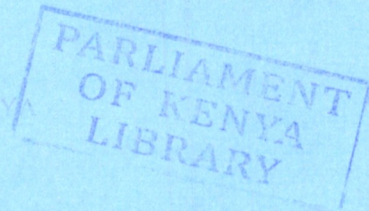


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT



REPUBLIC OF KENYA

OF



THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
RARIEDA CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 OCT 2019
TABLED BY:	Hon. Benjamin Wakhari Mainly Party Whip
CLERK-AT-THE-TABLE:	Lemuel Mosey
DAY: Thursday	



7

Revised Template 30th June 2018



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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RARIEDA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
RARIEDA 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 RARIEDA 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 Nyajure Achar
3.	Sub-County Accountant	Evans Osuga
4.	Chairman NGCDFC	Paul Ochanda Saoko
5.	Member NGCDFC	Emma Atieno Otieno

(d) Fiduciary Oversight Arrangements

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

P.O. Box 121

NYILIMA

The Office is situated at District Headquarters in Aram

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RARIEDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF RARIEDA Constituency Contacts

Telephone: (254) 0722713331

E-mail: ngcdfrarieda@cdf.go.ke

Website: www.go.ke

(g) NGCDF RARIEDA Constituency Bankers

BANK: Cooperative Bank of Kenya Limited

BRANCH: Kisumu Branch

ACCOUNT NO: 0114129559700

(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)

RARIEDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The financial year 2017/2018 marks the 14th year since inception of CDF in the year 2003/2004. Over the years NG-CDF Rarieda has implemented projects in various sectors with the major sectors being Education, Health, Water, Security, Roads, Sports and Environment.

With implementation of new NG-CDF Act 2015 in the financial year 2015-2016 to date NG-CDF Rarieda is now focusing only on the National Government projects as per the new Constitution promulgated in the year 2010. This resulted to NG-CDF Rarieda focusing on Education, Security, Environment and sports leaving out Health, Water and Roads projects to be implemented by the County Government as per the new NG-CDF Act 2015.

This year, Rarieda Constituency Development Fund approved budget was Ksh. 86,810,344.82. Out of the total budget NG-CDF Board was able to disburse Ksh.83, 410,345 of the current financial year to the constituency plus balance of Ksh. 4,000,000 of the previous financial year 2016-2017 by end of the financial year. The constituency also had Ksh. 2,455,790 rolled over from financial year 2016/2017 making the total funds available for use in the financial year to be Ksh.89, 866,134. By the end of the financial year the Board had not disbursed Ksh. 14,779,310 to the constituency for the current financial year and 2,950,000 for the previous financial year 2016/2017.

The constituency was able to utilize Ksh.70, 320,474 out of funds available of Ksh. 89,866,134 translating to 78% usage compared to the financial year 2016/2017 where we were able to utilize 98% of the funds available hence a decrease of 20% in the constituency's funds available utilization rate which came about as a result of late disbursement of funds to the constituency.

The major challenges in this year were the coming of the new NG-CDF Act 2015 which excluded some of the projects previously implemented by NG-CDF in health, water and roads sectors, unsatisfied demand for more NG-CDF funding, low response on the youth and women government 30% requirement and also the operations of Project Management Committees in implementation of NG-CDF projects.

The above challenges can be overcome by the parliament amending NG-CDF Act 2015 to include transitional clauses so that projects formerly implemented by NG-CDF and now County Governments are not adversely affected during this transition period, more allocation of funds to NG-CDF to address the demand for more funding by the projects and also more education on 30% youth and women requirements contracts requirements.

There were also transitional challenges as a result of general elections held in 2017 resulting to new NG-CDF members, staff turnover and also first tranche of funds being disbursed late in February 2018.

Sign



CHAIRMAN NGCDF COMMITTEE- Paul Ochanda Saoko

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RARIEDA 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-RARIEDA 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-RARIEDA 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, 20XX, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-RARIEDA 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-RARIEDA 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-RARIEDA Constituency financial statements were approved and signed by the Accounting Officer on 24.3.2018 2018.



