


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

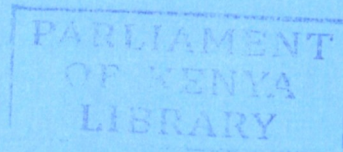


REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID		
DATE:	11 SEP 2019	Day: KICD
TABLED BY:	LEADER DR MAJDETT	
OF		
CLERK-AT THE TABLE:	LEAH MWAURA	

THE AUDITOR-GENERAL

ON



**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- BORABU CONSTITUTEURENCY**

**FOR THE YEAR
ENDED 30 JUNE 2018**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BORABU 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) BORABU
CONSTITUENCY

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BORABU CONSTITUENCY

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)

BORABU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

Patriotism – we uphold the national pride of all Kenyans through our work

Participation of the people- We involve citizens in making decisions about programmes we fund

Timeliness – we adhere to prompt delivery of service

Good governance – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people

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.

Key Management

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

National Government Constituencies Development Fund Board (NGCDFB)

National Government Constituency Development Fund Committee (NGCDFC)

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	Edwin Lecha
3.	Sub-County Accountant	Thomas Obonyo
4.	Chairman NGCDFC	Duncan Ondari
5.	Member NGCDFC	Peterson Obuba

Fiduciary Oversight Arrangements

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

NGCDF Borabu Constituency Headquarters

P.O. Box 1-40502
Menyenya Farmers Building
Nyansiongo, Kenya

NGCDF Borabu Constituency Contacts

Telephone: (254) 714 836 279
E-mail: borabungcdf@ngcdf.go.ke
Website: www.go.ke

NGCDF Borabu Constituency Bankers

Equity Bank
Keroka Branch
Ac No. 1240261392623

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

BORABU CONSTITUENCY

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

Independent Auditors

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

Principal Legal Adviser

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

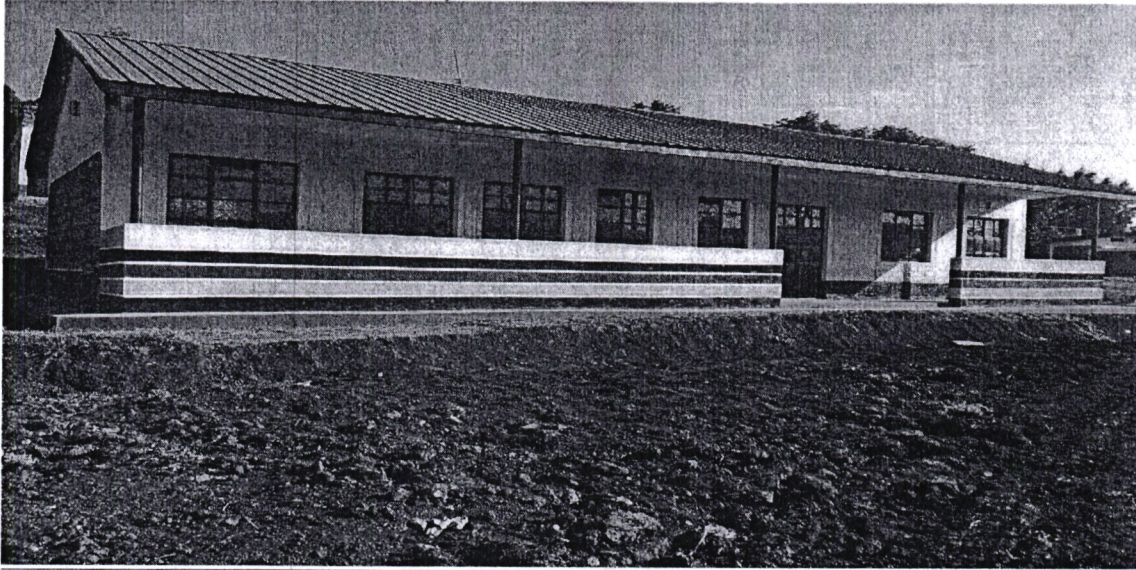
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BORABU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

Borabu NG-CDF received Kshs 116,358,620 during financial year 2017/2018. We were able to implement projects to the tune of Kshs 81,456,486 ranging from schools, technical institutions, bursary, water and security.

We have sampled an assortment of pictures below indicating some projects funded by Borabu NG-CDF during financial year 2017/2018.

