

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

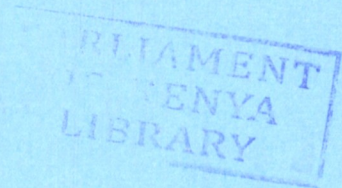
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
RANGWE CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND RANGWE
CONSTITUENCY**

AMENDED REPORTS AND FINANCIAL STATEMENTS

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

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

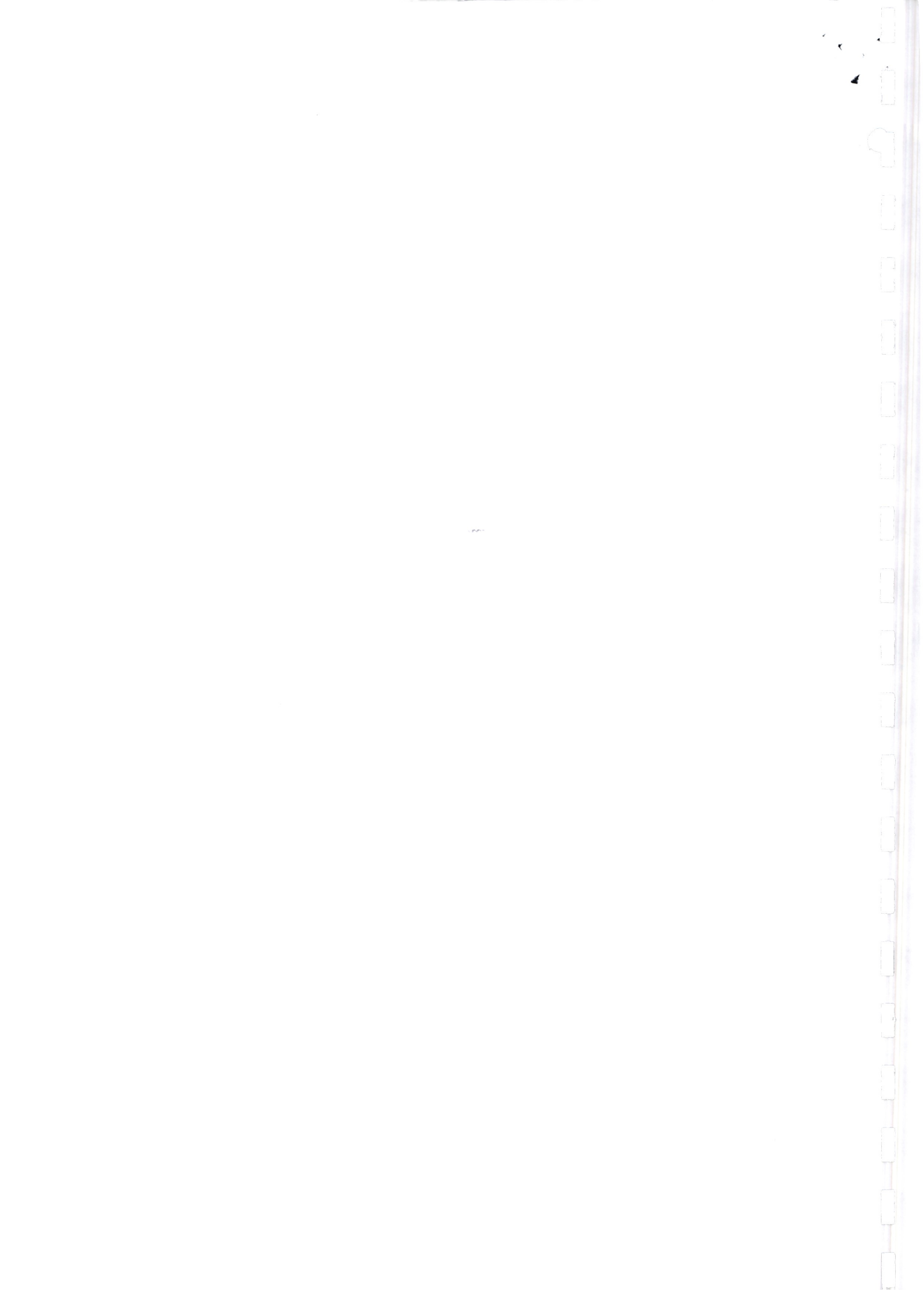
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

