

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 19 SEP 2018

THE AUDITOR-GENERAL

PARLIAMENT
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TABLED

BY:

Hon. Aden Duale

CLERK AT
THE TABLE:

Moses Lemura

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
OL JOROOROK CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND OLJOROOROK
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)



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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
OLJOROOROK CONSTITUENCY
Reports and Financial Statements
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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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- OLJOROOROK 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	Jeseo Mbuthia
3.	Sub-County Accountant	Josephine Ndirangu
4.	Chairman NGCDFC	Simon C.Wanjuki
5.	Member NGCDFC	Ann Mukora

(d) Fiduciary Oversight Arrangements

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

P.O. Box 208-20302
NG-CDF Building Office
Nyandarua West DCC's Compound

Oljoroorok, KENYA

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(f) NGCDF OLJOROOROK Constituency Contacts

Telephone: (254) 711510943
E-mail: cdfoljorok@ngcdf.go.ke
Website: www.ngcdfgo.ke

(g) NGCDF OLJOROOROK Constituency Bankers

1. Equity Bank
Nyahururu Branch
P.O. Box 1048-20300
Nyahururu, Kenya
2. Kenya Commercial Bank (specify the constituency account banker details)
...
...
...

(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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I.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Annual Constituency Allocation

I am pleased to present the unaudited financial statements for Ol-Joro-Orok Constituency for the financial year ended 30th June 2018. During the year, the Constituency was allocated a total of Kshs 91,189,655.16 consisting of Kshs 79,810,344.82 as normal allocation and Kshs 11,379,310.34 as additional allocations.

On receipt of the above allocations, Ol-Joro-Orok National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noteworthy that during the FY 2017/2018, we received 50% of the normal Constituency funding equivalent to Kshs 43,405,172 and these funds were then disbursed to earmarked projects.

Sector Prioritization

During the year, a total of Kshs 43,405,172 was allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions. The funding consisted of Kshs 37,905,172 set aside in normal allocation and Kshs 5,500,000 allocated in additional Constituency funding compared to an allocation of Kshs 40,618,964.60 allocated during the FY 2016/2017. The Committee also allocated Kshs 37,905,172 which were allocated wholesomely. These were funds allocated towards other grants and transfers which consists of Bursary, sports, and emergency compared to an allocation of Kshs 30,301,724 in the FY 2016/2017.

Sectoral Analysis of Funding

The funding has benefitted over 200 projects and the breakdown in terms of the number of projects funded in these leading sectors over the last five years is as hereunder provided;

Number of Projects Per Sectors FY2013/14-2017/18 (In Key Sectors)

Sector	2017/18	2016/17	2015/16	2014/15	2013/14	Total
	Primary Schools	10	6	51	39	28
Secondary Schools	8	9	18	13	9	57
Social Security Programme	Bursary	1	1	1	1	5
	Health	1	1	NIL	NIL	5
Water	NIL	NIL	NIL	9	9	18
Security	8	2	18	21	14	63
Total No Funded	28	19	88	83	66	284

Source: Ol-Joro-Orok NGCDF Records (2018)

It is therefore notable that within the education sector, primary schools have realized the highest number of projects funded in the Constituency

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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followed by secondary schools and finally tertiary institutions. Overall, the ranking based on highest number projects funded over the period has primary Schools as the leading sector followed by, security, secondary Schools and finally water and social programmes. The sectorial analysis in terms of total funding to the respective sectors over the last 5 years is as hereunder provided;

Sectoral Analysis FY2013/14-2017/18 (5 Years)

No	Financial Year	Amount Allocated	% Sectoral Allocation								
			Education	Water	Environment	Health	Roads	Sports	Security	Bursary	Emergency
1.	2013/2014	60,461,923.00	12.45	4.80	1.98	5.62	9.51	4.80	5.29	17.70	NIL
2.	2014/2015	97,741,920.00	20.47	3.52	0.98	NIL	12.89	2.00	8.84	23.57	5.53
3.	2015/2016	102,996,517.00	39.59	0.97	1.55	NIL	12.04	1.65	8.01	21.56	5.60
4.	2016/2017	77,472,413.65	43.63	NIL	NIL	NIL	NIL	2.11	5.16	37.00	NIL
5.	2017/2018	91,189,655.16	21.68	NIL	NIL	NIL	NIL	2.06	10.02	26.89	5.72
Average % Allocations			27.56	1.86	0.90	1.12	6.89	2.52	7.46	25.34	3.37

Source: Ol-Joro-Orok NGCDF Records (2018)

From the above, it is evident that the leading sectors over the period are **education, bursary and security** at an average percentage allocation of **27.56%, 25.34%, and 7.46%** respectively.