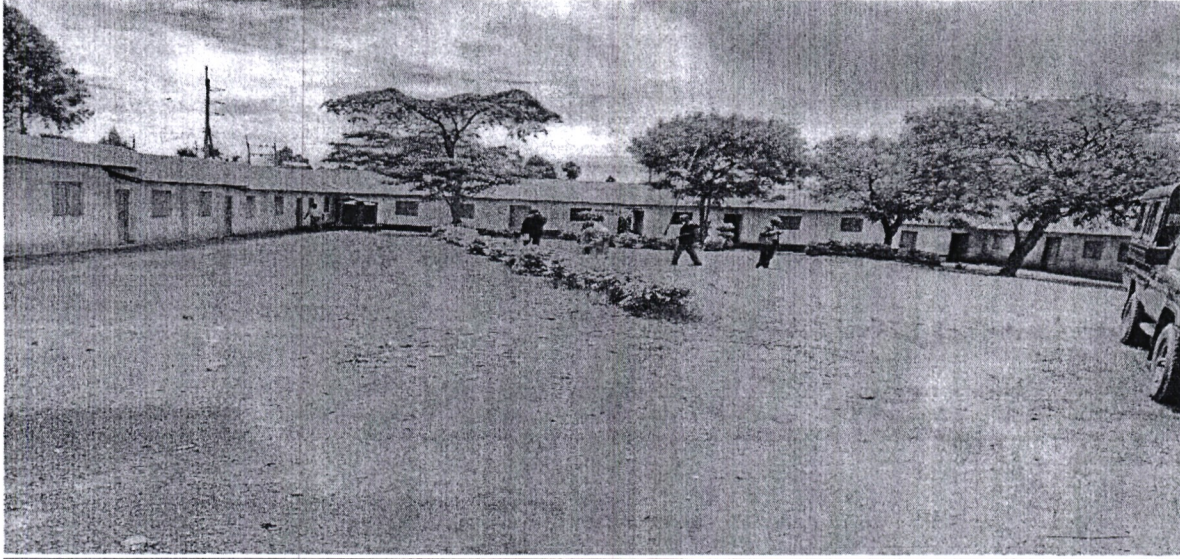


Purchase of Nyangoge Secondary School Bus



Borabu Police Station offices

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

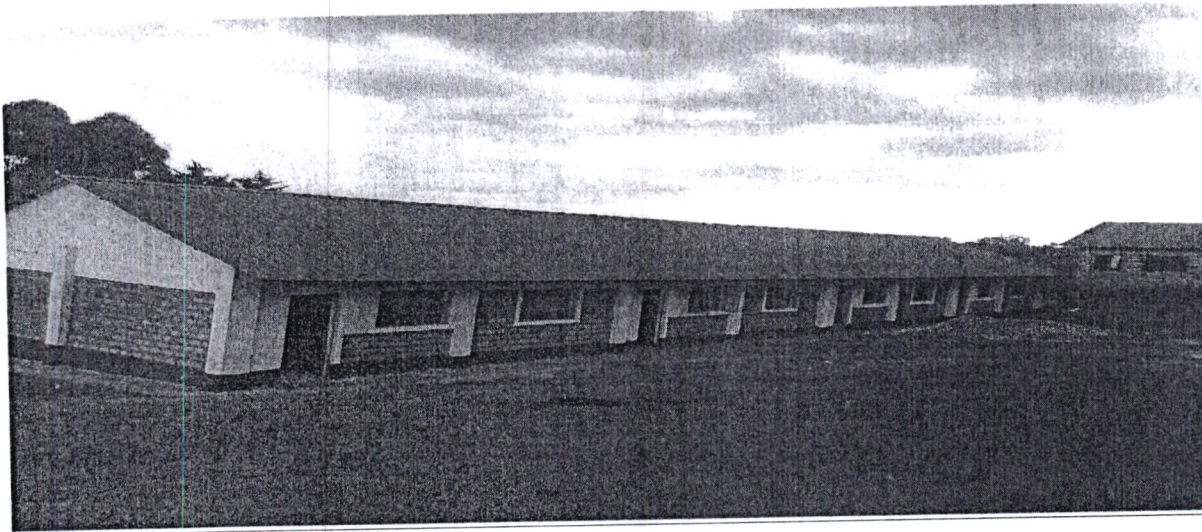


Renovation of 15 Class rooms at Nyabikomu Primary School



Ongoing works at Borabu Teachers Training College

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



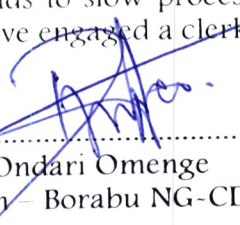
Construction of 4 Class rooms at Kineni ELCK Primary School

The constituency experienced a number of challenges below in its efforts to implement projects during the financial year:-

- a) Delayed disbursement of funds by the NG-CDF which leads to delayed implementation of projects
- b) Inadequate technical officers especially in the area of building and construction which also leads to slow processing of documentation hence delayed implementation of projects. We have engaged a clerk of works who is helping in bridging the gap.

