

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

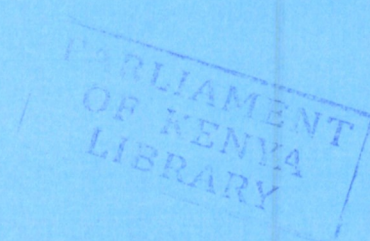
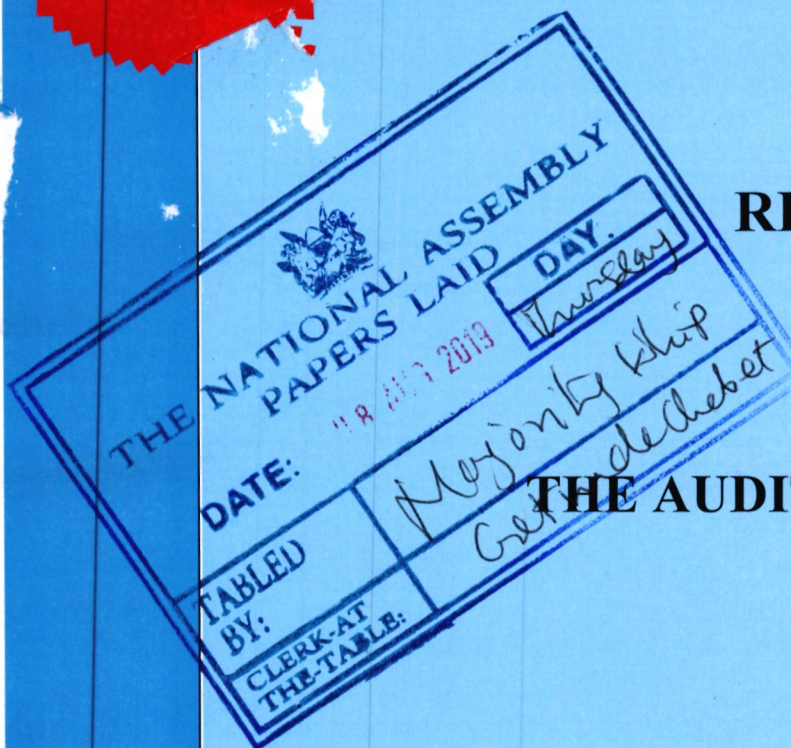
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
TESO SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018







**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND TESO SOUTH
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)

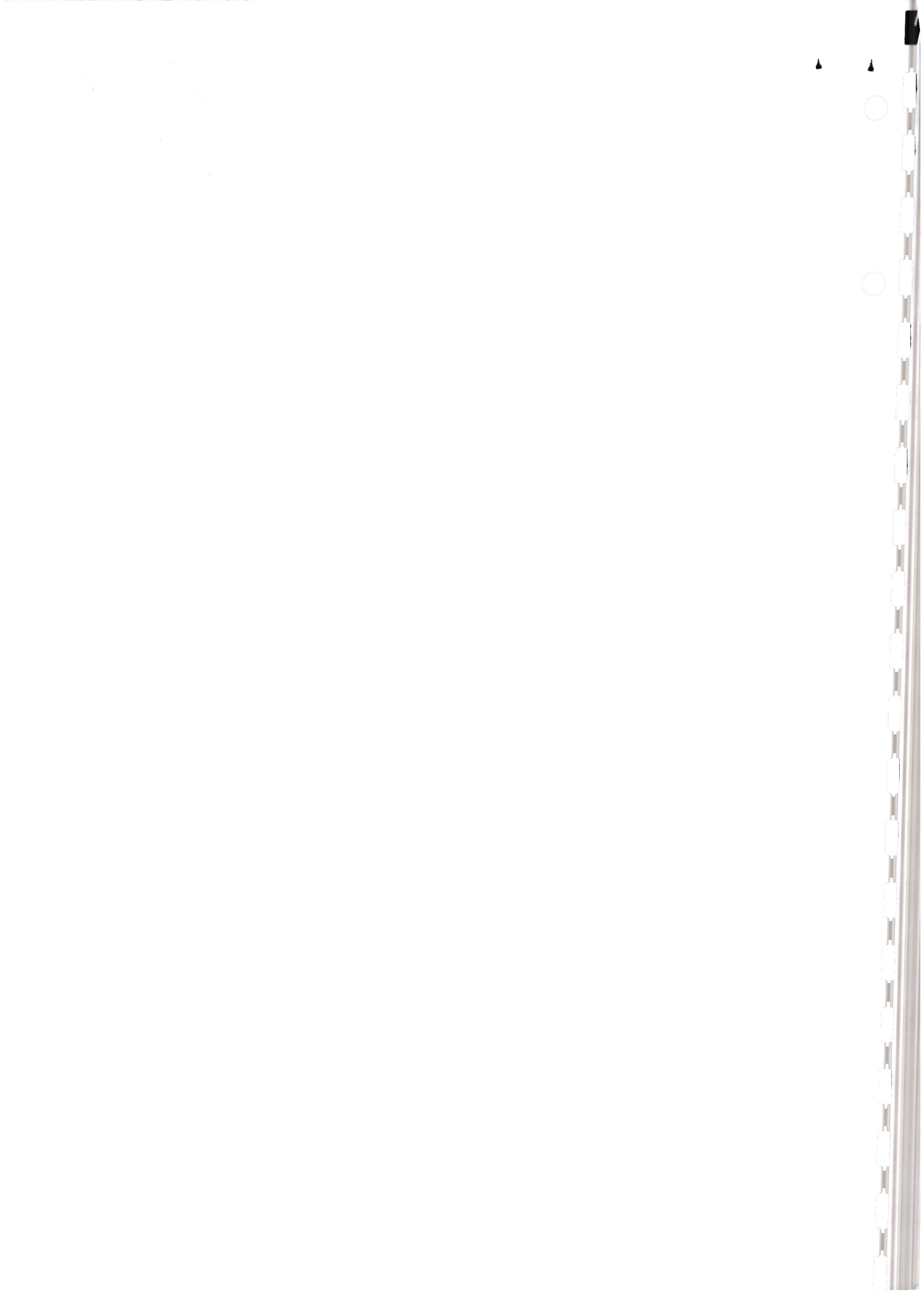
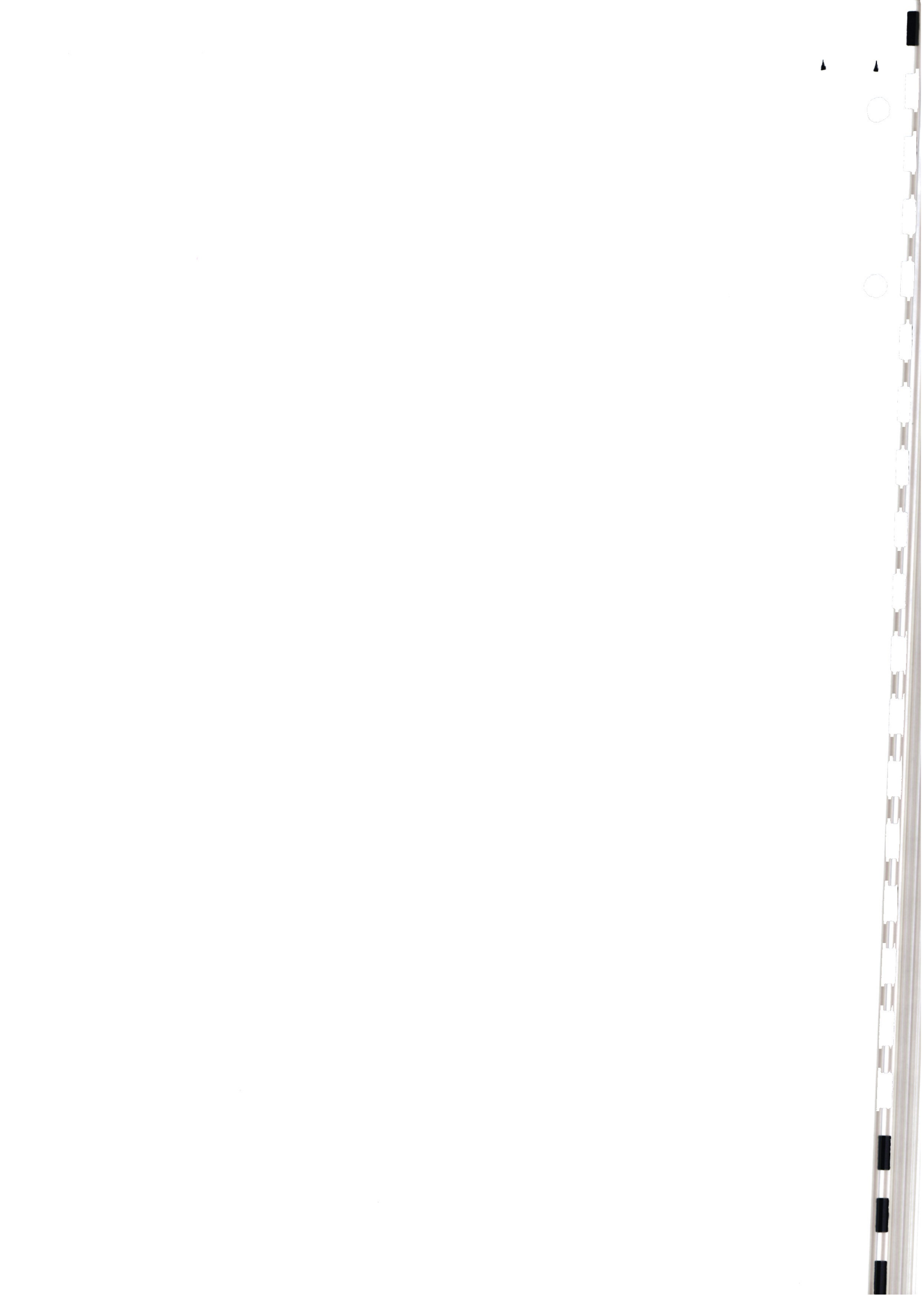


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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TESO SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