Fund Account Manager
Name: Peter Nyajure Achar



Sub-County Accountant
Name: Evans Osuga

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 – RARIEDA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Rarieda National Government Constituencies Development Fund set out on pages 6 to 35 which comprise the statement of assets and as at 30 June 2018 and the statement of receipts and payments, statement of cash flows and statement of appropriation, recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracy of the Financial Statements

1.1 Misstatement of Cash Book Balance

IPSAS 1 paragraph 27 states that, financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSASs. The application of IPSASs, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation.

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

- i) The Bank reconciliation statement for the month of June 2018 indicated unpresented cheques amounting to Kshs.21,685,342. However, as at 31 December 2018 cheques amounting to Kshs.788,342 had not been presented and had become stale. These stale cheques were not reversed in the cash book
- ii) Further, included as unpresented cheques are four (4) cheques which were incorrectly stated as follows:

Cheque No.	Details as per Cash Book	Bank Reconciliation Statement
4885	Kabaraka University - Kshs.24,000	UNICAF University- Kshs.16,000
4883	Meru University - Kshs.16,000	Uzima University- Kshs.8,000
5321	Asumbi TTC- Kshs.14,000	Waondo Polytechnic- Kshs.7,000
5323	MONAO ECD- Kshs.7,000	Asumbi TTC- Kshs.7,000

Although the managements corrected the names and updated the bank reconciliation statements, the effect in the cash book balance was not corrected.

Consequently, the accuracy of the bank balance of Kshs.15,058,659 could not be confirmed as at 30 June 2018.

1.2 Summary Statement of Appropriation

The statement of appropriation reflect an adjustment receipts or payments of Kshs.20,785,099 composed of previous year unremitted amount from the Board of Kshs.4,000,000 and rolled over bank balance of Kshs.2,455,790 all totaling Kshs.6,455,790. The resultant difference of Kshs.14,329,309 representing both receipt and payment transactions is therefore not explained nor supported.

Under the circumstance, the accuracy of the financial statements as at 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 Rarieda National Government Constituencies Development Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements of the current year. These matters

were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

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

Emphasis of Matter

1. Budget Performance

IPSAS 24 requires an explanation of the reasons for differences between the original and final budget. During the financial year, Rarieda NGCDF had a final budget of Kshs.107,595,444 against a total expenditure of Kshs.70,320,475 resulting in 65% budget absorption. Compensation of employees is absorbed at 100%, use of goods and services (34%), transfer to other government units (60%), other grants and transfers (86%), acquisition of assets (45%) and zero (21%) expenditure incurred on other payments.

Audit Component	Budgeted Amount (Kshs)	Actual Amount (Kshs)	Variance (Kshs)	% Absorption
Transfer from the CDF board	107,595,444	87,410,345	20,185,099	81%
Compensation of employees	2,169,123	2,169,123	-	100%
Use of goods and services	9,289,246	3,144,367	6,144,879	34%
Transfer to other government units	54,035,648	32,500,000	21,535,648	60%
Other grants and transfers	34,640,517	29,675,000	4,965,517	86%
Acquisition of assets	5,160,910	2,331,985	2,828,925	45%
Other payments	2,300,001	500,000	1,800,001	21%

However, explanations on budget variances was not given in the financial statements. Consequently, the citizens did not get expected value for money from the budgeted services, works and goods.

REPORT ON COMPLIANCE WITH LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter(s) described in the Basis for [Conclusion on Lawfulness and Effectiveness in Use of Public Resources/ Qualified Opinion] section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control.

In preparing the financial statements, management is responsible for assessing the projects ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the Rarieda National Government Constituencies Development Fund or to cease operations, or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the

compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

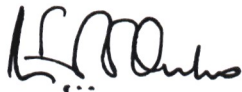
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rarieda National Government Constituencies Development Fund ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the

Rarieda National Government Constituencies Development Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Rarieda National Government Constituencies Development Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

23 August 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RARIEDA CONSTITUENCY

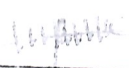
Reports and Financial Statements

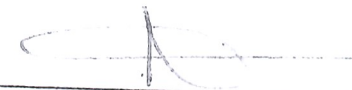
For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	87,410,345	95,646,552
TOTAL RECEIPTS		87,410,345	95,646,552
PAYMENTS			
Compensation of employees	2	2,169,123	1,503,587
Use of goods and services	3	3,144,367	6,871,301
Transfers to Other Government Units	4	32,500,000	48,670,500
Other grants and transfers	5	30,175,000	41,816,500
Acquisition of Assets	6	2,331,985	1,059,048
Other Payments	7	-	2,140,000
TOTAL PAYMENTS		70,320,474	102,060,935
SURPLUS/DEFICIT		17,089,870	(6,414,383)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RARIEDA Constituency financial statements were approved on 24.8.2018 and signed by:


