allocation from the previous year. Our performance is generally impressive and we have been able to offer more services to our constituents.

The NG-CDF Board released all the funds within the financial year. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure where close to 84% of the funds were allocated to these initiatives.

Overall utilization of funds stood at 99. %as compared to 95% in the year 2016/17. This was a remarkable improvement due to proper planning by our office to absorb the funds .Below are sample of our complete projects;



Figure 1 KURIA EAST CONSTITUENCY/NG-CDF OFFICES



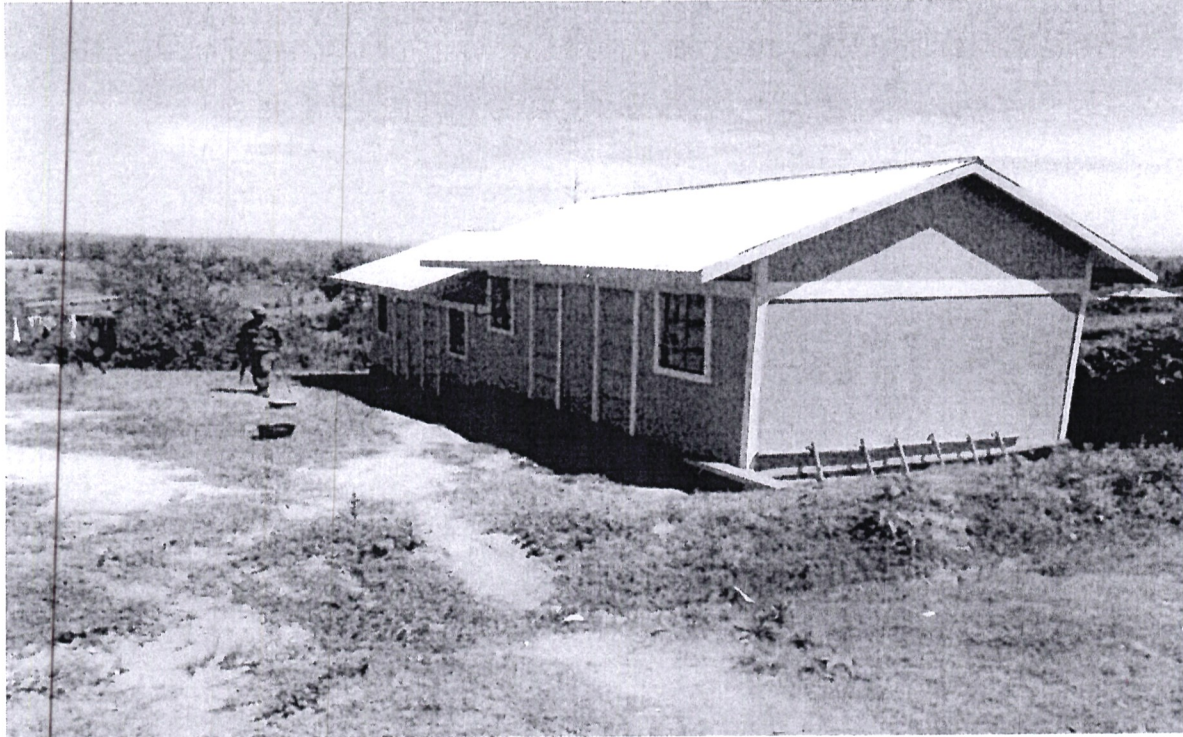


Figure 2 FOUR STAFF QUARTERS GETONGOROMA AP LINE

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

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Figure 3 KURIA EAST DIVISIONAL POLICE HEADQUARTERS



*Figure 4* KOMOTOBO MIXED SECONDARY SCHOOL ADMINISTRATION BLOCK

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

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Figure 5 KOROMANGUCHA AP LINE FOUR STAFF QUARTERS

With my team our aim is to leverage the utilization of funds to ensure that the constituency is able to develop as quickly y as possible while ensuring transparency and accountability in all our activities in this election year.

