



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL





REPORT

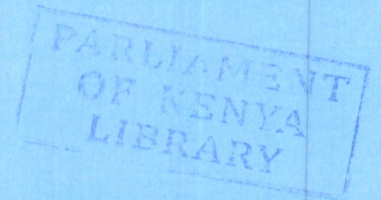
THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 31 JUL 2019

DAY: Wednesday

TABLED BY: Hon. Benjamin Wathiaji
Majority Whip

PREPARED BY: Hafiza Ahmed

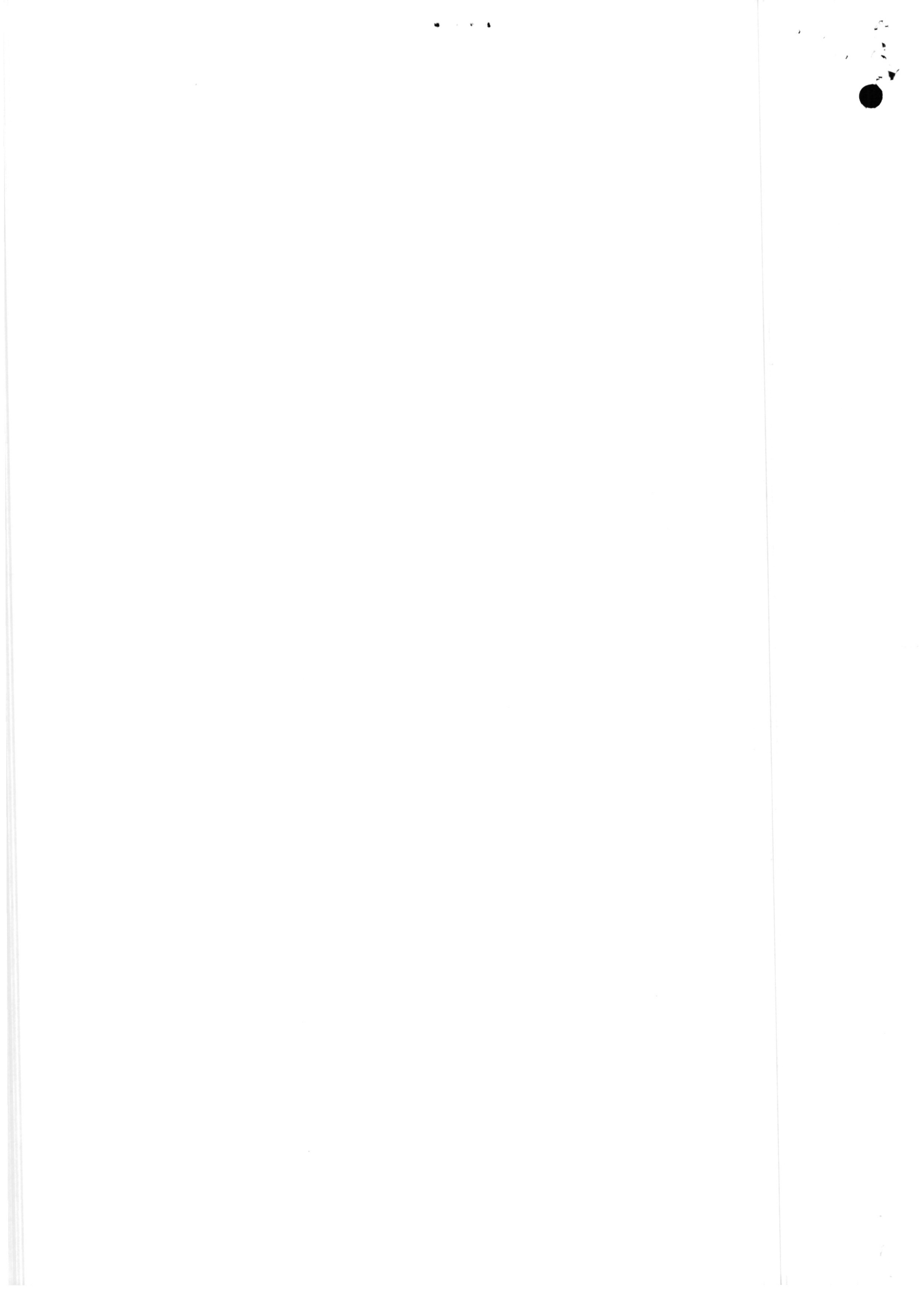


THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
BOBASI CONSTITUENCY**

**FOR THE YEAR
ENDED 30 JUNE 2018**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

- 6 MAY 2019

RECEIVED

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BOBASI