.....Date.....

11-03-2019


Duncan Ondari Omenge
Chairman - Borabu NG-CDFC

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BORABU CONSTITUENCY
Reports and Financial Statements
or 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-Borabu 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-Borabu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Borabu 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-Borabu 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-Borabu Constituency financial statements were approved and signed by the Accounting Officer on 11/03/2019.

Fund Account Manager
Name:




Sub-County Accountant
Name: THOMAS OBONYO
ICPAK Member Number:

NAC/45636

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Borabu Constituency set out on pages 8 to 28, which comprise the statement of financial assets as at 30 June 2018, and the statement 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 National Government Constituencies Development Fund - Borabu Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Use of Goods and Services

1.1. Variance Between Financial Statements Figures and the Ledger

The expenditure figures for various components disclosed under Note 5 to the financial statements for the year ended 30 June 2018 in respect of use of goods and services differs with the ledgers as analyzed below:

Component	Amount As Per Financial Statements Kshs	Amount As Per The Ledgers Kshs	Variance Kshs
Utilities, supplies and services	962,550	222,453	740,097

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

Component	Amount As Per Financial Statements Kshs	Amount As Per The Ledgers Kshs	Variance Kshs
Office rent	48,000	48,000	-
Communication, supplies and services	239,400	183,564	55,836.00
Domestic travel and subsistence	17,000	123,765	(106,765)
Printing, advertising and information supplies & services	248,300	255,675	(7,375)
Training expenses	370,000	464,903	(94,903)
Hospitality supplies and services	92,500	234,567	(142,067)
Other committee expenses	1,510,600	1,745,675	(235,075)
Committee allowance	846,000	1,767,549	(921,549)
Office and general supplies and services	1,048,850	180,654	868,196
Fuel ,oil & lubricants	500,000	401,387	98,613
Other operating expenses (Bank Charges)	-	113,456	(113,456)
Routine maintenance – vehicles and other transport equipment	599,996	234,567	365,429
Routine maintenance – other assets	371,900	100,786	271,114
Total	6,855,096	6,077,001	778,095

The resulting variance of Kshs.778,095 between the total amount of Kshs.6,855,096 reflected in the financial statements and the ledgers figure of Kshs.6,077,001 was not reconciled or explained. Consequently, the accuracy and completeness of the expenditure of Kshs.6,855,096 on use of goods and services reflected in the statement of receipts and payments could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Borabu 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 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. Construction of Tuition Block at Borabu Teachers Training College

Contact for the proposed construction of Borabu Teachers Training College Tuition Block was awarded to a contractor who was the lowest evaluated bidder at a contract sum of Kshs.37,654,965. The contract period was fourteen months effective from the date of contract of 24 May 2017. A review of the records revealed that the project was to be co-funded by Borabu NG-CDF and the Ministry of Education with each party contributing Kshs.20,000,000. Borabu NG-CDF had allocated a total Kshs.17,000,000 towards the project (Kshs.11,000,000 in 2016/2017 and Kshs.6,000,000 in 2017/2018). The contractor has so far been paid Kshs.12,077,406.75 net of VAT and retention.

A physical verification conducted on 23 January 2019 revealed that construction was at foundation level. The following anomalies were also noted:

- i. The scope of works was revised from construction of a ground floor building to a one storey building. This occasioned variation of the contract sum by Kshs.36,053,508 from Kshs.37,654,965 to Kshs.73,708,473. It was not explained how the increase would be funded given the budget was Kshs.40,000,000.
- ii. The fourteen months' contract period elapsed in July, 2018 and therefore the project was six months behind schedule.
- iii. The cost of substructure increased by Kshs. 9,387,000 from Kshs. 8,073,835 to Kshs. 17,460,835 following the change in design. The huge increase does not appear to represent value for money.

Consequently, it could not be ascertained whether value for money would be achieved on the funds spent on the project.