Sign.  .....

Ravasco Nchagwa Mutundi  
CHAIRMAN NG-CDFC

**KURIA EAST 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.

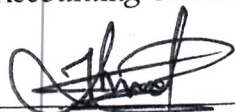
The Accounting Officer in charge of the NGCDF- Kuria East Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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- Kuria East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kuria East 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- Kuria East 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- Kuria East Constituency financial statements were approved and signed by the Accounting Officer on 30/9/ 2018.



Fund Account Manager  
Name:



Sub-County Accountant  
Name:  
ICPAK Member Number:





## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES – KURIA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Kuria East Constituency set out on pages 10 to 31, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects 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 the National Government Constituencies Development Fund – Kuria East Constituency 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 Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Emergency Projects

Kuria-East NG-CDF spent Kshs.1,950,0000 on the purchase of materials which were transferred to other entities for emergency projects as disclosed under other grants and other payments in Note 7 to the financial statements. The payments for the emergency projects were made as follows:

Payee	Date of Payment	Amount Kshs.
Reshda Enterprises	8/3/2018	500,000
Kohema Enterprises	8/3/2018	423,000
Commissioner Of Tax	8/3/2018	27,000
Hoppener Enterprise Limited	3/4/2018	500,000

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

Payee	Date of Payment	Amount Kshs.
Nyaroha Girls	3/4/2018	300,000
Nyaroha Girls	4/5/2008	200,000
<b>Total Payments</b>		<b>1,950,000</b>

However, adequate supporting documents such as minutes of the CDF Committee meetings and authority to justify the expenditure on the emergency projects as set out in the provisions of Section 8 of National Government – Constituencies Development Fund Act, 2015 were not provided for audit.

In the circumstances, the validity and regularity of the expenditure of Kshs.1,950,000 incurred on the emergency projects could not be ascertained.

## 2. Summary Statement of Appropriation

The summary statement of appropriation reflects an original budget of Kshs.86,810,345, an adjustment of Kshs.11,597,758 bringing the total final approved budget to Kshs.98,408,103. However, the adjustments under payments in the statement of appropriation were not supported by the approved code list showing the items in the 2016-2017 financial year which were to be financed in the 2017-2018 financial year.

Consequently, the accuracy and completeness of the summary statement of appropriation for the year ended 30 June 2018 could not be confirmed.

## 3. Net Financial Position

The statement of assets as at 30 June 2018 reflects net financial assets balance of Kshs.40,746,298 and nil liabilities. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the statement of assets erroneously shows net liabilities instead of the net financial position of Kshs.40,746,297.

## 4. Register of Assets

Disclosed in Annex 4 to the financial statements under a summary of fixed assets register are assets with a total historical cost of Kshs.5,865,344. However, the Kuria East NG-CDF management did not maintain an updated register of fixed assets during the year under review.

Consequently, in the absence of a complete register of fixed assets in a manner contemplated by the law, the accuracy and completeness of the fixed assets figure of Kshs.5,865,344 as indicated in Annex 4 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Kuria East 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 and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

## 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 matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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. Budget Performance Analysis

Kuria East NG-CDF approved budget for the year 2017/2018 was Kshs.98,408,103 and actual receipts for the year was Kshs.86,610,344 resulting in a budget deficit of Kshs.11,797,758 on the expected revenue.

The actual expenditure was Kshs.46,527,849 or about 47%, resulting in an overall under-expenditure of Kshs.51,880,254 or about 53% of the budgeted amount. Significant under-expenditure occurred on the following items:

Expenditure	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under-Expenditure (Kshs)	Under-Expenditure in %
Transfer to other Government units	33,000,000	9,400,000	23,600,000	72 %
Other grants and transfers	48,175,559	23,086,800	25,088,759	51 %
Acquisition of assets	560,000	0	560,000	100 %
Other payments	4,677,027	0	4,677,027	100 %

In the circumstances, the significant under-utilization of the approved budget on some items implies that the Fund was not able to achieve some of its core objectives and, thereby impacting negatively on the efficiency and effectiveness of the service delivery to the constituents.

