

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 MAY 2019	DAY: THURSDAY
TABLED BY: REPORT	HON ^o ADEN DUALE LEADER OF MAJORITY
CLERK-AT-THE-TABLE:	INZFU MWALE

PARLIAMENT
OF KENYA
LIBRARY

OF

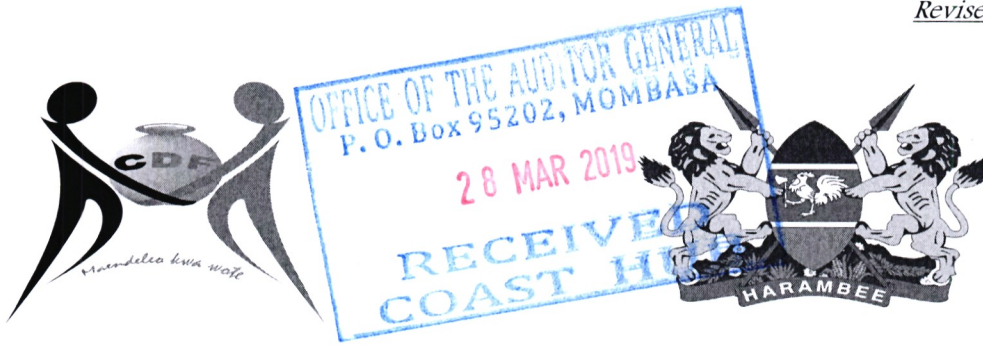
THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
TAVETA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

Revised Template 30th June 2018



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	9
IV. STATEMENT OF RECEIPTS AND PAYMENTS	10
V. STATEMENT OF ASSETS AND LIABILITIES	11
VI. STATEMENT OF CASHFLOW	12
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	13
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	14
IX. NOTES TO THE FINANCIAL STATEMENTS.....	18
x. OTHER IMPORTANT DISCLOSURES.....	25
XI. ANNEX 1. Analysis of pending accounts payable.....	27
ANNEX 2. Analysis of staff payable.....	28
ANNEX 3. Analysis of Unutilized funds.....	29
ANNEX 4. Summary of fixed asset register.....	30
ANNEX 5. PMC Bank balance as at 30 th June, 2018.....	31
XII. PROGRESS ON FOLLOWUP OF AUDITOR RECOMMENDATIONS.....	33

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TAVETA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
TAVETA 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 TAVETA 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	Daniel Mwaluko
3.	Sub-County Accountant	Robert Kibet
4.	Chairman NGCDFC	Julita Baby Mbelle
5.	Member NGCDFC	Kirimi Morris

(d) Fiduciary Oversight Arrangements

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

P.O. Box. 243-80302
NG-CDF Building
TAVETA, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TAVETA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF TAVETA Constituency Contacts

Telephone: (254)710-128510
E-mail: tavetangcdf@ngcdf.go.ke
Website: www.ngcdftaveta.go.ke

(g) NGCDF TAVETA Constituency Bankers

1. Equity Bank, Taveta Branch
Account No. 1420262668499
P.O.Box. 305-80302
Taveta, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

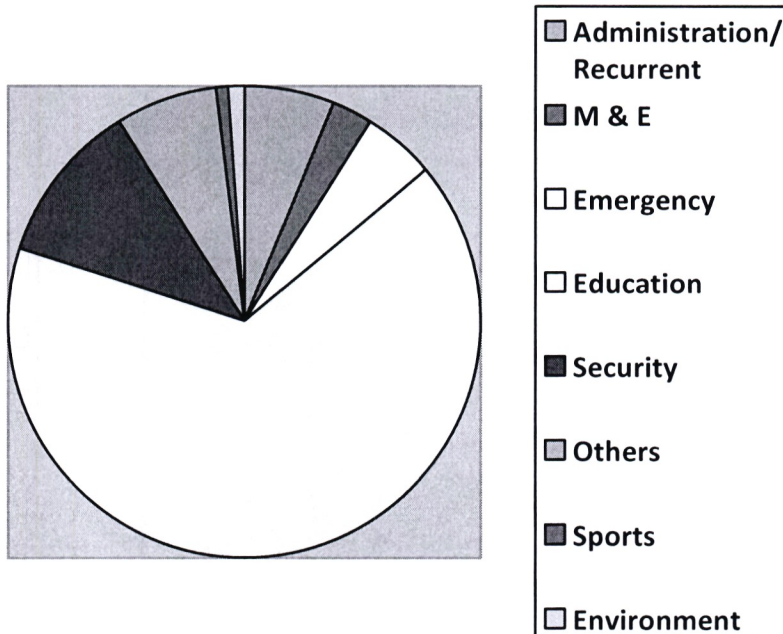
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TAVETA CONSTITUENCY**