Sectorial Allocation FY2013-2018 Source: Ol-Joro-Orok NGCDF Records (2018)

The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports as well as other national government residual functions. During the FY 2017/2018, the Committee undertook to expedite the disbursement of funds to earmarked projects in accordance with the provisions of the NGCDF Act, 2015, as amended in 2016, and the requirements of the Annual Performance Contract. The disbursements saw the implementation of approved project activities across the Constituency. As at the close of the fiscal year 2017/2018 on 30th June 2018, the overall funds utilization and absorption rate stood at 92 percent. This is an impressive performance realized by the Committee during the year on funds absorption based on funding received from the NGCDF Board.

Achievements and Major Undertakings

The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary and secondary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families. Another major project undertaken during the year is the Ol-Joro-Orok NG-CDF Office which is located in the DCC's compound 99 per cent complete.

Budgetary Appropriations

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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During the financial year 2017/2018, the overall budget utilization stood at 99 percent based on the funds received. This was achieved due to expeditious disbursement of funds received to earmarked projects by the NGCDF Committee. During the period Kshs 43,405,172 was received against the total allocation of Kshs 91,189,655.16 which consists of Kshs 79,810,344.82 in normal funding and Kshs 11,379,310.34 in additional allocations.

Development Planning

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee is reviewing its strategic plan which is a formalized road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NG-CDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

Challenges

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2017/2018. These encompass, inadequate record keeping by project management committees, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the year 2017/2018 scaled up its capacity building programmes for NG-CDF Committee, Project Management Committees and staff on various aspects of NG-CDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2018/2019.

I wish to sincerely thank the NG-CDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions even performing better and attaining better assessments in its performance targets for FY 2018/2019.

Sign 

SIMON C. WANJUKI
CHAIRMAN NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 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- OLJOROOROK 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- OLJOROOROK Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- OLJOROOROK 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- OLJOROOROK 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

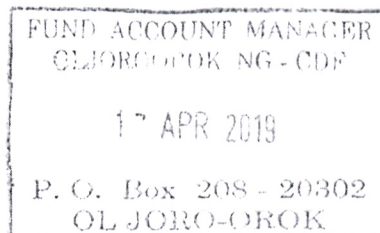
The NGCDF- OLJOROOROK Constituency financial statements were approved and signed by the Accounting Officer on 17/4/19 2018.



CHAIRMAN NG-CDF



FUND ACCOUNT MANAGER



REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ol Joroorok Constituency set out on pages 8 to 31, which comprise the statement of assets and liabilities as at 30 June 2018, the statement of receipts and payments, statement of cash flows, summary statement of appropriation recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 National Government Constituencies Development Fund - Ol Joroorok Constituency at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Overstatement of Cash Book Balance

The statement of assets as at 30 June 2018, reflects cash and cash equivalents balance of Kshs.6,226,738. However, the cash book balance and the board of survey report reflects a figure of Kshs.6,076,246 resulting into unexplained and unreconciled variance of Kshs.150,492. In the circumstance, accuracy of the reported cash and cash equivalents balance of Kshs.6,226,738 cannot be confirmed.

1.2 Unpresented Cheques

Bank reconciliation statements as at 30 June 2018, includes a figure of Kshs.1,596,382 as unpresented cheques. Included in this figure are stale cheques totaling Kshs.246,271 which relates to several payees and have not been reversed in the cash book. In the

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

circumstance, the reported cash and cash equivalents balance of Kshs.6,226,738 is not fairly stated.

1.3 PMC Bank Balances

The project management committee bank balances indicated against each school as at 30 June 2018 totaling Kshs.13,250,000 under Annex 4 has not been supported by bank statements and bank certificates for the period under review. In the circumstance, the balances could not be confirmed as existing.

1.4 Prior Year Adjustments

Note 14 to the financial statements disclosed a figure of Kshs.2,470,887 in respect of prior year adjustments of bank balance. However, no disclosures were made in the financial statements in regard to the nature of errors, the year the errors occurred and the amount of correction in the books. Although, the prior year adjustment is reported in note 14, the statement of receipts and payments, statement of assets and liabilities and the statement of cash flows all reflect nil balance of prior year adjustment. In the circumstance, the accuracy and completeness of the assets and liabilities of the Constituency Development Fund cannot be confirmed.