2. Failure to Account for Funds Transferred Project Management Committees

The CDF Committee transferred an amount of Kshs.2,850,000 to various Project Management Committees (PMCs) accounts for projects implementation as detailed below:

PMC Name	Project Activity	Amount Kshs.	Status
Egentubi primary school	Construction of 8 pit latrine for both boys and girls	500,000	The project is complete and in use
Egentubi Secondary School	Financing of dormitory plastering, floor and fixing of windows and doors	1,000,000	Project was co-funded with the school

PMC Name	Project Activity	Amount Kshs.	Status
			The floor, plastering and fixing of windows and doors had been done.
Kiang'eni Administration police line	Construction of three staff houses for roofing plastering and fixing doors and windows	300,000	The main structure complete with the roof is in place. Three doors had been fixed
Nyaramba AP line	Completion of three double rooms for members of staff and office	750,000	The project was complete and in use The balance was used to construct 4 door latrines
Nyansiongo chiefs office	Construction of 3 room chiefs office block	300,000	The main structure complete with roofing is in place, plastering was done in one room
	Total	2,850,000	

However, the management did not provide returns from the various PMCs to show how the funds were utilized. Consequently, the regularity of the expenditure could not be confirmed.

3. Stalled Projects

A review of the project implementation status report from the financial year 2013/2014 to 2017/2018 revealed that fifty-two projects funded at a total cost of Kshs.79,085,166 over the years have remained incomplete. The projects relate mainly to construction of schools and security and are at different status of completion, and require an additional Kshs.85,714,834 to complete as shown below:

No	Name of Project	Amount (Kshs)
1	Secondary Schools	40,600,000
2	Security	10,085,166
3	Primary Schools	10,700,000
4	Borabu Teachers Training College	14,000,000
5	Electricity	4,000,000
6	Borabu NG-CDF Office Construction	600,000
		79,985,166

The continued non-financing of these projects goes against the provisions of the National Government - CDF Act, 2015 requiring that all the ongoing projects to be given preference in funding before new projects are initiated.

4. Emergency Projects

Disclosed in Note 7 to the financial statements under other grants and other payments is an expenditure of Kshs.4,935,000 on emergency projects. Included in the expenditure is an amount of Kshs.3,050,000 incurred on opening, grading and

murraming of two roads namely; Riamomanyi junction- Nyakwerema road and Mwongori junction – Mogusii road.

A physical verification of both roads conducted on 24 January 2019 revealed that there were no sign posts erected making it difficult to confirm whether the visited roads were the ones undertaken by the CDF. There was also no proof of emergency and urgency in the construction of the two roads as envisaged in the National Government CDF Act, 2015.

Consequently, the expenditure of Kshs.3,050,000 incurred could not be confirmed as a proper charge on public funds.

5. Budgetary Performance Analysis

The constituency fund management had budgeted to receive Kshs.129,275,352 from National Government CDF Board but the actual receipts during the year under review were Kshs.116,496,042 only as reflected in the summary statement of appropriation. Therefore, an amount of Kshs.12,779,310 which is equivalent to 10% of the final approved budget was not received by the constituency fund management.

In addition, the constituency fund management spent a total of Kshs.81,456,486 against a budget of Kshs.129,275,352 leading to under expenditure of Kshs.47,818,866 which is equivalent to 37% of the approved budget.

Consequently, the budget implementation inefficiencies noted above led to the fund not being able to achieve some of its core objectives and ineffective delivery of services to the constituents.

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 National Government Constituencies Development Fund - Borabu 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 manner.

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 noncompliance. 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 - Borabu 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

25 July 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 BORABU CONSTITUENCY
 Reports and Financial Statements
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018 Kshs	2016-2017 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	116,358,620	61,348,277
Proceeds from sale of Non-Financial Assets	2	-	-
Other Receipts	3	-	15,000
TOTAL RECEIPTS		116,358,620	61,363,277
PAYMENTS			
Compensation of Employees	4	1,915,389	1,432,737
Use of goods and services	5	6,855,096	14,039,148
Transfers to Other Government Units	6	34,700,871	41,360,000
Other grants and transfers	7	36,458,130	52,158,912
Acquisition of Assets	8	877,000	200,000
Other Payments	9	650,000	700,000
TOTAL PAYMENTS		81,456,486	109,890,797
SURPLUS/DEFICIT		34,902,134	(48,527,520)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Borabu Constituency financial statements were approved on 11/03/2019 and signed by:

Fund Account Manager
 Name: _____



Sub-County Accountant
 Name: Thomas OBONYO
 ICPAK Member Number:

NAC/45636

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

- BORABU CONSTITUENCY

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V. STATEMENT OF FINANCIAL ASSETS

