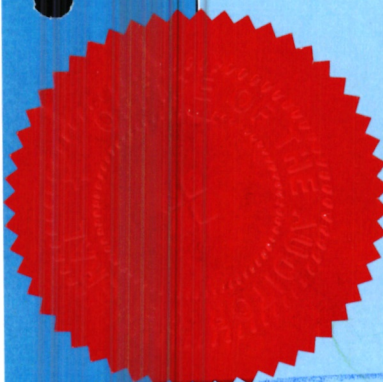


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REPORT

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THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 01 AUG 2019 DAY: THURSDAY

TABLED BY: MAJORITY LEADER

PREPARED BY: [Signature]

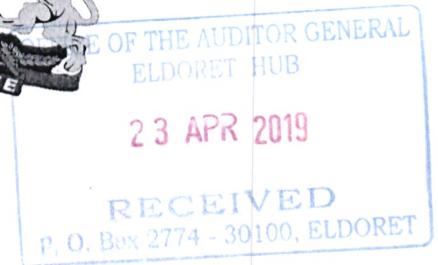
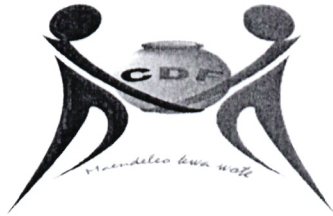
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
ALDAI CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2018



---

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
ALDAI CONSTITUENCY  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**For the year ended June 30, 2018**

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**(c) Fiduciary Management**

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

No	Designation	Name
1	Accounting Officer	<b>Yusuf Mbuno</b>
2	A.I.E Holder	<b>Michael Odit</b>
3	Sub-County Accountant	<b>Dennis Majani</b>
4	Chairman NGCDFC	<b>Vincent C. Kogo</b>
5	Member NGCDFC	<b>Rose Mutai</b>

**(d) Fiduciary Oversight Arrangements**

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

P.O Box 173  
NGCDF Building  
Kobujoi

**(f) NGCDF ALDAI Constituency Contacts**

Telephone: (254) 0720531036  
E-mail: [aldaicdf1@gmail.com](mailto:aldaicdf1@gmail.com)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF ALDAI Constituency Bankers**

Kenya Commercial Bank  
Nandi Hills  
P.O Box 184-30301  
Nandi Hills

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

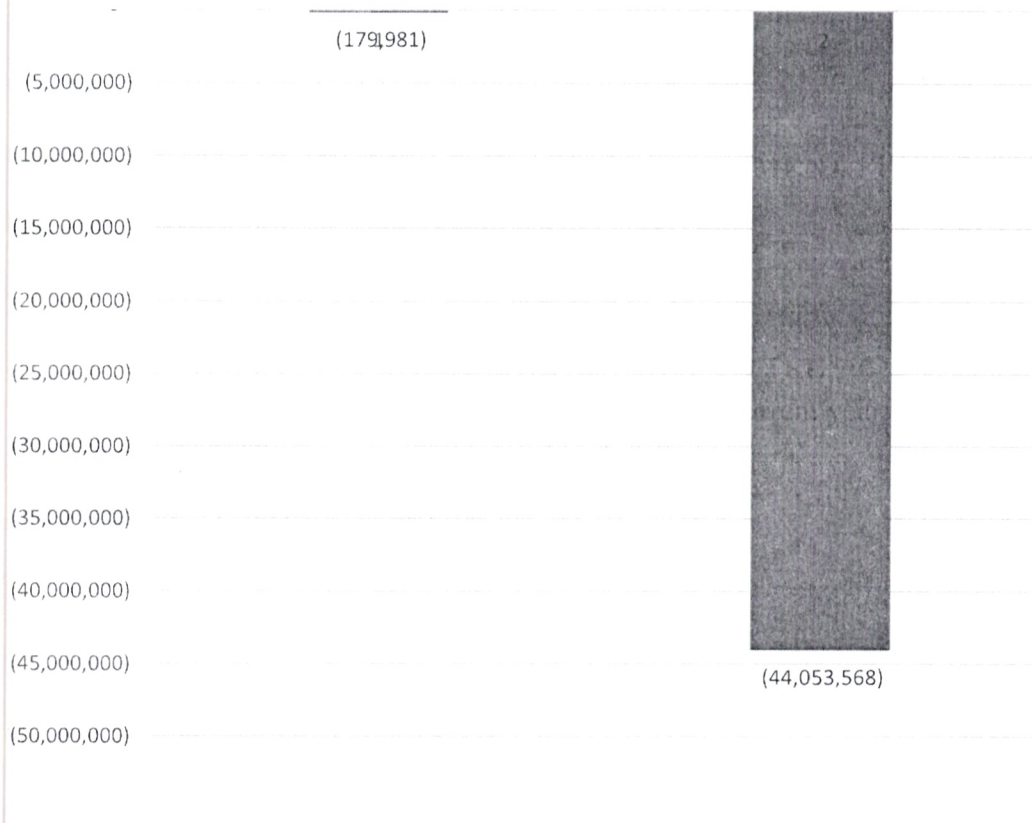
The Attorney General  
State Law Office  
Harambee Avenue  
P.O Box 40112  
City Square 00200  
Nairobi, Kenya

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

Summary of the budget performance against actual amounts for current year based on economic classification and programmes.