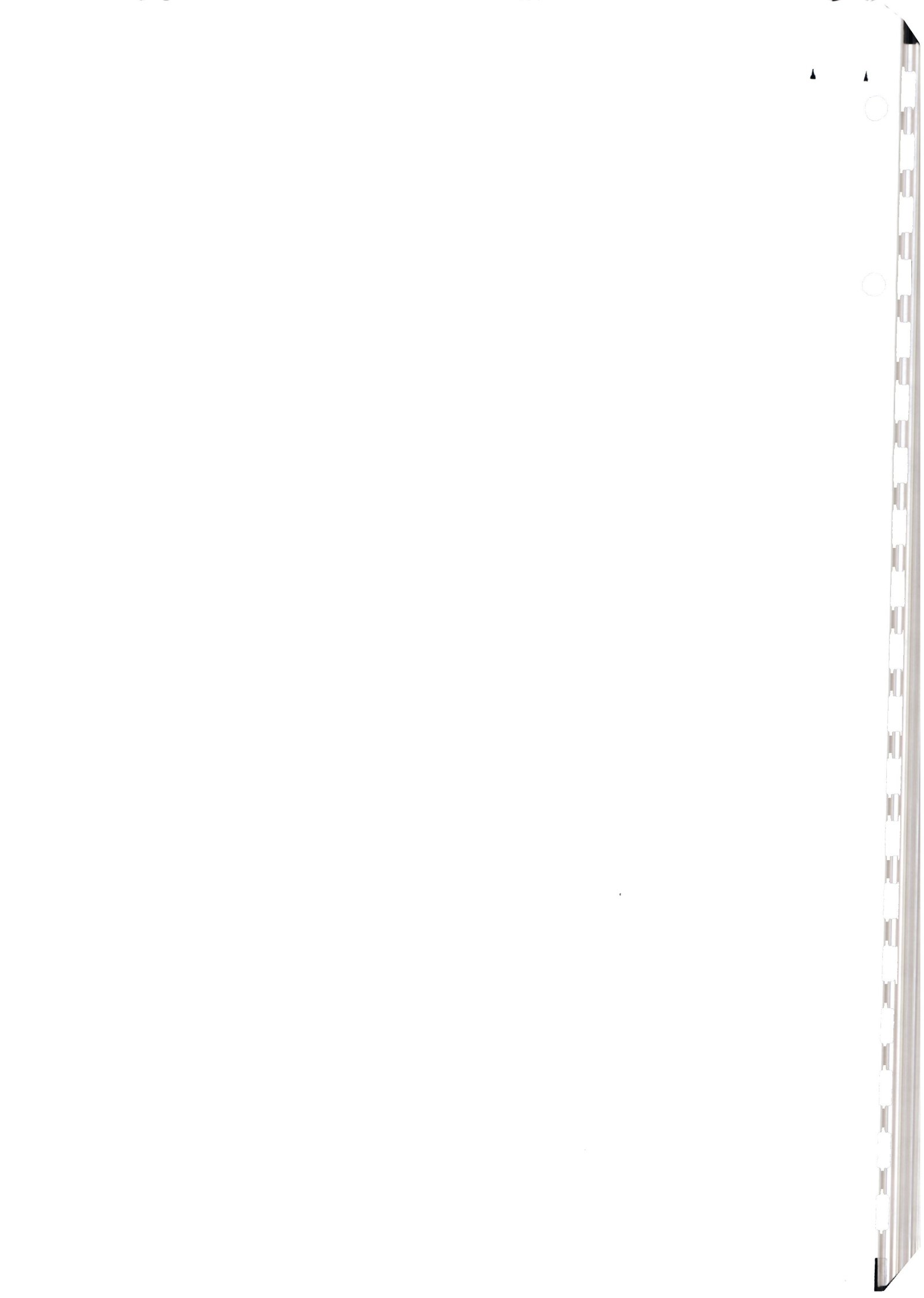
Equitable Socio-economic development countrywide

Mission

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

Core Values

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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 TESO SOUTH day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Edwin K. Serem
3.	Sub-County Accountant	Willys Ojowi
4.	Chairman NGCDFC	Tom Iluba Oteba
5.	Member NGCDFC	Alawiya Otwane

(d) Fiduciary Oversight Arrangements

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

P.O. Box 50403,
19 AMUKURA.
Katelenyang' Road.
Busia, KENYA.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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(f) NGCDF TESO SOUTH Constituency Contacts

Telephone: (254) 720028664
E-mail: cdfteesouth@ngcdf.go.ke

(g) NGCDF TESO SOUTH Constituency Bankers

1. Equity Bank of Kenya
Busia Branch
P.O. Box 553-50400
Busia, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NGCDFC)

This financial year 2017/2018 we had a budget of kshs.98, 189,654 but the fund received Kshs. 43, 405, 172 translating to 34.7% of utilization. Out of this percentage of utilization; 55.9% went to Compensation employees, 79.5% Use of goods and services, 11.2% Transfer to other Government units, and 47.8% to other grants and transfers.

The performance has been below average due to delays in funding by the NG-CDF board. The key achievements for this financial year include;

- Partitioning of the Teso South Sub-County Commissioner's office which is 95% complete.
- Completion of a number of classrooms across the constituency.
- Launching of the constituency strategic plan.
- Bursary distribution to needy students across the constituency.

Some of the emerging issues the Fund is facing include; over dependence of Fund due to high poverty index, high enrolment in upcoming schools thus creating high demand of infrastructures and sinking of toilets in many school due to heavy rains in the constituency.

Major challenges faced by the Fund include; delay in disbursement of funds from the board, infrastructural demands are higher than the amount allocated, and the incomplete devolved projects which have not been given any attention by the county government.

Project Management committee capacity has been another challenge that we have faced, though we have been carrying out capacity building but the level of education for one to qualify to be a member need to emphasized.

As a way forward, the Board need to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the Board to create a linkage with the county government with a view of completing the devolved projects.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Figure 1: Bursary cheque for needy students.

Teso South Member of Parliament, Hon. Geoffrey Omuse and the Teso South NG-CDFC Chairman Mr. Tom Oteba presenting a bursary cheque to the needy students in the constituency for FY 2017/2018.

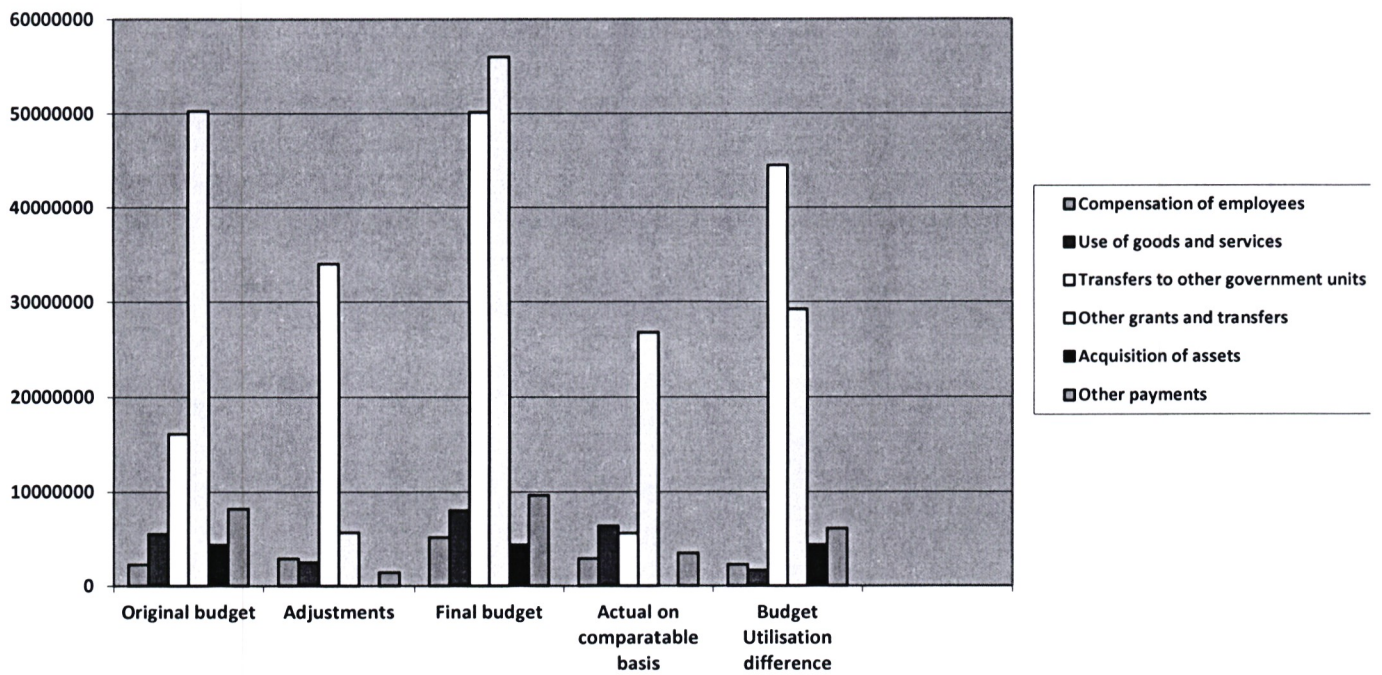


Figure 2: Utilisation graph

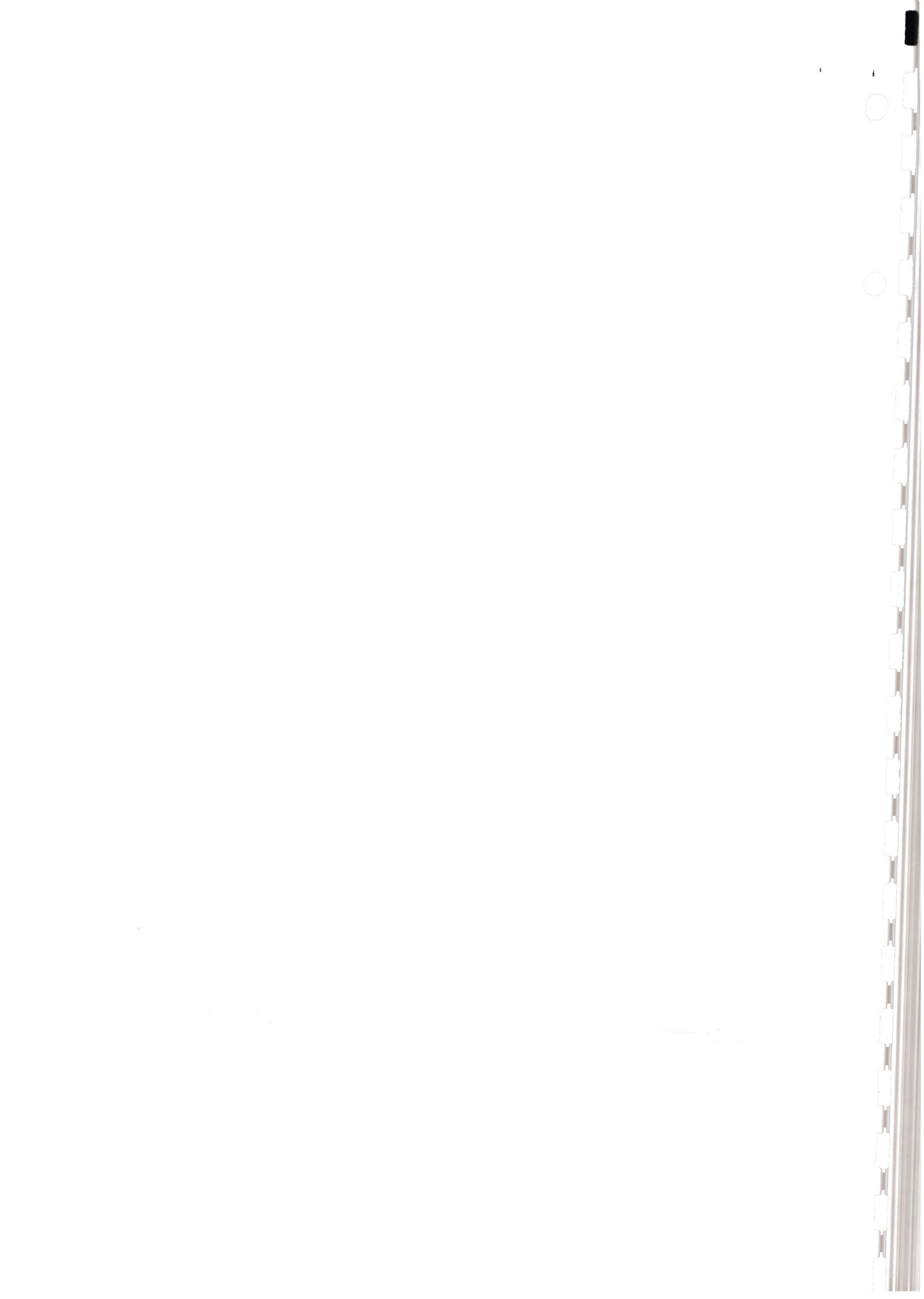
As illustrated in figure 2 above, few projects were implemented during the financial year due to delayed funding by the NG-CDF board.