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Taveta constituency is one of the four constituencies in Taita-Taveta county, coast Region. During the financial year 2017/2018 we received Kshs. 43,405,172.50 out of which Kshs. 964,012 were funds for the previous financial year. Our utilization of funds for the financial year stands at 43% of the total budget of Kshs.99, 153,669. The NG-CDF Board should provide funds in time for 100% utilization to be achieved.

The project allocation percentage per sector is as indicated below:



a) Administration/Recurrent	-6%
b) M&E	-3%
c) Emergency	-5%
d) Education	-66%
e) Security	-11%
f) Others	-7%
g) Sports	-1%
h) Environment	-1%

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

Reports and Financial Statements

For the year ended June 30, 2018

Achievements

- ✓ Completing of Chumvini police station has been security for Chala Ward and Taveta boarder with Tanzania.
- ✓ Efficient disbursement of funds to projects immediately funds are received for the NG-CDF Board.
- ✓ Phenomenal improvement of infrastructure in the Education sector.
- ✓ Improved standards of education, health and water accessibility.
- ✓ Construction of KMTC Campus is ongoing at a good pace being our flagship project.
- ✓ Completion of Chala and Jipe Divisional Headquarters to improve security and coordination of National Government activities.



Chala divisional headquarters project

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



Jipe divisional headquarters

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



Kmtc – Taveta campus

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



Chumvini Police Station Project

Challenges

- ✓ Erratic disbursement of funds from the NG-CDF Board affecting timely implementation of projects and absorption of funds allocated during the financial year.
- ✓ Insufficient funds for monitoring and evaluation and capacity building of various operatives impacting negatively on funds administration.

Way forward

- ✓ NG-CDF Board should disburse funds in time.
- ✓ Allocation for monitoring and evaluation vote should be increased for effective and efficient management of projects.
- ✓ County projects committee should be operationalized for consultation at county level to guard against any duplication of projects and enhance synergy between all development agents.

Sign

CHAIRPERSON NG-CDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TAVETA 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, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-TAVETA 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.

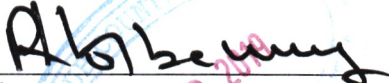
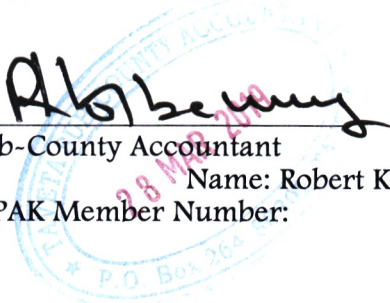
The Accounting Officer in charge of the NGCDF-TAVETA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-TAVETA 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-TAVETA 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-TAVETA Constituency financial statements were approved and signed by the Accounting Officer on 24/7 2018.


Fund Account Manager
Name: Daniel Mwaluko



Sub-County Accountant
Name: Robert Kibet
ICPAK Member Number:


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-TAVETA 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- Taveta Constituency set out on pages 10 to 33 which comprise the statement of financial assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Taveta 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 No. 30 of 2015.

Basis for Qualified Opinion

1. Cash and Bank

The statement of assets as at 30 June 2018 reflect a bank balance of Kshs.1,686,157. However, the bank reconciliation statement as at 30 June 2018 reflects a cash book balance of Kshs.1,335,633 resulting to unreconciled variance of Kshs.350,524. Further, the bank reconciliation had stale cheques amounting to Kshs.419,887. In addition, the bank reconciliation statement as at 30 June 2018 reflects bank charges amounting to Kshs.395,466 dating back to the year 2016. It was not clear why these bank charges had not been expensed under payments and why the stale cheques had not been replaced or reversed in the cash book.

Consequently, the accuracy and completeness of the bank balance of Kshs.1,686,157 as at 30 June 2018 could not be confirmed.