	Note	2017-2018 Kshs	2016-2017 Kshs
NET FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	35,039,556	137,422
Cash Balance(cash at hand)	10B		
total cash and cash equivalent		35,039,556	137,422
Current receivables			
Outstanding Imprest	11	-	
TOTAL FINANCIAL ASSETS		35,039,556	137,422
FINANCIAL LIABILITIES			
Current payables			
Retention	12	-	
NET FINANCIAL ASSETS		35,039,556	137,422
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	137,422	48,664,942
Surplus/Deficit for the year (from stm of receipt & expenditure		34,902,134	(48,527,520)
NET ASSETS		35,039,556	137,422

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Borabu Constituency financial statements were approved on

_____, 2019, and signed by:

Fund Account Manager
Name: _____



Sub-County Accountant
Name: THOMAS OBOMO
ICPAK Member Number: NAC/45636

NAC/45636

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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VI. STATEMENT OF CASHFLOW

	Note	2017-2018	2016-2017
Receipts for operating Income		Kshs	Kshs
Transfers from Other Government Entities	1	116,358,620	61,348,277
Other Receipts	3	-	15,000
		116,358,620	61,363,277
Payments for operating expenses			
Compensation of Employees	4	1,915,389	1,432,737
Use of goods and services	5	6,855,096	14,039,148
Transfers to Other Government Units	6	34,700,871	41,360,000
Other grants and transfers	7	36,458,130	52,158,912
Other Payments	9	650,000	700,000
Total Payments		80,579,486	109,690,797
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flows from Operating Activities		35,779,134	(48,327,520)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Assets	2	-	-
Acquisition of Assets	8	877,000	200,000
Net cash flows from Investing Activities		(877,000)	200,000
NET INCREASE/ IN CASH AND CASH EQUIVALENT		34,902,134	(48,527,520)
Cash and cash equivalent at BEGINNING of the year	13	137,422	48,664,942
Cash and cash equivalent at END of the year		35,039,556	137,422

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Borabu Constituency financial statements were approved on

4/02/2019 and signed by:

Fund Account Manager
Name:



Sub-County Accountant
Name: THOMAS OBO NYU
ICPAK Member Number:
NAC/45636

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	86,810,345	42,465,007	129,275,352	116,496,042	12,779,310	90%
TOTAL	86,810,345	42,465,007	129,275,352	116,496,042	12,779,310	90%
PAYMENTS						
Compensation of Employees	1,300,000	615,397	1,915,397	1,915,389	8	100%
Use of goods and services	6,512,931	1,024,138	7,537,069	6,855,096	681,973	91%
Transfers to Other Government Units	28,700,000	23,109,960	51,809,960	34,700,871	17,109,089	67%
Other grants and transfers	40,970,386	13,015,512	53,985,898	36,458,130	17,527,768	68%
Acquisition of Assets	4,000,000	4,000,000	8,000,000	877,000	7,123,000	11%
Other Payments	5,327,028	700,000.00	6,027,028	650,000	5,377,028.00	11%
TOTAL	86,810,345	42,465,007	129,275,352	81,456,486	47,818,867	63%

(a) Any under utilisation of below 90% is explained as below:-

- i) Transfers to Other Government Units utilization is 67%.Kshs 43,405,172.80 was received towards end of June 2018 and there was limited time to implement projects at that time. There was addition of a supplementary budget towards end of June 2018 hence limited time to implement the projects.
- ii) Other grants and transfers Utilization is 68% - Kshs 43,405,172.80 was received towards end of June 2018 and there was limited time to implement projects at that time. There was addition of a supplementary budget towards end of June 2018 hence limited time to implement the projects.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Reports and Financial Statements


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- iii) Acquisition of Assets utilization is 11%. Kshs 43,405,172.80 was received towards end of June 2018 and there was limited time to implement projects at that time. There was addition of a supplementary budget towards end of June 2018 thus having limited time to implement the projects.
- iv) Other Payments utilization is 11%. Kshs 43,405,172.80 was received towards end of June 2018 and there was limited time to implement projects at that time. There was addition of a supplementary budget towards end of June 2018 hence having limited time to implement the projects. A guideline for implementation of technology hubs had not been received.