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Going forward, we request the board to be realising the projects in good time for the projects to be implemented before the financial year ends.



.....
Mr. Tom Iluba Oteba
CHAIRMAN NGCDF Committee.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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.

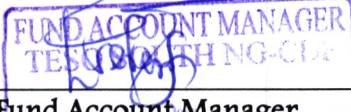
The Accounting Officer in charge of the NGCDF-TESO SOUTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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.

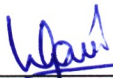
The Accounting Officer in charge of the NGCDF-TESO SOUTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public-Sector Accounting 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-TESO SOUTH 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-TESO SOUTH 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

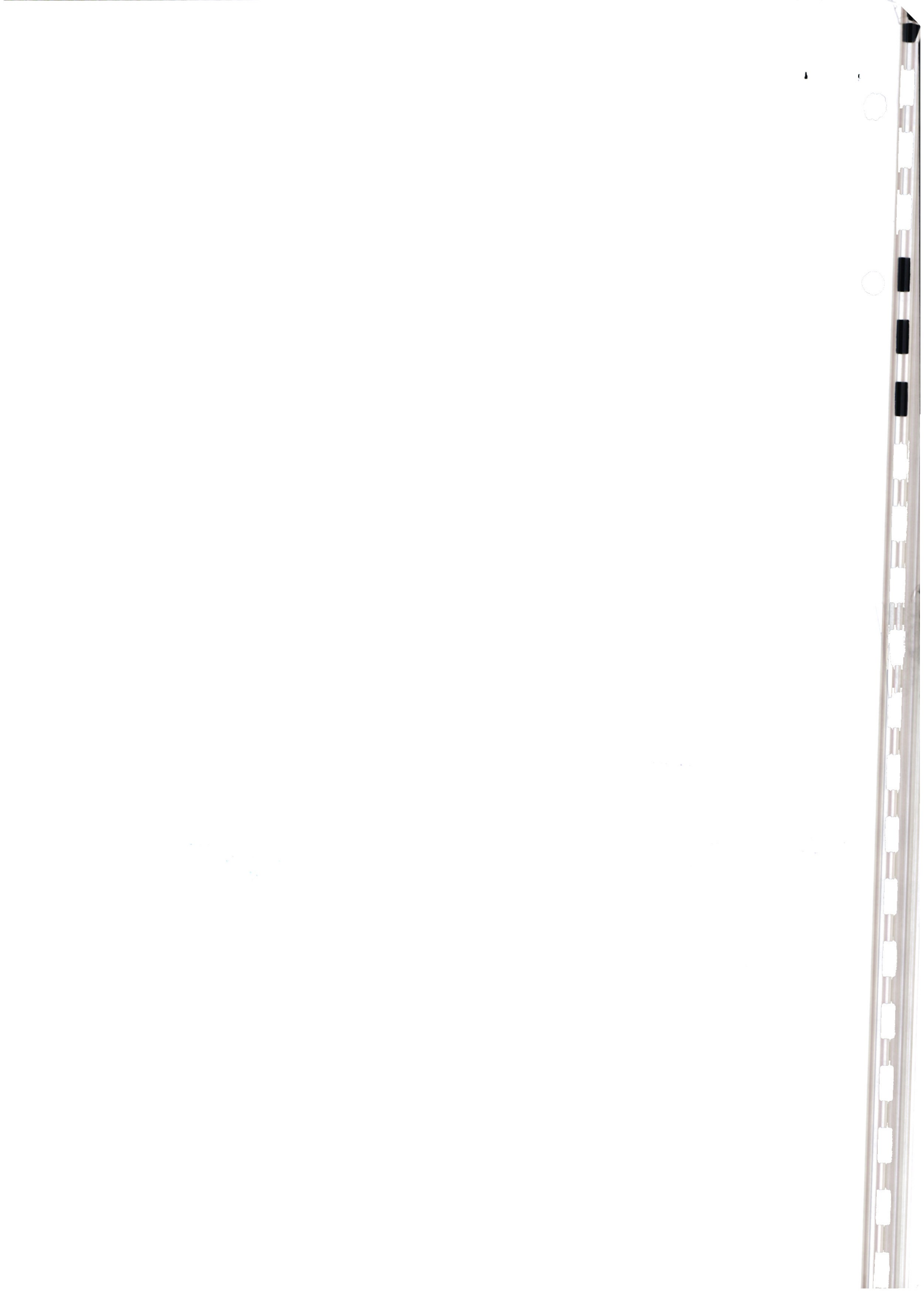
The NGCDF-TESO SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 9/9/18 2018.


Fund Account Manager
Name: EDWIN K. SEREM


Sub-County Accountant
Name: WILLYS OJOWI
ICPAK Member Number: 20405

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IV. STATEMENT OF INDEPENDENT AUDITORS OF THE ENTITY



REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Teso South Constituency set out on pages 1 to 25, 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 statement of comparison of budget and actual amounts 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, the financial statements present fairly, in all material respects, the financial position of Teso South Constituency as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Teso South 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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

Other Matter

1.0 Budget as a Control Tool

1.1 Budget Performance

During the year under review, the National Government Constituencies Development Fund – Teso South Constituency had approved budget of Kshs.86,810,344, adjustments of Kshs.46,537,171 comprising Supplementary Budget of Kshs.11,379,310 and brought forward balances of Kshs.35,157,861 from two consecutive year, leading to a final budget of Kshs.133,347,515. The Actual amount received from the board was Kshs.72,153,447 plus part of the balance brought forward of Kshs.4,209,586 resulting into total receipt of Kshs.76,363,033 thereby resulting into underfunding by Kshs.56,984,482 (Kshs.133,347,515-Kshs.76,363,033) or 57.3%. No explanation was given for the underfunding.

Further, it was noted that out of the final budget of Kshs.133,347,515, the Constituency Fund spent only Kshs.45,137,769 or 33.8% of the final Budgeted receipts leading to a budget under absorption of Kshs.88,209,746, or 66.2% as detailed below.

Receipt/ Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization to final budget
	a Kshs.	b Kshs.	c=a+b Kshs.	d Kshs.	e=c-d Kshs.	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,344	46,537,171	133,347,515	76,363,033	56,984,482	57.3%
TOTAL	86,810,344	46,537,171	133,347,515	76,363,033	56,984,482	57.3%
PAYMENTS						
Compensation of Employees	2,291,200	2,894,181	5,185,381	2,897,200	2,288,181	55.9%
Use of goods and services	5,521,731	2,521,070	8,042,801	6,395,049	1,647,752	79.2%
Transfers to Other Government Units	16,131,605	34,009,207	50,140,812	5,600,000	44,540,812	11.2%
Other grants and transfers	50,228,781	5,667,958	55,956,739	26,745,520	29,211,219	47.8%
Acquisition of Assets	4,400,000	-	4,400,000	-	4,400,000	0%
Other Payments	8,177,027	1,444,755	9,621,782	3,500,000	6,121,782	36.4%
TOTAL	86,810,344	46,537,171	133,347,515	45,137,769	88,209,746	33.8%

The underutilized budget is a manifestation that the planned services and programmes were not delivered to the residence of the Teso South Constituency during the year.

1.2 Project Performance Status

According to the PIS Report, the CDFC Teso South had 416 projects with a value of Kshs.558,418,852 and had approved Kshs.560,418,852 and disbursed Kshs.519,177,473 to implement these projects which were at various levels as can be seen in the summary below:

Summary of the Projects and their Status

Status	Details	2016/17 & Earlier	2017/18	Total
Completed	No.	336	35	371
		Kshs.	Kshs.	Kshs.
	Estimate Cost	325,131,622	133,369,839	458,501,461
	Approved Amount	348,131,622	113,369,839	461,501,461
	Disbursement	348,131,622	80,804,322	428,935,944
Ongoing	No.	32	13	45
	Estimate Cost	60,194,126	39,723,264	99,917,390
	Approved Amount	60,194,126	38,723,264	98,917,390
	Disbursement	60,194,126	30,047,402	90,241,528
Total	No.	368	48	416
	Estimate Cost	385,325,749	173,093,103	558,418,852
	Approved Amount	408,325,749	152,093,103	560,418,852
	Disbursement	408,325,749	110,851,724	519,177,473

From these statistics, it was noted that 32 projects with a value of Kshs.60,194,126 that would have been completed by 30 June 2017 or earlier were still ongoing. Another 13 projects which had received Kshs.30,047,402 during the year under review remained ongoing yet they should have been completed and handed over by December 2018. Details of these projects are as shown in Appendix 1 attached. It appears that the CDFC was allocating residual amounts and undertaking multiple projects which do not portray prudent financial planning.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, I confirm that internal controls, risk management and overall governance were not operating effectively.

Basis for Conclusion

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 1315. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance was maintained in all material respects.

The matters reported are limited to the deficiencies identified during the audit that I have concluded are material to be reported. I have not performed an audit, and, accordingly, express my conclusion in the form of limited assurance, which is consistent with the more limited work I have performed under this review.

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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services. 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.

Those charged with governance are responsible for overseeing the Fund's 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

05 July 2019

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

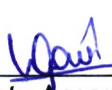
V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	72,153,447	119,903,911
TOTAL RECEIPTS		72,153,447	119,903,911
PAYMENTS			
Compensation of employees	2	2,897,200	2,764,406
Use of goods and services	3	6,395,049	6,748,488
Transfers to Other Government Units	4	5,600,000	53,730,000
Other grants and transfers	5	26,745,520	52,231,917
Acquisition of Assets	6	Nil	2,600,000
Other Payments	7	<u>3,500,000</u>	<u>Nil</u>
TOTAL PAYMENTS		45,137,769	118,074,811
SURPLUS/(DEFICIT)		<u>27,015,678</u>	<u>1,829,100</u>