2. Outstanding Imprest

As previously reported, Note 11 to the financial statements for the year ended 30 June 2018 reflects outstanding imprest of Kshs.88,600 which was issued in the year 2017. However, available records indicated that the imprest was issued to an employee who has since been transferred to another Government department outside Taveta Sub-County. The management has prepared a loss report on the same for consideration to write-off as a result of fruitless recovery efforts.

Consequently, the recoverability of outstanding imprest of Kshs.88,600 as at 30 June 2018 could not be confirmed.

3. Bursary to Secondary Schools and Tertiary Institutions

Note 7 to the financial statements for the year ended 30 June 2018 reflects bursary to secondary schools of Kshs.5,321,000. However, an amount of Kshs.61,000 was awarded to students whose bursary forms were not vetted.

In the circumstances, the propriety of bursary of Kshs.61,000 for the year ended 30 June 2018 could not be confirmed.

4. Acquisition of Assets

As previously reported, Note 8 to the financial statements for the year ended 30 June 2018 reflects comparative figure of purchase of vehicles and other transport equipment of Kshs.4,800,000. However, the logbook of the motor vehicle was not availed for audit verification.

In the circumstances, the ownership of the motor vehicle costing Kshs.4,800,000 as at 30 June 2017 could not be confirmed.

5. Emergency Projects

Note 7 to the financial statements for the year ended 30 June 2018 reflects emergency projects amounting to Kshs.2,000,000. However, the projects done do not qualify to be treated as emergency projects based on the definition of emergency as per the National Government Constituencies Development Fund Act 2015 Section 8 (3), which states that "Emergency" shall be construed to mean an 'urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. The projects done are summarized below:

No	Project	Activity	Amount Kshs.
1	Salaita primary school project	Completion of Classrooms	1,000,000
2	Nakruto primary school project	Construction of Staff toilets	500,000
3	St. Patrick - Kimala primary school project	Completion of Staff Toilets	500,000
	Total		2,000,000

In the circumstances, the propriety and completeness of emergency projects totaling to Kshs.2,000,000 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- Taveta 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 Revenue Budget

The fund's revenue budget for the year under review was Kshs.99,153,667 against a total actual receipts of Kshs.43,405,172 resulting to budget under funding of Kshs.55,748,495 or 56.2%.

The under collection of Kshs.55,748,495 representing 56.2% of the budget is an indication that projects have not been funded as planned. However, there is unused funds at the end of the year out of the funds disbursed amounting to Kshs.1,686,157. The underutilization of funds may have impacted negatively on the delivery of goods and services to the citizens of Taveta. This may be an indication of over-budgeting by the National Government Constituencies Development Fund – Taveta Constituency.

1.2 Expenditure Budget

The fund's overall budget for the year under review was Kshs.99,153,667 against total actual expenditure of Kshs.42,683,027 resulting to budget under absorption of Kshs.56,470,640 or 57% as summarized below:

Item	Budgeted amount	Actual expenditure	Under absorption	Under absorption (%)
	Kshs.	Kshs.		
Compensation of employees	3,908,938	2,932,721	976,217	25%
Use of goods and services	7,329,770	6,050,306	1,279,464	17.5%
Transfers to Other Government Units	55,600,000	13,200,000	42,400,000	76%
Other grants and transfers	27,237,932	20,500,000	6,737,932	24.7%
Acquisition of Assets	400,000	0	400,000	100%
Other Payments	4,677,027	0.00	4,677,027	100%
TOTAL	99,153,667	42,683,027	56,470,640	56.9

The under absorption of Kshs.56,470,640 representing 57% of the budget is an indication that projects have not been implemented as planned. The underutilization of funds may have impacted negatively on the delivery of goods and services to the citizens of Taveta. This may be an indication of over-budgeting by the National Government Constituencies Development Fund - Taveta Constituency.

1.3 Project Implementation status

The project status report as at 30 June 2018 availed for audit reflected seventy (70) projects with a total budget of Kshs.145,637,759 which were ongoing as at 30 June 2018. However, some projects dating back to year 2013/2014 had not been completed. The fund has done other projects in other years up to the current year 2017/2018 while the projects started earlier are still ongoing. The commitment of funds to new projects before completing the old ones affects the funding as the funds available are spread over a large number of projects. Unless the Fund changes the strategy of project implementation, the continued delay in completion may affect goods and service delivery to the residents of Taveta Constituency and the intended purpose of the projects may not be realized.