1.5 Bursary

Note 7 to the financial statements reported other grants and other payments of Kshs.28,190,326 that include bursary to secondary of Kshs.15,606,609 and tertiary Kshs.4,997,000, both totaling Kshs.20,603,609 against approved budgets of Kshs.16,960,344 resulting to an over expenditure of Kshs.3,643,265. Verified records revealed that bursary to secondary was Kshs.14,800,109 and tertiary was Kshs.5,015,000 totaling Kshs.19,815,109. Further analysis revealed that bursaries to secondary schools were overstated by Kshs.339,765 while that of tertiary was also overstated by Kshs.18,000. Further, out of the total bursary of Kshs.20,603,609 that was reported only Kshs.9,647,400 was acknowledged leaving a unacknowledged balance of Kshs.11,130,209. In addition, there was no shortlisting done and there was no evidence of vetting of applicants since there were no academic reports as those forms were blank. It is therefore not clear whether any approval was done and recorded. In addition, there were no returns availed for audit from each ward to confirm the beneficiaries. In the circumstance, the other payments and other grants of Kshs.28,190,326 could not be confirmed as fairly stated.

1.6 Undisclosed Budget Variances

The summary statement of appropriation recurrent and development combined reported a final receipts budget of Kshs.94,842,383 represented by original budget of Kshs.79,810,345 and adjustments of Kshs.15,032,038. However, the project code list presented for audit indicates a figure of Kshs.74,310,344.83 and Kshs.11,379,310.34 for normal and supplementary respectively, totaling Kshs.85,689,655.17. The difference of Kshs.9,152,728 between the two records is an overstatement and has not been explained.

1.7 Unutilized Funds

Note 15.3 reported a nil balance on unutilized funds. During audit records provided revealed that the Constituency Development Fund Committee of Ol Joroorok Constituency received an additional funding of Kshs.53,716,979.12 in 2018/19 to cater for expenditures not settled during the 2017/18 financial year. However, these pending bills were not disclosed under unutilized funds note 15.3 to the financial statements. Under the circumstance, the accuracy of the nil balance on unutilized funds cannot be confirmed.

1.8 Summary Statement of Appropriation

The summary statement of appropriation, recurrent and development combined note (VI) shows that, the original budget in respect of transfers from National Government Constituency Development Fund Board was Kshs.79,810,344.83 and an adjustment of Kshs.15,032,038 resulting into a final budget of Kshs.94,842,383 against the reported actual expenditure of Kshs.42,972,738. However, the financial statements have not disclosed in a way of a note the material variances between the actual expenditures and the budgeted amounts as required by Section 137 (2) (c) of the Public Finance Management National Regulations 2015.

1.9 Misinformation of Budget Figures

The attached remarks of the Chairman of National Government Constituency Development Fund of Oljoroorok disclosed in page 4 of the financial statements, shows that during the year the Constituency was allocated Kshs.91,189,655.16, consisting of Kshs.79,310,344.33 as normal allocation and Kshs.11,379,310 as an additional allocation. However, the project code list presented for audit indicates a figure of Kshs.74,310,344.83 and Kshs.11,379,310.34 respectively giving a total allocation of Kshs.85,689,655.17. The difference of Kshs.5,499,999.99 between the two reports has not been reconciled. Further, the original budget in respect of transfers from National Government Constituency Development Fund Board was Kshs.79,810,344.83 with an adjustment of Kshs.15,032,038 resulting into a final budget of Kshs.94,842,383. The information provided in the Chairman's report is therefore not in line with the statement of appropriation and is misleading. In view of the above, the statement of appropriation, the project proposals and the project code lists are inconsistent in terms of the budgetary reports and therefore the accuracy of the budget cannot therefore be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in

the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Revision of Financial Statements

The Fund revised financial statements which have indicated significant differences in the balances from the financial statements submitted by 30 September 2018. However, these revisions have not been supported by journal entries to show the corrections that necessitated the revision for errors and misstatements. In the circumstances, the revisions could not be supported by double entries.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources 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

1.0 Non-Implemented Project

The Board had budgeted for Kshs.1,500,000 for the completion of administrative block at Kiheo secondary school in 2017/18. However, site visit at the school on 21 March 2019 revealed that no works had started in the school. It was not satisfactorily explained with proper justification that the project had not started nine (9) months into the financial year and no evidence of any works on the ground even after the project had already been approved for funding. In the circumstance, the intended objective has not been realized.