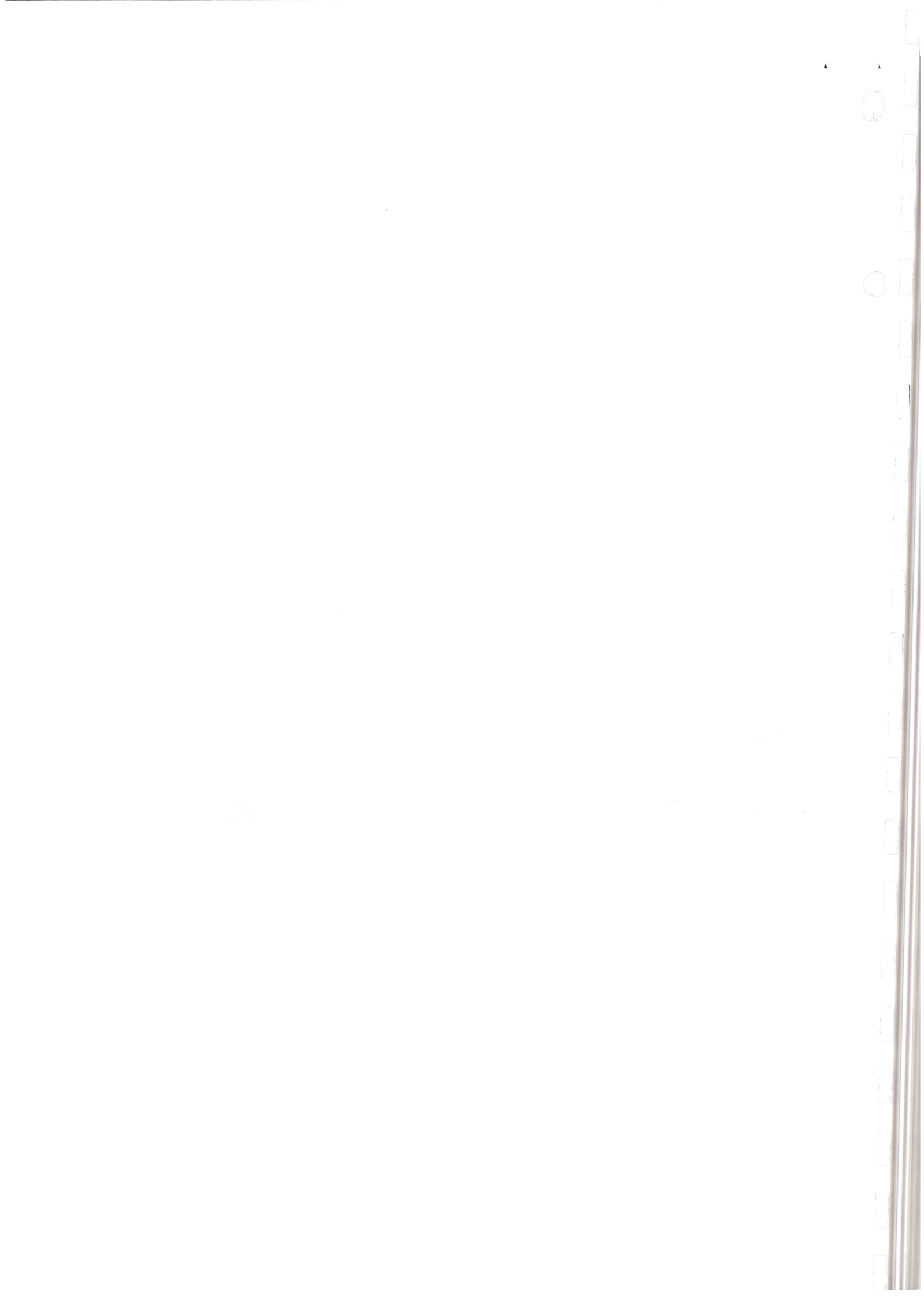
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TESO SOUTH Constituency financial statements were approved on 2019 2018 and signed by:


**FUND ACCOUNT MANAGER
 TESO SOUTH NG-CDF**

**Fund Account Manager
 Name: EDWIN K. SEREM**


**SUB-COUNTY ACCOUNTANT
 TESO SOUTH DISTRICT**

**Sub-County Accountant
 Name: WILLYS OJOWI
 ICPAK Member Number: 20405**




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

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	32,925,264	4,209,586
Current Receivables			
TOTAL FINANCIAL ASSETS		32,925,264	4,209,586
NET FINANCIAL ASSETS		32,925,264	4,209,586
REPRESENTED BY			
Fund balance b/fwd 1st July...	9	4,209,586	2,380,486
Surplus/Deficit for the year		27,015,678	1,829,100
Prior year adjustments	10	1,700,000	Nil
NET FINANCIAL POSITION		32,925,264	4,209,586

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


Fund Account Manager
Name: EDWIN K. SEREM


Sub-County Accountant
Name: WILLYS OJOWI
ICPAK Member Number: 20405

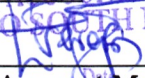


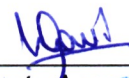
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TESO SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

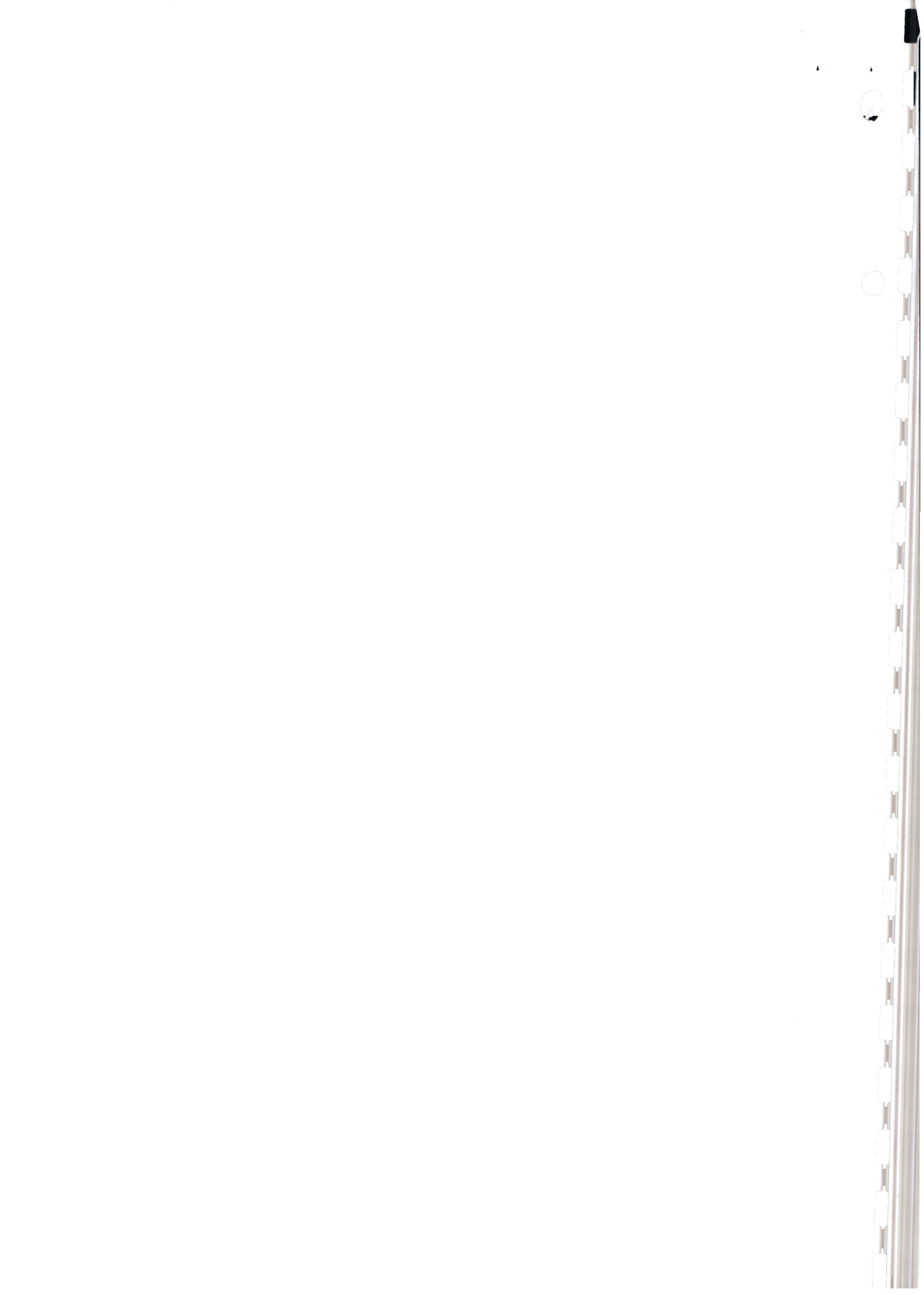
VII. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	72,153,447	119,903,911
		72,153,447	119,903,911
Payments for operating expenses			
Compensation of Employees	2	2,897,200	2,764,406
Use of goods and services	3	6,395,049	6,748,488
Transfers to Other Government Units	4	5,600,000	53,730,000
Other grants and transfers	5	26,745,520	52,231,917
Other Payments	7	3,500,000	Nil
		(45,137,769)	(115,474,811)
Adjusted for:			
Adjustments during the year	10	1,700,000	Nil
Net cash flow from operating activities		28,715,678	4,429,100
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(Nil)	(2,600,000)
Net cash flows from Investing Activities		Nil	2,600,000
NET INCREASE IN CASH AND CASH EQUIVALENT		28,715,678	1,829,100
Cash and cash equivalent at BEGINNING of the year	9	4,209,586	2,380,486
Cash and cash equivalent at END of the year		32,925,264	4,209,586

