

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY
PAPERS LAID

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DAY: Wednesday

TABLED BY: Hon. Aden Duale MP (Lom)

BY: Halima Ahmed

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REPORT

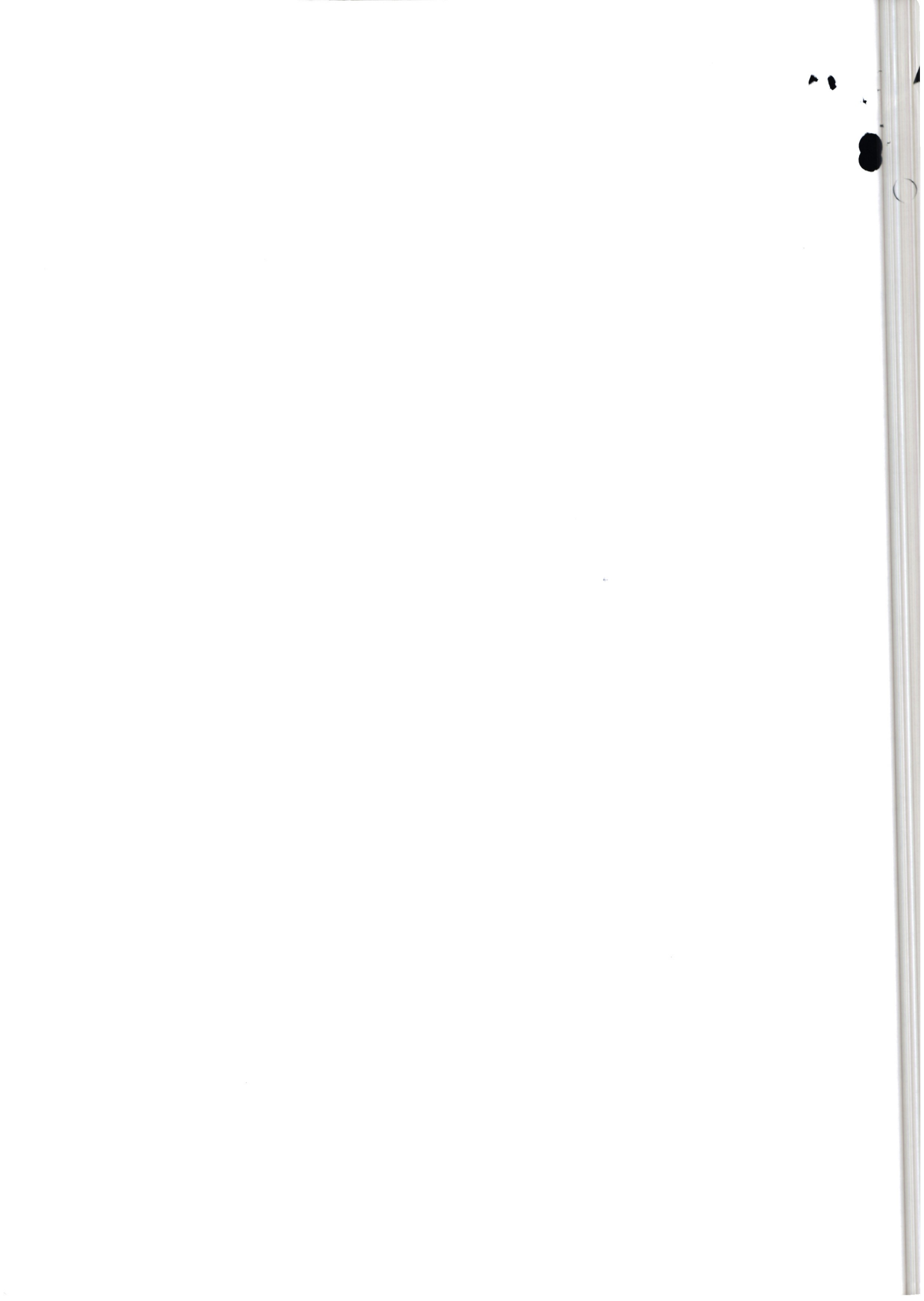
OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KACHELIBA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KACHELIBA
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)