The adjustment of receipts of Kshs 42,465,007.00 has been arrived by a combination of the following values:-

- Opening balance in the financial year	- Kshs 137,422.00
- Amount not received from NG-CDF Board by close of FY 2016/17	- Kshs 30,948,275
- Supplementary budget of FY 2017/18	- 11,379,310.00
Total	Kshs 42,465,007

The NGCDF-Borabu Constituency financial statements were approved on 11/03/2019 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name: THOMAS OBO NYO
ICPAK Member Number:
NAC/45636



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BORABU CONSTITUENCY

Reports and Financial Statements
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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-Borabu 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 recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

**Reports and Financial Statements
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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 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.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
BORABU CONSTITUENCY

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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) –
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		Equipment		
		TOTAL		
140000 0	3	Other Receipts		
			2017 - 2018	2016 - 2017
			Kshs	Kshs
	1420601	Sale of tender documents	-	15,000
		Total	-	15,000

4 COMPENSATION OF

2110000 EMPLOYEES

		2017 -2018	2016-2017
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,860,375	1,334,495
2110202	Basic wages of casual labour	-	-
	Personal allowances paid as part of salary	-	-
2110301	House allowance	-	-
2110314	Transport allowance	-	-
2110320	Leave allowance	-	-
2110326	Other personnel payments	-	-
2120101	Employer contribution to NSSF	55,014	98,242
	Total	1,915,389	1,432,737

2200000 5 USE OF GOODS AND SERVICES

		2017-2018	2016-2017
		Kshs	Kshs
2210100	Utilities, supplies and services	962,550	722,543
2210104	Office rent	48,000	48,000
2210200	Communication, supplies and services	239,400	525,245
2210300	Domestic travel and subsistence	17,000	654,321
2210500	Printing, advertising and information supplies & services	248,300	522,654
2210700	Training expenses	370,000	765,432
2210800	Hospitality supplies and services	92,500	423,176
2210802	Other committee expenses	1,510,600	3,654,321
2210809	Committee allowance	846,000	3,965,432
2211100	Office and general supplies and services	1,048,850	464,387
2211200	Fuel ,oil & lubricants	500,000	1,453,289

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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2211300	Other operating expenses (Bank Charges)	-	123,456
2220100	Routine maintenance – vehicles and other transport equipment	599,996	587,654
2220200	Routine maintenance – other assets	371,900	129,238
		-	-
	Total	6,855,096	14,039,148

**6 TRANSFER TO OTHER
GOVERNMENT ENTITIES**

2630200	Description	2017-2018 Kshs	2016-2017 Kshs
2630204	Transfers to primary schools	16,198,995	23,655,000
2630205	Transfers to secondary schools	8,500,000	16,605,000
2630206	Transfers to Tertiary institutions	10,001,876	600,000
2630207	Transfers to Health institutions		500,000
	TOTAL	34,700,871	41,360,000

**7 OTHER GRANTS AND OTHER
PAYMENTS**

2640000		2017-2018 Kshs	2016-2017 Kshs
2640101	Bursary -Secondary	5,797,580	2,055,917
2640102	Bursary -Tertiary	19,667,550	18,501,870
2640105	Mocks & CAT		2,000,000
2640504	water	250,000	4,550,000
2640505	Food security/Agriculture		2,750,000
2640506	Electricity		4,000,000
2640507	Security	3,079,000	6,771,500
2640508	Roads	1,300,000	4,292,294
2640509	Sports	1,429,000	2,154,000
2640200	Emergency Projects	4,935,000	4,084,081
2640201	Strategic Plan		999,250
	Total	36,458,130	52,158,912

3100000 8 ACQUISITION OF ASSETS

	<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
3110202	Construction of Buildings	877,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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3111005	Purchase of photocopier	-	200,000
	Total	877,000	200,000

9 Other Payments

	2017-2018	2016 -2017
2640510 Environment	650,000	700,000
2640511 Markets/Boda Boda Sheds	-	-
Total	650,000	700,000

10A Bank Balances (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
EQUITY BANK, KEROKA	35,039,556	137,422
	-	-
Total	35,039,556	137,422

10B: CASH IN HAND)			
		2017- 2018	2016 - 2017
		Kshs (30/6/2017)	Kshs (30/6/2016)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-
		<i>[Provide cash count certificates for each]</i>	
11: OUTSTANDING IMPRESTS			
Name of Officer		Amount Taken	Amount Surrendered
	Date imprest taken	Kshs	Kshs

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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			-
			-
12 Retention			
Supplier/Contractor	PV No.	2016 - 2017	2015 - 2016
TOTAL			

13 BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	137,422	48,664,942
Total	137,422	48,664,942

[Provide short appropriate explanations as necessary]

14			
	PRIOR YEAR ADJUSTMENTS		
		2017 - 2018	2016 - 2017
Bank accounts		Kshs	Kshs
Cash in hand		-	-
Imprest		-	-
TOTAL		-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016 – 2017
	Kshs	Kshs
Construction of buildings		3,100,000
Construction of civil works		1,550,000
Supply of goods		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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	150,000
Supply of services	350,000
	5,150,000