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

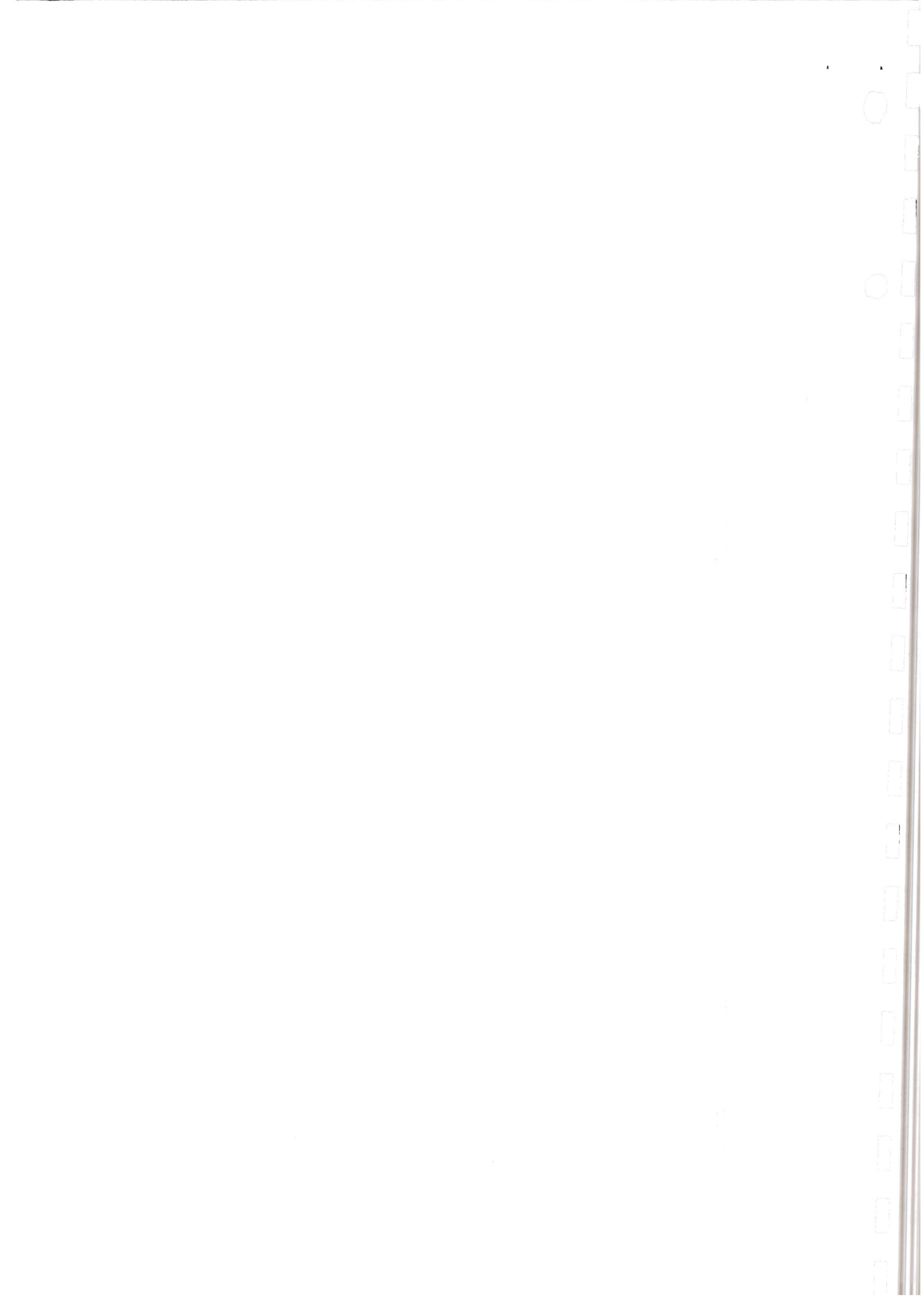

Fund Account Manager
Name: EDWIN K. SEREM


Sub-County Accountant
Name: WILLYS OJOWI
ICPAK Member Number: 20405



VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,344	46,537,171	133,347,515	76,363,033	56,984,482	57.3%
Proceeds from Sale of Assets						
Other Receipts						
	86,810,344	46,537,171	133,347,515	76,363,033	56,984,482	57.3%
PAYMENTS						
Compensation of Employees	2,291,200	2,894,181	5,185,381	2,897,200	2,288,181	55.9%
Use of goods and services	5,521,731	2,521,070	8,042,801	6,395,049	1,647,752	79.2%
Transfers to Other Government Units	16,131,605	34,009,207	50,140,812	5,600,000	44,540,812	11.2%
Other grants and transfers	50,228,781	5,667,958	55,956,739	26,745,520	29,211,219	47.8%
Acquisition of Assets	4,400,000		4,400,000		4,400,000	0%
Other Payments	8,177,027	1,444,755	9,621,782	3,500,000	6,121,782	36.4%
TOTALS	86,810,344	46,537,171	133,347,515	45,137,769	88,209,746	33.8%



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For the year ended June 30, 2018

The NGCDF-TESO SOUTH Constituency financial statements were approved on 2018 and signed by:

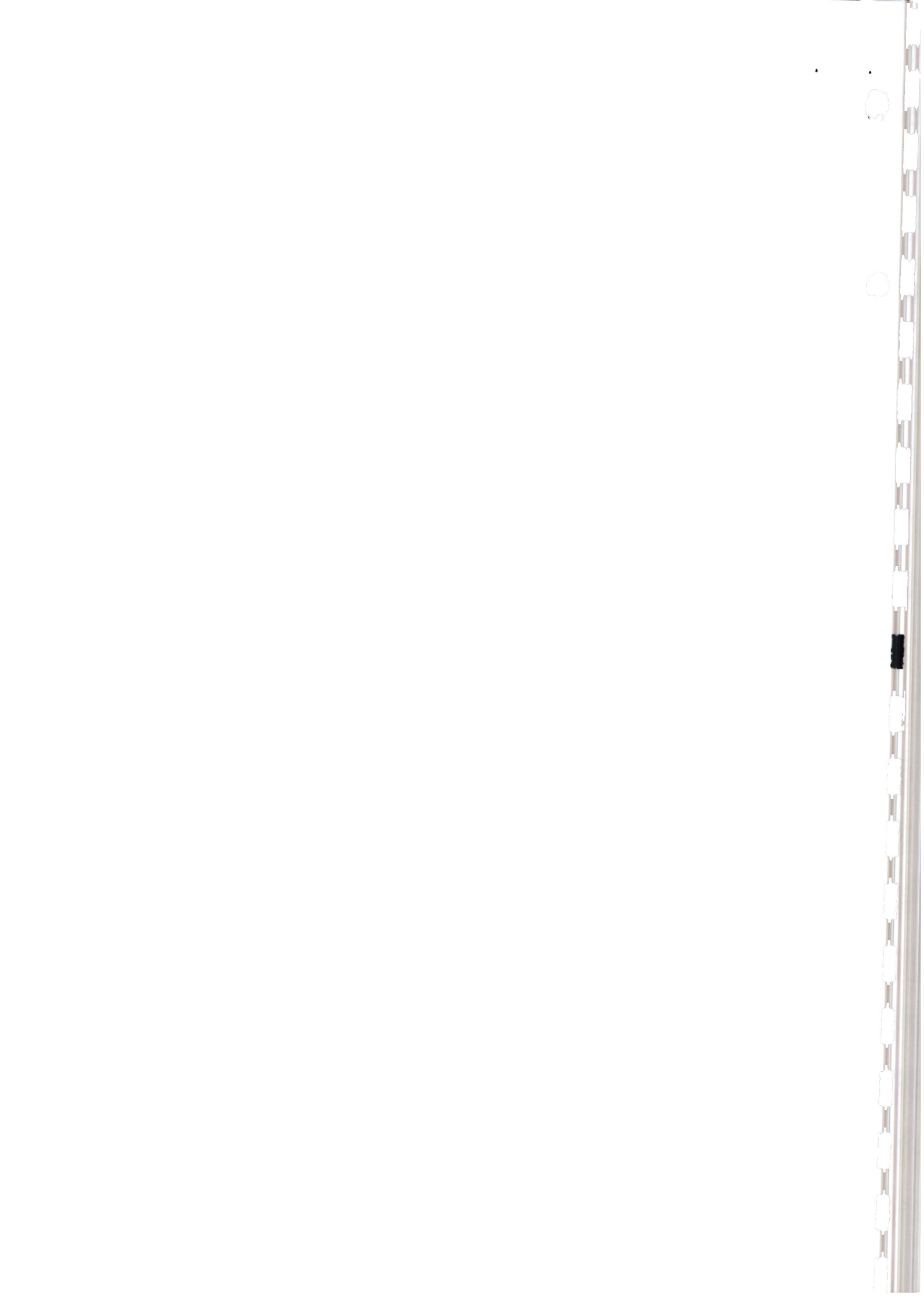


Fund Account Manager
Name: EDWIN K. SEREM

Willys Ojowi



Sub-County Accountant
Name: WILLYS OJOWI
ICPAK Member Number: 20405



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

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

IX. 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-TESO SOUTH 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) – TESO
SOUTH CONSTITUENCY**

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

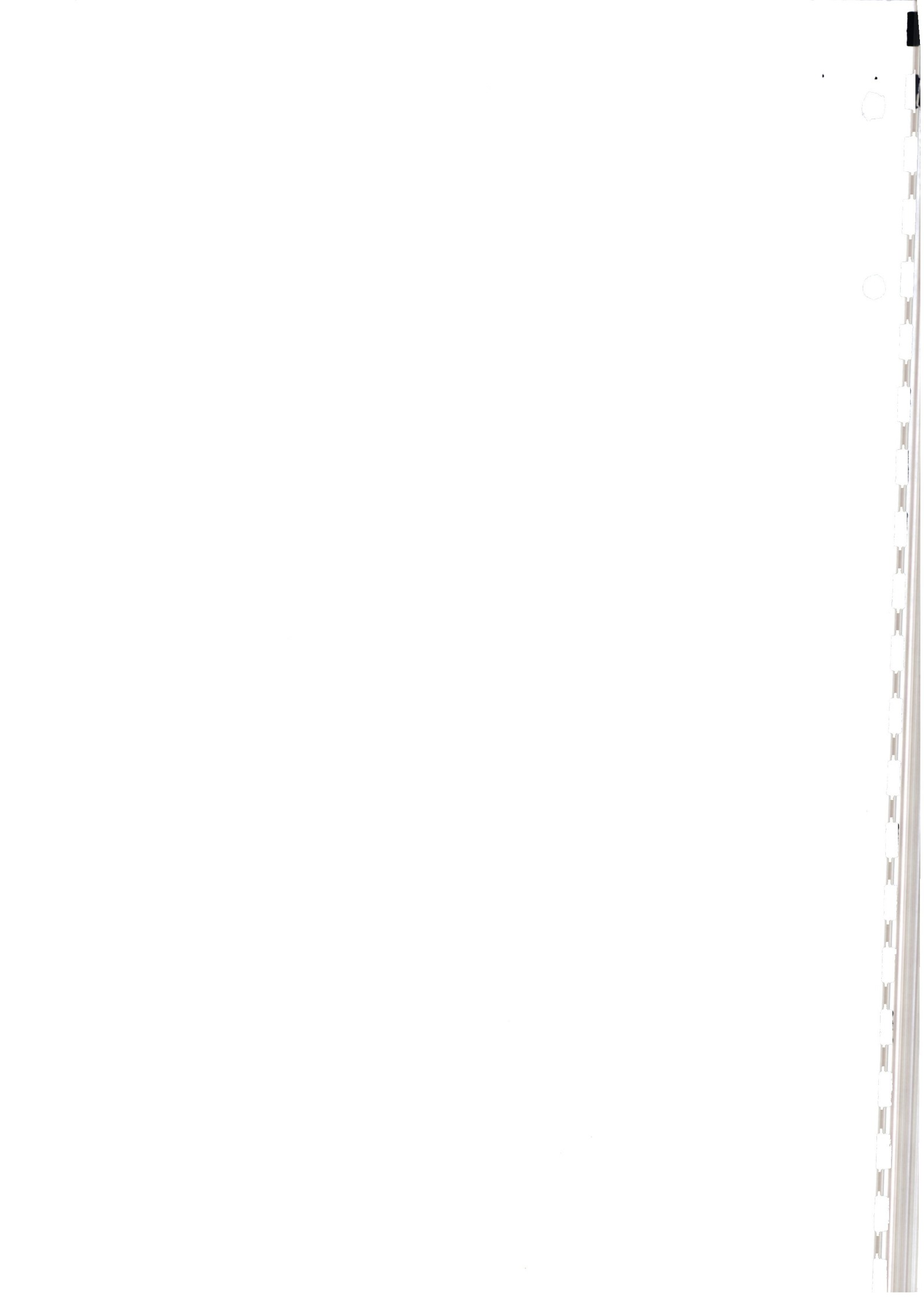
9. Pending Bills

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

10. Unutilized Funds

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

SIGNIFICANT ACCOUNTING POLICIES



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH 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.

