

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 11th 8th 2019

DAY: Thursday

TABLED
BY:

CLERK-AT
THE-TABLE:

Majority Whip
Certificate debt

REPORT

OF

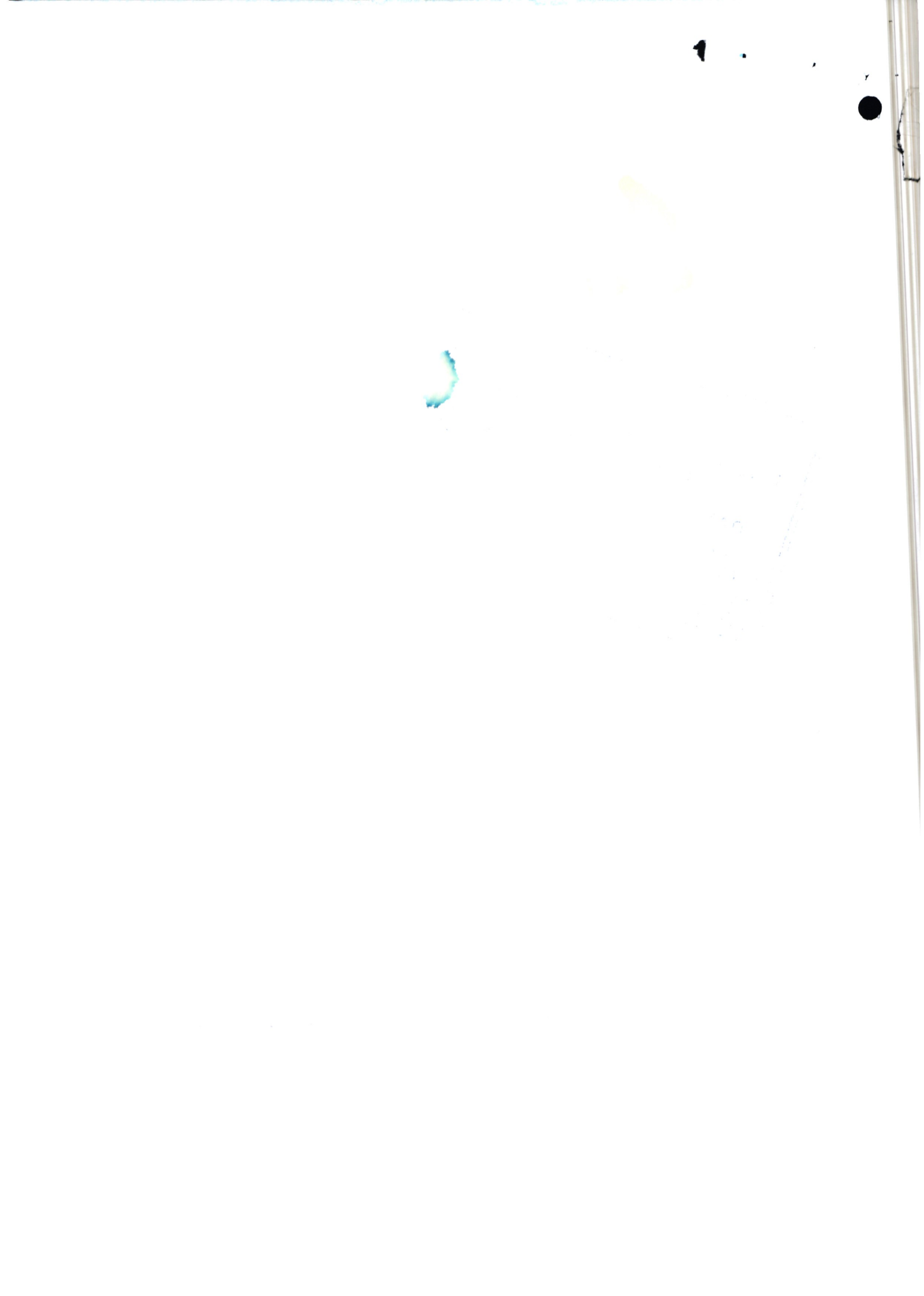
THE AUDITOR-GENERAL

PARLIAMENT
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ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
LURAMBI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND LURAMBI
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)**





NG-CDF BOARD

National Government Constituencies Development Fund Board
Lurambi Constituency
P. O. Box 2680 – 50100
KAKAMEGA, KENYA
Tel: 0726269213
Email: cdf_lurambi@cdf.go.ke / info@cdf.go.ke
Website: www.cdf.go.ke

Our Ref: NG-LRBCDFC/NGCDFB/VOL.1/759

DATE: 24th April, 2019

Your Ref: 2016-2017-1-01-0202-09

Director of Audit,
WESTERN HUB,
KAKAMEGA REGIONAL OFFICE
P. O. Box 2042 – 50100,
KAKAMEGA

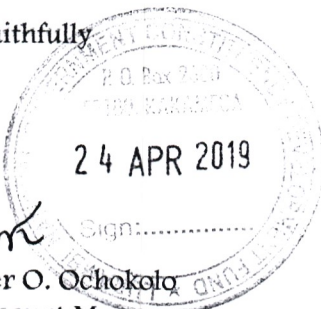
Dear Sir,

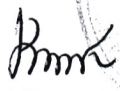
RE: NGCDF LURAMBI FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2017/2018

Enclosed herewith, please find our eighty (8) copies of financial statements for the year 2017/2018 for your perusal and action.

Thank you.

Yours Faithfully


24 APR 2019
Sign:.....


CPA Peter O. Ochokoto
Fund Account Manager
Lurambi NGCDF



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

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

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



I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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



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

Reports and Financial Statements

For the year ended June 30, 2018

Core Values

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

(b) Key Management

The NGCDF LURAMBI 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	Peter Ochokolo
3.	Sub-County Accountant	Milcah Odeny
4.	Chairman NGCDFC	Fabian Shilako
5.	Member NGCDFC	Jesca Maina

(d) Fiduciary Oversight Arrangements

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

NGCDF Office,
Osogo Road, Opposite State Lodge Gate B
P.O Box 2680 – 50100,
KAKAMEGA





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

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

(f) NGCDF Lurambi Constituency Contacts

Telephone: (254) 0726 269 213
E-mail: cdf_lurambi@ngcdf.go.ke

(g) NGCDF Lurambi Constituency Bankers

Kenya Commercial Bank
A/C NO 1101945710
Kakamega Branch

(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)
LURAMBI CONSTITUENCY**

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Lurambi NGCDFC pledges that all NGCDFC activities and decisions will be based on and guided by the following values:

- Continuous learning
- Integrity
- Service Culture
- Team Work
- Objectivity

The Lurambi NGCDFC comprises of;

- | | |
|--------------------------|----------------------------|
| 1. Mr. Fabian Shilako | NGCDFC Chairman |
| 2. Mrs. Jesca Maina | NGCDFC Secretary |
| 3. Mr. Owen Musoma | NGCDFC Member |
| 4. Imam Ibrahim Sadala | NGCDFC Member |
| 5. Mr. John A. Aswani | NGCDFC Member |
| 6. Mr. Gerald Shimoli | NGCDFC Member |
| 7. Mrs. Neddy Murunga | NGCDFC Member |
| 8. Mrs. Agnes Barasa | NGCDFC Member |
| 9. CPA Peter O. Ochokolo | Fund Account Manager |
| 10. Mr. D. S. Ogola | Deputy County Commissioner |

I am pleased to report that 2017/2018 was a year of challenges, since the current NGCDF Committee served for six months. However we managed to disburse more than 45% of the funds received from the Board (2017/18 Budget) to various projects within the year. However, 55% of the funds were still held by the NGCDF Board as at 30/06/2018. We further state that 2017/2018 Lurambi NGCDF managed to achieve the following:

1. Completed quite a number of facilities in Education and security namely; Eshibembe Primary School – Construction of four classrooms, Rosterman Primary School – construction of 2 classrooms and Mahiakalo Assistant Chief's Office – construction of offices
2. Started new projects namely; Indangalasia Primary School – construction of three classrooms, Musaa Primary School – Renovation of 19 classrooms of which are complete while others are ongoing.
3. Trained quite a number of Project Management Committees.

Some of the emerging issues that we underwent include;

1. Overwhelming demand for Bursary

I take this opportunity to sincerely thank the NGCDF Board, NGCDFC and our key stakeholders for continued support and guidance.

On behalf of Lurambi NGCDFC and employees I assure you of our total dedication and tireless efforts in serving the constituents of Lurambi better.


Mr. Fabian Shilako
CHAIRMAN NGCDF COMMITTEE
Lurambi NGCDFC





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

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

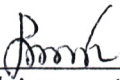
The Accounting Officer in charge of the NGCDF-LURAMBI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-LURAMBI 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-LURAMBI 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.

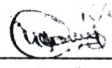
The Accounting Officer in charge of the NGCDF-LURAMBI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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-LURAMBI Constituency financial statements were approved and signed by the Accounting Officer on 30TH AUGUST, 2018.


Fund Account Manager
Name: Peter O. Ochokolo




NATIONAL SUB-COUNTY TREASURY ACCOUNTANT
KAKAMEGA CENTRAL
Box 313-50100.
KAKAMEGA
Sub-County Accountant
Name: Milcah Odeny
ICPAK Member Number: 9149



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 – LURAMBI 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 - Lurambi Constituency set out on pages 6 to 33, which comprise the statement of assets and liabilities as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and 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. 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 - Lurambi Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The cash and cash equivalents balance reflect Kshs.8,704,334 as at 30 June 2018. However, a verification of the bank reconciliation statement for the month of June 2018 revealed un-presented cheques totalling Kshs.8,254,944 out of which cheques amounting to Kshs.876,278 were dated between March 2016 and October 2017 and were therefore stale and should have been reversed to the cashbook. The bank reconciliation further reflects bank charges totalling Kshs.93,045 relating to the period March 2017 to June 2018 and which ought to have been recorded in cashbook.

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

Further, it was noted that the cash and cash equivalents at end of year of Kshs.7,522,847 reflected in the statement of cash flows excludes the retention monies totalling Kshs.1,181,487 owed to a local construction company and was forming part of closing cash and cash equivalents.

Consequently, it has not been possible to confirm that the cash and cash equivalents balance of Kshs.8,704,334 as at 30 June 2018 is fairly stated.

2. Summary Statement of Appropriation: Recurrent and Development Combined

The summary statement of appropriation: recurrent and development combined reflects final budget of Kshs.133,479,577 for the year under review. However, the approved budget should have been Kshs.133,979,579 arrived at as follows;

Item	Amount (Kshs)
Original budget	86,810,345
Budget adjustment 2017/2018	11,379,310
Undisbursed amount for 2016/2017	30,948,275
Cash balance brought forward from 2016/2017	4,341,649
Cash balance brought forward from 2015/2016	500,000
Total	133,979,577

The resultant difference of Kshs.500,002 has not been explained or reconciled.

Consequently, the accuracy of the summary statement of appropriation: recurrent and development combined for the year ended 30 June 2018 could not be confirmed.

3. Accounts Payable

Note 15.3 to the financial statements discloses unutilised funds payable to projects totalling Kshs.82,521,075 which is equivalent to budget under-utilization as reflected in the summary statement of appropriation: recurrent and development combined for the year ended 30 June 2018. However, the payables do not include the cash balance of Kshs.8,704,334 as at 30 June 2018 as reflected in the statement of assets and liabilities. In addition, the financial statements do not disclose the amount of Kshs.82,521,075 as receivables from the NGCDF Board as at 30 June 2018.

Consequently, the accuracy of the financial statements for the year ended 30 June 2018 could not be confirmed.

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

1. Budgetary Control and Performance

1.1 Budget Performance

The Fund had an approved budget of Kshs.133,479,577 for the financial year 2017/2018. During the same period, the Fund recorded expenditure of Kshs.50,958,502 or 38% of the budget resulting in an under expenditure of Kshs.82,521,075 or 62% of the budget as detailed below:

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Under Absorption (Kshs)	Under Absorption %
Compensation of Employees	2,652,060	2,561,543	90,517	3%
Use of goods and services	6,489,065	6,421,371	67,694	1%
Transfers to Other Government Units	60,884,336	13,750,000	47,134,336	77%
Other grants and transfers	39,463,345	28,225,588	11,237,757	28%
Acquisition of Assets	16,813,744	0	16,813,744	100%
Other Payments	7,177,027	0	7,177,027	100%
Totals	133,479,577	50,958,502	82,521,075	62%

Failure to utilise funds is an indication that services and approved programs were not delivered, and intended objectives of improving delivery of goods and services to the residents of Lurambi Constituency were not met.