KACHELIBA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KACHELIBA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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:

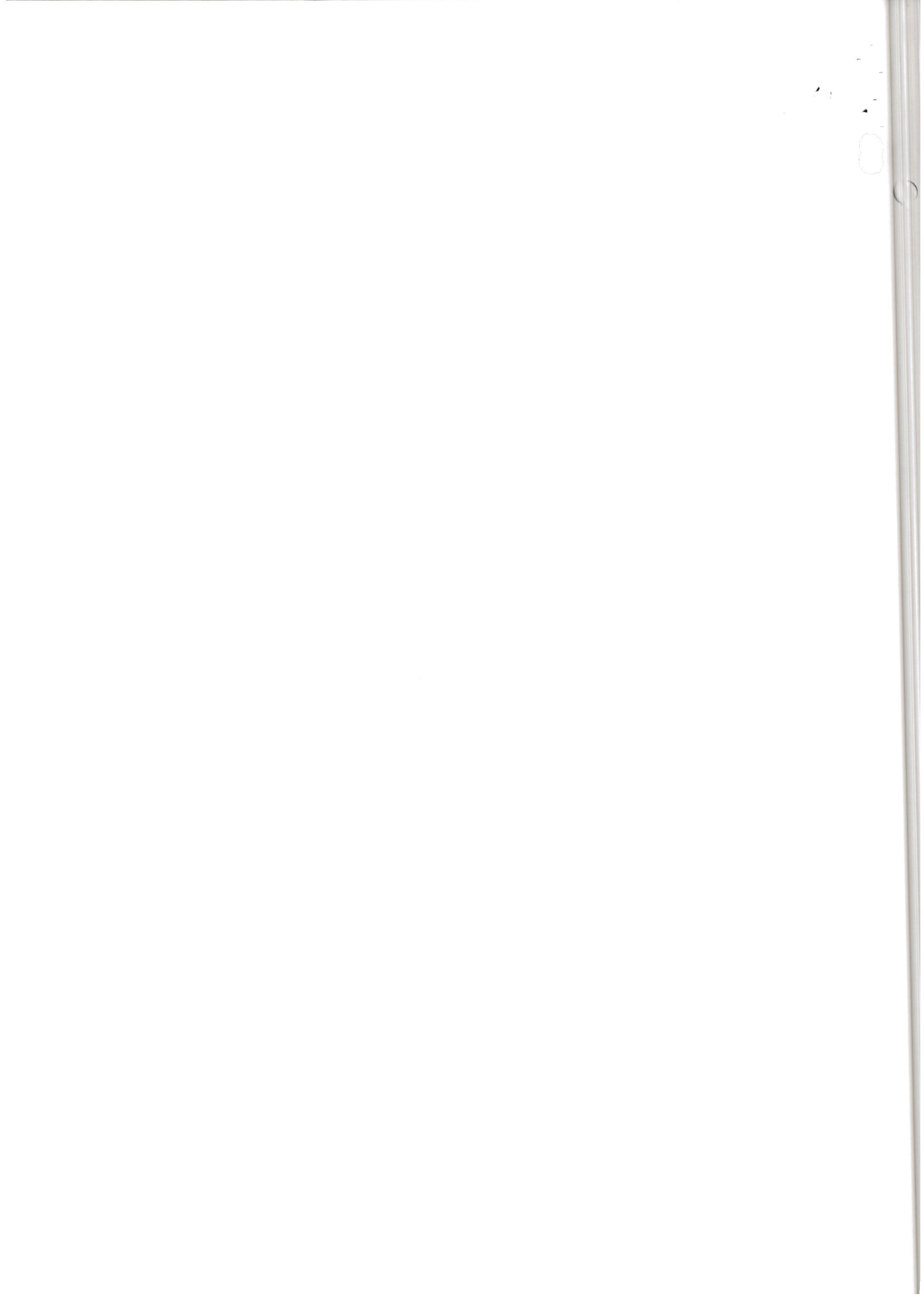
- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide 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)
KACHELIBA 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 GILGIL 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	Wilson Chemkenei
3.	Sub-County Accountant	Stephen N Marigi
4.	Chairman NGCDFC	Aaron K. Toroitich
5.	Member NGCDFC	John Losuko