RANGWE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

▶ RANGWE CONSTITUENCY

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

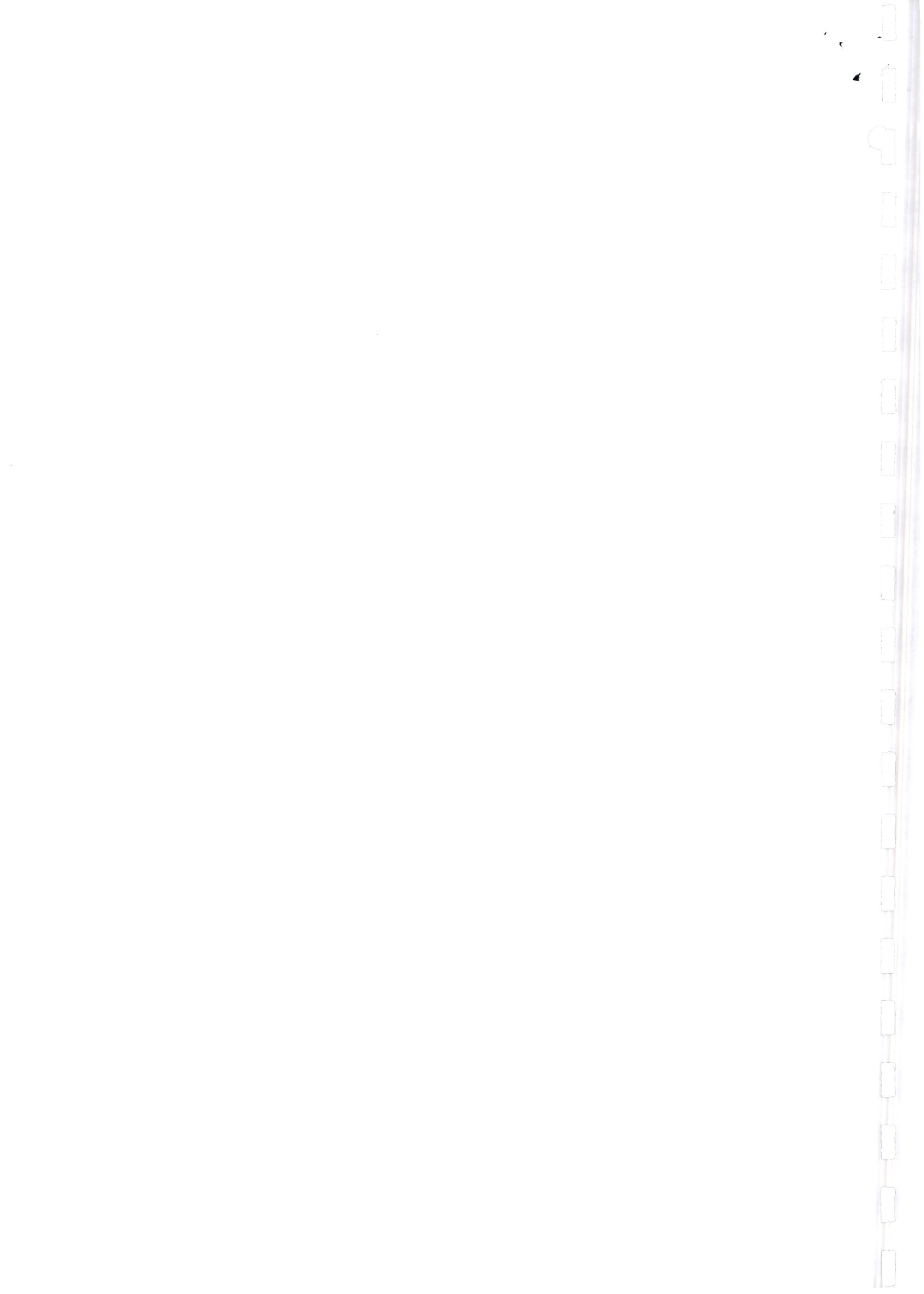
(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

▶ RANGWE CONSTITUENCY

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

(b) Key Management

The NGCDF RANGWE 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.	AIE Holder	Patrick Malongo Lidovolo
3.	Sub - County Accountant	Francis Omondi Oyoo
4.	Chairman NGCDFC	Dan Oginga
5.	Member NGCDF	Caroline Atieno Otieno

(d) Fiduciary Oversight Arrangements

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

P.O. Box 63 – 40303,
Rangwe Shopping Center,
Along Orero Sec/Rangwe Sub District Hospital Road,
Rangwe, KENYA