1.2 Project Implementation Status

According to the project implementation status report availed for audit review, the Fund had planned to implement three hundred and fifty-six (356) projects between 2013/2014 and

2017/2018. As at 30 June 2018, one hundred and thirty five (135) funded for Kshs.131,452,144 were complete, one hundred and forty-eight (148) projects funded for Kshs.244,751,708 were on-going, fourteen (14) projects out of which six (6) projects had been funded for Kshs.2,000,000 had not started. In addition, fifty-nine (59) projects out of which twenty-five (25) projects had been funded for Kshs.4,048,774 did not indicate their current status. The implementation status is as detailed below:

Financial Year	Implementation Status	No of Projects	Amount Disbursed (Kshs)
2013/14	Complete	26	26,233,945
2014/15	Complete	51	46,348,544
2015/16	Complete	40	42,348,655
2016/17	Complete	16	14,071,000
2017/18	Complete	2	2,450,000
		135	131,452,144
2013/14	Ongoing	29	44,334,141
2014/15	Ongoing	37	54,284,643
2015/16	Ongoing	45	62,585,723
2016/17	Ongoing	19	47,720,689.65
2017/18	Ongoing	18	35,826,511.03
		148	244,751,708
2014/15	Not Started	1	1,000,000
2014/15	Not Started	5	0
2015/16	Not Started	5	1,000,000
2015/16	Not Started	1	0
2016/17	Not Started	2	0
		14	2,000,000
2013/14	No Status	1	500,000
2015/16	No Status	2	2,000,000
2016/17	No Status	22	1,548,774
2017/18	No Status	34	0
		59	4,048,774
		356	382,252,626

It was noted that all the fourteen (14) projects that had not started related to the period 2014/2015, 2015/2016 and 2016/2017.

Consequently, the residents of Lurambi Constituency may not have obtained value for money due to these incomplete projects.

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. Transfer to Other Government Units

1.1 Project Records

The statement of receipts and payments reflects transfers to other government units amount of Kshs.13,750,000 for the year ended 30 June 2018. Audit review of the expenditure on transfers to other government units amounting to Kshs.3,500,000 revealed that project management committees (PMCs) which received funding from the Fund did not keep proper books of account and documents as required by the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management (National Government) Regulations, 2015 as tabulated below.

Project	PV No.	Amount (Kshs)	Remarks
Daisy Special School	71	300,000	• Construction of six door Pit latrines
Shiyunzu Primary School	56	300,000	• Construction of 10 door pit latrines
Ebwambwa Primary school	72	300,000	• Construction of 10 door pit latrines
Eshibeye Primary School	56	300,000	• 6 door pit Larines • Labour based contract
Eshikhuyu Primary School	33	300,000	• Renovation of classroom • Labour based contract
Musaa Primary School	75	700,000	• Contract price is Kshs.3,050,128 • Lowest bidder was Finn works ltd at Kshs.2,543,363 but contract awarded to Mastashal ltd at Kshs.3,050,128 • It's not clear why the lowest bidder was not awarded the contract.
Indangalasia Primary School	52	700,000	• Building is at roofing level • Contract awarded to Mashtashal ltd
Shitungu AP Camp	47	600,000	• Total project cost Kshs.1,500,000 • The floor has cracks as a result of poor workmanship • Building is partially complete
Total		3,500,000	

In the absence of proper records and up to date project implementation status reports, it was not possible to confirm the authenticity of Kshs.3,500,000 disbursed to the PMCs.

1.2 Construction of St. Lawrence Ichina Primary School

Included in transfers to other government units figure of Kshs.13,750,000 is Kshs.1,000,000 disbursed to St. Lawrence Ichina Primary School towards the contract for laying of pillars, casting of slab on first floor of administration block and construction of two (2) classrooms. This brought the total cumulative disbursements to the project to Kshs.7,500,000.

The contract for implementation of the project was awarded to a construction firm on 19 August 2014 at a contract sum of Kshs.8,561,652. As at the time of this audit in March 2019, a total of which Kshs.4,000,000 had been paid to the contractor resulting to a balance of Kshs.3,500,000 remaining in the project bank account. However, the contractor was not on site and the building had stalled at ground floor. In addition, there were no completion certificates of work done to support the payment of Kshs.4,000,000 already paid. Consequently, the residents of Lurambi Constituency may not have obtained value for Kshs.7,500,000 so far disbursed to the project.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the 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 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.

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 Fund's policies and procedures may deteriorate.

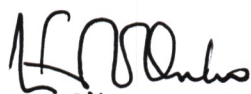
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease 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 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.

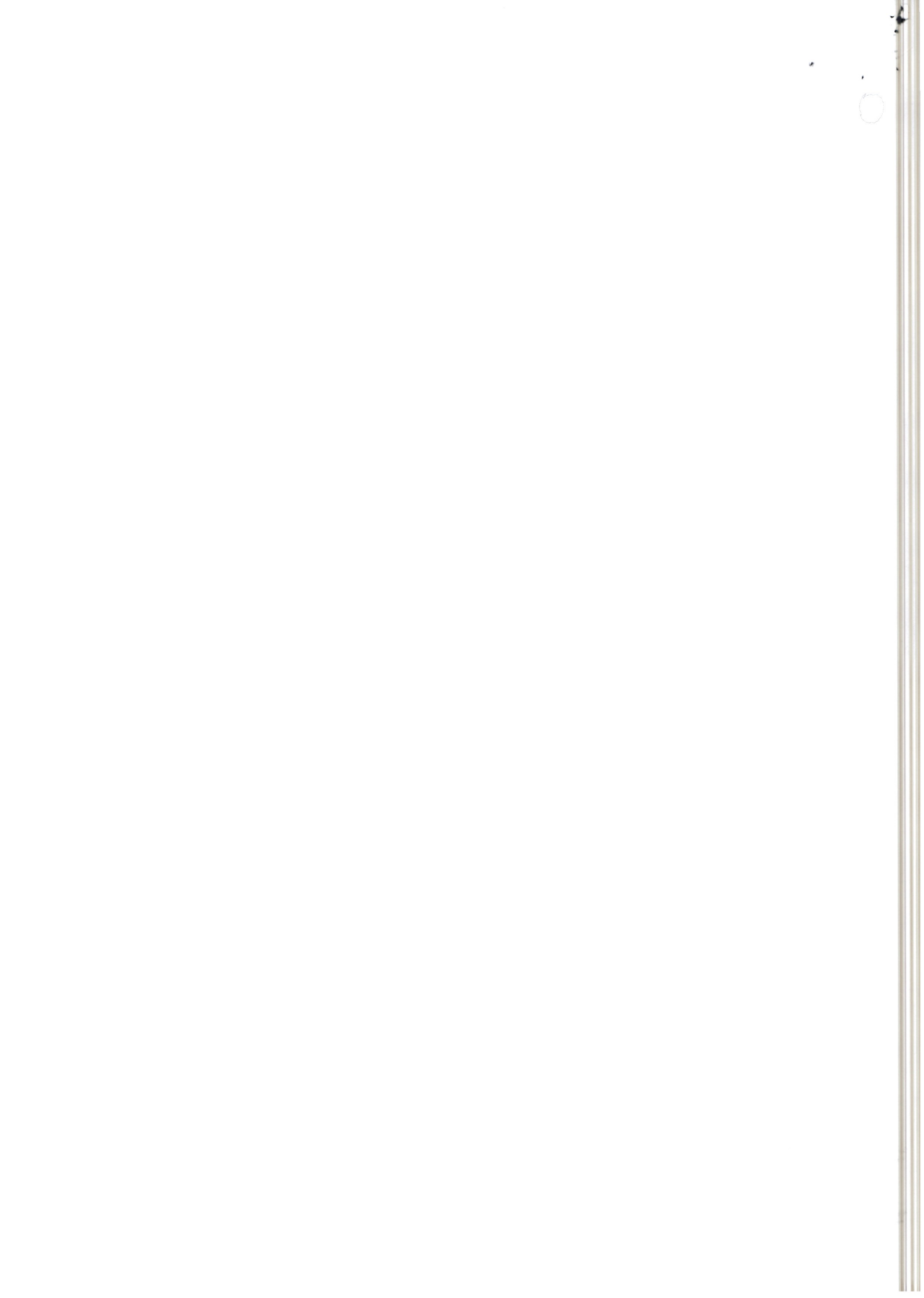
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

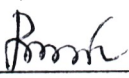
12 July 2019



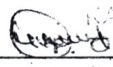
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LURAMBI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IV. STATEMENT OF RECEIPTS AND PAYMENTS	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	55,321,187	51,448,277
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		55,321,187	51,448,277
PAYMENTS			
Compensation of employees	4	2,561,543	3,772,959
Use of goods and services	5	6,421,371	8,642,198
Transfers to Other Government Units	6	13,750,000	34,200,000
Other grants and transfers	7	28,225,588	60,919,585
Acquisition of Assets	8	0	0
Other Payments	9	0	0
TOTAL PAYMENTS		50,958,502	107,534,742
SURPLUS/(DEFICIT)		<u>4,362,685</u>	<u>(56,086,465)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LURAMBI Constituency financial statements were approved on 30TH AUGUST, 2018 and signed by:


Fund Account Manager
Name: Peter O. Ochokolo




NATIONAL SUB-COUNTY TREASURY ACCOUNTANT
KAKAMEGA CENTRAL
Box 313-50100.
KAKAMEGA
Sub-County Accountant
Name: Milcah Odeny
ICPAK Member Number: 9149

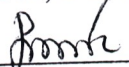


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LURAMBI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018


V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,704,334	4,341,649
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		8,704,334	4,341,649
Current receivables-Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		8,704,334	4,341,649
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	1,181,487	1,181,487
NET FINANCIAL ASSETS		<u>7,522,847</u>	<u>3,160,162</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	3,160,162	59,246,627
Surplus/Deficit for the year		4,362,685	(56,086,465)
Prior year adjustments	14	0	0
NET FINANCIAL POSITION		<u>7,522,847</u>	<u>3,160,162</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LURAMBI Constituency financial statements were approved on 30TH AUGUST, 2018 and signed by:


Fund Account Manager
Name: Peter O. Ochokolo




Sub-County Accountant
Name: Milcah Odeny
ICPAK Member Number: 9149



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LURAMBI CONSTITUENCY

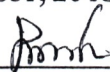
Reports and Financial Statements

For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	55,321,187	51,448,277
Other Receipts	3	0	0
		55,321,187	51,448,277
Payments for operating expenses			
Compensation of Employees	4	2,561,543	3,772,959
Use of goods and services	5	6,421,371	8,642,198
Transfers to Other Government Units	6	13,750,000	34,200,000
Other grants and transfers	7	28,225,588	60,919,585
Other Payments	9	0	0
		(50,958,502)	(107,534,742)
Adjusted for:			
Adjustments during the year	14	0	0
Net cash flow from operating activities		4,362,685	(56,086,465)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	(0)	(0)
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		4,362,685	(56,086,465)
Cash and cash equivalent at BEGINNING of the year	13	3,160,163	59,246,628
Cash and cash equivalent at END of the year		<u>7,522,848</u>	<u>3,160,163</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LURAMBI Constituency financial statements were approved on 30TH AUGUST, 2018 and signed by:

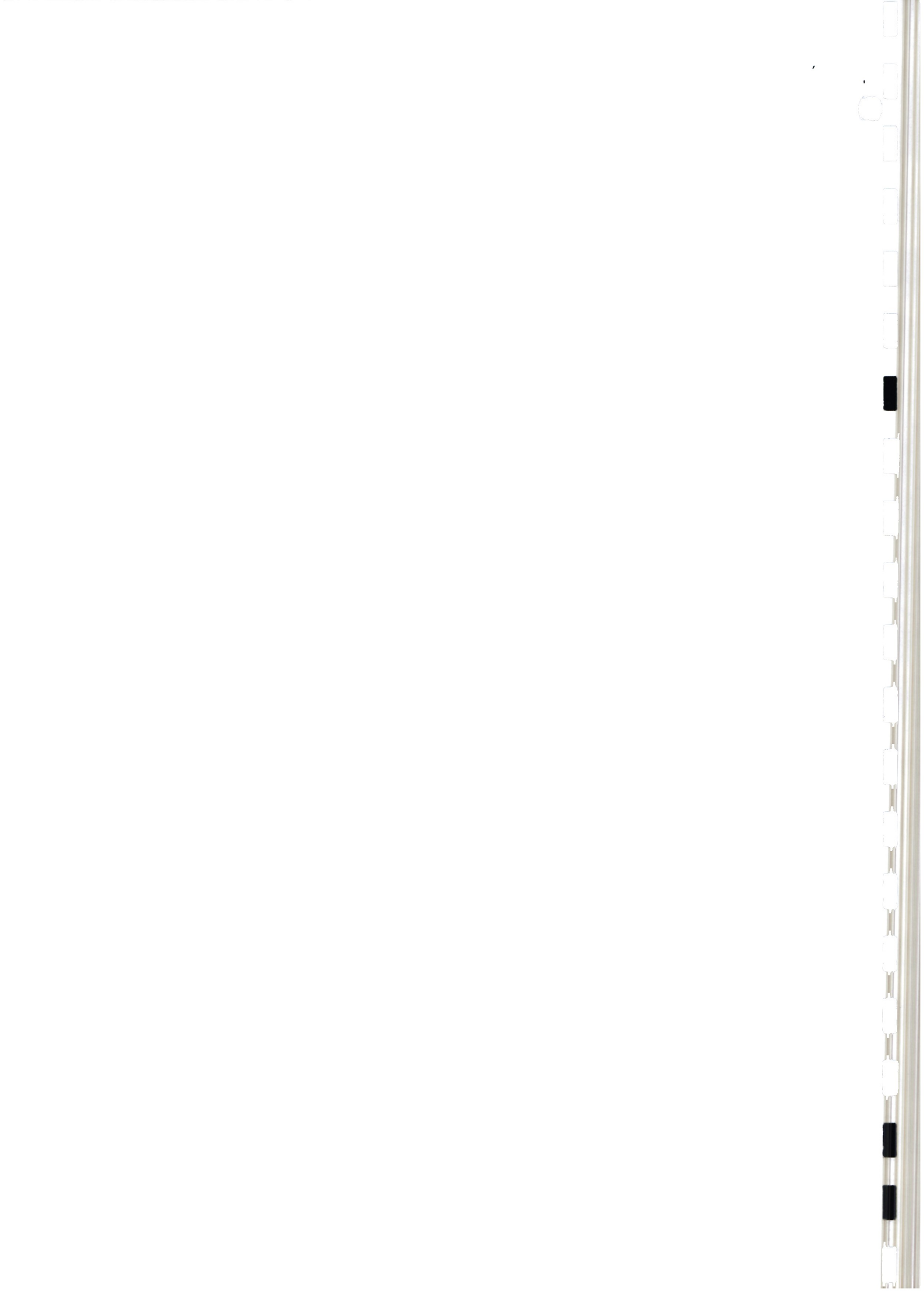


Fund Account Manager
Name: Peter O. Ochokolo

NATIONAL SUB-COUNTY TREASURY ACCOUNTANT
KAKAMEGA CENTRAL
O. Box 313-50100.
KAKAMEGA



Sub-County Accountant
Name: Milcah Odeny
ICPAK Member Number: 9149



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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