Further, two (2) projects approved with a total budget of Kshs.1,000,000 had not been started as at 30 June 2018 as summarized below:

No.	Financial Year	Project Name	Activity	Project Cost (Kshs)
1	2014/2015	Constituency Audit	Audit of all the projects in the constituency	500,000
2	2017/2018	Environment Project	Purchase of trees seedlings for planting at water catchment areas and public institutions (Chala sec. School, Kasokoni irrigation, Kimala irrigation scheme, Kamleza irrigation scheme, Mahoo girls sec. School and Chala water project intake)	500,000
Total				1,000,000

The above state of affairs is an indication of lack of proper planning and prioritizing citizen's needs in the budget making process mechanism. The management has not explained why the Constituency Audit of the projects was not started while this was very crucial for feedback and identification of areas of improvement.

In the circumstances, service delivery to the residents of Taveta Constituency and the intended purpose of the projects may not be realized.

1.4 Project Inspection

Audit inspection of eleven (11) projects with total allocation of Kshs.20,389,253 in the month of March 2019 indicated the following state of affairs of the following specific projects: -

No	Project name	Activities	Total project cost	Remarks
1	Lumi Secondary school	Construction of twin staff houses	4,194,438	At walling Stage. Awaiting for more funds to complete
2	Chala primary school	Construction of boys dormitory	4,535,285	At slab level. Awaiting for more funds to complete
3	Nakruto primary school	Construction of staff toilet	496,000	Funded under Emergency. Complete but not in use.
4	Machungwani primary school	Construction of two classroom	1,499,520	One classroom constructed, complete and in use, one staff pit latrine complete and in use

No	Project name	Activities	Total project cost	Remarks
5	Ziwani primary school	Construction of two classrooms	1,903,650	Complete and in use, though in Private Land. No ownership documents
6	Lesesia primary school	Construction of two classrooms	2,000,000	Consumer units not installed, lighting and socket switches had live wires exposed. Florescent fitting were four instead of 8. Project Management Committee did not maintain a project file
7	Mshegheni primary school	Construction of three door pit latrine	514,000	Complete and in use, consumer units not installed
8	Mata secondary school	Construction of two classrooms	1,948,860	Complete and In use, consumer units not installed, lighting switches and socket had wires exposed
9	Ngutini secondary school	Construction of laboratory	3,297,500	Fire extinguishers not installed
	Total		20,389,253	

The above observations are indication of poor workmanship which casts doubt on project supervision and value for money for public funds. Construction of a school in a private land poses a risk of ownership and accessibility based on trespass.

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 Qualified Opinion / Report on Lawfulness and Effectiveness in use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Failure to Deduct Tax and Retention Money

During the period under review, National Government Constituencies Development Fund-Taveta Constituency awarded contracts totaling to Kshs.43,986,643.00 43. However, there was no evidence that withholding tax, Value Added Tax and retention money were deducted from the payments made to contractors.

Consequently, the management is in breach of the law.

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 sections 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.

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability of the Fund to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the applicable basis of accounting unless the Fund 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 Fund 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 Fund's 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 Fund's financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act,

2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

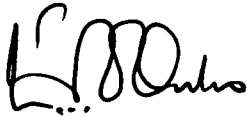
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Government Constituencies Development Fund – Taveta Constituency's 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 National Government Constituencies Development Fund – Taveta Constituency to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund – Taveta Constituency 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

09 April 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TAVETA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

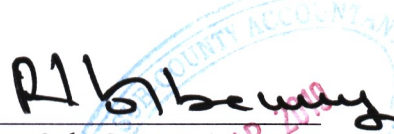
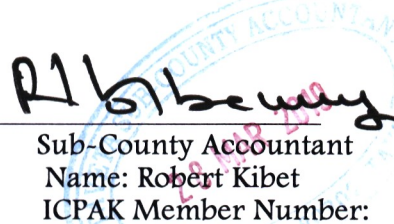
**IV. STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 30TH JUNE, 2018**

	Note	2017 - 2018	2016 - 2017 Restated
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172	82,396,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		43,405,172	82,396,552
PAYMENTS			
Compensation of employees	4	2,932,721	3,391,470
Use of goods and services	5	6,050,306	5,446,239
Transfers to Other Government Units	6	13,200,000	50,300,000
Other grants and transfers	7	20,500,000	22,420,467
Acquisition of Assets	8	-	4,800,000
Other Payments	9	-	280,000
TOTAL PAYMENTS		42,683,027	86,638,176
SURPLUS/(DEFICIT)		722,145	(4,241,624)