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

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

(f) NGCDF RANGWE Constituency Bankers

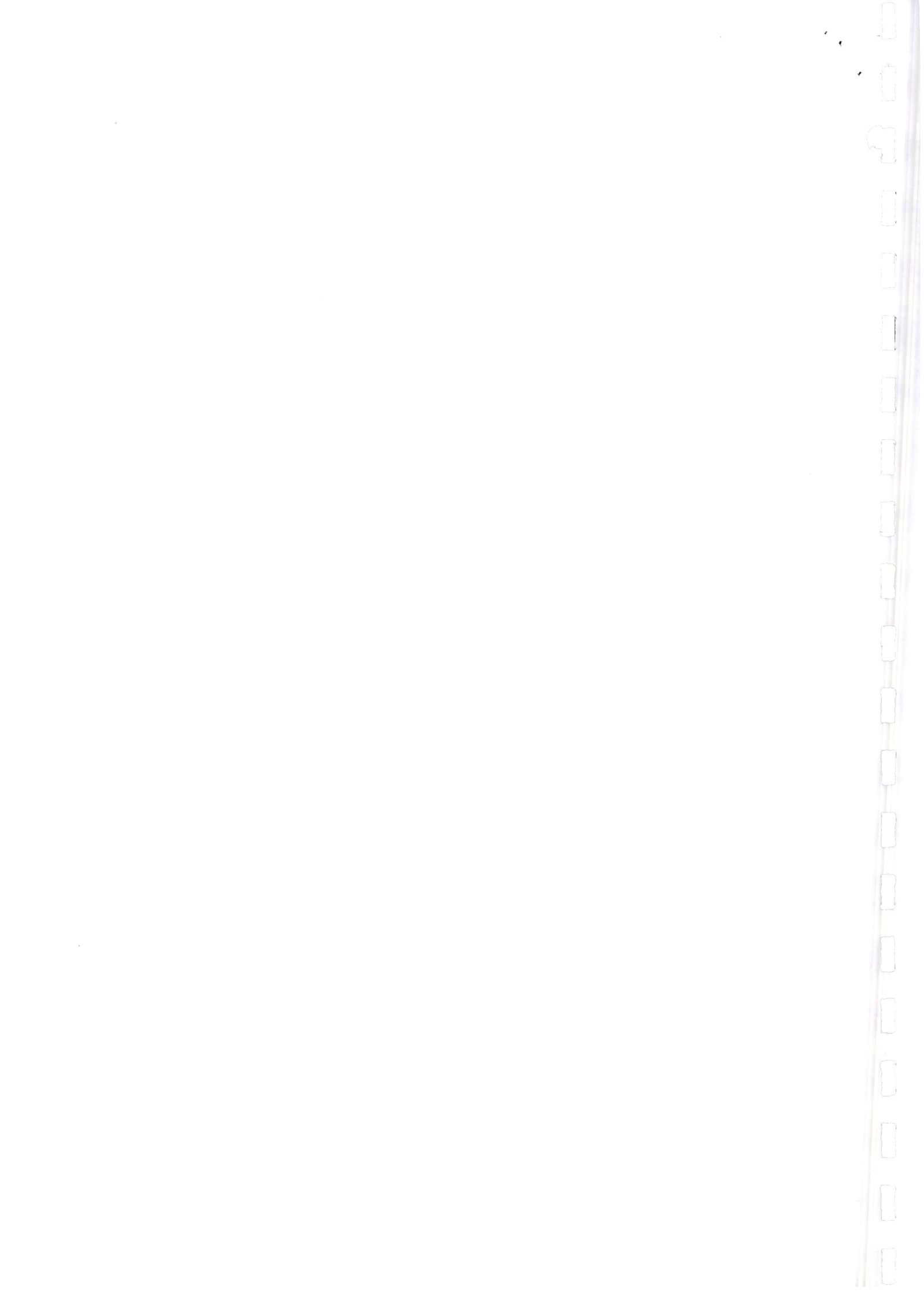
Equity Bank of Kenya,
Homabay Branch,
Homabay
Account Number: 0980261940653

(g) Independent Auditors

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

h) 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)

RANGWE CONSTITUENCY

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The Rangwe NG-CDFC wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF has improved the Education and Security infrastructures of Rangwe Constituency including the Social security and Bursary allocations to needy and deserving students.

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Projects. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations.

The Rangwe NG-CDFC wishes that the issues of having the project on going for more than 2 years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

It therefore should be understood that due to delays in Projects Proposal submissions, the NGCDFC did not receive its allocations on time which translated into delays in implementation of Projects. In this regard, only Bursary grants, M&E and administration votes were utilized while all the unutilized funds remained with the Board.

M.A

.....
SIGNATURE

.....
DATE:

28/9/2018

Ms. MERCY ADHIAMBO OKOMBO

CHAIRPERSON NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RANGWE 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-RANGWE 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.