(d) Fiduciary Oversight Arrangements

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

P.O. Box 221-30600
Kapenguria, KENYA

100

(f) NGCDF KACHELIBA Constituency Contacts

Telephone: (254) 725 732 332

E-mail: kacheliba.go.ke

Website: www.cdf.go.ke

(g) NGCDF KACHELIBA Constituency Bankers

1. Equity Bank Ltd
Kapenguria Branch
P.O. Box -30600
Kapenguria, 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



II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am pleased to report that despite the many challenges faced by the management of NG CDF Kacheliba Constituency, we have recorded impressive performance during the 2017/2018 financial year.

The NGCDFC directed most of the resources to the education sector with needy students in both tertiary institutions and secondary schools benefitting from bursary awards. We were also able to put up dormitories in Kodich and Kiwawa secondary schools

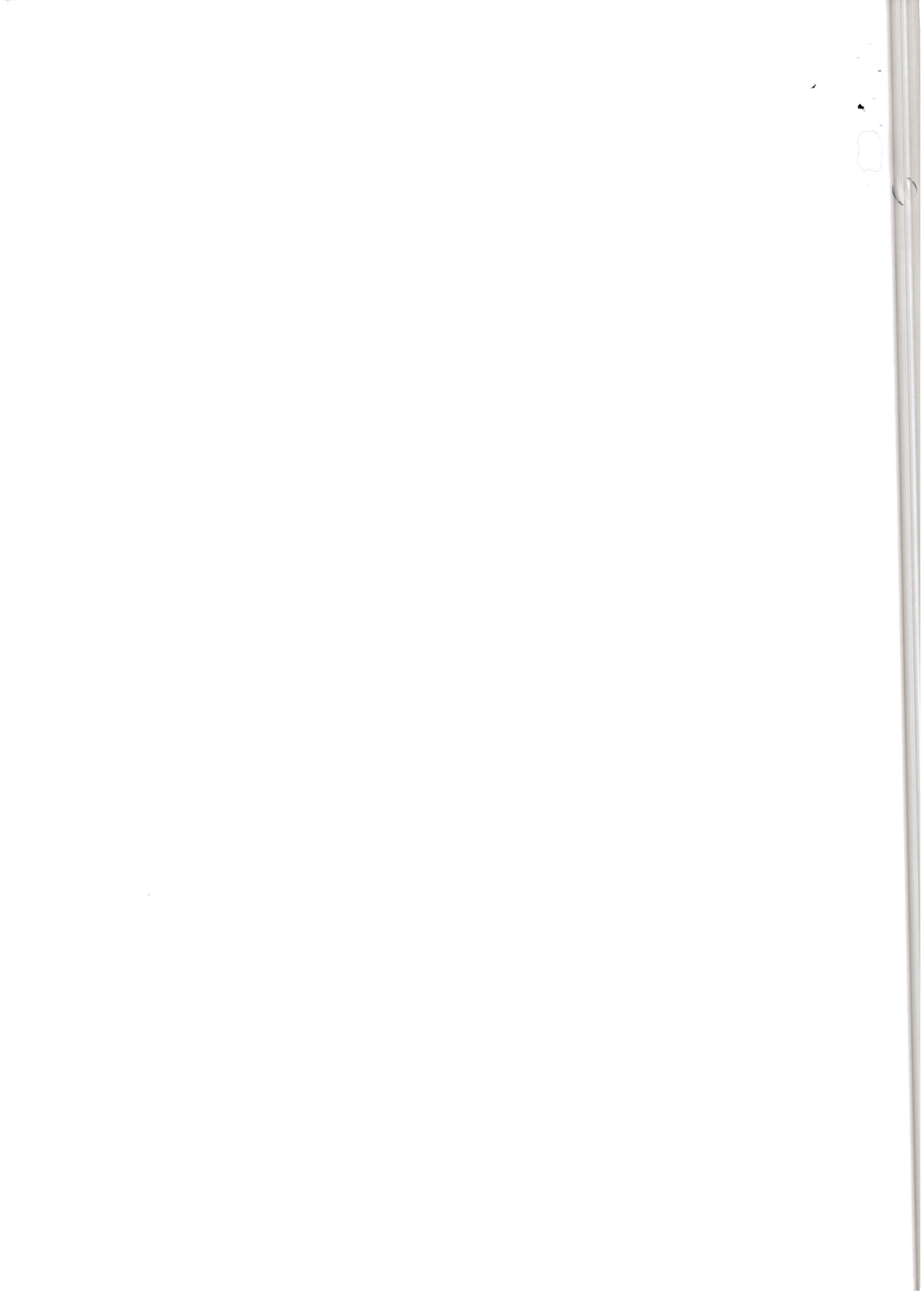
During the financial year 2017/2018, Kacheliba constituency had a total allocation of Kshs. 103,350,548 comprising of Kshs. 86,810,344 being constituency's approved budget for the financial year 2017/2018, Kshs. 11,379,311.17 being supplementary budget for the year 2017/2018 and Kshs.5,160,892.83 being unspent funds for the 2016/2017 financial year. During the financial year 2017/2018 a total of Kshs. 43,405,172 was received from the board with Kshs. 45,200,640 being paid out to various approved projects as well as meeting operational costs of the fund.