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)

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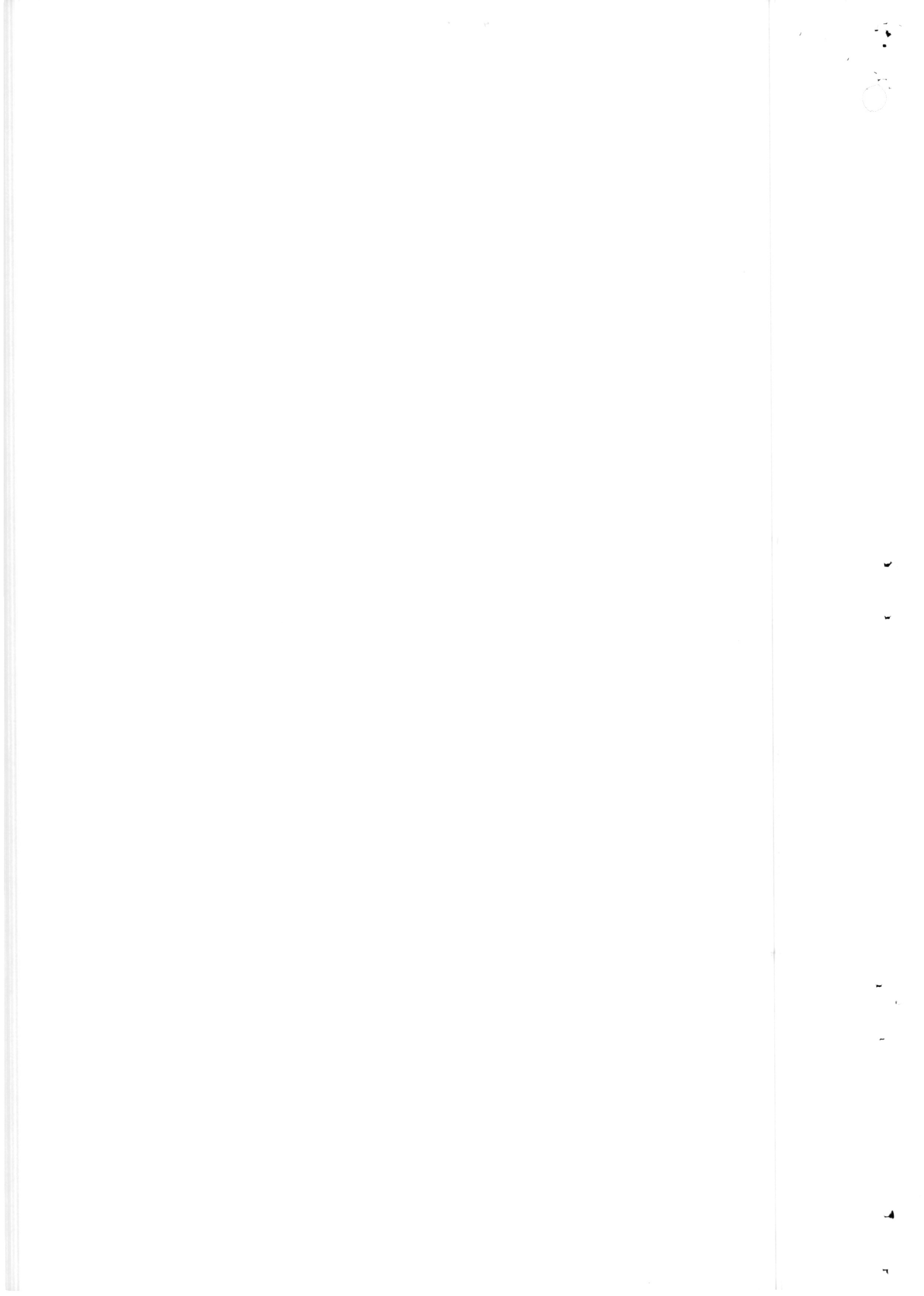
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BOBASI 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	5
IV. STATEMENT OF RECEIPTS AND PAYMENTS	6
V. STATEMENT OF ASSETS AND LIABILITIES	7
VI. STATEMENT OF CASHFLOW	8
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	9
VIII. SIGNIFICANT ACCOUNTING POLICIES	24
IX. NOTES TO THE FINANCIAL STATEMENTS.....	26