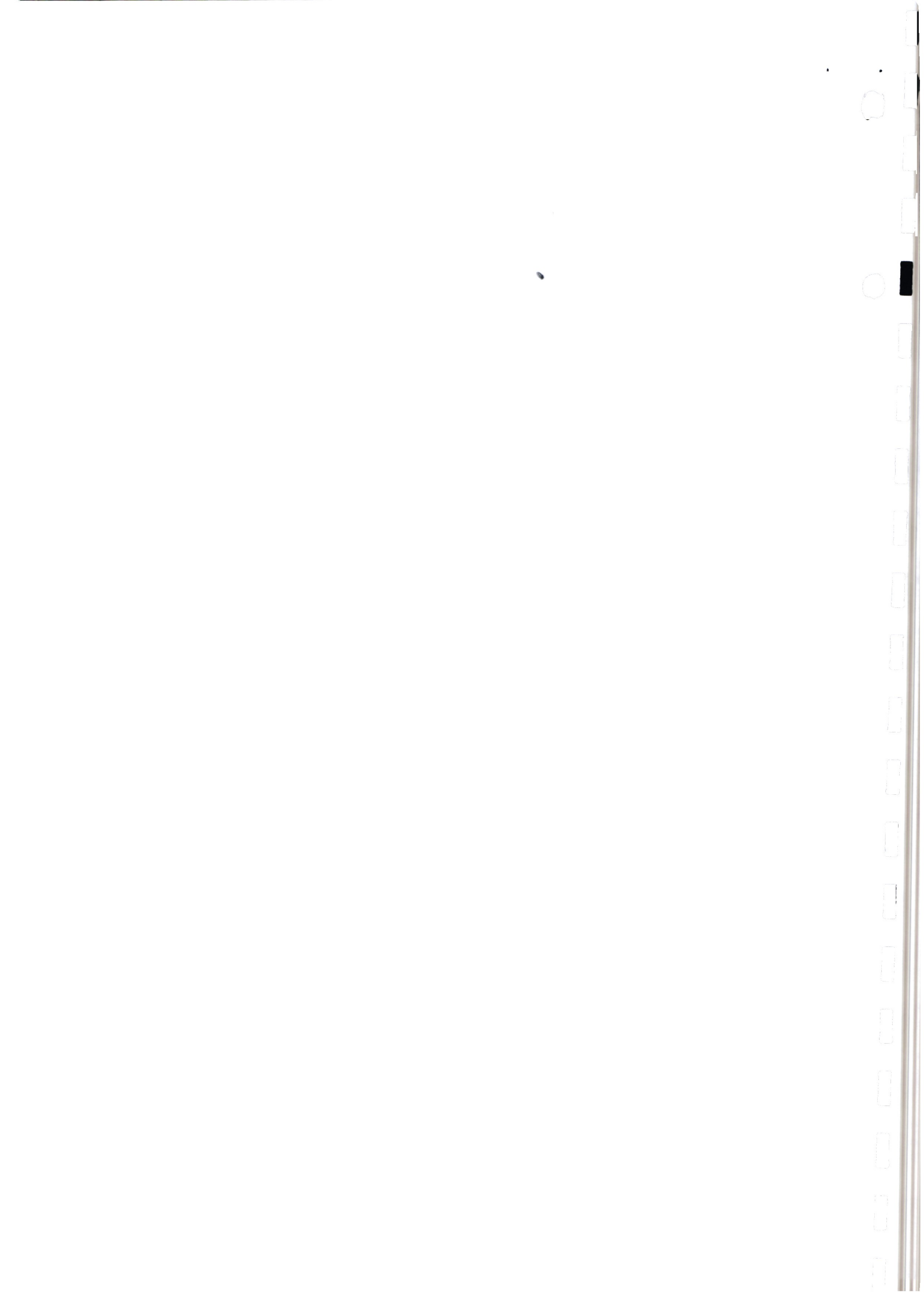


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO: A825711	1		4,128,000
AIE NO: A825945	2		57,927,634
AIE NO: A839511	3		4,094,828
AIE NO: A855132	4		36,853,449
AIE NO: A855588	5		900,000
AIE NO: A855685	6		6,000,000
AIE NO: A839742	7		10,000,000
AIE NO: A892612	1	28,748,275	
AIE NO: A519892	2	5,500,000	
AIE NO: A892905	3	37,905,172	
TOTAL		72,153,447	119,903,911



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

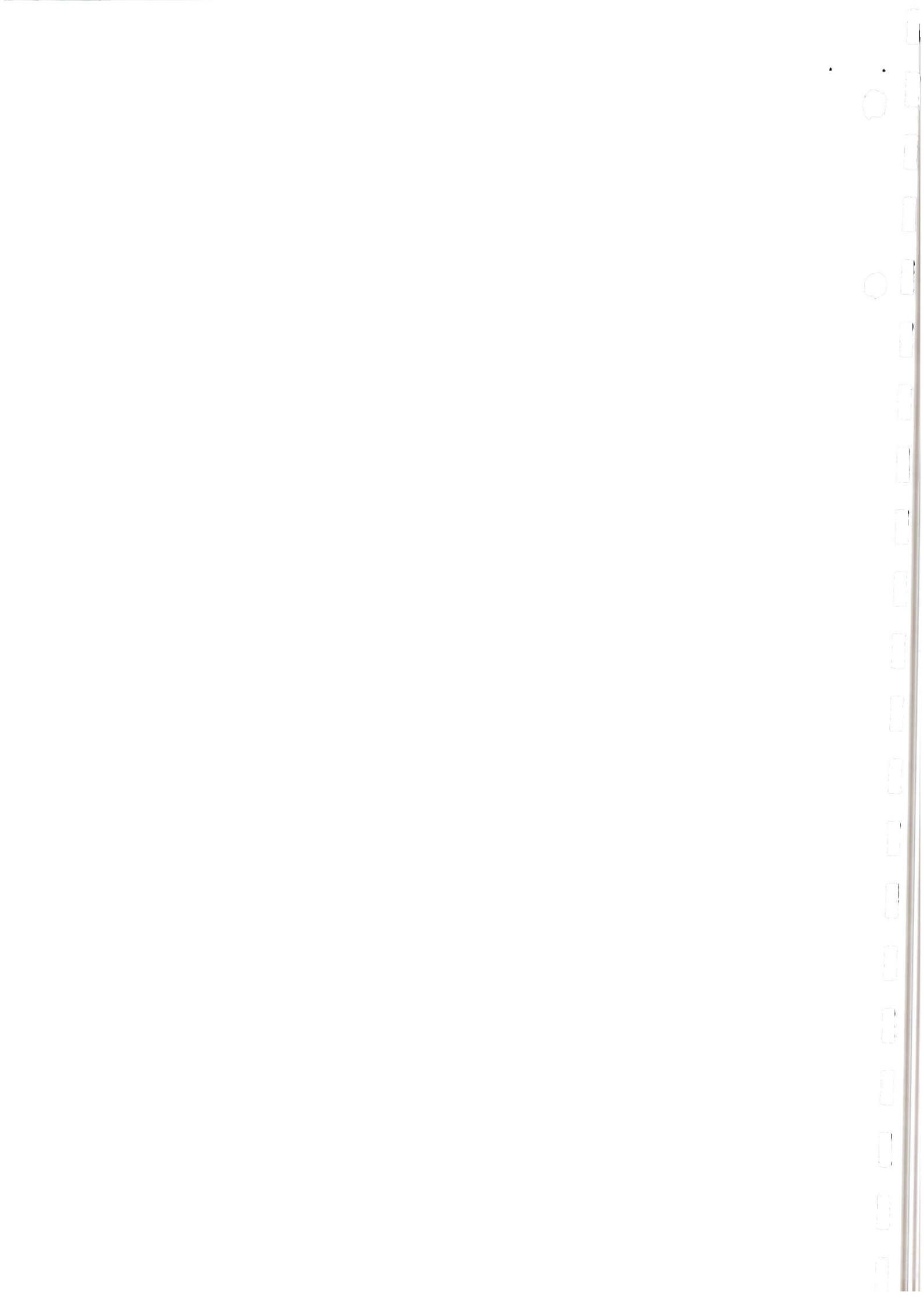
Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,282,563	2,534,366
Gratuity	1,345,914	Nil
Other personnel payments	268,723	230,040
Total	2,897,200	2,764,406

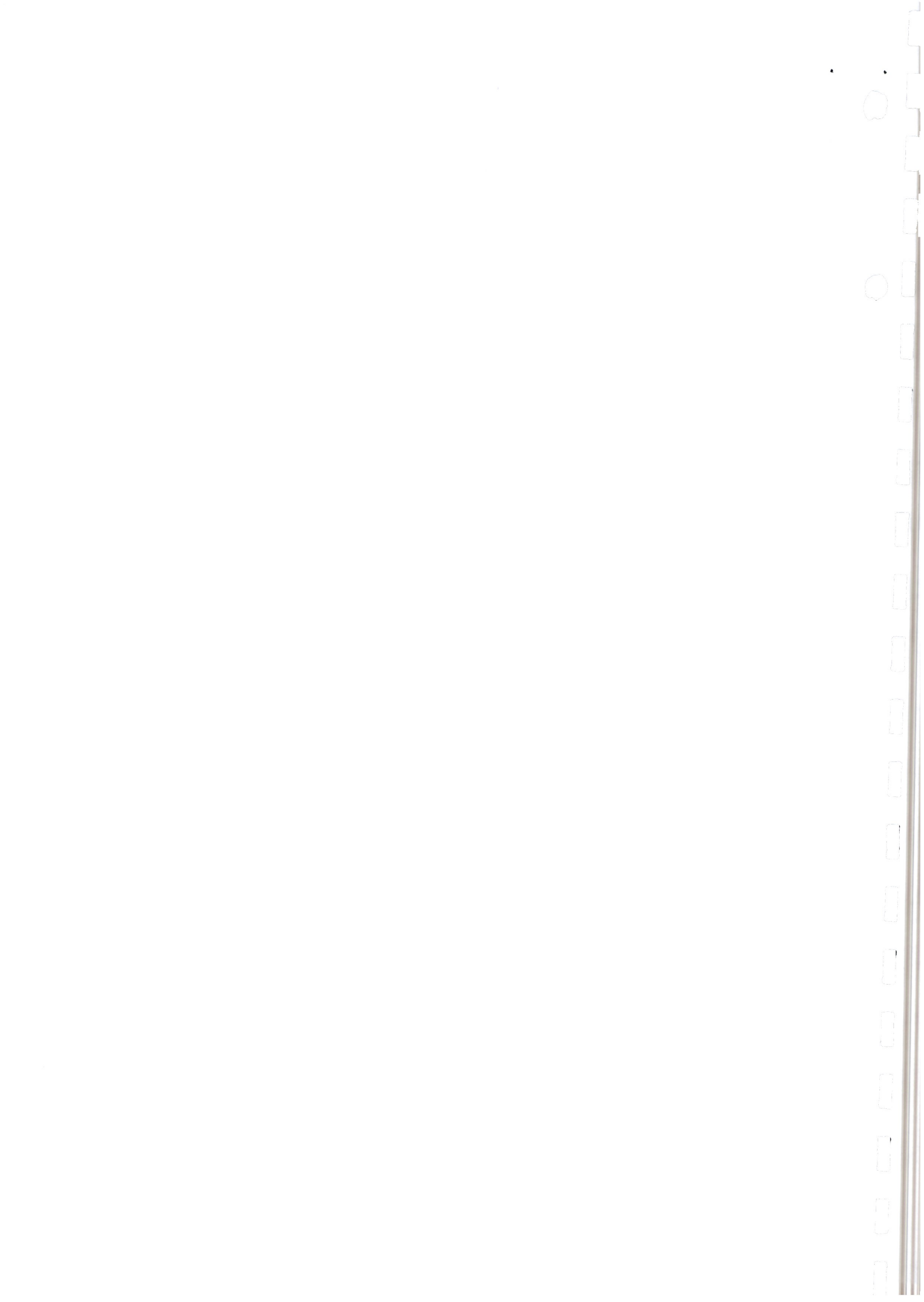


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	3,925,200	2,858,210
Utilities, supplies and services	389,625	234,469
Communication, supplies and services	36,860	91,160
Domestic travel and subsistence	191,700	156,000
Printing, advertising and information supplies & services	71,370	Nil
Hospitality supplies and services	634,810	Nil
Insurance costs	339,059	Nil
Specialized materials and services	Nil	Nil
Office and general supplies and services	Nil	387,000
Other operating expenses	280,000	Nil
Routine maintenance – vehicles and other transport equipment	526,425	398,921
Routine maintenance – other assets	Nil	194,000
Total	6,395,049	6,748,448