Despite these achievements Kacheliba NGCDFC continues to face challenges resulting from the geographical vastness of the constituency which has financial implications through increased costs of project implementation and management.

Finally; we wish to encourage more funding to the kitty so that development may be accelerated at constituency level

Sign

CHAIRMAN NGCDF COMMITTEE



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.

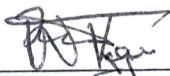
The Accounting Officer in charge of the NGCDF-KACHELIBA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018.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

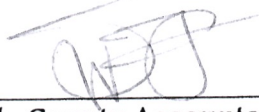
The Accounting Officer in charge of the NGCDF-KACHELIBA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-KACHELIBA Constituency financial statements were approved and signed by the Accounting Officer on 01/04/2018 2018.



Fund Account Manager
Name: Wilson Chemkenei



Sub-County Accountant
Name: Stephen Marigi
ICPAK Member Number: 1550





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 - KACHELIBA 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 - Kacheliba Constituency set out on pages 6 to 32, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and 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 - Kacheliba Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Cash and Cash Equivalents

The statement of assets and liabilities as at 30 June 2018 reflects cash and cash equivalents balance of Kshs.765,425. However, the bank reconciliation statement availed for audit review indicates a cash book balance of Kshs.882,000 resulting in unreconciled variance of Kshs.116,575. Further, the bank reconciliation statement reflects unrepresented cheques totaling Kshs.703,268. However, the details of when the cheques were cleared were not provided for audit review. In addition, there were payments in the bank statements amounting to Kshs.217,530 which were not recorded in the cash book and whose details were not provided for audit review.

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

In view of the foregoing, the accuracy and completeness of the cash and cash equivalents balance of Kshs.765,425 as at 30 June 2018 could not be ascertained.