 Fund Account Manager
 Name: Peter Nyajure Achar


 Sub-County Accountant
 Name: Evans Osuga

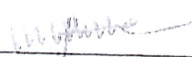
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RARIEDA CONSTITUENCY


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

V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalentents			
Bank Balances (as per the cash book)	8A	15,058,659	2,455,789
Outstanding Imprests	8B	4,487,000	-
TOTAL FINANCIAL ASSETS		19,545,659	2,455,789
REPRESENTED BY			
Fund balance b/fwd 1st July 2016	9	2,455,789	8,870,173
Surplus/Defict for the year		17,089,870	(6,414,384)
NET LIABILITIES		19,545,660	2,455,789

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RARIEDA Constituency financial statements were approved on 20th 2018 and signed by:


 Fund Account Manager
 Name: Peter Nyajure Achar


 Sub-County Accountant
 Name: Evans Osuga

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
RARIEDA CONSTITUENCY

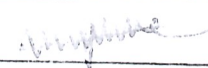
Reports and Financial Statements


For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

		2017- 2018	2016- 2017
		Ksh.	Ksh.
Receipts for operating income			
Transfers from CDF Board	1	87,410,345	95,646,552
		87,410,345	95,646,552
Payments for operating expenses			
Compensation of Employees	2	2,169,123	1,503,587
Use of goods and services	3	3,144,367	6,871,301
Transfers to Other Government Units	4	32,500,000	48,670,500
Other grants and transfers	5	30,175,000	41,816,500
Other Payments	7	-	2,140,000
		67,988,489	101,001,888
Net cash flow from operating activities		19,421,856	(5,355,335)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(2,331,985)	(1,059,048)
Net cash flows from Investing Activities		(2,331,985)	(1,059,048)
NET INCREASE IN CASH AND CASH EQUIVALENT		17,089,870	(6,414,384)
Cash and cash equivalent at BEGINNING of the year	13	2,455,789	8,870,173
Cash and cash equivalent at END of the year		19,545,660	2,455,789

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


 Fund Account Manager
 Name: Peter Nyajure Achar


 Sub-County Accountant
 Name: Evans Osuga

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

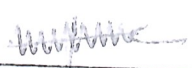
Reports and Financial Statements


For the year ended June 30, 2018

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	20,785,099	107,595,444	89,866,134	17,729,310	83.5%
Proceeds from Sale of Assets						
TOTAL	86,810,345	20,785,099	107,595,444	89,866,134	17,729,310	83.5%
PAYMENTS						
Compensation of Employees	2,169,123	-	2,169,123	2,169,123	-	100.0%
Use of goods and services	9,143,808	145,438	9,289,246	3,144,367	6,144,879	33.8%
Transfers to Other Government Units	39,677,027	14,358,620	54,035,648	32,500,000	21,535,648	60.1%
Other grants and transfers	32,143,966	2,496,552	34,640,517	29,675,000	4,965,517	85.7%
Acquisition of Assets	2,276,421	2,884,489	5,160,910	2,331,985	2,828,925	45.2%
Other Payments	1,400,001	900,000	2,300,001	500,000	1,800,001	
TOTAL	86,810,344.82	20,785,099	107,595,444	70,320,474	37,274,970	65.4%

The NGCDF-RARIEDA Constituency financial statements were approved on 24.5.2018 and signed by:


Fund Account Manager
Name: Peter Nyajure Achar


Sub-County Accountant
Name: Evans Osuga

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
RARIEDA 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-RARIEDA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
RARIEDA 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 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) –

RARIEDA 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) -
RARIEDA 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
Normal Allocation		Kshs	Kshs
	A825910		19,000,000
	A829981		4,094,828
	A839572		1,700,000
	A855175		36,853,449
	A855709		33,998,275
31.1.2018	A855988	5,500,000.00	
28.2.2018	A902796	37,905,172.00	
28.2.2018	A902747	4,000,000.00	
2.3.2018	A830047	21,000,000.00	
6.6.2018	A836917	19,005,172.80	
TOTAL		87,410,345	95,646,552