I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

The NGCDF BOBASI 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 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Daniel John Ogutu Oreri
3.	Sub-County Accountant	Benjamin Oino
4.	Chairman NGCDFC	Samwel Karuru
5.	Member NGCDFC	Naftal Mbaka

(d) Fiduciary Oversight Arrangements

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

Bobasi Constituency Development Fund.
P.O BoX 98-40204
Opposite DCC's Offices,
Hospital Road,
Nyamache, Kenya

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

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF BOBASI Constituency Contacts

Telephone: (254) 723540344

E-mail:Bobasi@cdf.go.ke

(g) NGCDF BOBASI Constituency Bankers

1. Co-operative Bank – Kisii Branch
A/C No. 01120018210900
P.O Box 2469 - 40200
Kisii

(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

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

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

Sign.....

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BOBASI 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-BOBASI 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, 20XX. 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-BOBASI 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, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BOBASI 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-BOBASI 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-BOBASI Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BOBASI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bobasi Constituency set out on pages 6 to 41, which comprise the statement of assets as at 30 June 2018, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Bobasi Constituency as at June 30 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Comparative Figures

The comparative information under 2016/2017 financial year presented in the financial statements for the year ended 30 June 2018 differs with the figures reflected in the audited financial statements for 2016/2017 as follows:

Item	2016/2017 Comparative Figures in the Financial Statements for 2017/2018- (Kshs.)	Figures in the 2016/2017 Audited Financial Statements- (Kshs.)
Statement of receipts and payments		
Transfers from NG-CDF board.	108,379,140	107,441,162
Total receipts	108,379,140	107,441,162
Compensation of employees	1,789,507	2,089,506
Use of goods and services	12,030,945	11,730,944
Transfer to other government entities	132,300,934	121,732,131
Total payments	179,001,666	168,432,861
Surplus/deficit	(70,622,526)	(60,991,699)

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

Item	2016/2017 Comparative Figures in the Financial Statements for 2017/2018- (Kshs.)	Figures in the 2016/2017 Audited Financial Statements- (Kshs.)
Statement of assets and liabilities		
Bank balances	7,243,354	7,234,354
Total financial assets	7,243,354	7,234,354
Surplus/deficit	(70,622,526)	(60,991,699)
Net liabilities	(2,396,473)	7,234,354
Statement of cash flows		
Compensation of employees	1,789,507	2,089,506
Use of goods and services	12,030,945	11,730,944
Transfer to other government entities	132,300,934	121,732,131
Net cash flow from operating activities	(71,560,504)	168,432,861
Net increase in cash and cash equivalent	(71,560,504)	(60,991,699)
Cash and Cash Equivalent at The End of the Year	(2,396,473)	7,234,354
Notes to the financial statements		
1. Compensation of employees		
Basic wages of contractual employees	954,267	1,254,267
Other personnel payments	0	715,885
Gratuity	717,886	119,354
Total	1,670,163	2,089,506
2. Use of goods and services		
Fuel, oils and lubricants	0	1,500,000
Other committee expenses	8,371,387	3,021,386
Committee allowances	0	5,600,000
Total	10,394,148	11,730,944
3. Transfer to other government entities		
Transfers to primary schools	60,637,931	47,069,128
Transfers to health institutions	20,375,407	23,375,407
Total		121,732,131
13. balances brought forward		
Bank accounts	24,492,287	68,226,053
15.1 pending accounts payable	0	500,000

In the circumstances, the accuracy, completeness and validity of the comparative amounts and balances reflected against various account items in the financial statements could not be ascertained.