#### 2. Projects Verification

Ten projects with expenditure totalling Kshs.14,400,000 were verified as detailed in the table below:

Name of Project	Activity	Expenditure (Kshs)	% Level of Completion	Observations
Gwitembe Secondary School	Completion of dining hall with kitchen	1,000,000	100%	Labor based contract. Irregular cash procurement and failure to maintain stores records.
Bogengo Mixed Primary school	Completion of ongoing dormitory	200,000	100%	Procedurally done
Komotobo School of the Deaf	Renovation of administration block	500,000	100%	Expenditure was not properly supported.
Komotobo Secondary School	Construction of administration block	5,200,000	100%	Was done without technical supervision.
Nyabikongori Secondary School	Completion of ongoing laboratory	500,000	100%	Project is complete and is in use.
Biangonga Chief's office	Completion of ongoing office block	500,000	100%	Expenditure was not properly supported.
Maeta Secondary School	Completion of ongoing dormitory	500,000	100%	Expenditure was not properly supported.
Ihore Assistant Chief's office	Completion of the office block	1,000,000	100%	Project is complete but not in use. The work was not supervised.
Gureta Primary School	Completion of administration block	1,000,000	100%	Irregular cash procurement. Failure to maintain stores records.
Kegonga Police station	Completion of ongoing office block	4,000,000	100%	Complete but not in use.
<b>Total Cost</b>		<b>14,400,000</b>		

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

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

### Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and 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 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 of the National Government Constituencies Development Fund – Kuria East Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to 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:

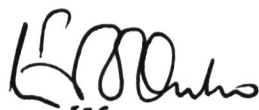
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 of the Fund 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 sustaining 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 National Government Constituencies Development Fund – Kuria East Constituency 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.

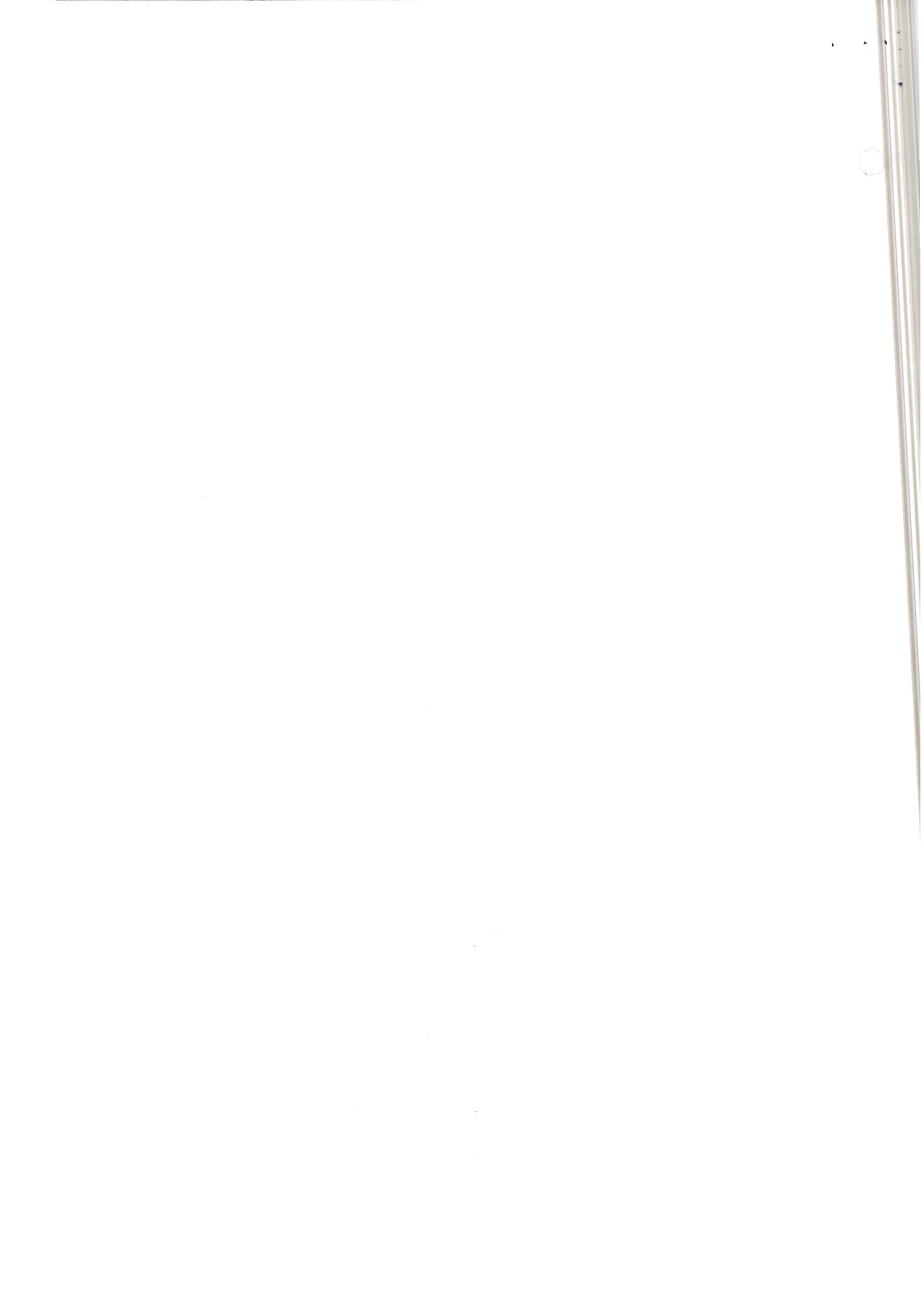
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**05 July 2019**