**Statement of Receipts & Payments 2017/18 against  
2016/17**



**Key**

1 – Deficit of financial year 2017/2018

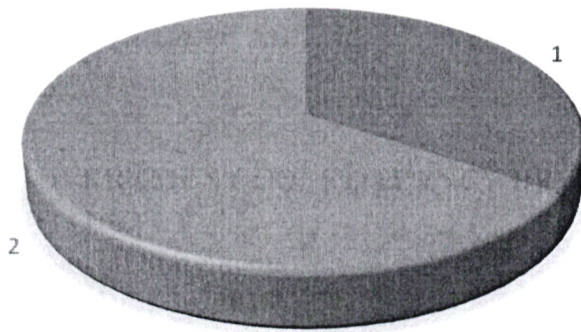
2 – Surplus of financial year 2016/2017

The bar graph above shows a deficit for the financial year under review as compared to the previous financial year. This was mainly attributed to the fact that not all the funds had been received as at the close of the financial year 2017/2018.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
ALDAI CONSTITUENCY  
Reports and Financial Statements  
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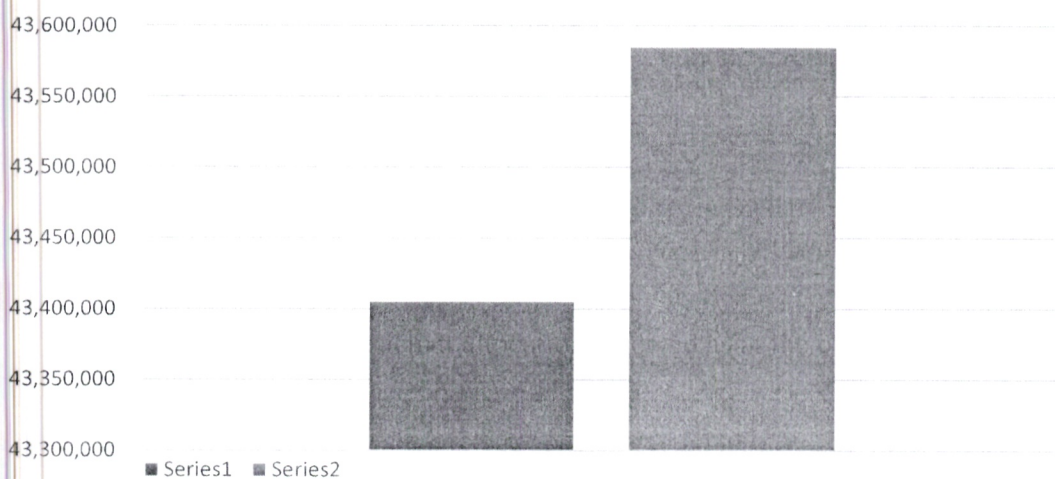
**F/Y 2017/2018 COMPARED TO F/Y 2016/2017  
ALLOCATION**



**Key**

- 1 – F/Y 2017/2018 This shows the actual allocation received as at the close of the Financial year 2017/2018
- 2 – F/Y 2016/2017 This shows the actual allocation received as at the close of the financial year 2016/2017

**Bar graph for receipts and payments F/Y 2017/2018**



**Key**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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Series 1: Total receipts during the year from the NGCDF Board.

Series 2: Total expenditure during the year in NGCDF Aldai Constituency.

**KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2017/2018**



*Fig 1.1*



*Fig 1.2*

Fig 1.2 & Fig 1.2: ACK Kapsuo Girls School Bus

The school received ksh.5million from the NG CDF Aldai Constituency kitty towards the funding of the bus.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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Fig 2.1 Kaptumo KMTTC College Bus

The Kenya Medical Training College – Kaptumo received full funding of ksh 5 million towards the college bus



Fig 3.1



Fig 3.2

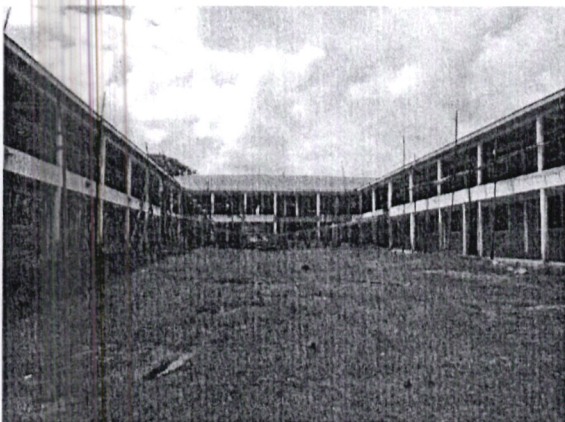


Fig 3.3



Fig 3.4

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

Fig 3.1, 3.2, 3.3 & 3.4: Proposed Aldai Boys High School

The proposed Aldai Boys High school is a fully funded eight hundred capacity boys boarding school of NG CDF Aldai Constituency and its estimated that upon its completion, it will cost Ksh.70 million. The schools was allocated Ksh.7 million in the proposal 1 and ksh.2million in proposal 2 during the year under review.