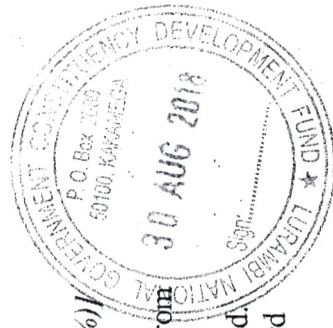
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	46,669,232	133,479,577	59,662,836	73,816,741	45%
Proceeds from Sale of Assets	0	0	0	0		
Other Receipts	0	0	0	0		
TOTALS	86,810,345	46,669,232	133,479,577	59,662,836	73,816,741	45%
PAYMENTS						
Compensation of Employees	2,625,706	26,354	2,652,060	2,561,543	90,517	97%
Use of goods and services	5,187,225	1,301,840	6,489,065	6,421,371	67,694	99%
Transfers to Other Government Units	31,612,630	29,271,706	60,884,336	13,750,000	47,134,336	23%
Other grants and transfers	32,207,757	7,255,588	39,463,345	28,225,588	11,237,757	64%
Acquisition of Assets	8,000,000	8,813,744	16,813,744	-	16,813,744	-
Other Payments	7,177,027	-	7,177,077	-	7,177,027	-
TOTALS	86,810,345	46,669,232	133,479,577	50,958,502	82,521,075	38%

(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. Underutilization of 23% under Transfers to other Government Units was as a result of delay in disbursement of Funds from NGCDF Board.
- ii. Utilization of 64% under other grants and transfers was as a result of delay in disbursement of funds from NGCDF Board.
- iii. Under acquisition of assets and other payments there was no expenditure since the funds were still held at NGCDF Board

(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.)





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

I. The changes are as a result of additional budget allocation of kshs.11, 379,310.34 within the financial year and unutilized funds of kshs.35, 289,922.00 as at 30th June, 2017.
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-LURAMBI Constituency financial statements were approved on 30th AUGUST, 2018 and signed by:



Fund Account Manager
Name: Peter O. Ochokolo



NATIONAL SUB-COUNTY ACCOUNTANT
KAKAMEGA DISTRICT
P. O. Box 313-50100,
KAKAMEGA



Sub-County Accountant
Name: Milcah Odeny
ICPAK Member Number: 9149



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

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-LURAMBI 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.





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

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) –
LURAMBI 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.





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

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

IX. NOTES TO THE FINANCIAL STATEMENTS

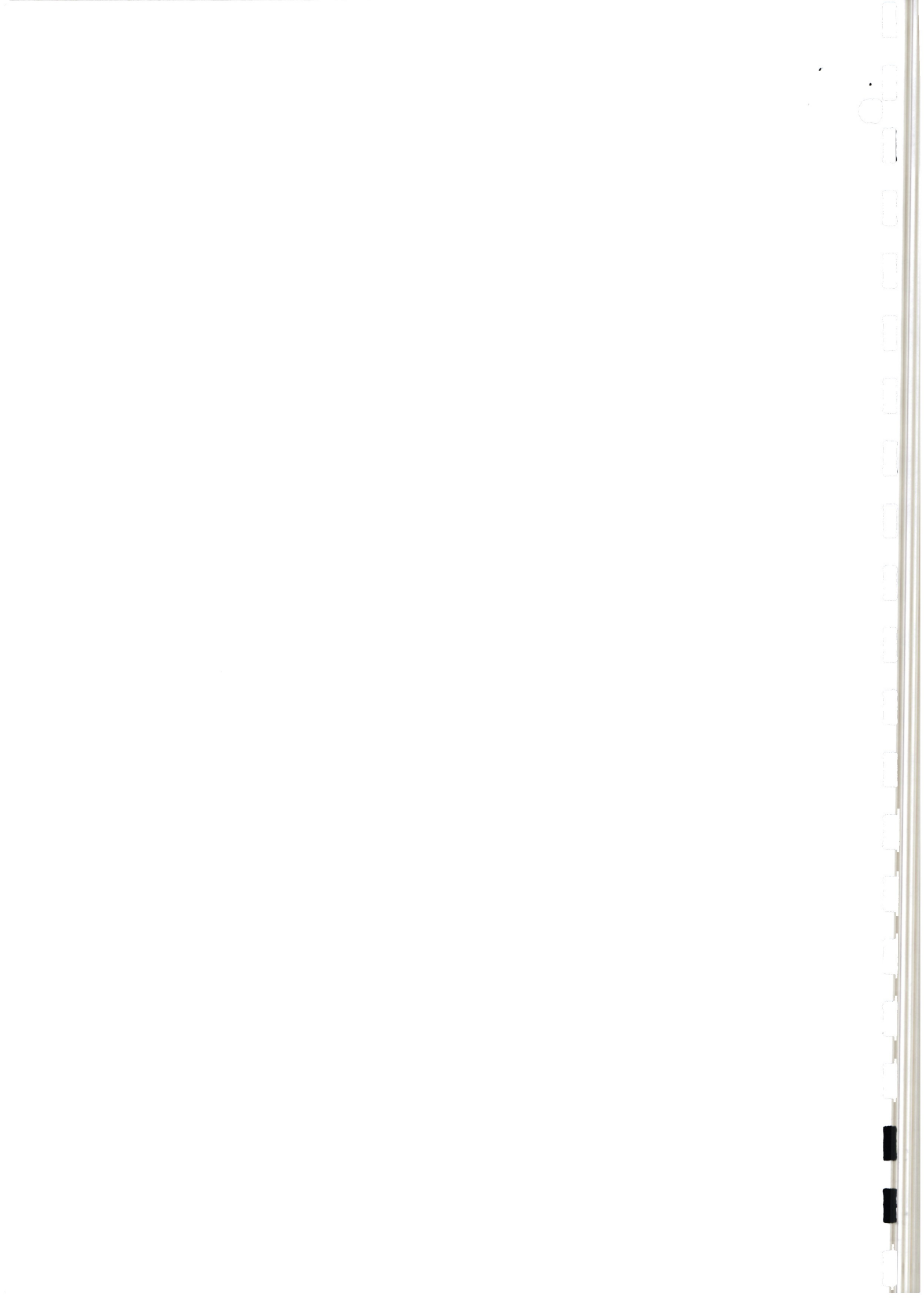
1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO A892594	1	11,916,015	
AIE NO A855909	2	5,500,000	
AIE NO A892779	3	37,905,172	
AIE NO 829901	1		4,094,828
AIE NO 855054	2		36,853,449
AIE NO 855594	3		500,000
AIE NO 839684	4		10,000,000
TOTAL		55,321,187	51,448,277

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0	
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0





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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

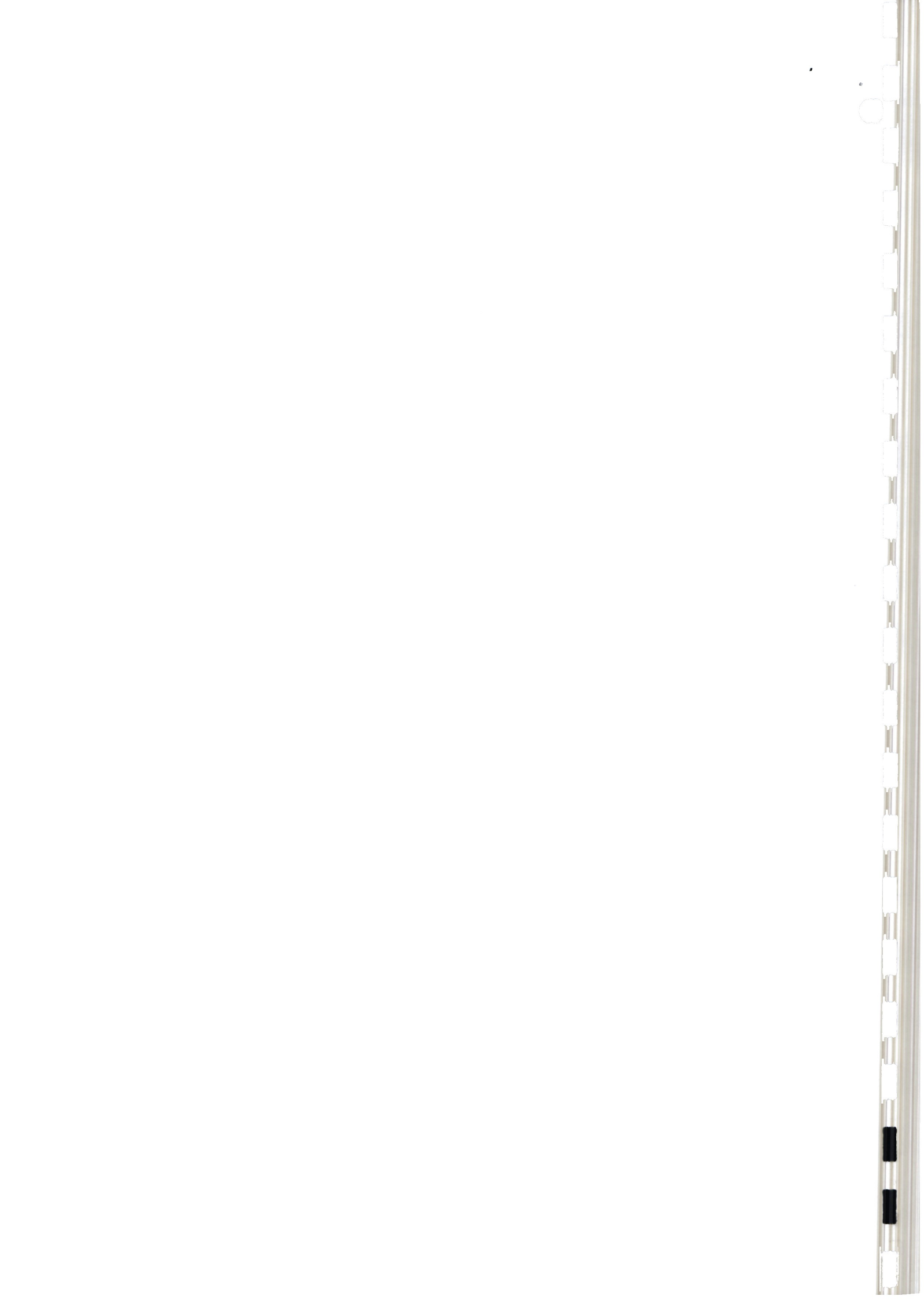
3. OTHER RECEIPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	2,060,173	2,210,760
Basic wages of casual labour	7,120	0
Personal allowances paid as part of salary		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	0	1,562,199
Other personnel payments	494,250	0
Total	2,561,543	3,772,959





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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	4,574,500	8,041,975
Utilities, supplies and services	65,709	250,443
Communication, supplies and services	21,920	0
Domestic travel and subsistence	36,600	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	0
Office rent	300,000	200,000
Hospitality supplies and services	24,700	95,780
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,397,942	0
Other operating expenses	0	54,000
Routine maintenance – vehicles and other transport equipment	0	0
Routine maintenance – other assets	0	0
Total	6,421,371	8,642,198





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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