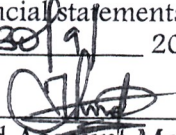


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KURIA EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	86,610,344	81,896,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>86,610,344</b>	<b>81,896,552</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,354,101	2,729,355
Use of goods and services	5	9,241,594	6,068,119
Transfers to Other Government Units	6	9,400,000	25,700,000
Other grants and transfers	7	25,086,800	70,580,373
<b>TOTAL PAYMENTS</b>		<b>46,082,495</b>	<b>105,077,847</b>
<b>SURPLUS/DEFICIT</b>		<b>40,527,849</b>	<b>(23,181,295)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- **KURIA EAST** Constituency financial statements were approved on 30/9/2018 2018 and signed by:

  
 Fund Account Manager  
 Name:

\_\_\_\_\_  
 Sub-County Accountant  
 Name:  
 ICPAK Member Number:





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

**KURIA EAST CONSTITUENCY**

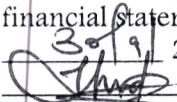
**Reports and Financial Statements**


**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	40,746,298	218,448
Cash Balances (cash at hand)	10B		-
<b>Total cash and cash equivalent</b>		<b>40,746,298</b>	<b>218,448</b>
Accounts Receivables-Outstanding Imprests	11		-
<b>TOTAL FINANCIAL ASSETS</b>		<b>40,746,298</b>	<b>218,448</b>
<b>Financial Liabilities</b>			
<b>Accounts payables-Retantion &amp; Deposits</b>			
<b>NET FINANCIAL ASSETS</b>		<b>40,746,298</b>	<b>218,448</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	218,448	23,399,744
Surplus/Defict for the year		40,527,849	(23,181,295)
Prior year adjustments	14	-	-
<b>NET LIABILITIES</b>		<b>40,746,297</b>	<b>218,448</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KURIA EAST Constituency financial statements were approved on 30/9/2018 and signed by:

  
 Fund Account Manager  
 Name:

  
 Sub-County Accountant  
 Name:  
 ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 KURIA EAST CONSTITUENCY  
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 For the year ended June 30, 2018**