2. COMPENSATION OF EMPLOYEES

Description	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,317,903	1,474,787
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	53,220	28,800
Gratuity	798,000	-
Total	2,169,123	1,503,587

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – RARIYA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

Description	2017- 2018	2016 - 2017
	Kshs	Kshs
Utilities, supplies and services	30,000	29,568
Office rent	-	-
Communication, supplies and services	18,253	6,960
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Trainity expenses	-	-
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	2,362,602	6,120,023
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	-
Fuel oil & lubricants	500,000	700,000
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	233,512	14,750
Routine maintenance – other assets	-	-
Strategic Plan	-	-
Total	3,144,367	6,871,301

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 – 2018	2016 – 2017
	Kshs	Kshs
Transfers to primary schools	14,900,000	21,970,500
Transfers to secondary schools	17,600,000	19,700,000
Transfers to Tertiary institutions	-	7,000,000
Transfers to Health institutions	-	-
TOTAL	32,500,000	48,670,500

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary -Secondary	10,994,586	10,973,000
Bursary -Tertiary	10,540,000	9,167,000
Bursary-Special schools	168,000	334,000
Mocks & CAT	-	-
Water	-	200,000
Agriculture (Food security)	-	-
Electricity projects	-	-
Security	2,400,000	13,048,000
Roads	-	-
Sports	1,736,207	1,500,000
Environmental projects	1,736,207	1,950,000
Emergency Projects (specify)	2,100,000	4,094,500
Total	29,675,000	41,816,500

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

RARIEDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017 – 2018	2016 - 2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	2,331,985	1,059,048
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of Office Furniture and fittings	-	-
Purchase of computers, printers and other IT equipment's	-	-
Purchase of photocopier	-	-
Purchase of other office equipment's	-	-
Purchase of software	-	-
Acquisition of Land	-	-
Total	2,331,985	1,059,048

7. OTHER PAYMENTS

	2017 – 2018	2016 – 2017
Description	Ksh.	Ksh.
Strategic Plan	-	740,000
Social Halls	500,000	-
Fish Branda	-	650,000
Jua Kali Shades	-	750,000
TOTAL	500,000	2,140,000

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

Reports and Financial Statements

For the year ended June 30, 2018

STATEMENT OF FINANCIAL STATEMENTS (Continued)

1. Cash Resources (cash book bank balance)

Name of Bank Account, Account No & Currency		2017-2018 Ksh.	2016-2017 Ksh.
	Account Number	30/6/2018	30/6/2017
Co-operative Bank Kiambu Branch	01141295597000	15,058,659.40	2,455,789.44
Total		15,058,659.40	2,455,789.44

2. IMPREST OUTSTANDING

Name of Office	Date Taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance 30/6/2018 Kshs
Peter Nyaiure Achar- Warrant no. 001572	10/6/2018	500,000	-	500,000
Peter Nyaiure Achar- Warrant no. 001570	12/6/2018	500,000	-	500,000
Peter Nyaiure Achar- Warrant no. 001569	05/2018	100,000	-	100,000
Peter Nyaiure Achar- Warrant no. 001568	20/5/2018	500,000	-	500,000
Peter Nyaiure Achar- Warrant no. 001564	05/2018	500,000	-	500,000
Peter Nyaiure Achar- Warrant no. 001571	22/6/2018	600,000	-	600,000
Peter Nyaiure Achar- Warrant no. 001567	10/5/2018	700,000	-	700,000
Peter Nyaiure Achar- Warrant no. 281087	05/2018	487,000	-	487,000
Peter Nyaiure Achar- Warrant no. 001556	03/2018	600,000	-	600,000
Total		4,487,000	-	4,487,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -

RAKAI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCE BROUGHT FORWARD

	2017- 2018	2016 - 2017
	Kshs (1/7/2017)	Kshs (1/7/2016)
Bank accounts	2,455,789	8,870,173
Cash on hand	-	-
Imprest	-	-
Total	2,455,789	8,870,173