2. Summary Statement of Appropriation

The summary statement of appropriation indicates an original budget of Kshs.88,175,560, an adjustment of Kshs.50,179,310 bringing the total budget to Kshs.138,354,870 for the expenditure. The adjustments for the expenditure were however not adequately supported by approved code list and expenditure returns showing the 2016 - 2017 financial year items that were to be financed in 2017-2018 financial year. Consequently, the completeness and accuracy of the summary of statement of appropriation could not be confirmed.

3. Other Grants and Transfers

Included in other grants and other transfer expenditure of Kshs.30,335,100 is an amount of Kshs.800,000 under security expenses which was paid for the construction of a chief's

office. Although, the amount was recorded in the cash book as paid, examination of payments records revealed that cheques for the amount were drawn but not presented for payment, became stale after six months but were not reversed in the cash book as required. As a result, the other grant and transfers during the year have been overstated by Kshs.800,000.

4. Net Financial Position

The statement of assets as at 30 June 2018 reflects total financial assets balance of Kshs.24,032,087. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the statement of assets shows net liabilities instead of the net financial position of Kshs.24,032,087.

5. Assets Register

The summary of fixed assets register under annexure 4 to the financial statements reflects various classes of non-current assets with historical costs totalling Kshs.10,172,993. However, contrary to the requirements under regulation 143 of the Public Finance Management (National Government) Regulations, 2015, the assets register was not maintained in a manner contemplated by the law. Consequently, the accuracy and completeness of the fixed assets balance as at 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 Bobasi NG - CDF 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 adverse 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 discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no other 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resource sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Budget Performance Analysis

According to the statement of appropriation Bobasi NG-CDF management had budgeted to receive from the NGCDF Board Kshs.134,532,757 but the actual receipt were Kshs.84,353,447. The management had also budgeted to spent Kshs.138,354,870 but

the actual expenditure was Kshs.75,544,114 or 54.6%, resulting in under expenditure of Kshs.62,810,756 or 45.4%.

The under-utilization of the approved budget led to the Fund not being able to achieve some of its core objectives thereby, impacting negatively on the efficiency and effectiveness of the service delivery to the constituents.

2. Irregular Reallocation of Funds

It was noted that funds totalling Kshs.9,780,000 disbursed by the project management committees for the budgeted purposes were diverted to other uses without approvals from the National Government Constituencies Development Fund Board as detailed below:

Project Name	Project Amount Kshs.	Original Budgeted Activity	Diverted to
Rusinga Primary School	1,500,000	Construction of two 4 doors toilets	Construction of toilets amounting to Kshs.500,000. Kshs.1,000,000 was spent on construction of a classroom.
Busansa Primary School	500,000	Construction of one classroom	<ul style="list-style-type: none"> • Roofing of 5 No. classrooms • Flooring of 6 No. classrooms
Gorofa ELOK primary school	1,000,000	Re-roofing of 10 No. classrooms	<ul style="list-style-type: none"> • Re-roofing of 4 No. classrooms • Painting of administration block and installation of metal doors and windows and plastering of the kitchen. • Erected structure for the hall
Rogongo Secondary School	6,780,000	Purchase of school bus	Bus delivered to Nyamagwa Girls Secondary School
Total	9,780,000		

Further, bills of quantities for the construction works for which the funds were diverted were not prepared. Section 5(2) of the National Government Constituencies Development Fund Act, 2015 states that all disbursements from the Fund shall be for specific projects as submitted by the constituencies in accordance with the procedures outlined in the Act. The management therefore breached the law.