1.2 Unsupported Expenditures

Included in statement of receipts and payments are use of goods and services amounting to Kshs.4,195,593. However, expenditure totaling Kshs.1,938,147 was not supported by relevant ledgers and supporting schedules. In the circumstance, the expenditure on use of goods and services could not be confirmed to be a proper charge to public funds.

1.3 Fuel, Oil and Lubricants

During the audit process, it was revealed that an expenditure amounting to Kshs.840,000 in respect of fuel was not accounted for. The fuel register that was maintained did not show the detail order number used to draw fuel and the respective quantity of fuel drawn. Further, detailed orders for July 2017 to December 2017 were not availed for audit verification. In the circumstance, it was difficult to confirm the amount of fuel that was

drawn and when it was drawn. Also, it was not possible to confirm that the said fuel expenditure was utilized for the intended purpose.

1.4 Emergency Projects

Note 7 reported other grants and other transfers of Kshs.28,190,326 that include emergency projects of Kshs.5,012,717 with a budget of Kshs.5,137,931. Scrutiny of payment records, revealed that expenditure amounting to Kshs.2,862,717 was related to ordinary routine CDF expenses that were not emergency in nature, contrary to National Government Constituency Development Fund Act, 2015 Section 8 which states that the emergency shall be construed to mean an 'urgent, unforeseen need for expenditure'. In the circumstance, the expenditure could not be confirmed to be proper charge to public funds.

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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Weak Internal Controls

1.1 Lack of Segregation of Duties

There was lack of segregation of duties on bursary payments and disbursements. The Fund Account Manager was authorizing payments, collecting the cheques from the sub-county treasury and dispatching the same as evidenced by the payment vouchers and the outwards dispatch cheque register.

1.2 Lack of Internal Audit Findings

The internal auditor charged with the responsibility of auditing and giving reasonable assurance on financial matters and transactions of the Constituency Development Fund of Ol-Jororok did not issue any audit findings during the period 2017/2018. As a result, the Fund Account Manager had no audit findings from the internal auditor to table before the National Government Constituency Development Fund committee.

1.3 Lack of Risk Management Policy

The constituency development fund of Ol Jororok did not have a risk management policy in place contrary to Treasury Circular Number 3/2009 of 23 February 2009.

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, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the International Public Sector Accounting Standards (Cash Basis) of accounting unless the management of the National Government Constituency Development Fund Ol Joroorok Constituency either intends to liquidate the 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 resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

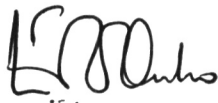
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- 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 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

26 August 2019

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


III. STATEMENT OF RECEIPTS AND PAYMENTS

	Not e	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172	81,567,240
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		43,405,172	81,567,240
PAYMENTS			
Compensation of employees	4	1,466,819	2,557,350
Use of goods and services	5	4,195,593	7,559,462
Transfers to Other Government Units	6	8,700,000	41,500,000
Other grants and transfers	7	28,190,326	52,117,254
Acquisition of Assets	8	420,000	20,763,236
Other Payments	9	-	-
TOTAL PAYMENTS		42,972,738	124,497,302
SURPLUS/(DEFICIT)		432,434	(42,930,062)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- OLJOROOROK Constituency financial statements were approved on 17/4/18 2018 and signed by:



CHAIRMAN NG-CDF


 APR 2018
 FUND ACCOUNT MANAGER
 P. O. Box 208 - 20302
 OL JORO-OROK

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

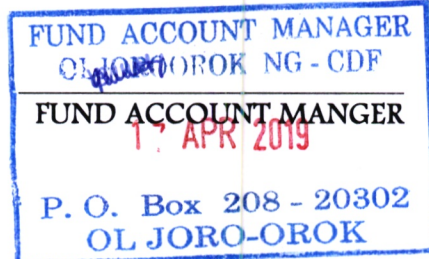
V. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	43,405,172	81,567,240
Other Receipts	3		<u>0.00</u>
		43,405,172	81,567,240
Payments for operating expenses			
Compensation of Employees	4	1,466,819	2,557,350
Use of goods and services	5	4,195,593	7,559,462
Transfers to Other Government Units	6	8,700,000	41,500,000
Other grants and transfers	7	28,190,326	52,117,254
Other Payments	9	-	-
		42,552,738	103,734,066
Adjusted for:			
Adjustments during the year	14	0.00	0.00
Net cash flow from operating activities		3,323,321	22,166,826
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	8	420,000	(20,763,236)
Net cash flows from Investing Activities		(420,000)	(20,763,236)
NET INCREASE IN CASH AND CASH EQUIVALENT		2,903,321	(42,930,062)
Cash and cash equivalent at BEGINNING of the year	13	3,323,417	46,253,479
Cash and cash equivalent at END of the year		6,226,738	3,323,417