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER IMPORTANT DISCLOSURES

10.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<u>0</u>	<u>0</u>

10.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (see (i))	0	0
	<u>0</u>	<u>0</u>

10.3: GOVERNMENT GRANTS (See Annex 3)

	Kshs	Kshs
Compensation of employees	0	1,086,129
Use of goods and services	7,023,579	92,508
Amounts due to other Government entities (see attached list)	16,035,648	3,339,500
Amounts due to other grants and other transfers (see attached list)	9,086,817	2,453,162
Acquisition of assets	2,828,925	2,434,490
Others (see (i))	1,800,001	0
	<u>36,774,970</u>	<u>9,405,789</u>

10.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account balances (see attached list)	15,278,810	10,961,765.81
	<u>15,032,000</u>	<u>10,961,765.81</u>

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

ANNEX 1 – ANALYSIS OF PAYABLES

Supply of Goods or services	Original Amount	Less: Current Year Contributions	Amount Paid	Current Year Contributions
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				

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

ANNEX 1 - ANALYSIS OF PENDING STATE LIABILITIES

Number of Staff	Job Group	Original Amount	Date Paid or Committed	Amount Paid to Date	Outstanding as of 2018	Outstanding as of 2017
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					

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset Class	Historical Cost b/f (KSh) 2016/17	Additions during the year (KSh)	Disposals during the year (KSh)	Historical Cost (KSh) 2017/18
Land	0			
Buildings and structures	5,200,000	2,331,985	0	7,531,985
Transport equipment	3,180,000	0	0	3,180,000
Office equipment, furniture and fittings	6,259,048	0	0	6,259,048
ICT Equipment, Software and Other ICT Assets	490,000	0	0	490,000
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	10,778,504	2,331,985	0	17,411,033

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

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

No	PMC	Bank	Account no.	Bank Balance 2017/2018	Bank Balance 2016/ 2017
1	Lweya Primary School	KCB	1147320441	150,000	429,650.45
2	Nyamboyo Primary School	KCB	1154501933	125,000	350,000.70
3	Kakremba Primary School	KCB	1207504970	270,000	115,589.45
4	Kiswara Primary School	KCB	1135112702	150,000	312,912.00
5	Langu Primary School	KCB	1208920279	400,000	175,215.55
6	Mirau Primary School	KCB	1132565170	257,000	257,390.26
7	Lieta Secondary School	EQUITY	0750298311122	180,000	927,800.00
8	Masala Secondary School	KCB	1133790112	600,000	328,740.85
10	Ruma Secondary School	EQUITY	0297329832	900,000	12,078.90
11	Makasembo Secondary School	EQUITY	0750402711310	700,000	427,000.65
12	Nyakongo Secondary School	KCB	1137094167	0	899,997.75
13	Tanga Secondary School	KCB	1135312341	0	215,389.25
14	Naya Secondary School	COOP	01115894670	700,000	0
15	Chianda High School	EQUITY	0750402760878	700,000	0
16	Saradidi Secondary School	EQUITY	0750657894521	700,000	0
17	Bar Kogongo Primary School	KCB	113531416579	250,000	0
18	Rachar Primary School	COOP	01114578160	300,000	0
19	Langu Primary School	EQUITY	0750564863458	300,000	0
20	Nyakongo Primary School	KCB	1174580385	700,000	0
21	Ojawa Primary School	KCB	1135316385	400,000	0
22	Kadhere Primary School	COOP	01114684209	700,000	0
23	Nguka Secondary School	KCB	11353132017	700,000	0
24	Raliew Secondary School	KCB	1135314837	700,000	0

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

25	Bo' Secondary School	EQUITY	0750568412376	700,000	0
26	Miaowa Secondary School	KCB	1135313201	700,000	0
27	St Sylvester Girls Secondary	COOP	01118594624	1,000,000	0
28	Kawuondi Secondary School	EQUITY	075048921567	700,000	0
29	Nyabera Secondary School	KCB	1135313948	700,000	0
30	Ndwara Secondary School	COOP	01114578902	700,000	0
31	Wiwaga Secondary School	KCB	1135311217	700,000	0
32	KMTC –RARIEDA	KCB	1203540949	250,000	6,510,000.00
	Total			15,032,000	10,961,765.81