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2017- 2018 Kshs	2016 – 2017 Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	122,511
Others (<i>specify</i>)	-	-
	-	122,511

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017/18 Kshs	2017/18 Kshs
Compensation of employees	132,000	348,27
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	13,998,124	17,300,000
Amounts due to other grants and other transfers (see attached list)	9,109,404	9,300,000
Acquisition of assets	7,123,000	4,000,000
Others (<i>CIH</i>)	4,677,028	-
	35,039,556	30,948,275

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018 Kshs	2016-2017 Kshs
PMC account Balances (see attached list)	10,325,952	6,005,000
	10,325,952	6,005,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BORABU CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING
 ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	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						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BORABU CONSTITUENCY
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Supply of services						
10.						
11.						
12.						
Sub-Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BORABU CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		A	B	C	d=a-c		
Unionisable Employees							
Cleophas J. Onchana					22,523		
Richard Makori					23,811		
Jamaes Nyamboga Masese					23,811		
Emily K. Nyarenchi					24,504		
Eyans Karamu					27,862		
Sub-Total					122,511		
Grand Total					122,511		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 ORABU CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Comments
Compensation of employees		132,000	
Sub-Total		132,000	
Amounts due to other Government entities			
Tertiary Institution Projects		6,998,124	
Primary School Projects		3,800,000	
Secondary School Projects		3,200,000	
Health			
Sub-Total		13,998,124	
Amounts due to other grants and other transfers			
Electricity		2,000,000	
Social Security Programs		1,000,000	
Roads & Bridges			
Security		800,000	
Water		3,900,000	
Bursary		1,409,404	
Sub-Total		9,109,404	
Sub-Total		9,109,404	
Acquisition of assets			
NG-CDF Office Construction		7,123,000	
Sub-Total		7,123,000	
Others (<i>specify</i>)			
Staff Salary			
Constituency Innovation Hubs		4,677,028	
Sub-Total		4,677,028	
Grand Total		35,039,556	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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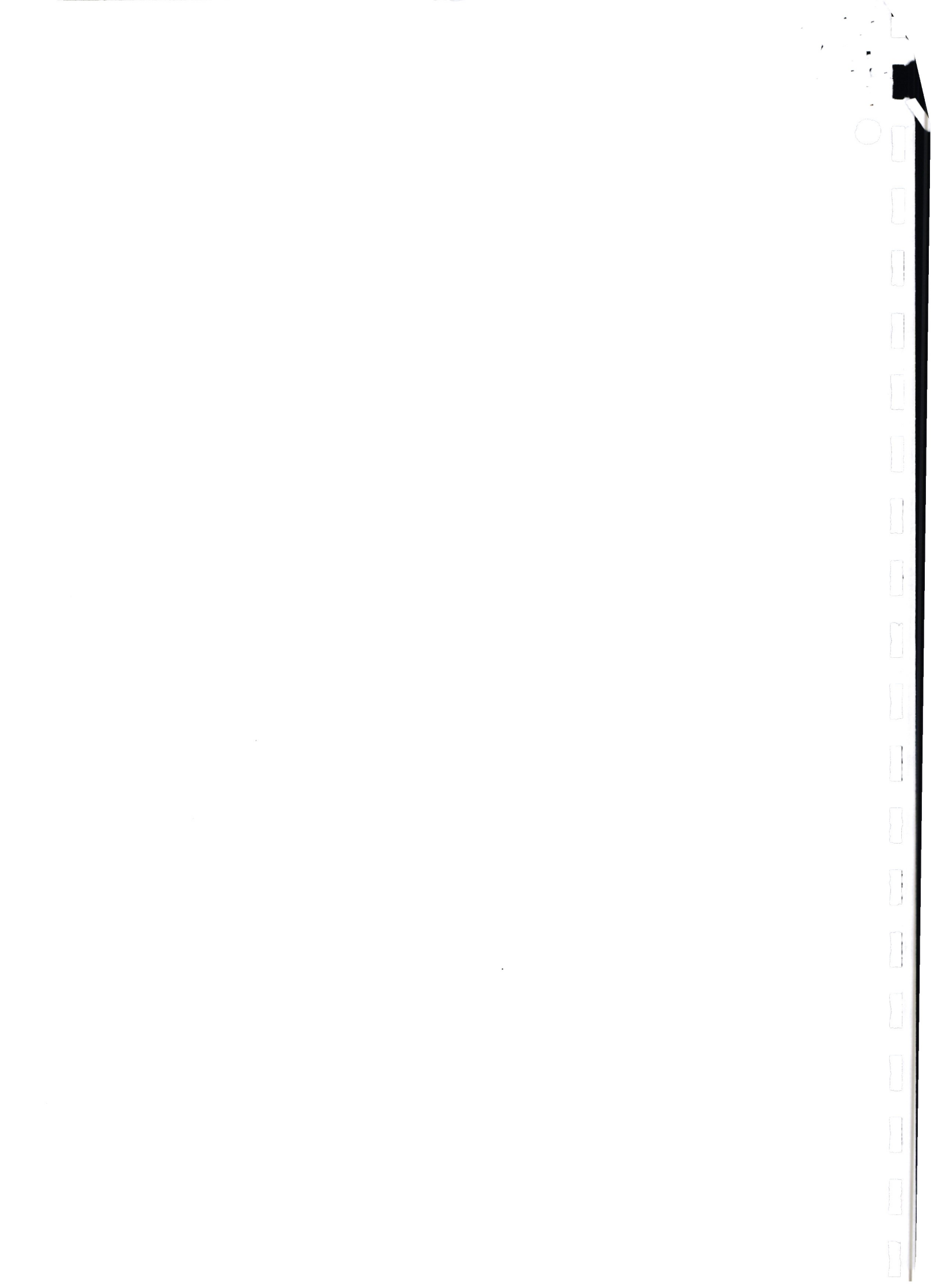
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Buildings and structures	-	877,000		877,000
Transport equipment	6,000,000			6,000,000
Office equipment, furniture and fittings	1,335,000			1,335,000