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- OLJOROOROK Constituency financial statements were approved on 12/12/2018 2018 and signed by:



CHAIRMAN NG-CDF



VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	79,810,344.83	15,032,037.82	94,842,382.65	43,405,172	51,437,210.65	46%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
	79,810,344.83	15,032,037.82	94,842,382.65	43,405,172	51,437,210.65	46%
PAYMENTS						
Compensation of Employees	2,160,000.00	1,220,964.91	3,380,964.91	1,466,819.00	1,914,145.91	43%
Use of goods and services	5,241,723.11	2,205,633.92	7,447,357.03	4,195,593.00	3,251,764.03	56%
Transfers to Other Government Units	17,300,000.00	5,329,310.48	22,629,310.48	8,700,000.00	13,929,310.48	38%
Other grants and transfers	47,351,163.72	6,276,128.81	53,627,292.23	28,190,326	25,436,966.23	53%
Acquisition of Assets	7,757,458.00	-	7,727,458.00	420,000.00	7,337,458	5%
Other Payments		-	-			
TOTALS	79,810,344.83	15,032,037.82	94,842,382.65	42,972,738.00	51869,644.65	45%
SURPLUS OR DEFICIT				432,434		

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Xxxx
- ii. Xxxx
- iii. Xxxx
- iv. Xxxx
- v. Xxxx

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – OLJOROOROK CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF- OLJOROOROK Constituency financial statements were approved on 17/4/2019 2018 and signed by:



CHAIRMAN NG-CDF

W. M. M. M.
FUND ACCOUNT MANAGER

FUND ACCOUNT MANAGER
OLJOROOROK NG - CDF
17 APR 2019
P. O. Box 208 - 20302
OL JORO-OROK

VII. 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- OLJOROOROK 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.

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

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) –
OLJOROOROK CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO:892900	1	37,905,172	
AIE NO:855983	2	5,500,000	
AIE NO:829976	1		4,094,827
AIE NO:855076	2		36,853,449
AIE NO:855247	3		40,618,964
AIE NO	4		
AIE NO	5		
TOTAL		43,405,172	81,567,240

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
	0.00	0.00
Total	0.00	0.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from Sale of tender documents	0.00	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
	0.00	0.00
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,055,495	1,393,170.00
Basic wages of casual labour	0.00	0.00
Personal allowances paid as part of salary		
House allowance	0.00	0.00
Transport allowance	0.00	0.00
Leave allowance	0.00	0.00
Other personnel payments	0.00	40,800.00
Employer contribution to NSSF	92,880	129,600.00
Gratuity-contractual employees	318,444	993,780.00
Total	1,466,819	2,557,350.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services	0	-
Electricity	2,516	0.00
Water & sewerage charges	5,070	0.00
Office rent	0.00	6,920
Communication, supplies and services	40,960	45,000
Domestic travel and subsistence	44,900	262,300
Printing, advertising and information supplies & services	0.00	0.00
Rentals of produced assets	0.00	0.00
Training expenses	0.00	962,600.00
Hospitality supplies and services	0.00	244,036
Other committee expenses	377,000	1,322,540
Committee allowance	1,545,000	2,299,169
Insurance costs	0.00	11,200
Specialised materials and services	0.00	0.00
Office and general supplies and services	338,798	267,780.00
Fuel , oil & lubricants	940,000	1,300,000
Other operating expenses	525,805	637,430
Bank service commission and charges	0.00	0.00
Security operations	0.00	0.00
Routine maintenance - vehicles and other transport equipment	375,544	200,487.00
Routine maintenance- other assets	0.00	0.00
	4,195,593	7,559,462

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0.00	0.00
Transfers to primary schools (see attached list)	6,000,000	5,400,000
Transfers to secondary schools (see attached list)	2,700,000	36,100,000
Transfers to tertiary institutions (see attached list)	0.00	0.00
Transfers to health institutions (see attached list)	0.00	0.00
TOTAL	8,700,000	41,500,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary -Secondary	15,606,609	26,827,630
Bursary -Tertiary	4,997,000	654,000
Bursary-Special schools	174,000	475,000
Mocks & CAT	0.00	0.00
Water	0.00	0.00
Food security	0.00	0.00
Electricity	0.00	0.00
Security	1,400,000	3,829,310.45
Roads and Bridges	0.00	12,000,000
Sports	0.00	1,637,931
Environment	0.00	0.00
Cultural Projects	0.00	0.00
Agriculture	0.00	0.00
Emergency Projects	6,012,717	6,693,383
Total	28,190,326	52,117,254.45