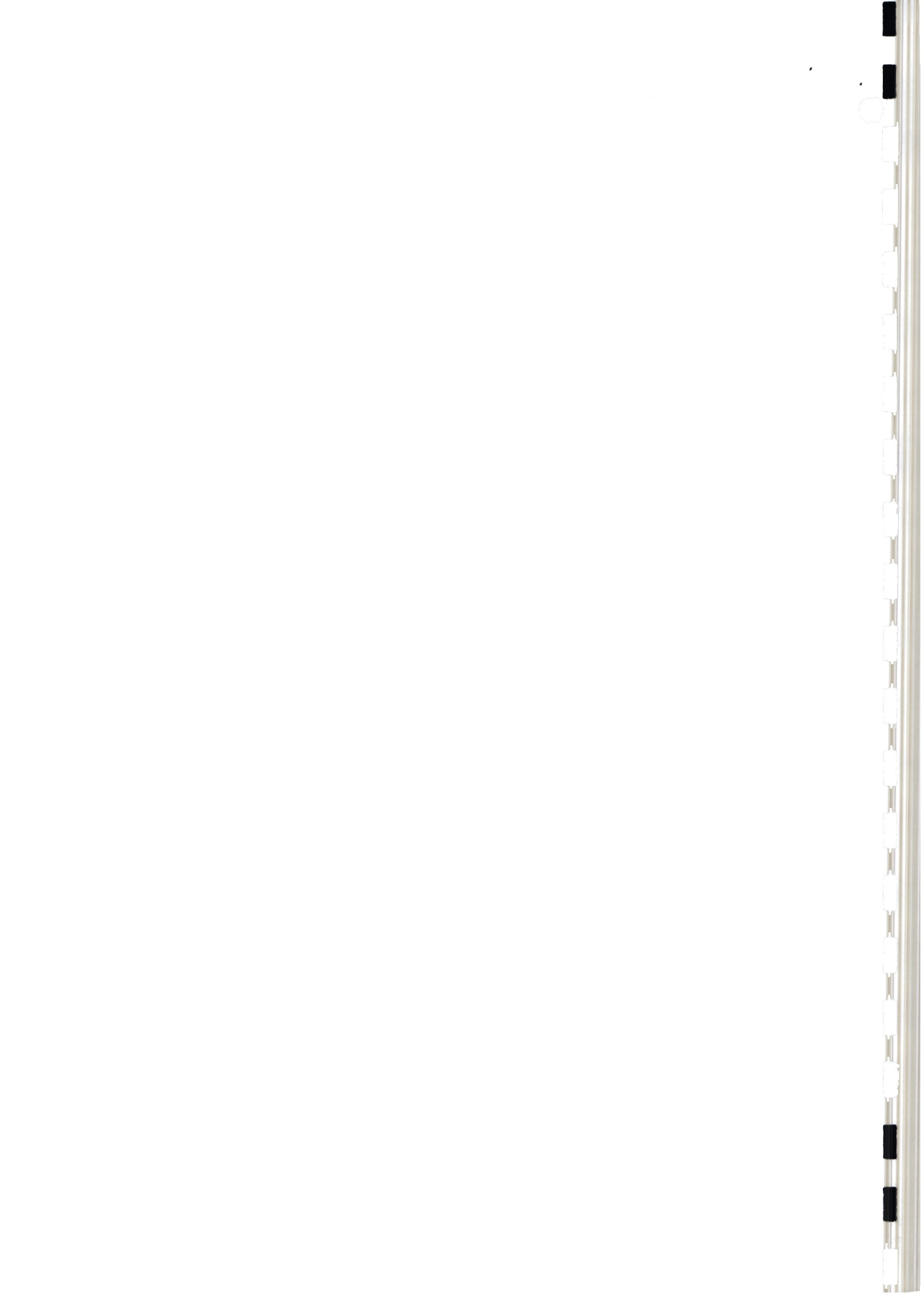
6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	9,250,000	20,300,000
Transfers to secondary schools (see attached list)	4,500,000	9,500,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	4,400,000
TOTAL	13,750,000	34,200,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	14,895,444	10,927,601
Bursary – tertiary institutions (see attached list)	4,778,144	7,496,240
Bursary – special schools (see attached list)	232,000	170,000
Mock & CAT (see attached list)	0	800,000
Security projects (see attached list)	3,200,000	15,400,000
Sports projects (see attached list)	70,000	1,880,000
Environment projects (see attached list)	500,000	995,400
Emergency projects (see attached list)	4,550,000	4,371,000
Water projects	0	5,934,889
Office Fence	0	2,000,000
Text books	0	200,000
Total	28,225,588	60,919,585





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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

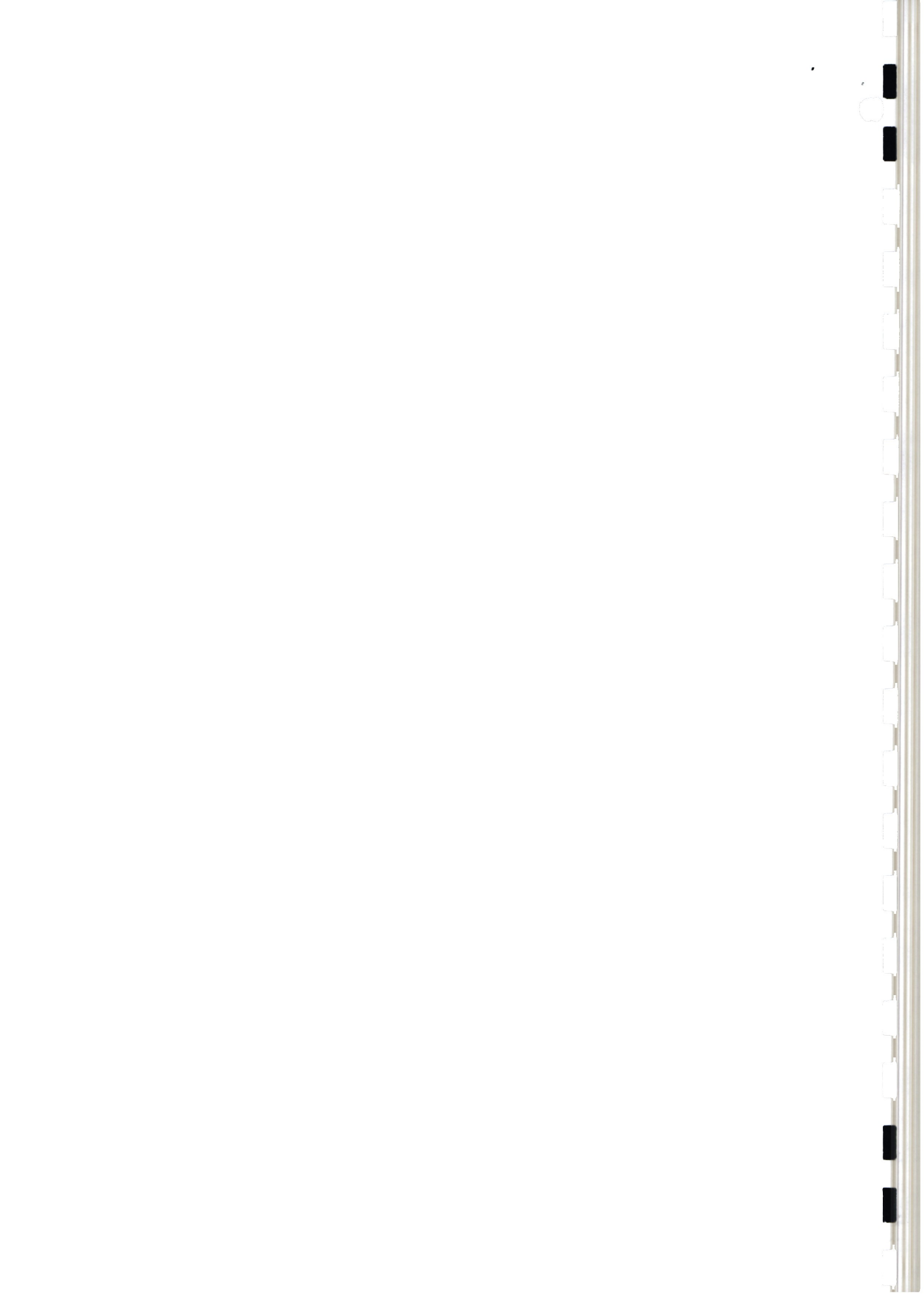
Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	0

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
TIVET	0	0
	0	0





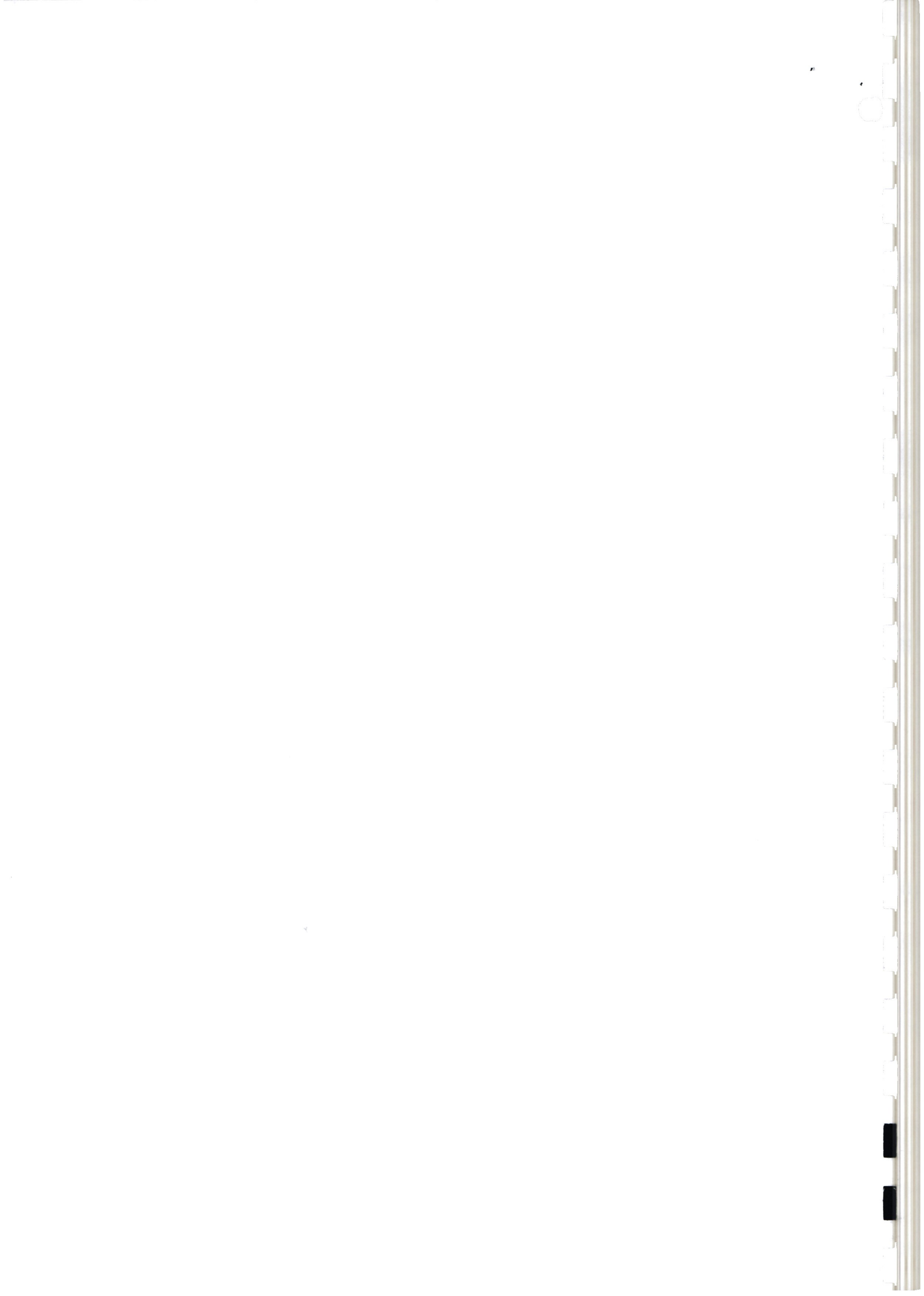
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
Kenya Commercial Bank A/c No.1101945710	7,522,847	3,160,162
<i>Name of Bank, Account No.</i>	0	0
<i>Name of Bank, Account No.</i>	0	0
Total	7,522,847	3,160,162
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	-	0	0	0
<i>Name of Officer or Institution</i>	-	0	0	0
<i>Name of Officer or Institution</i>	-	0	0	0
<i>Name of Officer or Institution</i>	-	0	0	0
<i>Name of Officer or Institution</i>	-	0	0	0
<i>Name of Officer or Institution</i>	-	0	0	0
Total		0	0	0

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

12. RETENTION

1. Masera Construction Ltd
Supplier 2
Supplier 3

	2017 - 2018 Kshs	2016-2017 Kshs
	1,181,487	1,181,487
	0	0
	0	0

Total

1,181,487 **1,181,487**

[The retention is a result of accumulated retention due to Masera Construction Ltd for construction of NGCDF storey building office.]