**VI. STATEMENT OF CASHFLOW**

		2017-2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	86,610,344	81,896,552
Other Receipts	3	-	-
		86,610,344	81,896,552
Payments for operating expenses			
Compensation of Employees	4	2,354,101	2,729,355
Use of goods and services	5	9,241,594	6,068,119
Transfers to Other Government Units	6	9,400,000	25,700,000
Other grants and transfers	7	25,086,800	70,580,373
Other Payments	9	-	-
		46,082,495	105,077,847
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		40,527,849	(23,181,295)
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities			-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>40,527,849</b>	<b>(23,181,295)</b>
Cash and cash equivalent at BEGINNING of the year	13	218,448	23,399,744
Cash and cash equivalent at END of the year		40,746,297	218,448

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kuria East Constituency financial statements were approved on 30/9/2018 2018 and signed by:



Fund Account Manager  
Name:



Sub-County Accountant  
Name:  
ICPAK Member Number:

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	11,597,758	98,408,102	86,828,792	11,579,310	88.2%
Proceeds from Sale of Assets		0	0	0	0	
Other Receipts		0	0	0	0	-
<b>TOTAL</b>	<b>86,810,344</b>	<b>11,597,758</b>	<b>98,408,102</b>	<b>86,828,792</b>	<b>11,579,310</b>	<b>88.2%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,410,000.00	350,700	2,760,700	2,354,101	406,599	85.3%
Use of goods and services	8,342,930.72	891,886	9,234,817	9,241,594	-6,777	100.1%
Transfers to Other Government Units	28,000,000.00	5,000,000	33,000,000	9,400,000	23,600,000	28.5%
Other grants and transfers	42,820,387.00	5,355,172	48,175,559	25,086,800	23,088,759	52.1%
Acquisition of Assets	560,000	0	560,000	0	560,000	
Other Payments	4,677,027		4,677,027	0	4,677,027	
<b>TOTAL</b>	<b>86,810,345</b>	<b>11,597,758</b>	<b>98,408,103</b>	<b>46,082,495</b>	<b>52,325,608</b>	<b>46.8%</b>

- I. The over utilization in the Use of goods and service of 100.1% is due to inclusion of strategic plan cost which is a projects approved separately and the un utilized balance in the financial year 2016/2017 of 218,448.
  - II. The underutilization in transfer to other government units of 28.5 % is because of the delay in the receipt of AIE from the board.
  - III. The underutilization in other grants and transfers of 48.7 % is because of the delay in the receipt of AIE from the board.
- The NGCDF-KURIA EAST Constituency financial statements were approved on 30 / 1 2018 and signed by:

  
Fund Account Manager  
Name:

MW  
Sub-County Accountant  
Name:  
ICPAK Member Number:

**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-Kuria East 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

During the year ended 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.

**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.

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**SIGNIFICANT ACCOUNTING POLICIES**

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**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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2017 - 2018	2016 -2017
Normal Allocation	AIE NO.A796236		4,094,828
	AIE NO.A855046		36,853,449
	AIE NO.A855538		40,948,275
30/1/2018	AIE NO.A855889	5,500,000.00	
3/3/2018	AIE NO.A892835	37,905,172.00	
6/6/2018	AIE NO.A896870	43,405,172.00	
	-		
<b>TOTAL</b>		<b>86,810,344</b>	<b>81,896,552</b>

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

2. COMPENSATION OF EMPLOYEES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,982,001	2,000,920.00
Basic wages of casual labour	120,000	360,000
House allowance	150,000	251,000.00
Leave allowance	28,000.00	28,000.00
Employer contribution to NSSF	74,100	89,435.00
<b>Total</b>	<b>2,354,101</b>	<b>2,729,355</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