Consequently, the regularity and value for money of the expenditure of Kshs.9,780,000 could not be ascertained.

3. Stalled Projects

3.1. Construction of Classrooms at Nyamache Primary School

Included in the transfers to other government units' expenditure of Kshs.34,318,697 is an amount of Kshs.1,000,000 which was paid for the construction of two new classrooms at Nyamache Primary school in the financial year 2017/2018. Physical verification of the project on 14 January 2019 revealed that the following listed works as per the bill of

quantities were not undertaken and the classrooms were not in use despite the project having exhausted the allocated funds:

- i. Steel casement windows size 1200*1200 mm
- ii. Steel casement doors size 940*2100 mm
- iii. Painting works
- iv. Flooring of the verandah

Consequently, the regularity and value for money for the expenditure of Kshs.1,000,000 could be confirmed.

3.2. Construction of Pit Latrine at Itumbe DOK Primary School

Included also in the transfers to other government units' expenditure of Kshs.34,318,697 is an amount of Kshs.200,000 which was paid for the construction of a pit latrine at Itumbe DOK primary school. Physical verification of the project which on 16 January 2019 revealed that the following works as per the bill of quantities were not undertaken despite having exhausted all the funds:

- i. Number of iron sheets in the bill of quantities was eight costing Kshs.8,800 but only four iron sheets were used.
- ii. Plastering was done only in the inner walls of the latrine whereas the bill of quantities provided for 10 tons of sand costing Kshs.18,000 and thirty bags of cement costing 21,000.

Consequently, the regularity and value for money for the expenditure of Kshs.200,000 could be confirmed.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resource sections of my report, based on the audit procedures performed, I confirm 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 standard requires 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 National Government Constituencies Development Fund - Bobasi 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.

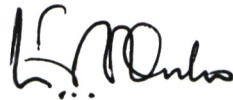
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 Fund's ability 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-Bobasi 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

18 June 2019

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

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	84,353,447	108,379,140
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		84,353,447	108,379,140
PAYMENTS			
Compensation of employees	4	281,160	1,789,507
Use of goods and services	5	10,394,148	12,030,945
Transfers to Other Government Units	6	34,318,697	132,300,934
Other grants and transfers	7	30,335,100	32,880,280
Acquisition of Assets	8	-	-
Other Payments	9	215,009	-
TOTAL PAYMENTS		75,544,114	179,001,666
SURPLUS/(DEFICIT)		<u>8,809,333</u>	<u>(70,622,526)</u>

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



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:


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

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

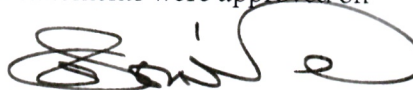
V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	24,032,087	7,243,354
Cash Balances (cash at hand)	10B	-	-
		-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		24,032,087	7,243,354
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	7,234,354	68,226,053
Surplus/Deficit for the year		8,809,333	(70,622,526)
Prior year adjustments	14	7,988,400	-
NET LIABILITIES		<u>24,032,087</u>	<u>(2,396,473)</u>

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



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

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

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

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2018 - 2017	2017 - 2016
Transfers from NGCDF Board	1	84,353,447	107,441,162
Other Receipts	3	-	-
		84,353,447	107,441,162
Payments for operating expenses			
Compensation of Employees	4	281,160	1,789,507
Use of goods and services	5	10,394,148	12,030,945
Transfers to Other Government Units	6	34,318,697	132,300,934
Other grants and transfers	7	30,335,100	32,880,280
Other Payments	9	215,009	-
		75,544,114	179,001,666
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		8,809,333	(71,560,504)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		8,809,333	(71,560,504)
Cash and cash equivalent at BEGINNING of the year	13	7,234,354	68,226,053
Cash and cash equivalent at END of the year		<u>16,043,687</u>	<u>(3,334,451)</u>