13. BALANCES BROUGHT FORWARD

Bank accounts
Cash in hand
Imprest

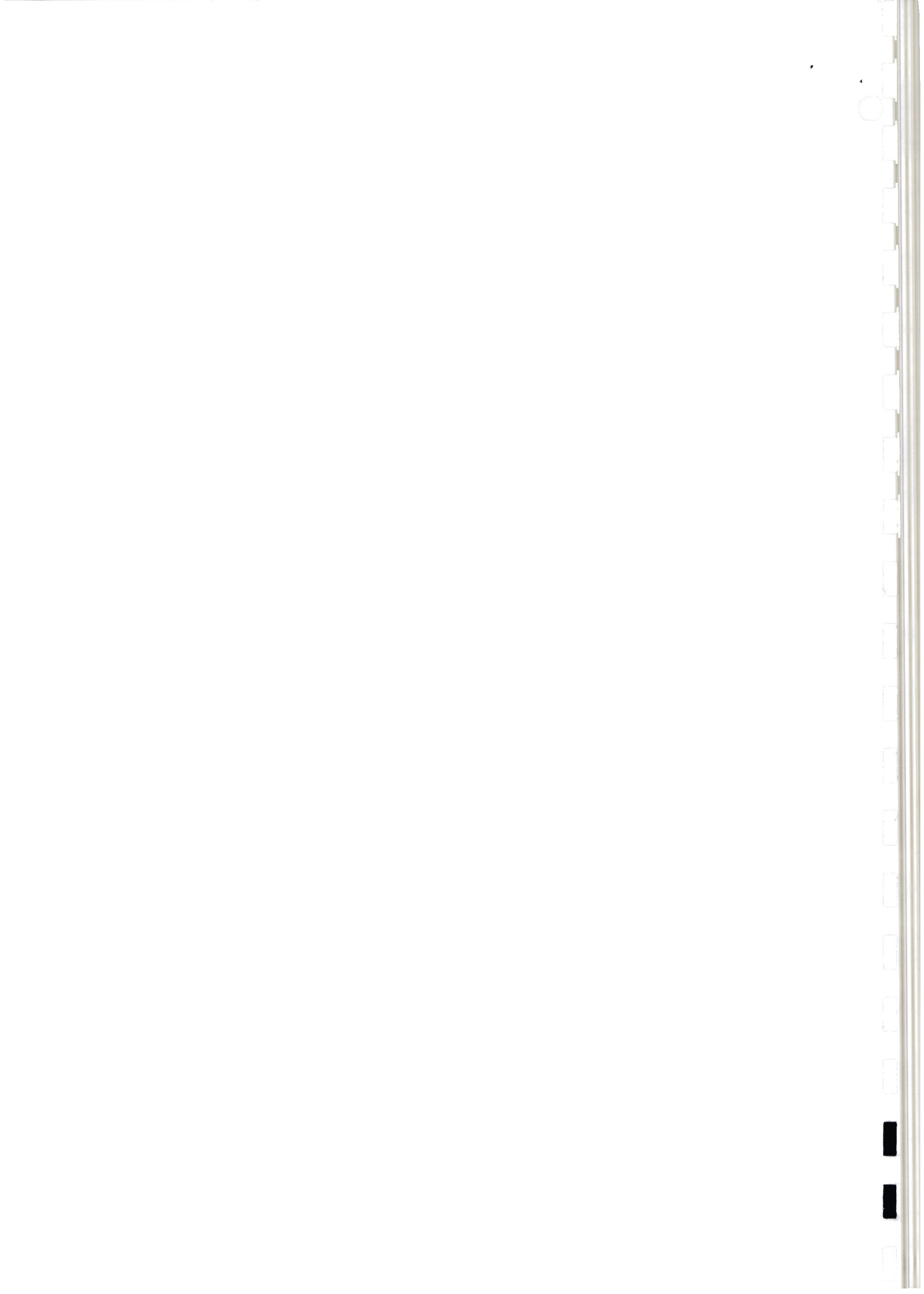


	2017-2018 Kshs	2016-2017 Kshs
	3,160,162	59,246,628
	0	0
	0	0

Total

3,160,162 **59,246,628**

[Provide short appropriate explanations as necessary]



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	35,000	0
Supply of services	129,884	0
	164,884	0

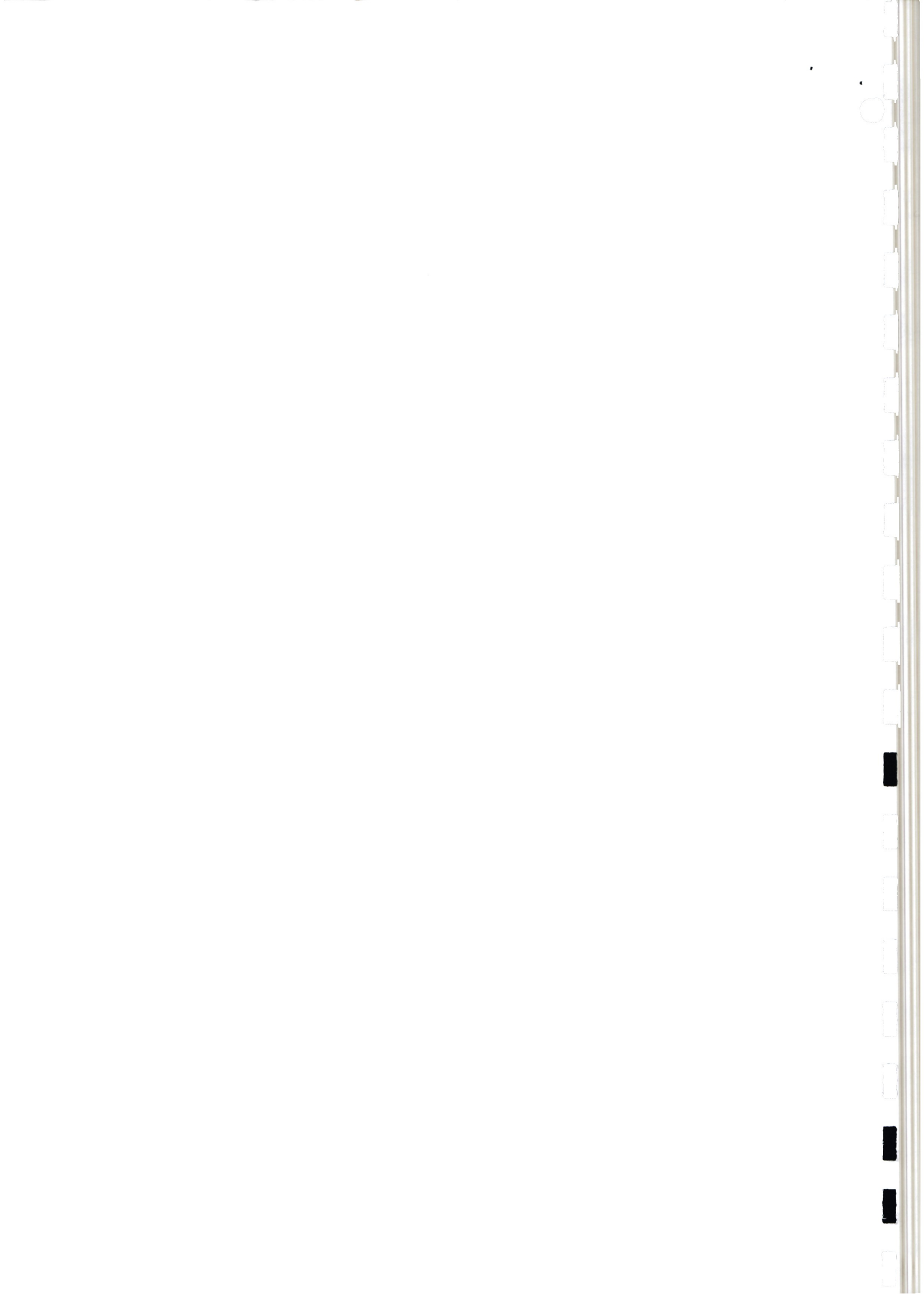
15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff gratuity	0	0
Staff salaries	0	0
Others (<i>specify</i>)	0	0
	0	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs 2017-2018	Kshs 2016-2017
Compensation of employees	90,517	26,354
Use of goods and services	67,694	77,702
Amounts due to other Government entities (see attached list)	47,134,336	15,298,774
Amounts due to other grants and other transfers (see attached list)	11,237,757	11,073,347
Acquisition of assets	16,813,744	8,813,747
Others –ICT Hub	4,677,027	0
-Strategic Plan	2,500,000	
	82,521,075	35,289,924





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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)	10,389,804	4,235,289.40
	10,389,804	4,235,289.40



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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7. Copytec Enterprises LTD	35,000	June,2018		35,000	0	
8.						
9.						
Sub-Total				35,000	0	
Supply of services						
10. Bombaz Place	20,184	June,2018		20,184	0	
11. Juliet Service Machines	27,500	June,2018		27,500	0	
12. Friends Hotel Kakamega Ltd	82,200	June,2018		82,200	0	
Sub-Total				129,884	0	
Grand Total				164,884	0	



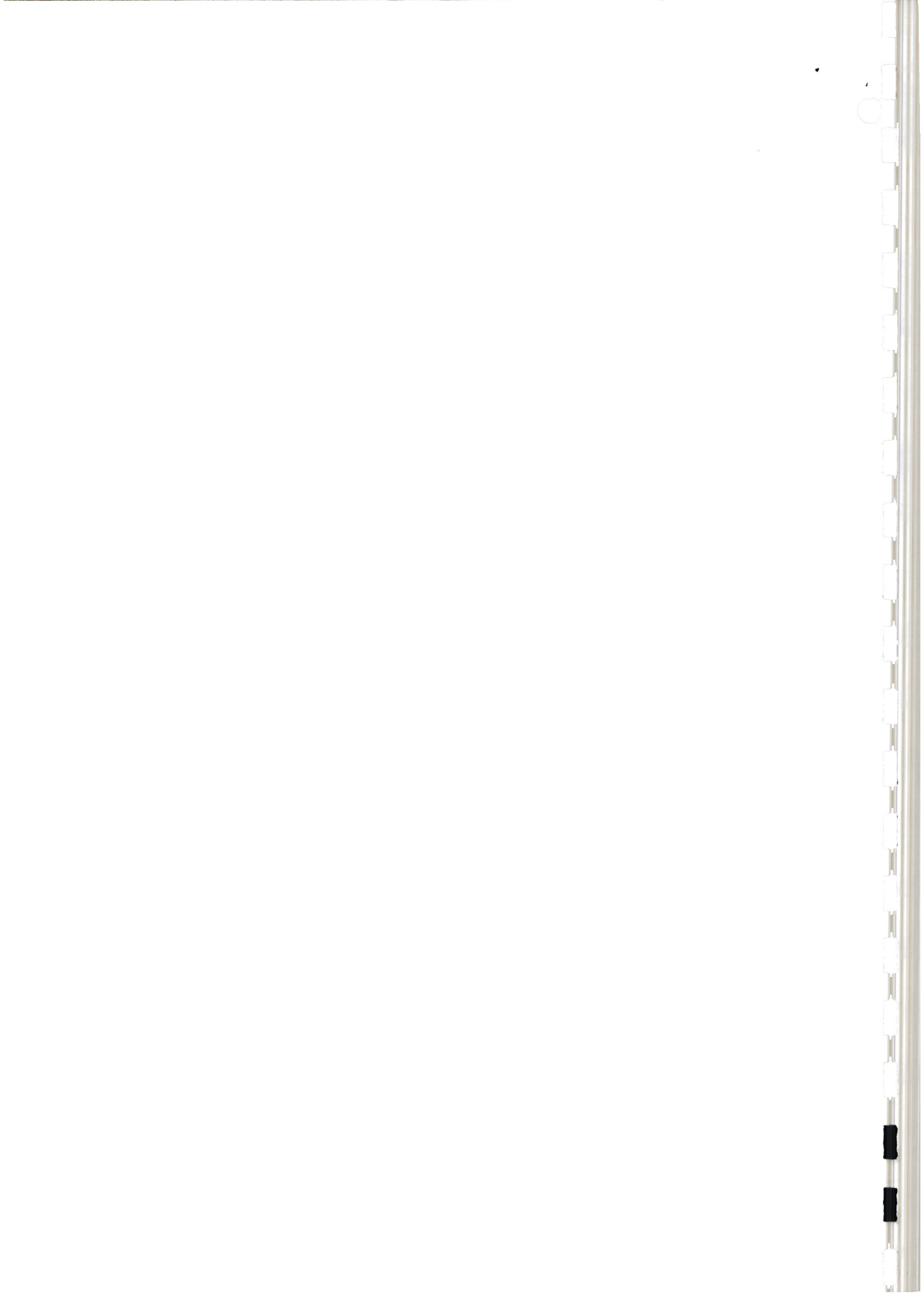


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LURAMBI CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