Description	2017-2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	202,980	146,110
Communication and services	128,000	240,220
Domestic travel and subsistence	350,000	391,000
Printing, advertising and information supplies & services	77,100	96,279
Training expenses	1,590,000	1,494,800
Hospitality supplies and services	102,400	136,820
Other committee expenses	560,000	540,000
Commitee allowance	720,000	780,000
Specialised materials and services	59,700	101,168
Office and general supplies and services	302,000	331,340
Fuel ,oil & lubricants	1,100,000	1,228,000
Routine maintenance – vehicles and other transport equipment	280,000	329,312
Routine maintenance – other assets	235,000	253,070
Bank Charges	34,414	-
Other operating expense(Strategic plan)	3,500,000	-
<b>Total</b>	<b>9,241,593.50</b>	<b>6,068,119</b>

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016 - 2017
	Kshs	Kshs
Transfers to Primary schools	1,700,000	5,900,000
Transfers to Secondary schools	7,700,000	12,700,000
Transfers to Tertiary institutions	-	7,000,000
Transfers to Health institutions	-	100,000
<b>TOTAL</b>	<b>9,400,000</b>	<b>25,700,000</b>

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017-2018	2016 - 2017
	Kshs	Kshs
Bursary -Secondary	7,919,800	8,417,800.00
Bursary -Tertiary	7,317,000	11,380,880.00
Bursary-Special schools	900,000	1,600,000.00
Security	7,000,000	33,600,000.00
Roads	-	2,389,827.00
Sports	-	2,756,896.00
Environment	-	5,280,000.00
Emergency Projects (Annex 5)	1,950,000	<b>5,154,970.00</b>
<b>Total</b>	<b>25,086,800</b>	<b>70,580,373</b>

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

**KURIA EAST CONSTITUENCY**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS.**

<u>Non-Financial Assets</u>		2017-2018	2016 - 2017
		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings			21,071,930.80
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles			
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings		-	-
Purchase of computers ,printers and other IT equipment's		-	-
Purchase of photocopier		-	-
Purchase of other office equipment's			-
Purchase of soft ware		-	-
Acquisition of Land			
<b>Total</b>		-	<b>21,071,931</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*  
10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency		2017-2018	2016 - 2017
	Account Number		Kshs (30/6/2017)
<i>KCB Kehancha Branch</i>	1147942986	40,746,298.	218,448
<b>Total</b>		<b>40,746,298.</b>	<b>218,448</b>

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

**13. BALANCES BROUGHT FORWARD**

		2017 - 2018	2016 - 2017
		Kshs (1//7/2016)	Kshs (1//7/2015)
Bank accounts		218,448	23,399,744
Cash in hand		-	-
Imprest		-	-
<b>Total</b>		<b>218,448</b>	<b>23,399,744</b>

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

15. OTHER IMPORTANT DISCLOSURES

<b>15.1: PENDING ACCOUNTS PAYABLE</b>			
		<b>2017-2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Use of goods and service</b>		0.00	<b>218,448</b>
<b>TOTAL</b>			

15.3: UNUTILIZED FUNDS (See Annex 3)

<b>15.3: UNUTILIZED FUNDS</b>		
	<b>2017-2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Amounts due to other Government entities (see attached list)	18,300,000.00	-
Amounts due to other grants and other transfers (see attached list)	24,270.291.00	-
<b>TOTAL</b>		



15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	1,768,979.85	0.00
<b>TOTAL</b>	<b>1,768,979.85</b>	<b>0.00</b>

**NATIONAL GOVERNMENT ENTITY KURIA EAST**  
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**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees	Payment of salaries	-	-	Funds fully utilized
Use of goods & services	Other payments	-	218,448	Balance c/f
<b>Amounts due to other Government entities</b>				
Bongebo Boarding Primary	Projects	2,800,000	-	Delay in disbursement
Girigiri Primary	Projects	2,000,000	-	Delay in disbursement
Gokeharaka Primary	Projects	2,000,000	-	Delay in disbursement
Kebare Primary	Projects	1,500,000	-	Delay in disbursement
Koromangucha Primary	Projects	1,000,000	-	Delay in disbursement
Nyamiro Boarding Primary	Projects	5,000,000	-	Delay in disbursement
Simbori Primary	Projects	800,000	-	Delay in disbursement
Nyamangongi Primary	Projects	400,000	-	
Taragai Secondary	Projects	1,500,000	-	Delay in disbursement
Nyamaranya Secondary	Projects	500,000	-	Delay in disbursement
Masangora Girls	Projects	800,000	-	Delay in disbursement
<b>Total</b>		<b>18,300,000</b>		