2.0 Transfers from Constituencies Development Fund (CDF) Board

The statement of receipts and payments for the year ended 30 June 2018 reflects transfers from Constituencies Development Fund Board amount of Kshs.43,405,172 which is at variance with the Constituencies Development Fund (CDF) Board records figure of Kshs.86,670,474. The resulting difference of Kshs.43,265,302 has not been explained or reconciled.

Consequently, it has not been possible to confirm the accuracy and completeness of the transfers from Constituencies Development Fund (CDF) Board balance of Kshs.43,405,172 for the year ended 30 June 2018.

3.0 Project Management Committee Balances

The financial statements submitted for audit do not disclose unutilized balances in the project management committee bank accounts. In addition, cash books, bank confirmation certificates and bank reconciliation statements for various project management committee which received funds from the CDF were not availed for audit review.

Under the circumstances, it has not been possible to confirm that all funds disbursed to project management committees were fully utilized and accounted for as at 30 June 2018.

4.0 Summary Statement of Appropriation: Recurrent and Development Combined

The summary statement of appropriation: recurrent and development combined for the year ended 30 June 2018 reflects approved original budget figure of Kshs.86,810,344 which is at variance with the approved budget figure of Kshs.103,350,548 as approved by the CDF Board. No explanation or reconciliation was provided for the resultant difference of Kshs.16,540,204.

As a result, it has not been possible to ascertain the accuracy and completeness of the approved original budget figure of Kshs.86,810,344 for the year ended 30 June 2018.

5.0 Summary of Fixed Asset Register

The summary of fixed asset register as reflected under annex 4 indicates historical cost brought forward 2016/2017 figure of Kshs.34,814,890 which is at variance with prior year audited figure of Kshs.14,626,500 resulting in unexplained difference of Kshs.20,188,390. In consequence, the accuracy and completeness of the historical cost of fixed assets for 2017/2018 figure of Kshs.9,214,890 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 – Kacheliba 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

1.0 Budgetary Control and Performance

1.1 Budget Absorption

During the year under audit, the National Government Constituencies Development Fund -Kacheliba Constituency had an approved budget amounting to Kshs.103,350,548. against actual expenditure of Kshs.45,200,640 or 43.7% of the approved budget resulting to under-expenditure of Kshs.58,149,908 or 56.3 % of the approved budget as detailed below:

Receipt/Expense Item	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Budget Utilization Difference		%of under/over utilization
			Under Absorption Kshs.	Over Absorption Kshs.	
Receipts					
Transfers from NGCDF Board	103,350,548	45,200,640	58,149,908		43.7%
Proceeds from Sale of Assets					
Other Receipts					
Total	103,350,548	45,200,640	58,149,908		43.7%
Payments					
Compensation of Employees	2,749,804	3,331,220		-581,416	-21%

Receipt/Expense Item	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Budget Utilization Difference		%of under/over utilization
			Under Absorption Kshs.	Over Absorption Kshs.	
Receipts					
Use of goods and services	9,680,196	9,578,653	101,543		99%
Transfers to Other Government Units	30,472,063	4,000,000	26,472,063		13.1%
Other grants and transfers	39,771,457	23,890,767	15,880,690		60%
Acquisition of Assets	16,000,001	4,400,000	11,600,001		27.5%
Other Payments	4,677,027	-	4,677,027		0.0%
Totals	103,350,548	45,200,640	58,731,324	-581,416	43.7%

Failure to utilize funds as budgeted is an indication that programmes or activities are not being implemented as planned and thus not achieving the intended objectives of improving service delivery to the people of Kacheliba Constituency.

1.2 Project Implementation Status

During the financial year 2017/2018, the Fund had an approved development budget of Kshs.63,434,699 to be spent on forty-two(42) projects. However, only eleven (11) projects were financed during the year to the tune of Kshs.33,074,767. The details are at Appendix I.

Projects not implemented may impact negatively on service delivery to the people of Kacheliba Constituency.