The financial year 2018/2017 did not record very favourable performance mainly due to the fact that the constituency was only able to receive 44.5% (percent) of its total allocation, coupled with very long period of politics. Nevertheless, the NG-CDF Committee, Aldai constituency made good progress in terms of budget utilization in that compensation of employees was at 89%(percent), use of goods and services 76.2%(percent), transfer to other government units 39.4%(percent), other grants and transfers 54.8%(percent) etc.

Sign ..... 

Name Vincent Cheruiyot Kogo

**CHAIRMAN NGCDF COMMITTEE, ALDAI CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
ALDAI 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-ALDAI 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
- vi. Making accounting estimates that are reasonable in the circumstances.

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
ALDAI CONSTITUENCY  
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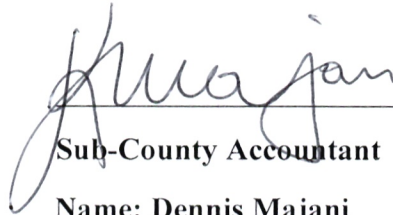
**Approval of the financial statements**

The NGCDF-ALDAI Constituency financial statements were approved and signed by the Accounting Officer on 14/09/ 2018.



**Fund Account Manager**

**Name: Michael Odit**



**Sub-County Accountant**

**Name: Dennis Majani**

**ICPAK Member Number:**

# REPUBLIC OF KENYA

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NAIROBI



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON ALDAI NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND FOR THE YEAR ENDED 30 JUNE 2018

---

#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Aldai National Government Constituency Development Fund set out on pages 12 to 38, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow 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 Aldai National Government Constituency 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 the National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1.0 Transfers to Other Government Units

The statement of receipts and payments for the year ended 30 June 2018 reflects transfers to other government entities of Kshs.14,194,259 relating to transfers to secondary schools and primary schools. However, acknowledgement, a record of minutes, accounting documents such as cash books and other related records in relation to the projects which were being implemented showing how much had been spent and amount outstanding or unused as at 30 June 2018 were not provided for audit verification.

Under the circumstances, it was not possible to confirm whether the transfers to other government entities totaling Kshs.14,194,259 was actually received, utilized and accounted for the budgeted projects in the year.

---

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

## **2.0 Other Grants and Payments**

Included in the other grants and payments figure of Kshs.18,615,000 is total expenditure of Kshs.2,000,000 comprising of other capital grants and emergency projects. However, bills of quantities for the projects were not provided for audit review. Further, certificates of completion were also not produced for audit review. Consequently, the propriety of other capital grants and emergency projects expenditure totaling Kshs.2,000,000 as at 30 June 2018 could not be confirmed.

## **3.0 Project Management Committee Accounts Balance**

Note 15.4 to the financial statements reflects project management committee account balance of Kshs.16,400,000 relating to disbursed funds to the projects during the year which had not been utilized by the end of the year. However, accounting records such as cash books and bank reconciliation statements were not provided for audit review.

In consequence, the accuracy and existence of project management committee accounts balances of Kshs.16,400,000 as at 30 June 2018 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Aldai National Government Constituency 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 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**

### **1.0 Budgetary Performance**

During the year under review, Aldai Constituency Development Fund had an approved budget of Kshs.98,762,801, but incurred expenditure totaling to Kshs.43,585,153, resulting to under expenditure of Kshs.55,177,648 or 44.1% of the approved budget as summarized below:



Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,244.82	11,952,456	98,762,801	43,978,318	54,784,483	44.5%
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
<b>TOTAL</b>	<b>86,810,244.82</b>	<b>1,952,456</b>	<b>98,762,801</b>	<b>43,978,318</b>	<b>54,784,483</b>	<b>44.5%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,800,000.00	-	1,800,000		198,332	89.0%
Use of goods and Services	6,012,931.46	1,383,491	7,396,422	1,601,668	1,759,458	76.2%
Transfer to other Government Units	34,500,000.00	6,900,000	41,400,000	5,636,964	25,100,000	39.4%
Other Grants and Transfers	31,820,386.16	2,168,966	33,989,352	16,300,000	15,374,352	54.8%
Acquisition of Assets	6,000,000.00		6,000,000	18,615,000	6,000,000	0.00%
Other Payments	6,677,027.20	1,500,000	8,177,027	1,431,521	6,745,506	17.5%
<b>Total</b>	<b>86,810,344.82</b>	<b>11,952,456</b>	<b>98,762,801</b>	<b>43,585,153</b>	<b>55,177,648</b>	<b>44.1%</b>

Under expenditure is an indication of failure to provide optimal service delivery to citizens of Aldai constituency.

## 1.2 Project Implementation

During the year 2017/2018, Kshs.98,189,655 was allocated to 58 projects. Verification of documents availed for audit revealed that an amount of Kshs.43,405,172 was received in addition to balance brought forward of Kshs.573,146 giving a total of Kshs.43,978,318.