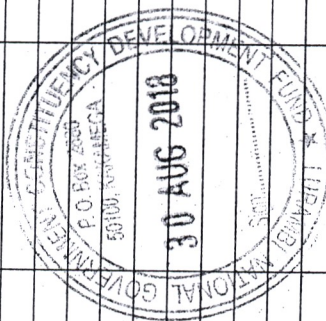


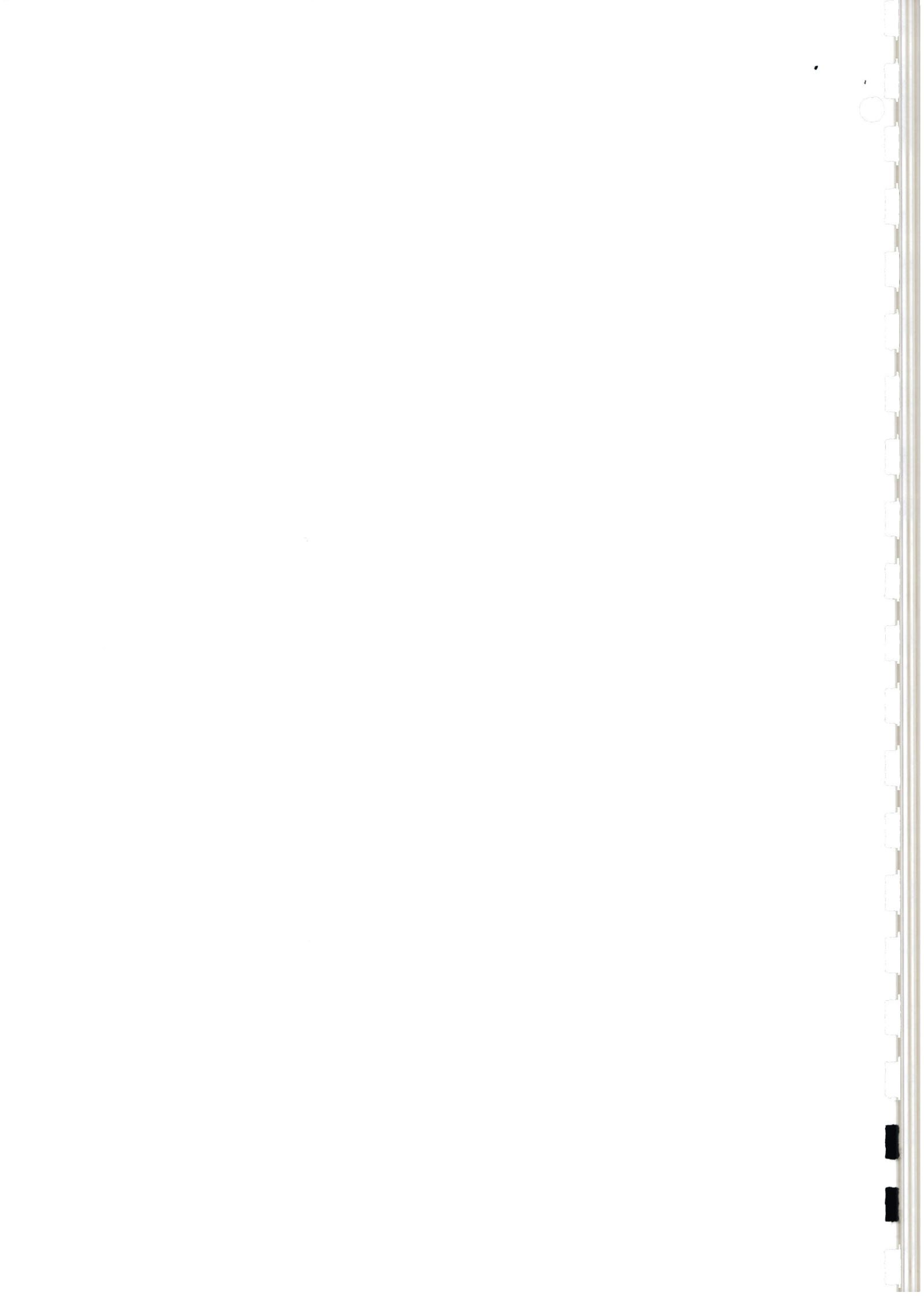


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LURAMBI CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		90,517.00	26,354.00	
Use of goods and services		67,694.00	77,702.00	
Sub total		158,211.00	104,056.00	
Amounts due to other Government entities				
Primary Schools				
1.Enahungu primary		0	500,000.00	STILL HELD AT BOARD
2.Eshibeembe Primary		1,000,000.00	300,000.00	STILL HELD AT BOARD
3.Indangalasa Primary		250,000.00	250,000.00	Still held at Board
4.Emacheembe primary		200,000.00	1,000,000.00	Still on CDFC account
5.Shikoti Girls Boarding Primary		500,000.00	500,000.00	Still held at Board
6.Eshandukusi primary		500,000.00	500,000.00	Still held at Board
7.Eshurumba primary		0	850,000.00	Still held at Board
8.Matioli Primary		100,000.00	100,000.00	Still held at Board
9.Shisango primary		500,000.00	600,000.00	Still held at Board
10.Lyanungu primary		500,000.00	500,000.00	Still held at Board
11.Mwiyala Primary		1,148,774.00	548,774.48	Still held at Board
12.Nyayo Tea Zone primary		850,000.00	850,000.00	Still held at Board
13.Daisy special primary School		1,500,000.00	500,000.00	Still held at Board
14.Bukhulunya primary		500,000.00	500,000.00	Still held at Board
15.Kakamega Township primary		500,000.00	500,000.00	Still held at Board
16.Rosterman primary		486,725.00	1,000,000.00	Still held at Board
17.Shitaho primary		910,000.00	500,000.00	Still held at Board
18.Lurambi primary school		2,000,000.00	1,000,000.00	Still held at Board
19.Nabongo Primary School		300,000.00	0	Still held at Board
20.Kakamega Muslim Primary School		500,000.00	0	Still held at Board
21.Matende Primary School		9,786,207.00	0	Still held at Board
22.Mahiakalo Primary School		6,000,000.00	0	Still held at Board



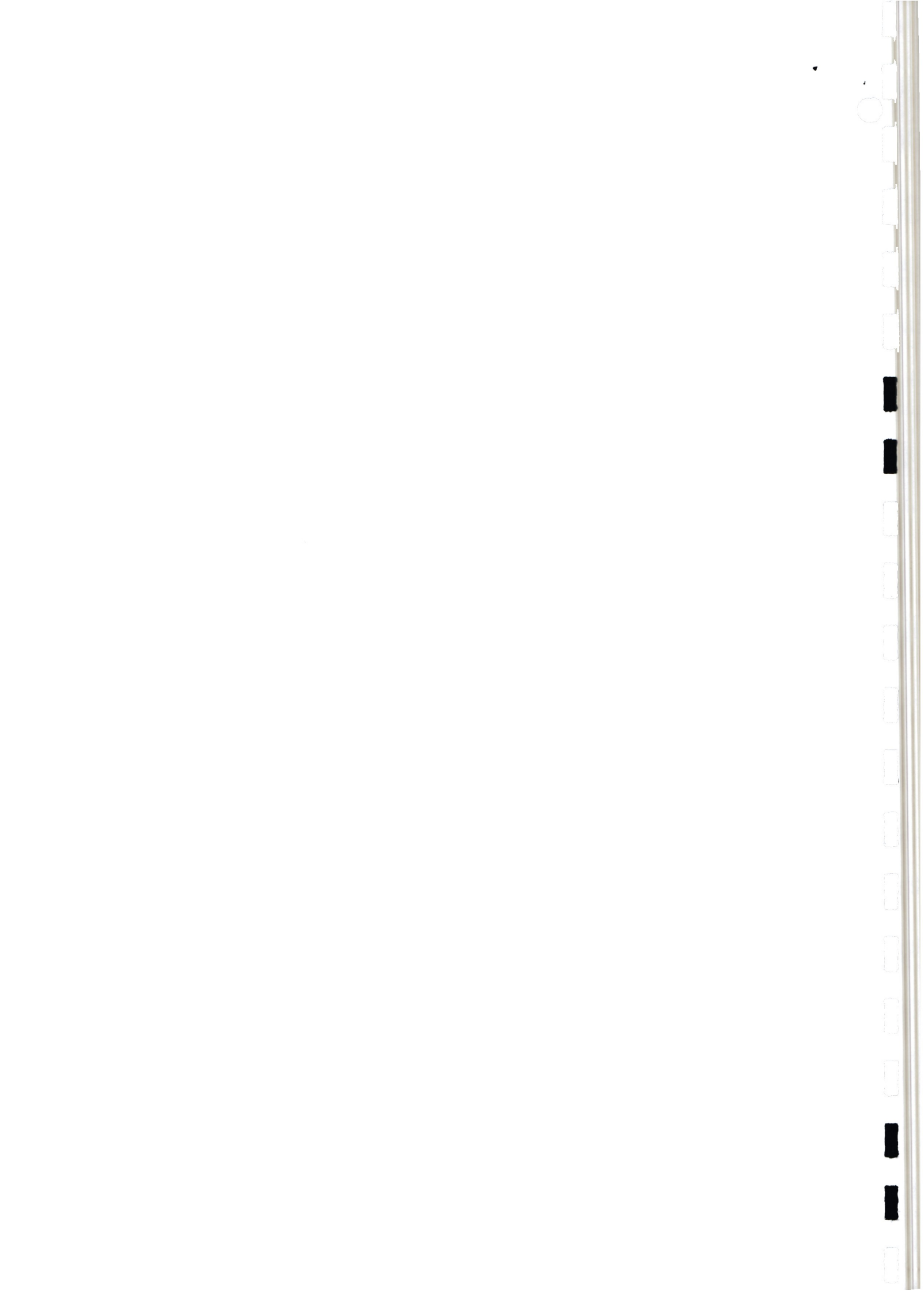


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LURAMBI CONSTITUENCY
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For the year ended June 30, 2018 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
23.St. Lawrence Ichina Primary School		1,000,000.00		Still held at Board
24.Hirumbi Primary School		1,000,000.00		Still held at Board
25.Musaa Primary School		1,200,000.00		Still held at Board
26.Ebuhayi Primary School		1,000,000.00		Still held at Board
27.Ebuchunga Primary School		6,000,000.00		Still held at Board
28.Ebung'aya Primary School		600,000.00		Still held at Board
29.Elukho Primary School		500,000.00		Still held at Board
30.Emusala Primary School		300,000.00		Still held at Board
31.Mwiyenga Primary School		500,000.00		Still held at Board
32.Ekapwonje Primary School		500,000.00		Still held at Board
33.Eshibeye Primary School		250,000.00		Still held at Board
34.Ikonyero Primary School		712,630.00		Still held at Board
35.Emukangu Primary School		400,000.00		Still held at Board
Sub total		41,994,336.00	10,498,774.48	
Secondary Schools				
18.Shikoti mixed secondary.		0	3,200,000.00	Still held at Board
19.Shisango Girls Secondary		300,000.00	300,000.00	Still held at Board
20.Matende Girls secondary		500,000.00	300,000.00	Still held at Board
21.Mwiyala Secondary School		700,000.00	0	Still held at Board
22.Rosterman Secondary School		890,000.00	0	Still held at Board
23.Indangalasia Secondary School		100,000.00	0	Still held at Board
24.Kilimo Girls Secondary School		750,000.00	0	Still held at Board
25.Ikonyero Secondary School		800,000.00	0	Still held at Board
26.Eshisiru Secondary School		300,000.00	0	Still held at Board
27.Ebwambwa Secondary School		800,000.00	0	Still held at Board
Sub-Total		5,140,000	3,800,000.00	
Amounts due to other grants and other transfers				