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	20,264,235.80
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles	0.00	0.00
Purchase of Bicycles & Motorcycles	0.00	0.00
Overhaul of Vehicles	0.00	0.00
Purchase of office furniture and fittings	0.00	0.00
Purchase of computers ,printers and other IT equipments	0.00	0.00
Purchase of photocopier	0.00	0.00
Purchase of other office equipments	420,000	0.00
Purchase of soft ware	0.00	499,000
Acquisition of Land	0.00	0.00
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	0.00
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles	0.00	0.00
Total	420,000	20,763,235.80

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	0.00	0.00
ICT Hub	0.00	0.00
TIVET	0.00	0.00
	0.00	0.00

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>EQUITY BANK NYAHURURU</i> A/C NO-0160261919497	6,226,738	3,323,417.00
	-	-
Total	6,226,738	3,323,417.00
10B: CASH IN HAND		
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
OLJOROOROK 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>
		xxx	xxx	xxx
		xxx	xxx	xxx
		xxx	xxx	xxx
		xxx	xxx	xxx
		xxx	xxx	xxx
		xxx	xxx	xxx
Total				xxx

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

12 RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	3,323,417	46,253,479
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	3,323,417	46,253,479

[Provide short appropriate explanations as necessary]

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14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	2,470,887	0.00
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	2,470,887	0.00

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
	0.00	0.00

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0.00	0.00
Middle management	0.00	0.00
Unionisable employees	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
	0.00	0.00

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	0.00	0.00
Use of goods and services	0.00	0.00
Amounts due to other Government entities (see attached list)	0.00	0.00
Amounts due to other grants and other transfers (see attached list)	0.00	0.00
Acquisition of assets	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
	0.00	0.00

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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)	13,250,000	0.00
	13,250,000	0.00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUNDS

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

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	0			0
Buildings and structures	20,264,236			20,264,236
Transport equipment	6,681,423			6,681,423
Office equipment, furniture and fittings	272,400	420,000		692,400
ICT Equipment, Software and Other ICT Assets	499,000			499,000
Other Machinery and Equipment	0			0
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	27,717,059	420,000		28,137,059

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
KIMATHI PRIMARY	EQUITY BANK	0160276949101	900,000.00	NIL
BIDII PRIMARY SCHOOL	EQUITY BANK	0160176949509	1,500,000.00	NIL
KAGEMA PRIMARY	EQUITY BANK	0160276948955	900,000.00	NIL.
KAMAINA PRY. SCHOOL	EQUITY BANK	0160276973371	900,000.00	NIL
MAHUA PRIMARY SCHOOL	EQUITY BANK	0160277006553	900,000.00	NIL
GATUMBIRO PRIMARY SCHOOL	EQUITY BANK	0160276973482	900,000.00	NIL
RUIRU PRIMARY SCHOOL	EQUITY BANK	0160176950189	300,000.00	NIL
KAMUKUNJI PRIMARY SCHOOL	EQUITY BANK	0160276950881	300,000.00	NIL
KARANDI ASS CHIEF OFFICE	EQUITY BANK	0160176950387	800,000.00	NIL
KICHAKA CHIEFS OFFICE	EQUITY BANK	0160176951171	600,000.00	NIL
KIANJATA PRIMARY SCHOOL	EQUITY BANK	0160276949796	350,000.00	NIL
MUCHEMI PRIMARY SCHOOL	EQUITY BANK	0160276951014	600,000.00	NIL
KARANDI PRIMARY SCHOOL	EQUITY BANK	0160276973273	600,000.00	NIL
OL-JORO-OROK SEC. SCHOOL	EQUITY BANK	0160276949939	1,000,000.00	NIL
NGANO SEC. SCHOOL	EQUITY BANK	0160276950590	900,000.00	NIL
NGATHA SEC. SCHOOL	EQUITY BANK	0160276949380	900,000.00	NIL
IGWAMITI SEC. SCHOOL	EQUITY BANK	0160276949287	900,000.00	NIL
Total			13,250,000	

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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.	Unsupported disbursements to projects	The accountability documents being updated	Fund account manager	Not resolved	1 month
2.	Budgetary performance.	Over expenditure in the use of goods and services and transfer to other government entities to be explained.	Fund account manager	Not resolved	1 month