Out of this total an amount of kshs.19,100,000 was disbursed for various projects which were at various stages of completion as detailed below:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND					
PIS AS MARCH 2019					
ALDAI CONSTITUENCY					
Financial year	Project name	Approved Activities	Allocation/ Approved Amount (Kshs.)	Implementation Status/Level	
2017/2018	Ack St. Peters Pry Chepkongony	Construction of 2 new classrooms to completion	1,000,000.00	Ongoing	
2017/2018	Kipkongen Primary School	Construction of 1 new classroom to completion	600,000.00	Ongoing	

<b>NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND</b>				
<b>PIS AS MARCH 2019</b>				
<b>ALDAI CONSTITUENCY</b>				
<b>Financial year</b>	<b>Project name</b>	<b>Approved Activities</b>	<b>Allocation/ Approved Amount (Kshs.)</b>	<b>Implementation Status/Level</b>
2017/2018	Nderio Primary School	Construction of 1 classroom and office to completion	800,000.00	Complete
2017/2018	Soi Primary School	Renovation of 5 classrooms(flooring, doors, plastering & painting)	500,000.00	Complete
2017/2018	Kamarich Pry School	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Kipchekwen Pry School	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Murguiwo Pry School	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Kapsamut Pry School	Construction of 1 new classroom to completion	600,000.00	Complete
2017/2018	Kipkegenda Pry Sch	Construction of 1 class to completion	600,000.00	Complete
2017/2018	Kapsoiyo Pry School	Renovation of 5 classrooms(flooring, doors, plastering & painting)	500,000.00	Complete
2017/2018	Kibora Pry School	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Mogoywo Pry School	Renovation of 4 classrooms(flooring, doors, plastering & painting)	400,000.00	Complete
2017/2018	Kapkoi Pry School	Renovation of 4 classrooms(flooring, doors, plastering & painting)	400,000.00	Complete
2017/2018	Toretmoi Pry Sch	Construction of 1 new classroom to completion and completion of 1	700,000.00	Complete
2017/2018	Samitui Pry School	Renovation of 5 classrooms(flooring, doors, plastering & Painting)	500,000.00	Complete
2017/2018	Kesengei Pry School	Renovation of 5 classrooms(flooring, doors, plastering & painting)	500,000.00	Complete
2017/2018	Salvation Army Kiptaruswo Pry	Purchase of 1 acre land	500,000.00	Ongoing
2017/2018	Kapsagawat Pry Sch	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Koimet Primary School	Construction of 1 classroom to completion	500,000.00	Ongoing
2017/2018	Kaboi Primary School	Construction of 1 classroom to completion	500,000.00	Ongoing

<b>NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND</b>				
<b>PIS AS MARCH 2019</b>				
<b>ALDAI CONSTITUENCY</b>				
<b>Financial year</b>	<b>Project name</b>	<b>Approved Activities</b>	<b>Allocation/ Approved Amount (Kshs.)</b>	<b>Implementation Status/Level</b>
2017/2018	Koitabut Pry School	Renovation of 5 classrooms(flooring, doors, plastering & Painting)	500,000.00	Ongoing
2017/2018	Musasa Secondary School	Purchase of 2.5 Acres of land	800,000.00	ongoing
2017/2018	Aldai Boys High School	Construction of dining Hall to completion and purchase of desks, tables, office chairs and beds(Ksh.3m)	7,000,000.00	ongoing
2017/2018	Kimaren Girls Sec School	Construction of 4 new classroom to completion	3,200,000.00	planning and tendering stage
2017/2018	Kapsoo Girls Sec	Purchase of 32-seater bus	5,000,000.00	Complete
2017/2018	Koitabut Sec School	Additional funding for school bus	500,000.00	ongoing
2017/2018	Kapkerer Sec School	Additional funding for lab(walling and roofing)	600,000.00	ongoing
2017/2018	St.Anne Kapkemich Girls	Completion of laboratory(plastering and painting)	600,000.00	Ongoing
2017/2018	Kapkures Sec School	Additional funding for school bus	500,000.00	ongoing
2017/2018	Kapkeben Girls Sec Sch	Additional funding for school bus	500,000.00	Ongoing
2017/2018	Chepkongony Sec Sch	Construction of a dormitory to completion	800,000.00	Complete
2017/2018	St.Marys Kipchemwon Sec Sch	Completion of admin block	700,000.00	Complete
2017/2018	Kaptumek Sec Sch	Additional funding for school bus	500,000.00	ongoing
2017/2018	Ndurio Sec Sch	Construction of dining hall to completion	500,000.00	Ongoing
2017/2018	Chepkuny Sec Sch	Completion of lab (Walling and roofing)	600,000.00	ongoing
2017/2018	Kapkeruge Sec School	Construction of 1 complete classroom	600,000.00	Complete
2017/2018	Kaptumo Chief Office	Construction of office to completion	500,000.00	Ongoing
2017/2018	Mosombor Chief Office	Construction of office to completion	500,000.00	Ongoing
2017/2018	Kesogon Chief Office	Construction of office to completion	500,000.00	Ongoing