Opening balances for Employees compensation and use of goods and services where restated after correction of errors

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TAVETA Constituency financial statements were approved on _____/24/7_____ 2018 and signed by:


Fund Account Manager
Name: Daniel Mwaluko



Sub-County Accountant
Name: Robert Kibet
ICPAK Member Number:


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

**V. STATEMENT OF FINANCIAL ASSETS
AS AT 30TH JUNE, 2018**

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,686,157	964,012
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	88,600	88,600
TOTAL FINANCIAL ASSETS		1,774,757	1,052,612
FINANCIAL LIABILITIES			
Accounts payable- retention	12		
NET FIANCIAL ASSETS		1,774,757	1,052,612
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	1,052,612	5,320,157
Surplus/Deficit for the year		722,145	(4,241,624)
Prior year adjustments	14	-	-
NET LIABILITIES		1,774,757	1,052,612

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TAVETA Constituency financial statements were approved on 24/7/2018 and signed by:

Fund Account Manager
Name: Daniel Mwaluko

Sub-County Accountant
Name: Robert Kibet
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TAVETA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

**VI. STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30TH JUNE, 2018**

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	43,405,172	82,396,552
Other Receipts	3		-
		43,405,172	82,396,552
Payments for operating expenses			
Compensation of Employees	4	2,932,721	3,391,470
Use of goods and services	5	6,050,306	5,446,239
Transfers to Other Government Units	6	13,200,000	50,300,000
Other grants and transfers	7	20,500,000	22,420,467
Other Payments	9	-	280,000
		42,683,027	(81,838,176)
Adjusted for:			
Adjustments during the year	14		
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(4,800,000)
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		722,145	(4,241,624)
Cash and cash equivalent at BEGINNING of the year	13	1,052,612	5,320,156
Cash and cash equivalent at END of the year	10A,11	1,774,757	1,052,612

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TAVETA Constituency financial statements were approved on 24/7/2018 and signed by:

Fund Account Manager
Name: Daniel Mwaluko

P.O. Box 243 - 80302, TAVETA

Sub-County Accountant
Name: Robert Kibet
ICPAK Member Number:

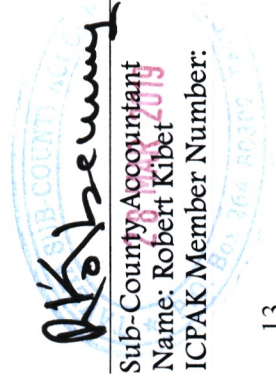
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TAVETA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	12,343,323	99,153,667	43,405,172	55,748,495	44%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	86,810,345	12,343,323	99,153,667	43,405,172	55,748,495	44%
PAYMENTS						
Compensation of Employees	2,796,000	1,112,938	3,908,938	2,932,721	976,217	75%
Use of goods and services	6,468,352	861,418	7,329,770	6,050,306	1,279,464	83%
Transfers to Other Government Units	47,300,000	8,300,000	55,600,000	13,200,000	42,400,000	24%
Other grants and transfers	25,168,966	2,068,966	27,237,932	20,500,000	6,737,932	75%
Acquisition of Assets	400,000	-	400,000	0	400,000	0%
Other Payments	4,677,027	-	4,677,027	0	4,677,027	0%
TOTALS	86,810,345	12,343,322	99,153,667	42,683,027	56,470,640	43%

- (a) Adjustments were as a result of additional funding from the NG-CDF Board of Kshs,11,379,310 and opening balances of Kshs 964,012.
- (b) -Acquisition of assets. The process of tendering was ongoing before the closure of the financial year.nderutilization for all other items was occasioned by delays in approval and disbursement of funds by NG-CDF Board.