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

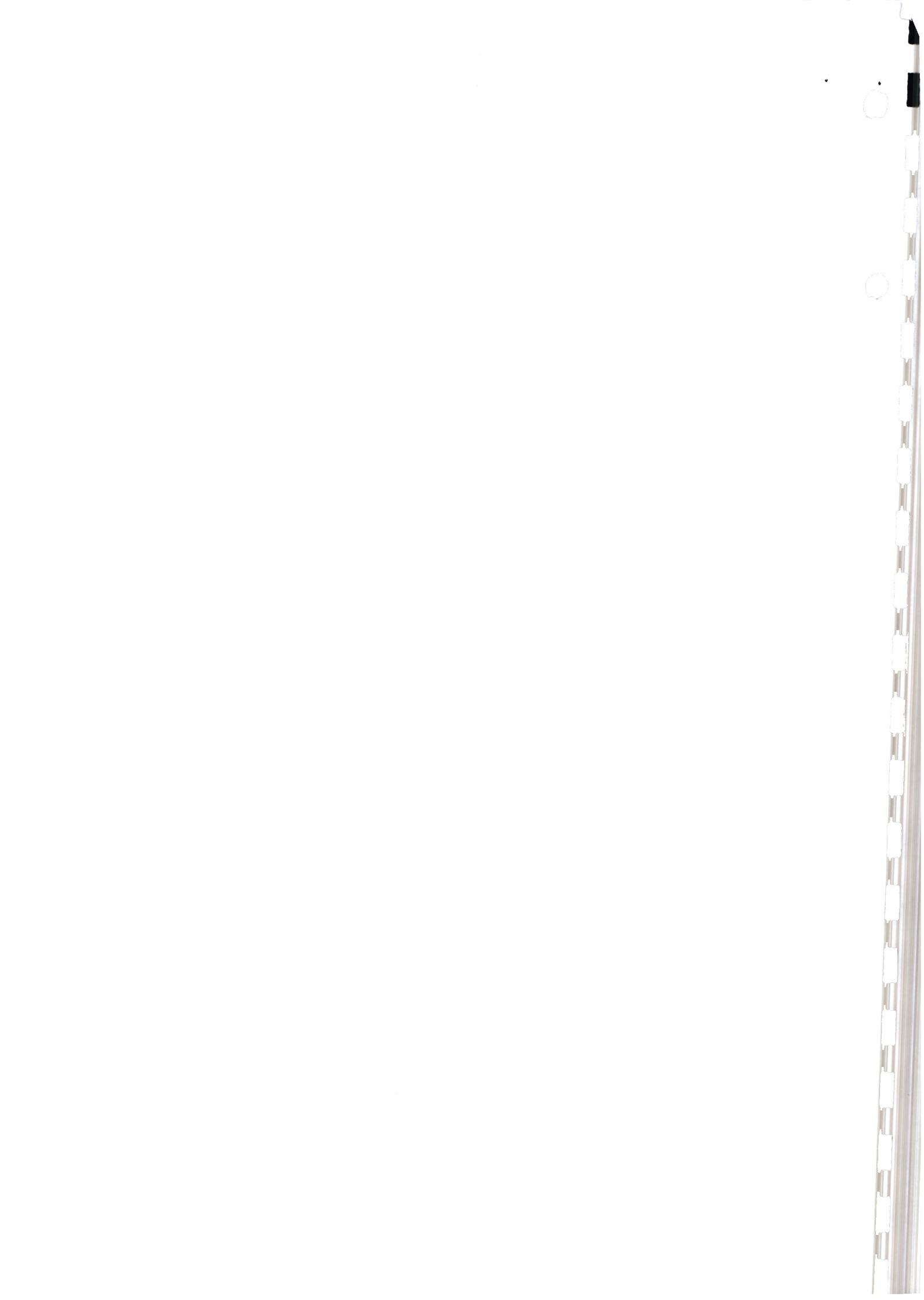
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to primary schools	3,600,000	26,100,000
Transfers to secondary schools	2,000,000	19,530,000
Transfers to tertiary institutions	Nil	8,100,000
TOTAL	5,600,000	53,730,000

5. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools	10,000,000	10,968,800
Bursary – tertiary institutions	14,545,520	14,977,200
Mock & CAT	Nil	1,000,000
Security projects	1,000,000	4,500,000
Sports projects	600,000	2,018,000
Environment projects	600,000	2,018,000
Emergency projects	Nil	8,410,000
Roads projects	Nil	8,289,917
Total	26,745,520	52,231,917



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Construction of Buildings	Nil	2,600,000
Total	Nil	2,600,000

7. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	3,500,000	Nil
	3,500,000	Nil

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8: BANK ACCOUNTS (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity Bank, Account No. 0780261905493</i>	32,925,264	4,209,585
Total	32,925,264	4,209,585

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	4,209,586	2,380,486
Total	<u>4,209,586</u>	<u>2,380,486</u>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs	
Bank accounts	1,700,000		Nil
Total	1,700,000		Nil

Cheque no.2616 of ksh 300,000 for Osasamet Primary and 2649 of ksh 1,400,000 for St.Francis Okame were raised but were to be cancelled since cheque no.2788/3644/45 of ksh 900,000 ,ksh 475,000 and 25,000 respectively and 3643/3645 of ksh275,000 and ksh 25,000 were raised and issued to the same schools.The previous cheques were cancelled since it included amounts for valuation of the land which needed to be paid through separate cheques.

11. OTHER IMPORTANT DISCLOSURES

11.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Supply of services	17,961,186	Nil
	Nil	Nil

11.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff Gratuity (Date of appointment 19.02.2018)	152,922	Nil
	152,922	Nil

11.2: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,211,200	Nil
Use of goods and services	2,177,845	Nil
Amounts due to other Government entities (see attached list)	24,529,630	22,898,862
Amounts due to other grants and other transfers (see attached list)	29,065,809	5,000,000
Others (<i>specify</i>)	Nil	3,049,413
	56,984,484	30,948,275



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TESO
SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.3: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances	6,903,180	5,529,998
	6,903,180	5,529,998

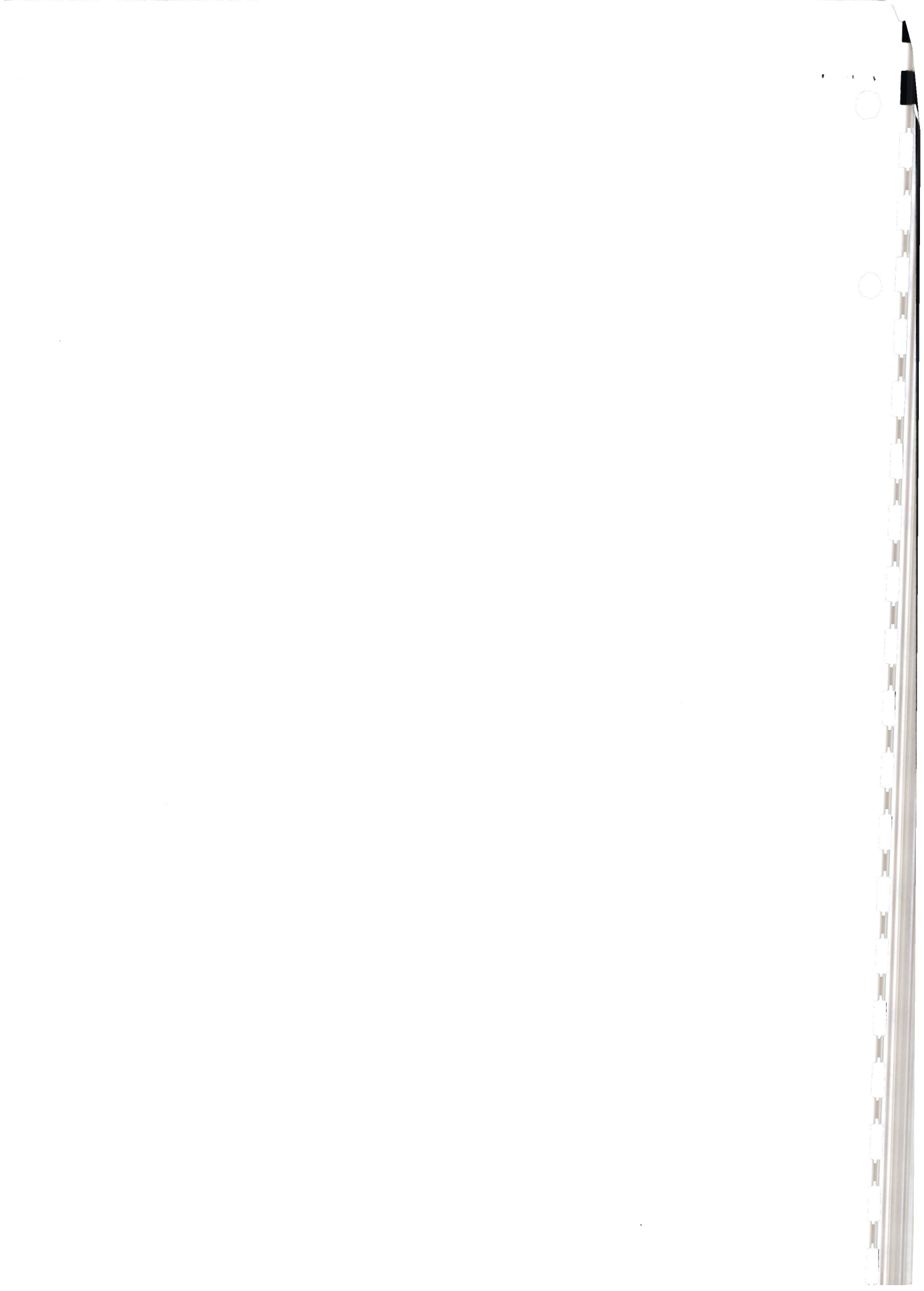
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)- TESO SOUTH CONSTITUENCY

Reports and Financial Statements

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted B	Amount Paid To-Date C	Outstanding Balance 2017/2018 d=a-c	Outstanding Balance 2016/2017	Comments
Supply of services						
1. KCA University -Amagoro Campus	12,158,186			12,258,286		As per the hand over report
2. Moi University Alupe Campus	5,803,000			5,803,000		As per the hand over report
3.						
Sub-Total						
Grand Total	17,961,186			17,961,186		



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)- TESO SOUTH

Reports and Financial Statements

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	B	C	d=a-c		
Staff							
1. Mathew Philip Wege		33,311			33,311		
2. Judith Opili		26,099			26,099		
3. Susan Emojong		22,546			22,546		
4. Jentrix Ekassiba		25,874			25,872		
5. Simon Etyang		22,546			22,546		
6. Benard Panyako		22,546			22,546		
Grand Total		152,922			152,922		

Reports and Financial Statements
For the year ended June 30, 2018 (Kshs')