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND				
PIS AS MARCH 2019				
ALDAI CONSTITUENCY				
Financial year	Project name	Approved Activities	Allocation/ Approved Amount (Kshs.)	Implementation Status/Level
2017/2018	Motor Vehicle	Purchase of Motor vehicle for office use (a Toyota Hilux double cab)	6,000,000.00	waiting for funds
2017/2018	Strategic Plan	Develop a constituency strategic plan	2,000,000.00	Complete
2017/2018	Constituency Innovation Hubs	ICT hubs	4,677,027.20	Reallocation
2017/2018	Gambogi Primary School	Renovation of 2 classrooms (roofing, wiring, plastering and painting)	500,000.00	Ongoing
2017/2018	Cbebirir Primary School	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Cheptoiyoi Pry School	Construction of 1 classroom to completion	600,000.00	Complete
2017/2018	Aldai Boys High School	Construction of boys dormitory to completion	2,000,000.00	Ongoing
2017/2018	Mogomben Mixed Day Sec School	Purchase of 1 acre of land	1,000,000.00	Ongoing
2017/2018	Kaptumo Boys High School	Renovation of dormitory (roofing, wiring, plastering, and painting)	600,000.00	Complete
2017/2018	Kiptulus Sec School	Construction of boys dormitory to completion	500,000.00	Complete
2017/2018	AIC Kimnyolei Sec School	Purchase of 2.5 acres of land	800,000.00	Reallocation
2017/2018	Mosombor Sec School	Completion of 1 classroom (Flooring, wiring, plastering and painting)	300,000.00	Ongoing
2017/2018	Strategic Plan	Develop A constituency strategic plan	1,500,000.00	Complete
2017/2018	Emergency	To cater for any unforeseen occurrence in the constituency	5,137,931.03	Complete
2017/2018	Bursary	Payment of bursary for needy and deserving cases	25,000,000.00	Complete
2017/2018	Administration	NG CDFC Allowance, staff salaries, vehicle expenses and other admin expenses.	5,891,379.62	Complete
2017/2018	Monitoring and Evaluation	Monitoring & Evaluation/Capacity Building	2,731,896.56	Complete
2017/2018	Sports	Purchase of Balls	1,323,098.83	Ongoing

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND				
PIS AS MARCH 2019				
ALDAI CONSTITUENCY				
Financial year	Project name	Approved Activities	Allocation/ Approved Amount  (Kshs.)	Implementation Status/Level
2017/2018	Environment	Purchase, Transportation and Planting of Seedlings	1,028,321.81	waiting for funds
	<b>Total</b>		<b>98,189,655</b>	

According to the project status report, twenty four (24) projects were ongoing, one(1) is at planning and tendering stage, two are waiting for funds and two were not initiated as they are waiting for reallocation of funds.

Consequently, the residents of Aldai did not benefit from the projects which were not implemented as budgeted.

## 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 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

#### Compensation of Employees - Staff Appraisal

Examination of personal files availed for audit verification revealed that Aldai Constituency Development fund did not carry out appraisal of staff as provided for in National Government Constituency Development Fund Human Resource Policies and Procedure Manual section 9.1 which stipulate methods by which an employee will be appraisal and job elements to be used as indicative of performance will be determined from time to time and approved by the board. Hence, it was not possible to justify how the CDF appraised individual performance against the set performance targets.

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.

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 Aldai National Government Constituency Development Fund ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government either intends to liquidate the Aldai National Government Constituency 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 resources are applied in an effective way.

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

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


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 Aldai National Government Constituency 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 Aldai NGCDF 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 Aldai NGCDF 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 Aldai National Government Constituency 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**

**14 June 2019**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
ALDAI CONSTITUENCY  
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**III. STATEMENT OF RECEIPTS AND PAYMENTS**

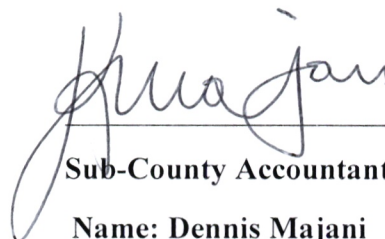
	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	43,405,172	82,396,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>43,405,172</b>	<b>82,396,552</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,601,668	1,176,175
Use of goods and services	5	5,636,964	7,898,397
Transfers to Other Government Units	6	16,300,000	79,500,000
Other grants and transfers	7	18,615,000	37,811,371
Acquisition of Assets	8	-	-
Other Payments	9	<u>1,431,521</u>	<u>64,177</u>
<b>TOTAL PAYMENTS</b>		<b>43,585,153</b>	<b>126,450,120</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(179,981)</u></b>	<b><u>(44,053,568)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ALDAI Constituency financial statements were approved on 14/09/ 2018 and signed by:



**Fund Account Manager**

**Name: Michael Odit**



**Sub-County Accountant**

**Name: Dennis Majani**

**ICPAK Member Number:**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**IV. STATEMENT OF ASSETS AND LIABILITIES**

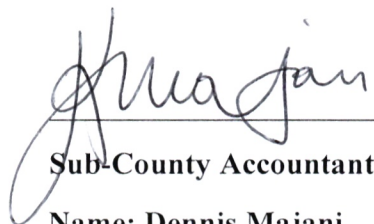
	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	10A	393,165	573,146
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>393,165</b>	<b>573,146</b>
Current Receivables - Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>393,165</b>	<b>573,146</b>
<b>FINANCIAL LIABILITIES</b>			
Account Payable - Retention	12	=	=
<b>NET FINANCIAL ASSETS</b>		<b><u>393,165</u></b>	<b><u>573,146</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	573,146	44,626,714
Surplus/Deficit for the year		(179,981)	(44,053,568)
Prior year adjustments	14	=	=
<b>NET FINANCIAL POSITION</b>		<b><u>393,165</u></b>	<b><u>573,146</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ALDAI Constituency financial statements were approved on 14/9/18 2018 and signed by:



**Fund Account Manager**

**Name: Michael Odit**



**Sub-County Accountant**

**Name: Dennis Majani**

**ICPAK Member Number:**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**V. STATEMENT OF CASHFLOW**

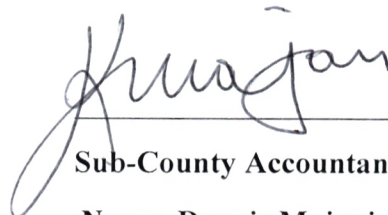
		<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	43,405,172	82,396,552
Other Receipts	3	<u>0</u>	-
		<b>43,405,172</b>	<b>82,396,552</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,601,668	1,176,175
Use of goods and services	5	5,636,964	7,898,397
Transfers to Other Government Units	6	16,300,000	79,500,000
Other grants and transfers	7	18,615,000	37,811,371
Other Payments	9	1,431,521	64,177
		<b>43,585,153</b>	<b>126,450,120</b>
<b>Adjusted for:</b>			
Retentions	12	-	-
Adjustments during the year			
<b>Net cash flow from operating activities</b>		<b>(179,981)</b>	<b>(44,053,568)</b>
<b>Cashflow from investing activities</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		-
<b>Net cash flows from Investing Activities</b>			<b>-</b>
<b>Net Increase in Cash and Cash Equivalent</b>			
		<b>(179,981)</b>	<b>(44,053,568)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>573,146</b>	<b>44,626,714</b>
<b>Cash and cash equivalent at END of the year</b>		<b><u>393,165</u></b>	<b><u>573,146</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ALDAI Constituency financial statements were approved on 14/9/ 2018 and signed by:



Fund Account Manager

Name: Michael Odit



Sub-County Accountant

Name: Dennis Majani

ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	<b>a</b>	<b>b</b>	<b>c = a+b</b>	<b>d</b>	<b>e = c-d</b>	<b>f = d/c %</b>
<b>RECEIPTS</b>						
Transfers from CDF Board	86,810,344.82	11,952,456	98,762,801	43,978,318	54,784,483	44.5%
Proceeds from Sale of Assets						
Other Receipts						
<b>TOTAL</b>	<b>86,810,344.82</b>	<b>11,952,456</b>	<b>98,762,801</b>	<b>43,978,318</b>	<b>54,784,483</b>	<b>44.5%</b>
<b>PAYMENTS</b>						
Compensation of employees	1,800,000	-	1,800,000	1,601,668	198,332	89.0%
Use of goods and services	6,012,931.46	1,383,491	7,396,422	5,636,964	1,759,458	76.2%
Transfers to Other Government Units	34,500,000	6,900,000	41,400,000	16,300,000	25,100,000	39.4%
Other grants and transfers	31,820,386.16	2,168,966	33,989,352	18,615,000	15,374,352	54.8%
Acquisition of Assets	6,000,000	-	6,000,000	-	6,000,000	0.0%
Other Payments	6,677,027.20	1,500,000	8,177,027	1,431,521	6,745,506	17.5%
<b>TOTALS</b>	<b>86,810,344.82</b>	<b>11,952,456</b>	<b>98,762,801</b>	<b>43,585,153</b>	<b>55,177,648</b>	<b>44.1%</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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On receipts, the utilization is at 44.5%. requisition for the funds had been made but the board was yet to disburse the funds.

On compensation of employees which is at 89%, the budget includes gratuity which was yet to be paid given the fact that the total funds were yet to be received.

On use of goods and services stands at 76.2% given that total funding was yet to be received.


Transfers to other government units stood at 39.4% and this was mainly due to the fact that total funding was yet to be received.

On other grants and transfers 54.8%, the total funding was yet to be received.

On acquisition of assets which is at 0%, the policy guideline on acquisition of office vehicle and funds were yet to be received.

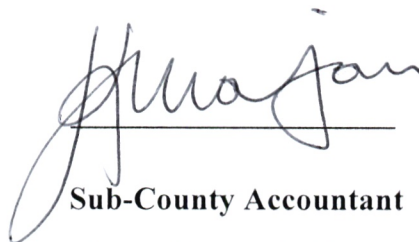
On other payments 17.5%, the project was ongoing as at the time of preparation of the financial statements. Similarly, the policy on ICT hubs was yet to be received.

The NGCDF ALDAI Constituency financial statements were approved on 14/9/ 2018 and signed by:



**Fund Account Manager**

**Name: Michael Odit**



**Sub-County Accountant**

**Name: Dennis Majani**

**ICPAK Member Number:**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**VII. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-ALDAI 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.

**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.

**External Assistance**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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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 30<sup>th</sup> 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.

**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,

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**For the year ended June 30, 2018**

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.