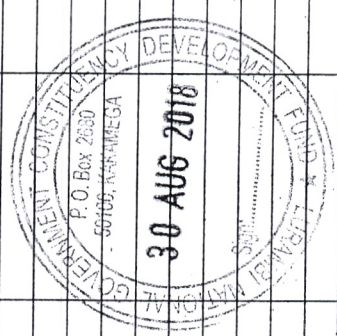


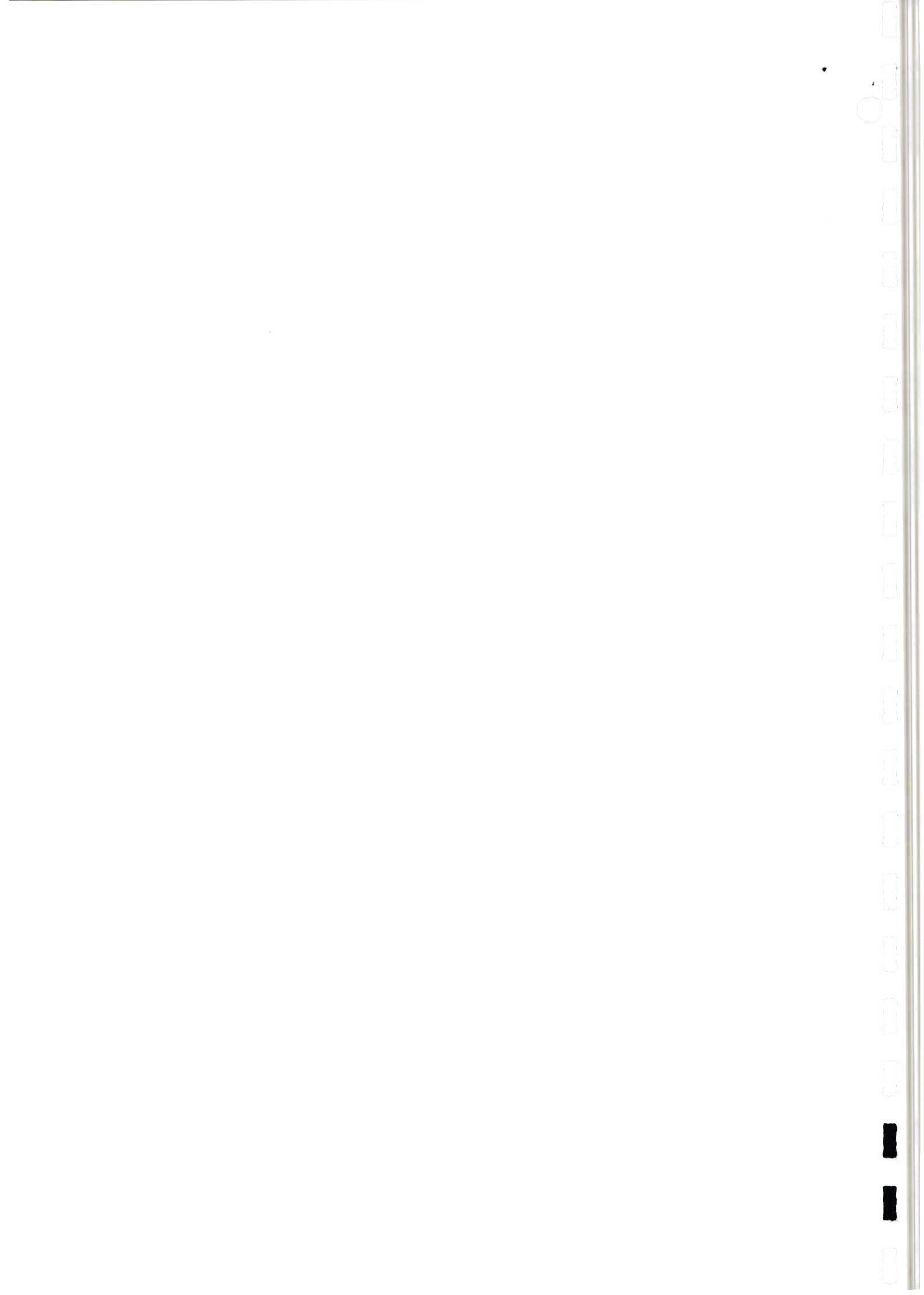


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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
1. Emusala AP Line		500,000.00	500,000.00	Still held at Board
2. Bukura police post		1,500,000.00	1,000,000.00	Still held at Board
3. Eshibeve Assistant Chief's Office		500,000.00	500,000.00	Still held at Board
4. Bukhuru Chief's Office		800,000.00	800,000.00	Still held at Board
5. Emachembe primary-Text books		200,000.00	200,000.00	Still held at Board
6. Eshisuru secondary-Text books		200,000.00	200,000.00	Still held at Board
7. Indangalasia Chief's Camp		1,500,000.00	1,500,000.00	Still held at Board
8. Butsofo Social hall		2,000,000.00	2,500,000.00	Still held at Board
9. Social Security		0	2,000,000.00	Still held at Board
10. Bursary		3,000,000.00	1,873,347.00	Still held at Board
11. Emergency		607,757.00		
12. Sports		430,000		
	Sub-Total	11,237,757	11,073,347.00	
Others (Acquisition of Assets)				
11. Motor vehicle		0	7,132,260.00	Still held at Board
12. Masera construction LTD-Retention		1,181,487.00	1,181,487.00	Still held at CDFC account
13. Office Furniture		500,000.00	500,000.00	Still held at CDFC account
14. NGCDF storey Building		14,132,260.00		
15. Office Fence		1,000,000.00		
	Sub-Total	16,813,747.00	8,813,747.00	
Others Specify-Strategic plan				
		2,500,000.00	0	Still held at NGCDF account
ICT Hub		4,677,027.00	0	Still held at NGCDF account
	Sub	7,177,027.00	0	
Total				
Grand Total		82,521,078.00	35,186,868.00	



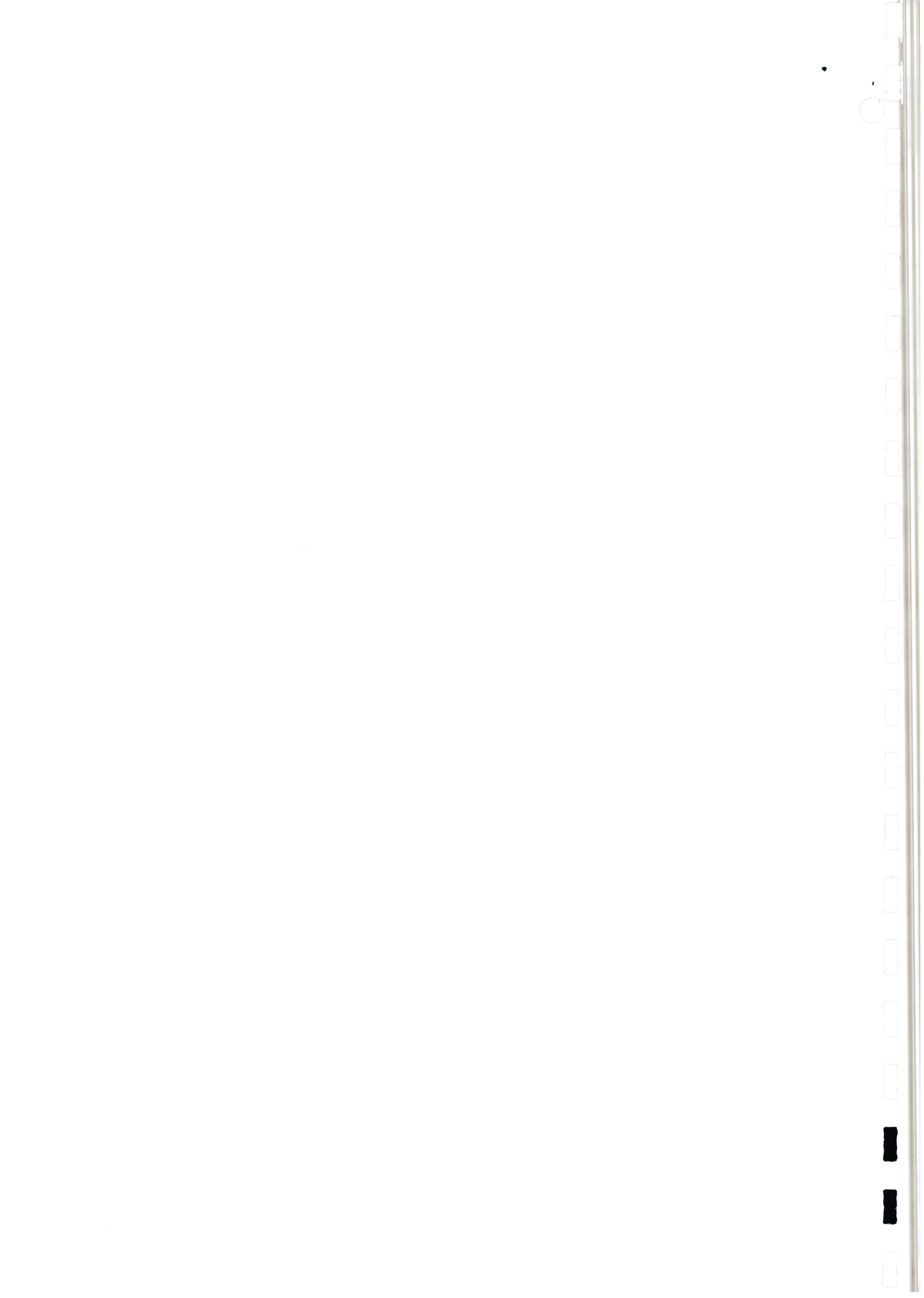


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LURAMBI CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2016/17	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	0	0
Buildings and structures		64,886,754	0	0	64,886,754
Transport equipment		2,667,950	0	0	2,667,950
Office equipment, furniture and fittings		796,246	0	0	796,246
ICT Equipment, Software and Other ICT Assets		504,000	0	0	504,000
Other Machinery and Equipment		58,500	0	0	58,500
Heritage and cultural assets		0	0	0	0
Intangible assets		0	0	0	0
Total		68,913,450	0	0	68,913,450

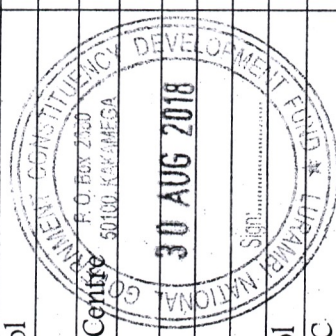


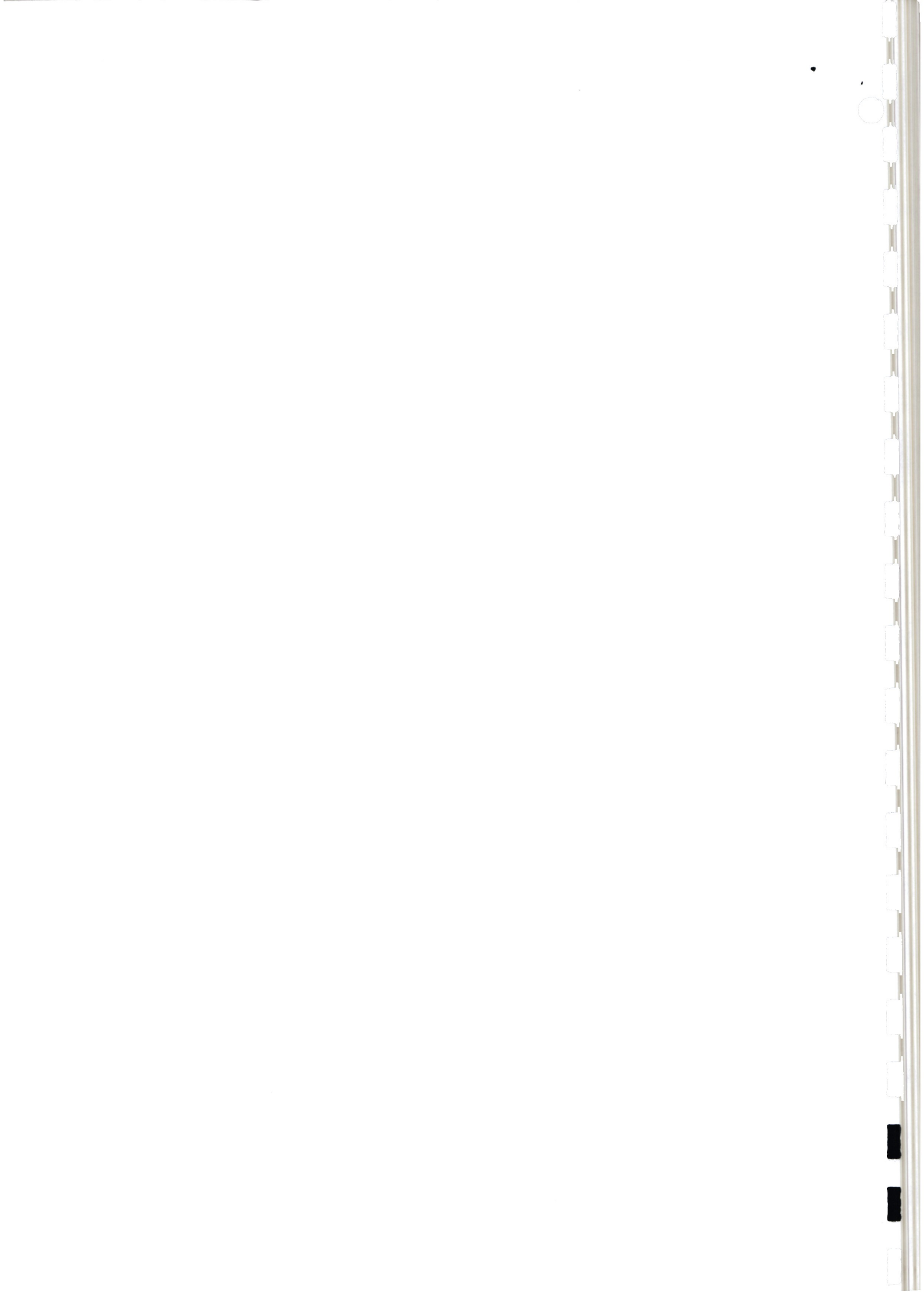


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ANNEX 5 – PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
St.Francis Xavier Shikoti Mixed Secondary School	KCB	1133906265	3,205,519	0
Eshibeye Primary School	KCB	1234692414	7070	0
Kakamega Primary School	KCB	1103301462	1,002,137	0
Musaa Primary School	KCB	1234792680	699,050	0
Shisango Primary School	EQUITY	0500277375065	290,615	0
Rosterman Primary School	KCB	1184250197	222,925	3,588
Emulele Primary School	KCB	1235469239	204,050	0
Elufwafwa Primary School	KCB	1167542460	205,000	0
St.Lawrence Ichina Primary School	KCB	1156021332	2,515,002	0
Matende Girls Secondary School	KCB	1156009936	11,211	0
Eshibembe Primary School	KCB	1183559054	11,113	0
Eshibembe Primary School	Cooperative	01139167400300	370	0
Daisy Special School	EQUITY	0500277439663	300,000	0
Eshibeye-Esumba Health Centre	Cooperative	01134023568100	0	327
Eshikhuyu Health Centre	Cooperative	01134023562900	0	35,000
Lwesero Health Centre	KCB	1164065955	0	64,463
Matioli Dispensary	KCB	1174053585	0	3,948
Shiyunzu Dispensary	KCB	1183833288	0	4,600
Kakamega Primary School	KCB	074147101043	1,386	2,136
Fitina Road Milimani PMC	KCB	1183740743	328	1,000
Shisasari Primary School	KCB	1174095636	8,346	9,938
Mahiakalo Assistant Chief's Office	KCB	1183345461	1,067	141,504
Ematsayi AP Camp	KCB	1183756658	535	60,580
Lwesero Police Post	KCB	1145226493	0	8,603
Shibiriri AP Camp	KCB	1183351623	235	787.50
Shitungu AP Camp	KCB	1183261608	97,565	98,363.50
Butotso Central Chief's Office	KCB	1183789017	986	2,000
Eshilibo Primary School	KCB	1135165351	1,867	2,074