ANNEX 6 –TRIAL BALANCE AS AT 30TH JUNE 2018

RARIEDA NGCDF		
TRIAL BALANCE AS AT 30TH JUNE 2018		
	DR	CR
Cash and Cash equivalents		
Bank Balances	15,058,659	
Cash Balances	4,487,000	
Payments		
Compensation of Employees	2,169,123	
Use of goods and services	3,144,367	
Transfers to Other Government Units	32,500,000	
Other grants and transfers	29,675,000	
Acquisition of Assets	2,331,985	
Other Payments	500,000	
Receipts		
Transfers from the Board		87,410,345
Fund Balance		2,455,789
TOTAL	89,866,134	89,866,134

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

ANNEX 7- PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is a 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 / Comment raised from Auditor		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)
NG-CDF/RARIEDA-JOG/AU-DIT-2016/172	<p>1. Transfers to Primary and Secondary Schools included in the financial statement under note 4 is transferred to other government entities of Ksh. 48,670,500.00 is Ksh. 21,970,500.00 and Ksh. 19,700,000.00 transferred to primary and secondary schools respectively. However, the payment schedule provided disclosed that only Ksh. 19,650,000.00 and Ksh.</p>	<p>Note 4 which is transfers to other government entities are as follows: Transfers to Primary Schools 21,970,500 Transfers to Secondary Schools 19,700,000 Transfers to Tertiary Institutions 7,000,000 Total Note 4 48,670,500</p>	Peter Nyajure Achar Fund Account Manager	Resolved	
		<p>The total figure in note 4 is Ksh. 48,670,500 is the one indicated in the financial statement is hence the financial statement is accurate.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor		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)
	<p>17,600,000.00 were transferred to primary and secondary schools respectively leading to overstatement of the financial statement figure by P1,420,500.00.</p> <p>Risk(s)/Effect(s) and implications</p> <p>The accuracy of the figure in the financial statement could not be confirmed.</p> <p>Recommendation</p> <p>Amend the financial statement.</p>				
	<p>2. Project Implementation included some</p>	<p>Find attached bank statements for the</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor		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)
	<p>financial statements under note 4 is transfer to other government entities of Kshs 48,670,500.00 and a transfer of Kshs 19,700,000 to secondary schools and Kshs 21,970,500 to primary.</p> <p>During physical verification of the projects the following observations were made as per the table in the appendix.</p> <p>Observations.</p> <p>From the examination of the above payments vouchers and physical</p>	<p>institutions for your audit examination</p> <p>Find attached the authority letter from the Board authorizing the reallocation of funds from renovation of 3No classrooms to construction of 1No classroom.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor		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)
	<p>verification carried out 30/5/2018, 31/5/2018 and 12/6/2018 the following issues were observed.</p> <p>i.) No bank statements from the school which benefited from the transfers were made available for our audit examination. We were therefore unable to confirm as to whether the transfers reached the schools and as</p>				

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	<p>to how they were utilized.</p> <p>ii.) No project returns were made available for our audit examination to confirm as to how the transfers were spent.</p> <p>iii.) No evidence was availed to confirm that the projects were implemented from in consultation with the line ministries</p>				

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	<p>iv.) No evidence was available for our audit confirmation to ascertain that the school projects were supervised at each stage of implementation.</p> <p>v.) No evidence to show that the project was funded by NGCDF, Rarieda and in which financial year since the project had no label.</p> <p>vi.) Physical</p>				

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	<p>Verification of Mirau primary school for the year 2018 revealed that a transfer of Kshs 800,000 to the school which was meant for the renovation of the classrooms was reallocated to the construction of a classroom without approval from the Board.</p> <p>Risk(s)/ Effects/ Implications</p>				

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Reference No. on the external audit Report	Issue / Observations from Auditor		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)
	<p>confirm of the bursaries of Kshs. 20,474,000 received all the beneficiaries.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 1. The school management committees must be advised to verify the beneficiaries after the school management committees have provided the necessary documentation. 2. Pursuing disbursements immediately to the beneficiary categories. 				

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Reference No. on the external audit Report	Issue / Observations from Auditor		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)
	<p>see also schools and special schools unmet acknowledged by the respective institutions indicating how much each student has been allocated and official receipt issued against his/her name</p>				