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



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BOBASI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	84,353,447	50,179,310	134,532,757	84,353,447	50,179,310	62.7%
Proceeds from Sale of Assets						
Other Receipts						
	84,353,447	50,179,310	134,532,757	84,353,447	50,179,310	62.7%
PAYMENTS						
Compensation of Employees	2,403,840	510,345	2,914,185	181,160	2,633,025	9.6%
Use of goods and services	5,409,091	6,000,000	11,409,091	10,394,148	1,014,943	91.1%
Transfers to Other Government Units	40,000,000	30,000,000	70,000,000	34,318,697	35,681,303	49.0%
Other grants and transfers	31,662,629	13,668,966	45,331,595	30,335,100	14,996,495	66.9%
Acquisition of Assets	5,700,000	-	5,700,000	-	5,700,000	0.0%
Other Payments	3,000,000	-	3,000,000	215,009	2,784,991	
TOTALS	88,175,560	50,179,310	138,354,870	75,544,114	62,810,756	54,6%

The NGCDF-BOBASI Constituency financial statements were approved on _____ 2018 and signed by:



Fund Account Manager
Name:



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-BOBASI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

The Entity recognizes 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.

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 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

BOBASI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
A855764	1	5,500,000	4,094,828
A892810	2	40,948,275	25,373,073
A892982	3	37,905,172	36,853,449
	1		41,119,812
	2		
	3		
TOTAL		84,353,447	107,441,162

2. PROCEEDS FROM SALE OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

BOBASI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	196,366	954,267
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	715,886
Total	196,366	1,670,153

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. **USE OF GOODS AND SERVICES**

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	8,410,583	8,371,387
Utilities, supplies and services	279,835	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	200,000
Printing, advertising and information supplies & services	-	50,000
Rentals of produced assets	-	-
Training expenses	306,000	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	95,720
Other operating expenses	-	906,442
Routine maintenance – vehicles and other transport equipment	397,730	357,396
Routine maintenance – other assets	-	-
Total	10,394,148	12,030,945

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI 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 National Government entities	-	-
Transfers to primary schools	14,857,759	60,637,931
Transfers to secondary schools	19,460,938	50,787,596
Transfers to tertiary institutions	-	500,000
Transfers to health institutions	-	20,375,407
TOTAL	34,318,697	132,300,934

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools	-	22,121,000
Bursary – tertiary institutions	25,135,100	-
Bursary – special schools	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	800,000	8,570,280
Sports projects (see attached list)	-	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	4,400,000	2,189,000
Total	30,335,100	32,880,280

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
Retention (Sezi construction Co. ltd)	215,009	-
	-	-
	-	-
	215,009	-

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Nco-operative bank – kisii, Account No. 01120018210900</i>	24,032,087	7,234,354
Total	24,032,087	7,234,354
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	24,032,087	24,492,287
Cash in hand	-	-
Imprest	-	-
Total	24,032,087	24,492,287

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BOBASI 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	7,988,400	-
Cash in hand	-	-
Imprest	-	-
Total	7,988,400	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	-	-
Amounts due to other grants and other transfers (see attached list)	-	-
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
	-	-

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers				
Sub-Total				
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Grand Total				



1 2 3

4 5 6

7 8 9

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	N/A	-	-	N/A
Buildings and structures	3,559,044	-	-	3,559,044
Transport equipment	5,400,000	-	-	5,400,000
Office equipment, furniture and fittings	614,749	-	-	614,749
ICT Equipment, Software and Other ICT Assets	599,200	-	-	599,200
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	10,172,993	-	-	10,172,993



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NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Total				



5
4
3

2
1

0
9
8

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2017 (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	Inaccuracies in the Financial statements	The management has amended the financials	John Ongeru	Resolved	10/08/2018
2	Compensation of employees	The error was not intentional	John Ongeru	Resolved	10/08/2018
3	Other Operating Expenses	Issue resolved	John Ongeru	Resolved	10/08/2018
4	Procurement of conference facilities	Issue resolved	John Ongeru	Resolved	10/08/2018
5	Summary asset register	Issue resolved	John Ongeru	Resolved	10/08/2018

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