ANNEX 3 – UNUTILIZED FUNDS

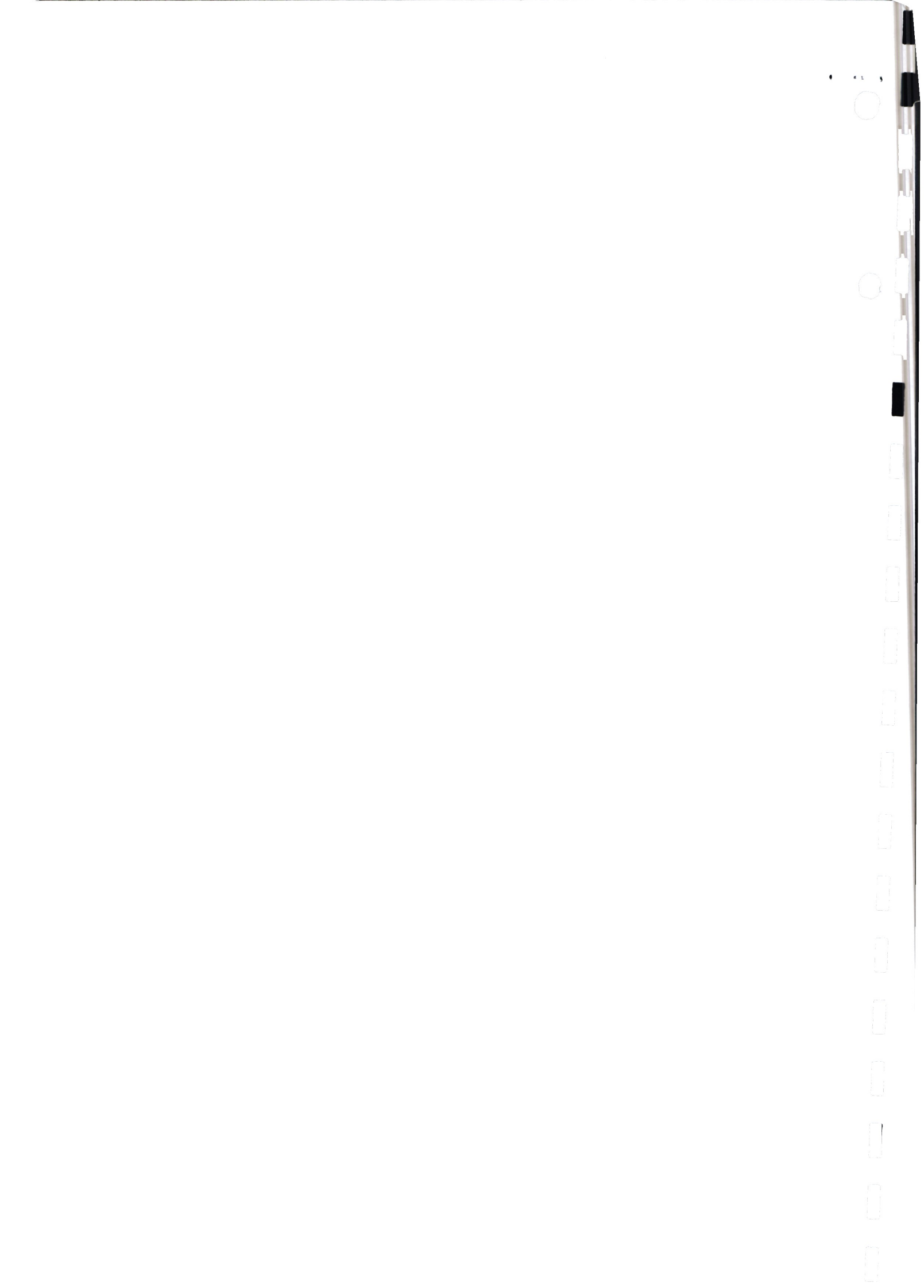
Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,211,200	1,137,751	
Use of goods & services		2,177,845	1,911,662	
Sub-Total		3,389,045	3,049,413	
Amounts due to other Government entities				
	Primary School	14,529,630	13,498,862	
	Secondary School	3,000,000	1,200,000	
	Tertiary Institutions	7,000,000	8,200,000	
Sub-Total		24,529,630	22,898,862	
Amounts due to other grants and other transfers				
	Security projects	8,800,000	3,000,000	
	Environment projects	1,736,207	1,000,000	
	Sports Projects	1,736,207	1,000,000	
	Electricity projects	5,000,000		
	Constituency innovation hub	4,677,027		
	NG-CDF Office	4,400,000		
	Bursary- Secondary and Tertiary	1,000,000		
	NHIF	1,147,402		
	Emergency	568,966		
Sub-Total		29,065,809	5,000,000	
Sub-Total				

LESO SOUTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND.

Reports and Financial Statements

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

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Grand Total		56,984,484	30,948,275	



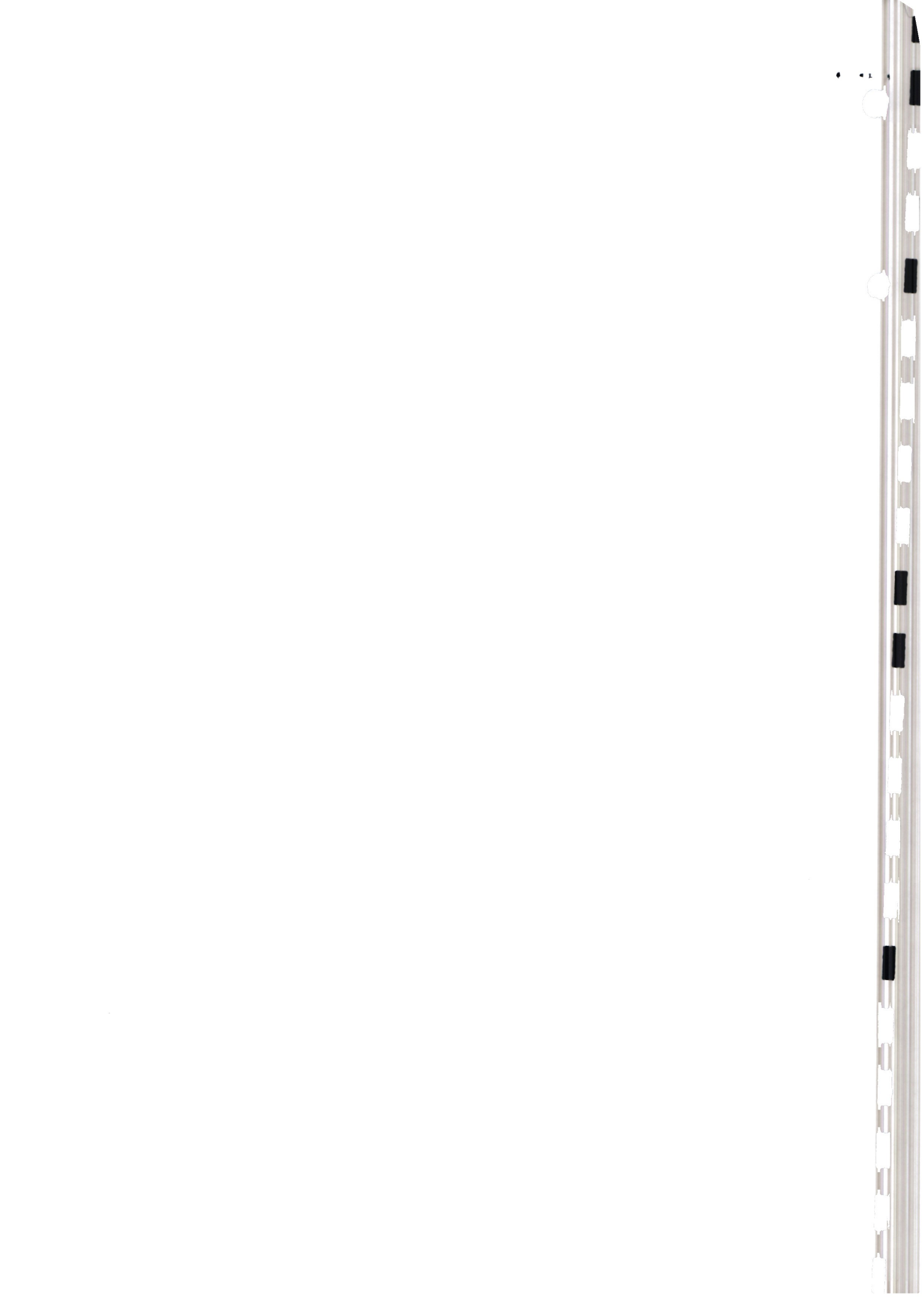
LESO SOUTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND.

Reports and Financial Statements

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	685,000	Nil	Nil	685,000
Buildings and structures	13,300,000	Nil	Nil	13,300,000
Transport equipment	5,829,000	Nil	Nil	5,829,000
Office equipment, furniture and fittings	631,022	Nil	Nil	631,022
ICT Equipment, Software and Other ICT Assets	1,099,500	Nil	Nil	1,099,500
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	21,544,522	Nil	Nil	21,544,522



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)- TESO
SOUTH CONSTITUENCY**

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
KARISA PRIMARY SCHOOL	EQUITY BANK	0780264688412	1,100	
KERIAMATA PRIMARY SCHOOL	CO-OPERATIVE BANK	01139238497000	1,000,000	
OKIPORO PRIMARY SCHOOL	EQUITY BANK	0780264386834	402,080	
TESO SOUTH SPORTS PMC-CHAKOL DIVISION	EQUITY BANK	1050277175008	300,000	
TESO SOUTH SPORTS PMC-AMUKURA DIVISION	EQUITY BANK	1050277174879	300,000	
TESO SOUTH ENVIRONMENT PMC- CHAKOL DIVISION	EQUITY BANK	1050277175380	300,000	
TESO SOUTH ENVIRONMENT PMC- AMUKURA DIVISION	EQUITY BANK	1050277300672	300,000	
ACIIT PRIMARY	CO-OPERATIVE BANK	01139238426900	500,000	
KABOSOKIPI PRIMARY SCHOOL	EQUITY BANK	1050297245370	300,000	
CONSTITUENCY STRATEGIC PLAN PMC	EQUITY BANK	105027734046	3,500,000	
TOTAL			6,903,180	5,529,998



TESO SOUTH NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND.
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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. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary performance	The under expenditure of 22.94% of the approved budget was due to delayed funding of Kshs. 30, 948,275.13 from the NG-CDF Board. The funds were released on 08.02.2018	Edwin K. Serem-Fund Account Manager	Resolved	
2	Project performance	The 53% of the projects approved in the financial year under audit were still ongoing due to delays in receiving funding from the NGCDF Board Kshs. 30,948,275.13 were received in February 2018	Edwin K. Serem-Fund Account Manager	Resolved	
3	Payments of work not delivered	The issue relates to construction of a dining hall at St. Marys Amukura Girls secondary school. The project was budgeted at Ksh. 7,874,196 and Kshs. 7,000,000 was paid, thus a balance of Ksh. 874,196 which will complete part of the areas raised by the audit. The school management did not adhere to the guidelines provided by the CDF office while they were making payments to the contractor. Going forward a guideline has been provided to all project management committees to help in ensuring proper management of the projects.	Edwin K. Serem-Fund Account Manager	Not Resolved	30 TH November 2018