The NGCDF-TAVETA Constituency financial statements were approved on 24/7 2018 and signed by:



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TAVETA 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-TAVETA 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) –
TAVETA 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) –
TAVETA 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) –
TAVETA 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) –
TAVETA 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 A82572	1		500,000
AIE NO A835909	2		4,094,828
AIE NO A855098	3		36,853,449
AIE NO A855568	4		40,948,275
AIE NO A 892517	1	5,500,000	
AIE NO A 892853	2	37,905,172	
TOTAL		43,405,172	82,396,552

2. PROCEEDS FROM SALE OF ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017 Restated
	Kshs	Kshs
Basic wages of contractual employees	2,025,001	2,049,770
Basic wages of casual labor	175,000	282,480
Personal allowances paid as part of salary		
House allowance	300,000	258,000
Transport allowance	156,000	138,000
Leave allowance	30,000	25,000
Gratuity	-	869,550
Other personnel payments	156,000	67,950
Employer contribution to NSSF	90,720	96,720
Total	2,932,721	3,391,470

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TAVETA 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 Restated
	Kshs	Kshs
Committee Expenses	356,000	308,810
Committee Allowances	2,931,000	3,774,400
Utilities, supplies and services	73,271	61,481
Communication, supplies and services	32,799	79,600
Domestic travel and subsistence	614,800	672,500
Printing, advertising and information supplies & services	115,000	95,000
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	178,980	127,798
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	311,400	244,050
Other operating expenses(Strategic Outcomes)	1,200,000	308,810
Fuel, Oil and Lubricants	93,821	-
Routine maintenance – vehicles and other transport equipment	93,385	25,000
Routine maintenance – other assets	49,850	63,000
Total	6,050,306	5,446,239

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TAVETA 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	-	-
Transfers to primary schools (see attached list)	6,300,000	15,600,000
Transfers to secondary schools (see attached list)	6,900,000	4,700,000
Transfers to tertiary institutions (see attached list)	-	30,000,000
Transfers to health institutions (see attached list)	-	-
TOTAL	13,200,000	50,300,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	5,321,000	4,000,000
Bursary – tertiary institutions (see attached list)	2,679,000	2,000,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	9,500,000	8,455,000
Sports projects (see attached list)	1,000,000	1,000,000
Environment projects (see attached list)		500,000
Emergency projects (see attached list)	2,000,000	5,465,467
Water projects		1,000,000
Total	20,500,000	22,420,467

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	4,800,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	4,800,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Adlight contractors limited(development of website and internet connection	-	280,000
TOTAL		280,000

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity Bank limited account No. 1420262668499- Taveta Branch</i>	1,686,157	964,012
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	1,686,157	964,012
10B: CASH IN HAND	2017-2018	2016-2017
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Francis Kimotho	2009/2005/2007	88,600	-	88,600
<i>Total</i>				88,600

12 RETENTION

	2017 - 2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	--	--

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	964,012	5,231,557
Cash in hand	-	-
Imprest	88,600	88,600
Total	1,052,612	5,320,157

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	88,600	88,600
Total	88,600	88,600

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	205,580	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	205,580	--

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2017- 2018	2016-2017
	Kshs	Kshs
Ng-cdfc staff salaries	-	-
Ng-cdfc staff gratuity	-	-
	-	-
	-	-
Total	--	--

15.3: UNUTILIZED FUNDS (See Annex 3)

	2017- 2018	2016-2017
	Kshs	Kshs
Compensation of employees	1,266,628	800,180
Use of goods and services	1,999,054	163,832
Amounts due to other Government entities (see attached list)	41,400,000	-
Amounts due to other grants and other transfers (see attached list)	11,404,958	-
Acquisition of assets	400,000	-
Total	56,470,640	964,012

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	9,934,506	2,556,900
Total	9,934,506	2,556,900

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1. Lumi secondary school project	1,898,080	3/2/2016	1,809,500	88,580		
2. Kitobo secondary school project	1,916,590	23/2/2016	1,799,590	117,000		
3.						
Sub-Total				205,580		
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				205,580		

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

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		
NG-CDFC STAFF GRATUITY							
1. Peter kimali nyamai	GOK(H)	136,189.00	1/7/2016				
2. Alex mkilo mwanyalo	GOK(H)	94,525.00	1/7/2016				
3. Ashura fatuma kabwange	GOK(G)	96,999.00	1/7/2016				
4. Raphael kihara mrisha	GOK(J)	127,553.00	1/12/2016				
5. Stanley maghanga mcharo	GOK(H)	106,494.00	1/10/2016				
6. John Oloo Odongo	GOK(H)	76,384.00	1/3/2017				
Sub-Total		638,144.00					
Middle Management							
7.							
8.							
9.							
Sub-Total							
Unionisable Employees							
10.							
11.							
12.							
Sub-Total							
Others (specify)							
13.							
14.							
15.							
Sub-Total							
Grand Total							