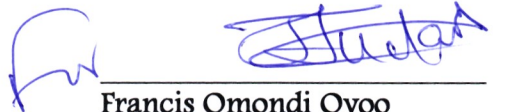
The Accounting Officer in charge of the NGCDF-RANGWE Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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-RANGWE 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-RANGWE 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-RANGWE Constituency financial statements were approved and signed by the Accounting Officer on 28/09 2018.

Patrick Malongo Lidovolo
Fund Account Manager



Francis Omondi Oyoo
Sub-County Accountant
ICPAK Member Number: 8927

Charles Omosa
Alhassan



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements Rangwe National Government Constituencies Development Fund set out on pages 6 to 33 which comprise the statement of assets and liabilities as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Rangwe National Government Constituencies Development Fund as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

1.1 Misstatement of Statement of Appropriation on Recurrent and Development

Included in the summary of statement of appropriation recurrent and development under the final budget of Kshs.98,189,655 is an adjustment of Kshs.11,379,310 not supported by any documentary evidence. Further, the expenditure components under adjustment of Kshs.11,379,310 are also not supported nor explained. Consequently,

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

the accuracy and validity of the summary statement of appropriation could not be ascertained as at 30 June 2018.

2. Use of Goods and Services

Included in the statement of receipts and payments under note 5 is use of goods and services of Kshs.3,165,000 as at 30 June 2018. However, the expenditure was not supported. This contravenes Section 184(I) of the public Finance Management (National Government) Regulations, 2015 which states that all receipts and payments vouchers of public funds shall be properly supported by the appropriate authority and regulations. Consequently, the propriety of the expenditure of Kshs.3,165,000 could not be ascertained as at 30 June 2018.

3. Other Grants and Transfers

Included in other grants and transfers is a balance of Kshs.28,278,447 is payments made towards bursary funds for needy students. However, from the bank statement of Rangwe NG-CDF account, we noted that the bursary funds were paid to two different accounts from which the disbursement of bursary was done. The Fund paid Kshs.21,278,447 and Kshs.3,500,000 to Rangwe NG-CDF Bursary Committee account on 3 May 2018 and 8 February 18 respectively. They also paid Kshs.1,200,000 to Rangwe Secondary Schools Bursary project management on 9 May 18. The bank statements for these two accounts were not availed for audit review. It was not clear why the bursary meant for students were not paid direct from the fund main account to the schools.

In the circumstance, the propriety of the expenditure of Kshs.28,278,447 on bursary could not be confirmed.

4. Compensation of Employees

Included in the statement of receipts and payments under note 4 is compensation of employees of Kshs.721,872. However, the compensation of employees decreased from Kshs.1,396,580 to Kshs.721,872 by Kshs.674,708. The decrease was not explained and the payroll in support of the payments were not available for audit verification. In the circumstances, the accuracy of the employee cost of Kshs.721,872 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

1.1 Budget Performance Analysis

Rangwe NG-CDF constituency was allocated a total of Kshs.86,810,345 and a further Kshs.11,379,310 bringing the total allocation in the year to Kshs.98,189,655. It was further noted that the actual expenditures in the year was Kshs.38,165,319 against the final budgeted amount of Kshs.98,810,345 resulting in an under absorption by Kshs.60,024,336 or approximately 61 % of the budget as indicated below:

Item	Current Year Final Budget Figures Kshs.	Current Year Actual Figures Kshs.	Variance Kshs.
Compensation of employees	1,073,793	721,872	351,921
Use of Goods and Services	14,690,686	3,165,000	11,525,686
Transfer to Other Government Units	41,500,000	6,000,000	35,500,000
Other Grants and Transfers	34,025,176	28,278,447	5,746,729
Acquisition of Assets	6,900,000	0	6,900,000
Other Payments			
Total	98,189,655	38,165,319	60,024,336

Consequently, the citizens of Rangwe CDF did not get the intended services.

2. Zero Implementation of Projects

The Statement of receipts and payments as at 30 June 2018 reflects transfers to other government units balances of Kshs.6,000,000 as payments towards projects undertaken during the year. However, from the bank reconciliation statement of 30 June 2018 confirmed that the cheques had not been released thus remained unrepresented. This is a confirmation that during the year 2017-2018 the Rangwe NG-CDF never implemented any project. No explanation was given for non-implementation of the projects.

3. Undisbursed Allocation

The Rangwe NG-CDF during the year under review received Kshs.44,605,172 against a total of national allocation of Kshs.98,189,655 resulting to undisbursed funds of Kshs.53,584,483. This situation is likely to delay project implementations for the year subsequently affect the service delivery.

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.