**11. Budget**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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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 1<sup>st</sup> July 2017 to 30<sup>th</sup> 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 30<sup>th</sup> 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
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**VIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM THE BOARD**

<b>Description</b>	<b>Serial No.</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
NGCDF Board			
AIE No. A896792	1	5,500,000	
AIE No. A855755	2	37,905,172	
AIE No. A825995	1		4,094,827.60
AIE No. A839636	2		36,853,449
AIE No. A855756	3		500,000
AIE No. A855620	4		40,948,275
<b>TOTAL</b>		<b>43,405,172</b>	<b>82,396,552</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
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 of plant machinery and equipment	-	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>

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	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Other receipts not classified elsewhere	-	-
<b>Total</b>	<b><u>0</u></b>	<b><u>0</u></b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,412,468	1,026,114
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Leave allowance	-	-
Gratuity	-	150,061
Other personnel payments	179,000	-
Employer contribution to NSSF	10,200	-
<b>Total</b>	<b><u>1,601,668</u></b>	<b><u>1,176,175</u></b>

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	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Other committee expenses	1,936,000	4,238,100
Committee allowances	1,248,000	-
Utilities, supplies and services	152,434	51,858
Communication, supplies and services	235,475	30,660
Domestic travel and subsistence	195,200	274,010
Printing, advertising and information supplies & services	58,000	40,000
Rentals of produced assets	-	-
Training expenses	841,940	1,228,422
Hospitality supplies and services (other allowances)	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	461,997
Fuel, Oil & Lubricants	500,000	408,800
Other operating expenses	418,365	564,600
Routine maintenance – vehicles and other transport equipment	51,550	599,950
Routine maintenance – other assets	-	-
<b>TOTAL</b>	<b><u>5,636,964</u></b>	<b><u>7,898,397</u></b>

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<b>Description</b>	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government Entities	0	0
Transfers to primary schools (see attached list)	7,900,000	41,300,000
Transfers to secondary schools (see attached list)	8,400,000	24,600,000
Transfers to tertiary institutions (see attached documents)	-	12,000,000
Transfers to health institutions (see attached list)	-	1,600,000
<b>TOTAL</b>	<b><u>16,300,000</u></b>	<b><u>79,500,000</u></b>

**7. OTHER GRANTS AND PAYMENTS**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – Secondary schools (see attached list)	7,044,000	6,780,000
Bursary – Tertiary institutions (see attached list)	7,791,000	16,010,000
Bursary – Special schools (see attached list)	-	-
Mocks & CAT (see attached list)	-	-
Roads	-	352,176
Security projects (see attached list)	-	3,300,000
Sports projects (see attached list)	800,000	5,669,195
Other capital grants	980,000	1,600,000
Emergency projects (see attached list)	2,000,000	4,100,000
<b>Total</b>	<b>18,615,000</b>	<b>37,811,371</b>

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	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Non-Financial Assets</b>		
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
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 Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9. OTHER PAYMENTS**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic Plan	1,400,000	-
Bank Charges	31,521	64,177
ICT Hubs	-	-
	-	-
<b>TOTAL</b>	<b>1,431,521</b>	<b>64,177</b>

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**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & Currency		2017 - 2018	2016 - 2017
	Account Number	Kshs (30/6/2018)	Kshs (30/6/2017)
KCB Nandi Hills Branch	1106819578	393,165	573,146
		-	-
		-	-
		-	-
<b>Total</b>		<b>393,165</b>	<b>573,146</b>

**10B: CASH IN HAND**

		2017 - 2018	2016 - 2017
		Kshs (30/6/2018)	Kshs (30/6/2017)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other Receipts (specify)		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

[Provide cash count certificates for each]

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11. OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
	-	Kshs	Kshs	Kshs
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

12. RETENTION

Supplier/Contractor PV No.	2017 – 2018 Kshs	2016 – 2017 Kshs
<b>Total</b>	≡	≡

13. BALANCES BROUGHT FORWARD

	2017 – 2018 Kshs (1/7/2017)	2016 – 2017 Kshs (1/7/2016)
Bank account	573,146	44,626,714
Cash in hand		
Imprests		
<b>Total</b>	<b><u>573,146</u></b>	<b><u>44,626,714</u></b>
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

	2017 – 2018 Kshs	2016 – 2017 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>≡</b>	<b>≡</b>



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**15. OTHER IMPORTANT DISCLOSURES**

**15.1 PENDING ACCOUNTS PAYABLE**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	<b>≡</b>	<b>≡</b>

**15.2 PENDING STAFF PAYABLES**

	<b>2017 - 2018</b>	<b>2016 - 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Staff Salaries	-	-
Gratuity	163,289	-
	-	-
	-	-
<b>Total</b>	<b>163,289</b>	

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**15.4 PMC account balances (See Annex 4)**

	<b>2017 - 2018</b>	<b>2016 – 2017</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	14,194,259	3,100,000
<b>Total</b>	<b>14,194,259</b>	<b>3,100,000</b>

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ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2: ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3: SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016 - 2017	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017 - 2018
Land	-	0	0	-
Buildings and structures	7,995,659	0	0	7,995,659
Transport equipment	2,781,024	0	0	2,781,024
Office equipment, furniture and fittings	573,570	0	0	573,570
ICT Equipment, Software and Other ICT Assets	680,750	0	0	680,750
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>12,031,003</b>	<b>0</b>	<b>0</b>	<b>12,031,003</b>

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**ANNEX 4 – PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

	<b>BANK</b>	<b>ACCOUNT</b>	<b>2017 - 2018</b>
<i>PMC account balances (see attached list)</i>			<b>Kshs.</b>
Kiptulus Sec. School	KCB	1178333280	500,730
Kapkeruge Sec School	KCB	1173338756	569,895
Ressio Pry. School (Aldai Boys High School)	KCB	1172966850	6,864,573
Chepkongony Sec School	NBK	2155679901	198,680
Koitabut Sec School	KCB	1110583222	10,728
Chebiri Pry. School	NBK	4798463900	400
Aldai Girls Sec School	KCB	1233792709	998,870
Kapsoo Girls Sec School	EQUITY	0490296544586	5,050,383
<b>TOTAL</b>			<b>14,194,259</b>

Prepared by  
NG CONSTITUENCY DEVELOPMENT FUND  
ALDAI CONSTITUENCY  
14 SEP 2018  
MICHELE ODIT ONYANGO

Fund Account Manager

NG-CDF Aldai Constituency

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

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**ANNEX 5: 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.