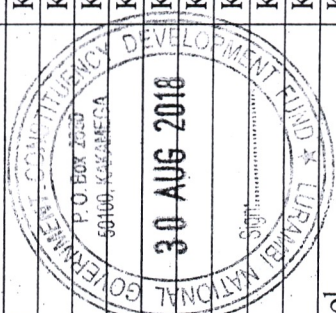


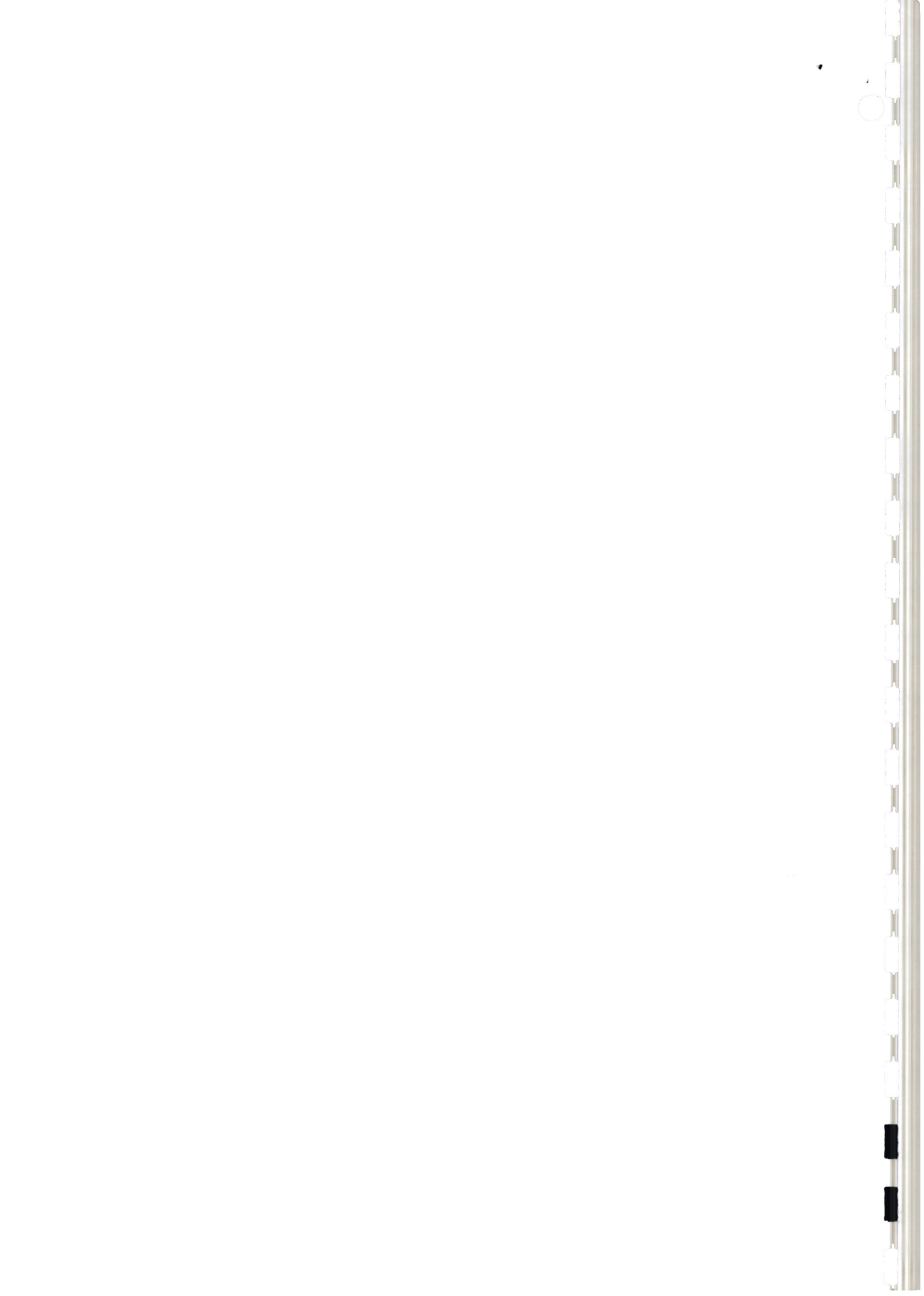


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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Ekapwonje Primary School	KCB	1183366299	1,034	1,694
Emulundu Primary School	KCB	1177783908	42,000	42,534
Eshibeye Primary School	KCB	1183841531	5,700	9,639
Eshibembe Primary School	KCB	1183559054	431	951
Emukangu Primary School	KCB	1184057648	1,850	2,370
Ebung'aya Primary School	KCB	1183803982	2,700	4,384
St. Lawrence Ichina Primary School	KCB	1156021332	6,430	15,147
Nyayo Tea Zone Primary School	KCB	1171045689	5,700	5,952
Lyanungu Primary School	KCB	1183342608	3,750	4,160
Ebwambwa Primary School	KCB	1101561785	4,300	4,511.35
Lurambi Primary School	KCB	1174031433	1,000,000	1,061,979
Chief Mutsembi Primary School	KCB	1177075385	235	733.70
Bondeni Primary School	KCB	1131772377	5000	34,078
Bukhulunya Primary School	KCB	1184416125	499,000	499,600
Shitaho Primary School	KCB	1183301421	9,986	117,056
Rosterman Primary School	KCB	1184250197	435	3,588
Amalemba Primary School	KCB	1168158354	96	474
Shitaho Community School	KCB	1171494858	632	1,434
Matende Primary School	KCB	1172017824	765	1,462
Hirumbi Primary School	KCB	1109549768	231	507
Musaa Primary School	KCB	1126900141	1,565	1,267
Shivakala Primary School	KCB	1183671725	3,044	16,248
Kilimo Girls Secondary School	KCB	1174508957	2,156	48,502
Matioli Secondary School	KCB	1174063610	233	1,118
Mwangaza Secondary School	KCB	1171039883	638	11,278
Eshisuru Secondary School	KCB	1183320183	428	9,484
Shieywe Secondary School	KCB	1133632998	703	6,803
St. Caroli Lwanga Maraba Secondary School	KCB	1156433037	1347	13,110
Rosterman Secondary School	KCB	1183317611	577	42,103.50
Lurambi CDF Examination Council	Family	078000033458	925	5,717
Shirere Water Springs PMC	KCB	1197610006	207	1,880
Eshisuru CDF Office Borehole PMC	KCB	1184430365	2,635	14,000
Butsofso East AP Line	KCB	1156135680	1,002	311.45





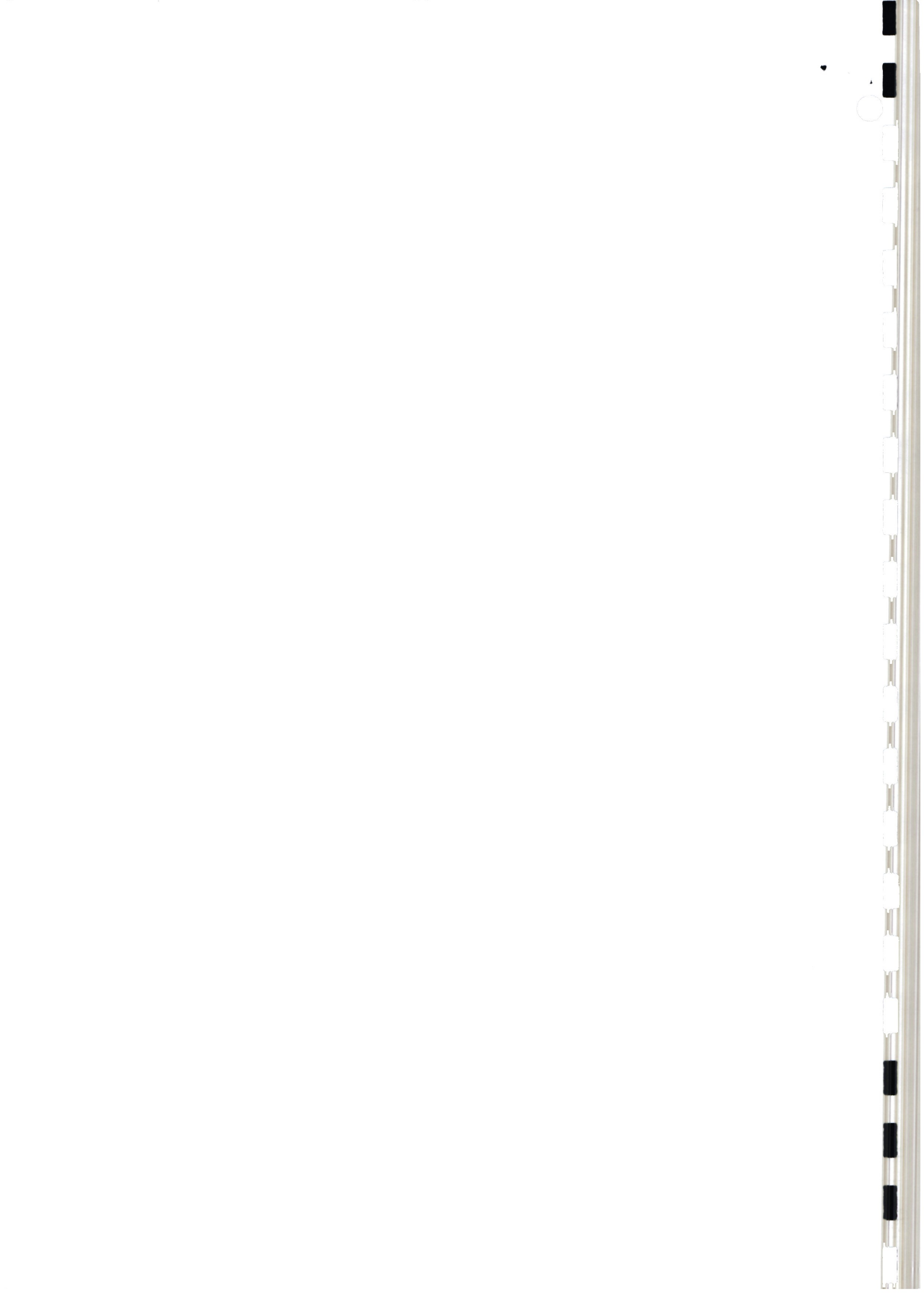
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LURAMBI CONSTITUENCY
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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kakamega Muslim Secondary School	Cooperative	01139165026500	828	1,306.90
Kakamega Township Secondary School	KCB	1103431080	634	110,412
Ebwambwa Secondary School	KCB	1206396792	455	1,000,435
Emulele Primary School	KCB	1204291322	334	31,398
Ebuhayi Primary School	KCB	1204175772	226	2,170
Lurambi CDF Office Fence PMC	KCB	1203861397	725	1,435
Eshibeye Secondary School	KCB	1134251025	625	41,903.50
Lurambi Solar Lights PMC	KCB	1205888780	5,000	623,829
Ebwambwa Secondary School	KCB	1206398442	527	3,000
Total			10,389,804	4,235,289.4

NB: The PMC bank balances for 2017/2018 are more as a result of late disbursement to the PMCs and logistics involved before the projects kicks off.





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LURAMBI CONSTITUENCY
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ANNEX 6 – 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)
2016-2017-1-01-0202-09	Abandoned Munzeywe Water Project	We communicated to NGCDF Board to guide us on how to hand over the incomplete devolved projects to County Government. The NGCDF Board is yet to respond on the same to date.	Peter Ochokolo-FAM	Not Resolved	30th Sept. 2018
2016-2017-1-01-0202-09	Failure to Repair CDF Motor Vehicle-GK 526 T	Its engine is broken and cannot be replaced with a new engine at a cost of Kshs. 1,600,000. The Lurambi NGCDF met and resolved that the vehicle be handed over to Matende Girls Secondary School after receiving authority from the NGCDF Board. We are still waiting for the authority from the Chief Executive Officer, NGCDF Board.	Peter Ochokolo-FAM	Not Resolved	30th Sept. 2018