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

Basis for Conclusion

1. Prior Year Issues

1.1 Irregular Purchase of Land for Achiego school

As previously, reported the Fund incurred in the year 2016/2017 transfer to other government amount of Kshs.5,600,000 for purchase of land and construction of seven classrooms for Achiego Primary School. We carried out physical verification on 11 April 2019 and the following anomalies were noted:

- i. The project has stalled and wearing off due to climatic conditions
- ii. There was no evidence to know whether the project was for Achiego primary school as the project was located at an isolated parcel of land far from the Achiego primary school and no sign board at the proposed school.
- iii. The stalled project is surrounded by cassava at one side.
- iv. The project is situated at an open field and no fence or beacons were evident demarcating the boundary of the school, thus difficult to determine the land size.

However, NG-CDF Rangwe did not avail the expenditure returns such as bank statement, payment vouchers and title deed for the land. In the absence of the records

it is not possible to confirm whether the funds obtained value for money on the expenditure of Kshs.5,600,000.

2. Other Grants and Other Payments (Security)

Included in other grants and transfers is a balance of Kshs.28,278,447 which includes Kshs.2,300,000 on security for construction and completion of two (2) chiefs offices and AP line. However, we carried out physical verifications and the following anomalies were observed in relation to the works.

2.1 Gem East Chief's Office

PMC of Gem East Chiefs Office was allocated Kshs.1,000,000 for the construction of the chiefs office. However, a local contractor was awarded the contract but no prequalified list of contractors was availed for Audit. It was not clear how the contractors were identified, Certificate of works was not approved by a works officer and there was no Inspection report. In the circumstance the propriety of the expenditure of Kshs.1,000,000 cannot be confirmed.

2.2 Gem East AP Line

PMC of Gem East AP Line was allocated Kshs.1,000,000.00 for the completion of housing units. However, a local contractor was awarded the contract but no prequalified list of contractors was availed for audit review. It was not clear how the contractors were identified, certificate of works was not approved by works officer and there was no inspection report. Physical verification revealed that the houses were small in size may not conform to the BQ standards and low quality works were evident on finishing works. In the circumstance, the propriety of the expenditure of Kshs.1,000,000 cannot be confirmed.

2.3 Central Gem Chief's Office

PMC of Gem Central Chiefs Office was allocated Kshs.300,000.00 for the completion of chiefs office. However, a local contractor was awarded the contract but no prequalified list of contractors was availed for audit review. It was not clear how the contractors were identified, certificate of works was not approved by works officer and there was no inspection report. Physical verification revealed that ceiling, floors, and electrification works were not done. There was evident of poor quality work on the walls and paintings.

In the circumstance, the propriety of the expenditure of Kshs.1,000,000 cannot 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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the projects ability to continue 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 liquidate the Rangwe National Government Constituencies Development Fund or to cease operations, or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Rangwe National Government Constituencies Development Fund 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Rangwe National Government Constituencies Development Fund 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 Rangwe National Government Constituencies Development Fund ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Rangwe National Government Constituencies Development Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Rangwe National Government Constituencies Development Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

23 August 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

RANGWE CONSTITUENCY

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	44,605,172	80,696,552
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		44,605,172	80,696,552
PAYMENTS			
Compensation of employees	4	721,872	1,396,580
Use of goods and services	5	3,165,000	12,370,835
Transfers to Other Government Units	6	6,000,000	62,212,804
Other grants and transfers	7	28,278,447	51,825,747
Acquisition of Assets	8		
Other Payments	9		
TOTAL PAYMENTS		38,165,319	127,805,966
SURPLUS/DEFICIT		6,439,853	(47,109,414)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RANGWE Constituency financial statements were approved on 28/9/ 2018 and signed by:

Fund Account Manager
Name: Patrick Malongo Lidovolo

fr *Francis Omondi Oyoo*

Sub-County Accountant
Name: Francis Omondi Oyoo
ICPAK Member Number: 8927

Charles Omos


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

RANGWE CONSTITUENCY

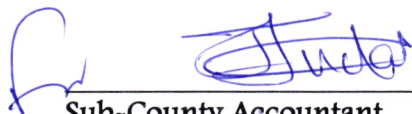
Reports and Financial Statements for the year ended June 30, 2018

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,492,107	301,550
Cash Balances (cash at hand)	10B		
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		6,492,107	301,550
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13		47,410,964
Surplus/Deficit for the year		6,439,853	(47,109,414)
Prior year adjustments	14	52,254	
NET LIABILITIES		6,492,107	301,550

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RANGWE Constituency financial statements were approved on 28/9/18 2018 and signed by:

Fund Account Manager
Name: Patrick Malongo Lidovolo


Sub-County Accountant
Name: Francis Omondi Oyoo
ICPAK Member Number:8927



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

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

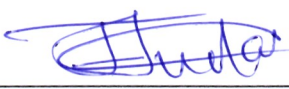
VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	62,837,931	80,696,552
Other Receipts	3		
		44,605,172	80,696,552
Payments for operating expenses			
Compensation of Employees	4	721,872	1,396,580
Use of goods and services	5	3,165,000	12,370,835
Transfers to Other Gov't Units	6	6,000,000	62,212,804
Other grants and transfers	7	28,278,447	51,825,747
Other Payments	9		
		38,165,319	127,805,966
Adjusted for:			
Adjustments during the year	14	52,254	
Net cash flow from operating activities		6,492,107	(47,109,414)
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		6,492,107	(47,109,414)
Cash and cash equivalent at BEGINNING of the year	13		47,410,964
Cash and cash equivalent at END of the year		6,492,107	301,550

Note: The Cash and Cash equivalent at end of the year 2016-2017 of Ksh. 301,550 is attributable to a payment in the bank statement not yet recorded in the cash book at the close of financial year. This has been adjusted in the cash book and in the Financial statements under prior year adjustments.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RANGWE Constituency financial statements were approved on 28/09/2018 2018 and signed by:

Fund Account Manager
Name: Patrick Malongo Lidovolo



Sub-County Accountant
Name: Francis Omondi Oyoo
ICPAK Number: 8927



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 CDF Board	86,810,345	11,379,310	98,189,655	38,775,319	59,414,336	39.5%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL RECEIPTS	86,810,345	11,379,310	98,189,655	38,775,319	59,414,336	39.5%
PAYMENTS						
Compensation of Employees	1,073,793		1,073,793	721,872	335,517	67.2%
Use of goods and services	14,166,723	222,413	14,389,136	3,165,000	11,240,540	21.5%
Transfers to Other Gov't Units	39,500,000	2,000,000	41,500,000	6,000,000	35,500,000	14.5%
Other grants and transfers	25,169,829	9,156,897	34,326,726	28,278,447	6,048,279	82.4%
Acquisition of Assets	6,900,000		6,900,000		6,900,000	0.0%
Other Payments						
TOTAL	86,810,345	11,379,310	98,189,655	38,165,319	60,024,336	38.9%

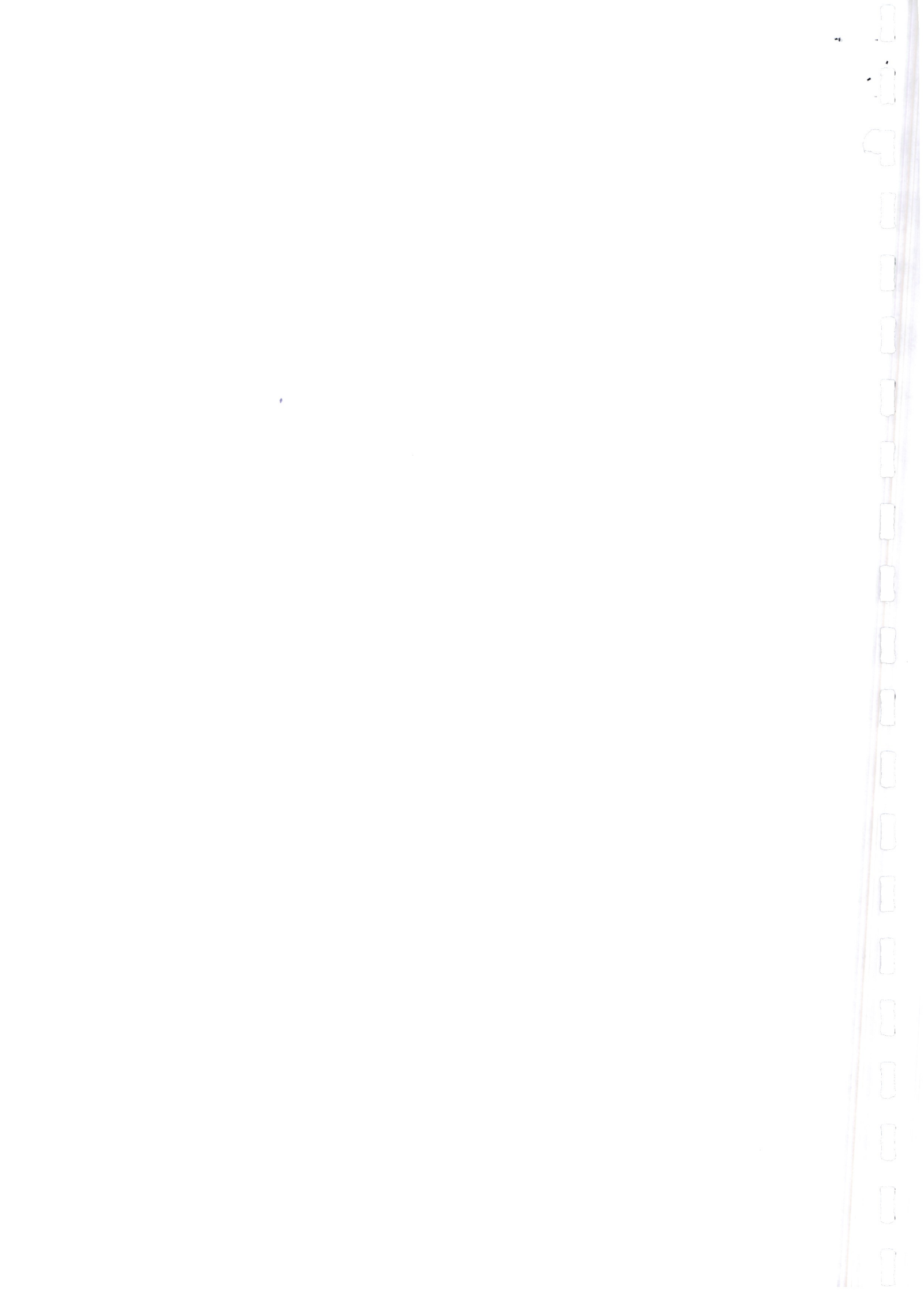
The Percentage utilization is below 90% because of late disbursement of Funds from NG-CDF Board and the long political campaign period which Delayed projects implementation.