NATIONAL GOVERNMENT ENTITY – UGANDA EAST  
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Amounts due to other grants and other transfers				
Bursaries	Secondary	3,782,200		Delay in disbursement
Bursaries	Tertiary	306,586		Delay in disbursement
Bursary	Special	3,100,000		Delay in disbursement
Security	Projects	5,600,000		Delay in disbursement
Sport	Projects	1,536,207		Delay in disbursement
Environment	Environment	1,212,628		Delay in disbursement
Emergency	Emergency	2,618,966		Delay in disbursement
	Sub-Total	18,156,587		
Acquisition of assets				
Purchase of office furniture's/Equipment		560,000		Delay in disbursement
Others ( <i>specify</i> )				
ICT HUB		4,677,027.		
	Grand Total	5,237,027		

NATIONAL GOVERNMENT ENTITY – KURIA EAST  
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost	Addition During the year	disposal During the year	Historical Cost
	(Kshs)			(Kshs)
	2017/18			2016-2017
Transport equipment	5,120,464.00	-	-	5,120,464.00
Office equipment, furniture and fittings	432,382.00	-	-	432,382.00
ICT Equipment, Software and Other ICT Assets	312,498.00	-	-	312,498.00
<b>Total</b>	<b>5,865,344.00</b>	<b>-</b>	<b>-</b>	<b>5,865,344.00</b>

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

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

S/NO	PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
1.	Bongebo Boarding Primary	KCB	1133971407	6,569.50	0.00
2.	Gureta Primary	KCB	1123132550	9.00	0.00
3.	Komotobo School for the deaf	KCB	1133590004	500,453.00	0.00
4.	Gwitembe secondary	KCB	1106573943	740,421.00	0.00
5.	Komotobo secondary school	KCB	1148887504	2,260.00	0.00
6.	Maeta Secondary School	KCB	1118276450	109,833.50	0.00
7.	Masangora Girls Secondary	KCB	1226664733	370.00	0.00
8.	Nyabikongori mixed secondary school	KCB	1116619237	176,958.50	0.00
9.	Biangongo chiefs office	KCB	1177371294	15,711.05	0.00
10.	Getongoroma AP Line	KCB	1119297842	947.50	0.00
11.	Ihore Assistant Chiefs	KCB	1203859104	-105.00	0.00
12.	Kuria East Divisional Police headquarters	KCB	1138271349	60,757.30	0.00
13.	Nyabasi west chiefs office	KCB	1228723567	154,100.00	0.00
14.	Nyamaranya Assistant Chief	KCB	1109860927	694.50	0.00
	<b>TOTAL</b>			<b>1,768,979.85</b>	<b>0.00</b>

NATIONAL GOVERNMENT ENTITY – KURIA EAST

Reports and Financial Statements

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Irregular transfer to Rongo university	The issue raised concerned the transfer of 7,000,000 to Rongo University, Mentoring institution on Kendege Technical training Institute	Korir Bernard (FAM)	Resolved	Resolved
2.	Renovation of Classroom at Wangira bose primary	The issue raised concerned the poor workmanship on the floors of two classrooms which was peeling off.	Korir Bernard (FAM)	Resolved	Resolved
3.	Construction of culvert at Buhimia Bridge	The issue raised concerned a section of the culvert which has been damaged and risk collapsing.	Korir Bernard (FAM)	Resolved	Resolved
4.	Unsupported balances of PMCS	The issue raised concerned the unsupported PMC balances.	Korir Bernard (FAM)	Resolved	Resolved