<b>Reference No. on the external audit report</b>	<b>Issue/Observations from Auditor</b>	<b>Management comments</b>	<b>Focal point person to resolve the issue (Name &amp; designation)</b>	<b>Status: (Resolved/ Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	Management to ensure all stale cheques are reversed.	<b>Stale Cheques.</b> The Stale cheques amounting to Ksh.480,404 have been reversed. Similarly, the unpresented cheques amounting to Kshs.6,600,211.00 as at June 30, 2017 have all been presented.	FAM – Michael Odit	Resolved on ML	5 days
2.0	For transparency, the CDF should ensure that amounts awarded to the needy students are acknowledged by issuing receipts to confirm that the listed students benefited from the amounts disbursed.	<b>Unacknowledgement of bursary funds.</b> It's not practically possible to obtain all the receipts from the institutions and schools that receive bursary. However, the National Government Constituency Development Fund Committee- Aldai Constituency has put measures in place to ensure that acknowledgement receipts are always received. Attached is a	FAM – Michael Odit	Resolved on ML	5 days

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		sample bursary cover letter and sample acknowledgement receipts for your review since the whole file of acknowledgement letters is too bulky.			
3.1	The management to provide actual expenditure returns and acknowledgement letters from various institutions that received funds for audit verification.	<b>Unsupported Expenditure</b> Find attached sample expenditure returns and acknowledgement letters from institutions that received funding. Similarly, this issue was never raised in the management letter an indication that the officers were satisfied with the information that was provided to them.	FAM – Michael Odit	Resolved on ML	5 days
3.2	Management to avail engineer estimates, approved drawing designs, bill of quantities, tender documents, evaluation and award minutes for audit verification.	<b>Aldai Boys High School</b> The Aldai Boys High School is a model Boys School within Aldai Constituency and the project has been handled very transparently by the project management committee of the school. The project started way back in the year 2015 having been advertised in the daily nation newspaper of 8 <sup>th</sup> December 2015 page 11.(Attached).The original cost estimates for the project was Ksh.67,351,000. Aldai Boys high School has been funded to the tune of Ksh. 30m as at 30/6/2017 the said ksh.5,000,000 being inclusive.The tender	FAM – Michael Odit	Resolved on ML	5 days



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		award for the whole project was done in December of 2015 and that the Ksh.5,000,000 was additional funding .See attached <ul style="list-style-type: none"> <li>- Copy of advertisement</li> <li>- Project management tender minutes</li> <li>- Bill of Quantity</li> <li>- Bank statement</li> <li>- Certificates of Completion/Inspection</li> <li>- Drawing designs</li> </ul>			
3.3	The management to provide procurement records and a memorandum of understanding with collaborating partners for purposes of audit verification.	The copies of ownership documents are attached	FAM – Michael Odit	Resolved on ML	5 days
3.4	The management should provide official search reports from the Ministry of Land, valuation reports tender/quotation s, tender evaluation and award minutes, land sale agreements and lease or allotment letters/ title	Copies of land sale agreements and minutes are hereby attached	FAM – Michael Odit	Resolved on ML	5 days

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	deeds for audit verification.				
3.5	Management to avail engineer estimates, approved drawing designs, bill of quantities, tender documents, evaluation, award minutes, contract agreement, inspection/site meeting reports, completion certificates and hand over report for audit verification.	Find attached documents for your reference	FAM – Michael Odit	Resolved on ML	5 days
4.0	The management to provide an explanation on what criteria is used to give out bursaries to needy students.	Find attached minutes indicating the criteria of awarding bursaries. Similarly, shortage of staff makes it very difficult to incorporate the technical staff in the bursary subcommittee. It's not practically possible to obtain all the receipts from the institutions and schools that receive bursary. However, the National Government Constituency Development Fund Committee- Aldai Constituency has put measures in place to ensure that acknowledgement receipts are always received. Attached is a sample bursary cover letter and sample	FAM – Michael Odit	Resolved on ML	5 days

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		acknowledgement receipts for your review since the whole file of acknowledgement letters is too bulky.			
1.1	The management to explain why there was a case of an over expenditure on other grants and transfers.	The management committee has already put measures in place to ensure that funds allocated to projects utilized within the stipulated timelines. The management committee adhered strictly to approved project proposal what appears as over expenditure is due to errors in item classifications.	FAM – Michael Odit	Resolved on ML	5 days
1.3	The management to explain why some projects had not been implemented as budgeted.	The mandate of the NGCDF is to mainly implement school infrastructural projects. Similarly, funding is usually done in batches with the initial amount being disbursed in the middle of the second quarter of the financial year. This coupled with other factors makes it almost impossible to complete the projects within the financial year	FAM – Michael Odit	Resolved on ML	5 days