The NGCDF-RANGWE Constituency financial statements were approved on 28/9/2018 2018 and signed by:

(Signature)
 ACCOUNT MANAGER
 RANGWE DEVELOPMENT FUND BOARD
 RANGWE CONSTITUENCY
 28/09/2018
 SEP 2018

Fund Account Manager
 Name: Patrick Malongo Lidovolo

Sub-County Accountant
 Name: Francis Omondi Oyoo
 ICPAK Member Number:8927



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-RANGWE 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.

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

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

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

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 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) –
RANGWE CONSTITUENCY**

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

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) –
RANGWE 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
Normal Allocation			
AIE NO.		5,500,000	
AIE NO.		1,200,000	
AIE NO.		37,905,172	
		44,605,172	80,696,551.70
Conditional grants	AIE NO...		
Receipt from other Constituency			
TOTAL		44,605,172	80,696,552

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) –
RANGWE CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description	2017-2018	2016-2017
	Kshs	Kshs
Interest Received		-
Rents		-
Sale of Tender Documents		-
Other Receipts Not Classified Elsewhere (specify)		-
TOTAL		-

4. COMPENSATION OF EMPLOYEES

Description	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	721,872	1,396,580
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF		
Gratuity-contractual employees		
TOTAL	721,872	1,396,580



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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017-2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services		6,688,000
Other committee expenses	1,170,000	
Committee allowance	1,995,000	
Office and general supplies and services		184,350
Other operating expenses		3,756,023
Routine maintenance – vehicles and other transport equipment		1,742,462
Strategic Plan		
TOTAL	3,165,000	12,370,835

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
Transfers to Primary schools		4,500,000	45,912,804
Transfers to Secondary schools		1,500,000	6,300,000
Transfers to Tertiary institutions			10,000,000
Transfer to TIVET			
TOTAL		6,000,000	62,212,804

7. OTHER GRANTS AND OTHER PAYMENTS

Description		2017-2018	2016-2017
		Kshs	Kshs
Bursary -Secondary		4,700,000	28,120,603
Bursary -Tertiary		21,278,447	3,491,764
Bursary-Special schools			107,000
Security		2,300,000	9,751,464
Roads and Bridges			250,000
Sports			1,436,207
Environment			3,752,709
Emergency Projects			4,920,000
TOTAL		28,278,447	51,825,747

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
RANGWE 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	2016-2017
	Kshs	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	2016-2017
	Kshs	Kshs
ICT Hub	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
RANGWE 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	Account Number	2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
<i>Equity Bank, Homabay Branch-0980261940653</i>		6,492,107	Nil
10B: CASH IN HAND)			
		2017-2018	2016-2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
TOTAL		6,492,107	Nil

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
RANGWE 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>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

12 RETENTION

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

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Equity Bank, Homabay Branch		
Cash in hand	-	
Imprest	-	
Total		

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
RANGWE CONSTITUENCY**
Reports and Financial Statements for the year ended June 30, 2018
NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	301,550
Cash in hand	-	-
Imprest	-	-
Total	-	-

NOTE: The Cash book bank balance of Ksh. 301,550 is attributable to Bank charges and payment in Bank statement not recorded in the cash book. The Cashbook has been adjusted accordingly.