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

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,266,628	800,180	Awaiting funds from NG-CDFC Board
Use of goods & services		1,999,054	163,832	"
Sub-total		3,265,682	964,012	
Amounts due to other Government entities				
KMTC Taveta		28,000,000		"
Grigan primary school		1,000,000		"
Njoro secondary school		3,000,000		"
Sowene secondary school		2,000,000		"
Kiwalwa secondary school		2,000,000		"
Taveta primary school		1,800,000		"
Lotima primary school		1,000,000		"
Mahoo girls secondary school		1,500,000		"
Kitobo secondary school		1,100,000		"
Sub-total		41,400,000		
Amounts due to other grants and other transfers				
Mazingira project		500,000		"
Constituency innovation hubs		4,667,027		"
Eldoro Chiefs office project		800,000		"
Mahoo chief's office		800,000		"
Emergency		3,137,931		"
Bursary secondary		1,000,000		"
Bursary tertiary institutions		500,000		"
Sub-total		11,404,958		
Acquisition of assets	Acquisition of two laptops	400,000		Tendering ongoing
Sub-Total		400,000		
Grand Total		56,470,640	964,012	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – TAVETA 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 (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures	6,000,000			6,000,000
Transport equipment	3,300,000			3,300,000
Office equipment, furniture and fittings	473,336			473,336
ICT Equipment, Software and Other ICT Assets	417,000	44,080		461,080
Other Machinery and Equipment	12,020,600			12,020,600
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	22,210,936			22,255,016

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

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
St. Norbert –Tangini primary school	EQUITY	1420268539350	6,450	2,580
Machungwani Primary School Project	EQUITY	1420266785509	1,495	1,735
Kitobo Primary School project	EQUITY	1420268304397	11,840	3,810
Lesesia Primary School Project	EQUITY	1420264138328	395	890
Malukiloriti Primary School Project	EQUITY	1420268412541	26,155	625
Ziwani Primary School project	EQUITY	1420264780275	1,115	2795
St Joseph Kivukoni Primary School Project	EQUITY	1420269142518	7,040	810
Njukini Primary School Project	EQUITY	1420264700238	10,020	4,650
Msheghesheni Primary School Project	EQUITY	1420271322534	1,500,890	890
Ulawani Primary School Project	EQUITY	1420263464943	309,318	9,758
Chala mixed day & boarding primary school	EQUITY	1420277308530	1,000,000	-
Lumi Primary School Project	EQUITY	1420264863594	69,340	7,580
Majengo Primary School Project	EQUITY	1420263469023	1.00	771
Salaita primary school project	EQUITY	1420272874761	585	-
Nakruto primary school project	EQUITY	1420264135686	71	-
St. Patrick-Kimala primary school	EQUITY	1420264142323	500,880	-
Mahandakini Secondary School Project	EQUITY	1420271104238	311,629	14,620
Mata Secondary School Project	EQUITY	1420263810182	59,123	1,794
Ngutini secondary school project	EQUITY	1420276831006	2,249,780	-
Lumi Secondary School Project	EQUITY	1420263829981	1,012,269	1,619
Taveta sports project	EQUITY	1420172063458	560	-
Chala Divisional H/Qs	EQUITY	1420272224611	582,607	390

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Jipe Divisional H/Q's Project	EQUITY	1420272268008	1,071,910	2,000,000
Chumvini Police Station Project	EQUITY	1420272856832	1,201,033	501,583
TOTAL			9,934,506	2,556,900

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

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)
ADL/55/16/17(4)	1) Chumvini police station project- lack of ownership document	Title deed for the parcel of land availed (public utility)	Daniel Mwaluko (FAM)	Resolved	
	2) Challa divisional headquarters project - stalled project	Project is complete and handed over	Daniel Mwaluko (FAM)	Resolved	
	3) Acquisition of Assets – log book for GK B4668	Follow up to acquire copy of log book ongoing from the NG-CDF Board	Daniel Mwaluko (FAM)	Not resolved	October 2018
	4) Rekeke primary school project- labelling	Project labeled	Raphael Kihara (clerk of works)	Resolved	
	5) Machungwani primary school project/Ulawani primary school / chala secondary school projects cracks on the floor	Repairs already done during the defect liability period	Raphael Kihara (clerk of works)	Resolved	