ICT Equipment, Software and Other ICT Assets	145,000			145,000
Intangible assets	25,000			25,000
Total	7,505,000	877,000		8,382,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 4 – PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18
KIABONYORU GIRLS SECONDARY	EQUITY- NYAMIRA	520197669425	1,557
ENSINYO DEB PRIMARY SCHOOL	CO- OPERATIVE- KEROKA	1139361911800	13
ST. JOHN NYAKWERAMA SECONDARY	KCB- NYAMIRA	1210685329	2,500,000
ST. JOHN NYAKWERAMA SECONDARY	EQUITY- NYAMIRA	520262257415	335
KINENI PRIMARY SCHOOL	EQUITY- KEROKA	1240269045314	507,725
CHINCHE D.E.B PRIMARY SCHOOL	WAKENYA PAMOJA- KEBIRIGO	6433-070- 03257	1,610
KIABONYORU S.D.A PRIMARY SCHOOL	KCB- NYAMIRA	118415183	301,265
NYANSIONGO HIGH SCHOOL	KCB- KEROKA	1151744697	1,998,564
ST. PAUL'S OMONAYO SECONDARY SCHOOL	EQUITY- KEROKA	1240264569203	494,983
RIENSUNE D.E.B PRIMARY	KCB-KEROKA	1129432483	204
NYANSIONGO CHIEF'S OFFICE SHG	VISION POINT SACCO NYANSIONGO	01-5459-01- 000-0021317	199,970
MANGA GIRLS HIGHSCHOOL	EQUITY- KEROKA	1240276415330	4,317,973
KINENI ELCK MIXED SECONDARY SCHOOL	KCB-KEROKA	1113933844	1,670
KEBUSE DEB PRIMARY SCHOOL	EQUITY- KEROKA	1240202382218	85
TOTAL			10,325,952



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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. in the External Audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Emergency Projects	That emergency funds were spend beyond budgeted and that some projects were not emergency in nature	Walter Owele	Resolved	August 2018
2.0	Devolved projects	That devolved projects were implemented during the financial year	Walter Owele	Resolved	August 2018
3.0	Unsupported Expenditure of Kshs 3,897,381.00	That relevant documentation was not provided for Kshs 3,897,381.00	Walter Owele	Resolved	August 2018
4.0	Omitted Expenditure	That payments amounting to Kshs 2,863,00.00 had not been included in the ledger	Walter Owele	Resolved	August 2018
5.0	Pending Bills	That pending bills were more than cash and cash equivalents at the end of the year commitment of funds.			August 2018
6.0	Compensation of Employees	That an amount of Kshs 617,412.00 under compensation of employees was paid without minuted resolutions from the NG-CDFC	Walter Owele	Resolved	August 2018
	Other Matters				
7.0	Project Implementation	That out of Kshs 65,401,724.00 of 75 projects planned to be	Walter Owele	Resolved	August 2018

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Serial No. in the Annual Audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		implemented, 24 projects were not started, 37 projects were on-going and 14 projects were completed			