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff Gratuity	2,041,660.00	-
	-	-

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017-2018	2016-2017
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	25,400,000	-
Amounts due to other grants and other transfers (see attached list)	22,825,863	-
Others (specify)	11,746,218	-
	59,972,081	-
Amounts Due to Other Government Entities:		

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

Education (Secondary)		
Ngwe Girls Secondary School	5,000,000	
Nyandiwa Mixed Secondary School	5,000,000	
Bot Marera Mixed Secondary School	500,000	
Orero Secondary School	1,500,000	
Wikoteng Secondary School	500,000	
	12,500,000	
Education (Primary Schools)		
Indiche Primary School	1,000,000	
Togo Primary School	2,000,000	
Rabour Kaura Primary School	1,000,000	
Omoch Primary School	1,000,000	
Nyambare Primary School	800,000	
Loch Muga Primary School	500,000	
Nyawita Primary School	300,000	
Goga Primary School	300,000	
Langi Primary School	2,000,000	
Orero Primary School	500,000	
Mariga Primary School	300,000	
Bot Primary School	800,000	
Ariwa Primary School	800,000	
Nganga Primary	800,000	
Nyaudho Primary School	800,000	
	12,900,000	
TOTALS	25,400,000	
Amounts Due to Other Grants and Transfers		
Bursary	8,387,932	
Security:		
Gem East AP Line		
Rangwe Police Station		
Central Gem Chief Office		
	3,200,000	
Emergency	5,137,931	
Ports	900,000	
Environment	1,200,000	
Electrification		
Gem east Market		
Gem West Market		
Magagan Market Centre		
Kochia Market Centre		



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

TOTALS	4,000,000	
Others:		
NG-CDF Motor Vehicle	6,300,000	
Rangwe NG CDF Strategic Plan	2,500,000	
Furnishing CDF Office		
Salaries		
Committee Expenses	1,341,907	
Training		
Goods & Services		
Committee Expenses	1,604,311	
TOTALS	11,746,218	

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



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

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						

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		
Janet Achieng	Office Assistant	580,320	1st Sept, '04	NIL	580,320		Staffs are entitled to gratuity which was not provided for in 2017-2018 Financial year. Staff gratuity should be provided for in 2018-2019 budget proposals.
Ken Hastings Ochieng'	Clerical Officer	306,900	1st Mar, '12	NIL	306,900		
Mercy Apiyo	Records Mgt Officer	223,200	1st Sept, '13	NIL	223,200		
Alphonse Odhiambo	Accounts Assistant	267,840	1st Sept, '13	NIL	267,840		
Jactone Omondi	Groundsman	148,800	1st Sept, '13	NIL	148,800		
John Onyango	Clerk of Works	235,600	1st July, '14	NIL	235,600		
Fred Omondi	Coordinator	223,200	1st Sept, '13	NIL	223,200		
Joseph Okech	Driver	55,800	1st Sept, '16	NIL	55,800		
Grand Total		2,041,660			2,041,660	2,041,660	



MATTHEW GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements for the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Amounts due to other Government entities							
1. Primary Schools	Transfers	12,900,000	0	0		0	
2. Secondary Schools	Transfers	12,500,000	0	0		0	
Sub-Total		25,400,000					
Amounts due to other grants and other transfers							
3. Security Projects	Transfers	3,200,000	0	0		0	
4. Roads and Bridges Projects	Transfers		0	0		0	
5. Environmental Projects	Transfers	1,200,000	0	0		0	
6. Cultural Activities	Transfers		0	0		0	
7. Electrification and Lighting	Transfers	4,000,000	0	0		0	
8. Bursary	Transfers	8,387,932					
9. Emergency	Transfers	5,137,931					
10. Sports	Transfers	900,000					
Sub-Total		22,825,863					
Amount due to other Transfers							
11. Motor Vehicle	Transfers	6,300,000					
12. Strategic Plan	Transfers	2,500,000					
13. Use of Goods & Services	Transfers	2,946,218					
Sub-Total		11,746,218					
Grand Total		59,972,081					



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



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				
Buildings and structures	11,352,286.00			11,352,286.00
Transport equipment	4,200,000.00			4,200,000.00
Office equipment, furniture and fittings	700,000.00			700,000.00
ICT Equipment, Software and Other ICT Assets	210,000.00			210,000.00
Other Machinery and Equipment	8,000.00			8,000.00
Heritage and cultural assets				
Intangible assets				
Total	16,470,286.00			16,470,286.00



NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements for the year ended June 30, 2018

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

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



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)