1.3 Project Verification

During the year under review, six (6) projects with a budget of Kshs.12,800,000 and the disbursement of Kshs.9,900,00 were verified during the audit in February 2019 and the following observations were made as shown below.

	Project Name	Activity	Budget	Disbursement	Observations
1	Construction Of CDF Office	Construction of CDF Office in Alale	6,000,000	4,400,000	The office was 95% complete. Finishing such as painting, window panes, plumbing work has

	Project Name	Activity	Budget	Disbursement	Observations
					been done. Except connection of electricity power and Septic done which has not been done.
2	Kiwawa Boys Secondary School	Construction of dormitory	2,300,000	1,000,000	Structures erected, roofing done, doors and windows done but plastering, ceiling and connection of electricity not done.
3	Ngengechwa Primary School	Construction of dormitory	1,000,000	1,000,000	Done except ceiling, measure board, painting and electricity connection not done.
4	District Commissioners fencing of residential House	Fencing of DC's residence at Alale sub County	500,000	500,000	Fencing is complete.
5	Konyao D.O Office	Construction of DO's Office	2,000,000	2,000,000	Structures erected, roofing done, doors and windows done but plastering, ceiling and connection of electricity not done.
6	Chiefs Camp at Orolwo	Construction of Chiefs Camp at Orolwo	1,000,000	1,000,000	Structures in place, windows, doors done. But painting, ceiling and electric connections not done.
	Total		12,800,000	9,900,000	

The people of Kacheliba Constituency have not benefited from the incomplete projects impacting negatively on the efficiency and effective service delivery to the residents of the Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1.0 Transfer to Other Government Entities

1.1 Construction of Dormitory at Kiwawa Secondary School

Included in the transfers to other government entities figure of Kshs.4,000,000 is an amount of Kshs.3,000,000 incurred for the construction of a dormitory at Kiwawa Secondary School. The management of the CDF entered into contract with a construction company on 30 September 2016 to construct a dormitory from foundation to finishing as per the drawings and designs at a contract sum Kshs.9,051,188. The duration of the contract was a period of four months from 1 September 2016 to 31 December 2016. It was however noted that the project has delayed for over two (2) years. During the year under review, a total of Kshs.3,000,000 was paid to complete the dormitory. A physical verification of the project revealed that the construction is at roofing level which is about 60% level of completion. Partial roofing has been done but windows, doors, plastering, ceiling, flooring and the electric works have not been done. However, management did not provide evidence of extension of contract period for audit review.

Consequently, the objective of the project has not been achieved and there was no value for money for the expenditure of Kshs.9,051,188 on the project.

2.0 Disposal of Non Functional Komatsu Grader 521 GKA 454T

Records availed for audit review indicated that Kacheliba CDF has a motor Grader Registration number GKA 454T that was bought by the CDF in the year 2007 from Pan-African Equipment Ltd. The grader broke down in May 2015 while grading Konyao road in Kacheliba. The District Mechanical Officer was requested to assess and to provide mechanical services to the grader. The technical report done on 22 June 2016 revealed that the grader is un-economical to repair at an estimated cost of Kshs.3,074,500.

On 12 October, 2016 the Procurement Officer wrote to the NG-CDF Board requesting for the disposal of the grader after reviewing the report from the disposal committee done as per section 84(1) of the Public Procurement and Asset Disposal Act, 2015. However, nothing has been done to the grader which is lying at the Kapenguria Public works yard. The grader continued to rust and deteriorate in the yard which may lead to huge loss through vandalizing and normal depreciation. Also the residents of Kacheliba constituency are not getting value for money used to purchase the grader.

REPORT ON INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing has come to my attention to cause

me to believe that internal controls, risk management and overall governance were not effective.

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 Fund's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the alternative basis of accounting unless the Board either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the

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

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

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

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

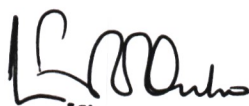
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern 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 Fund 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 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.

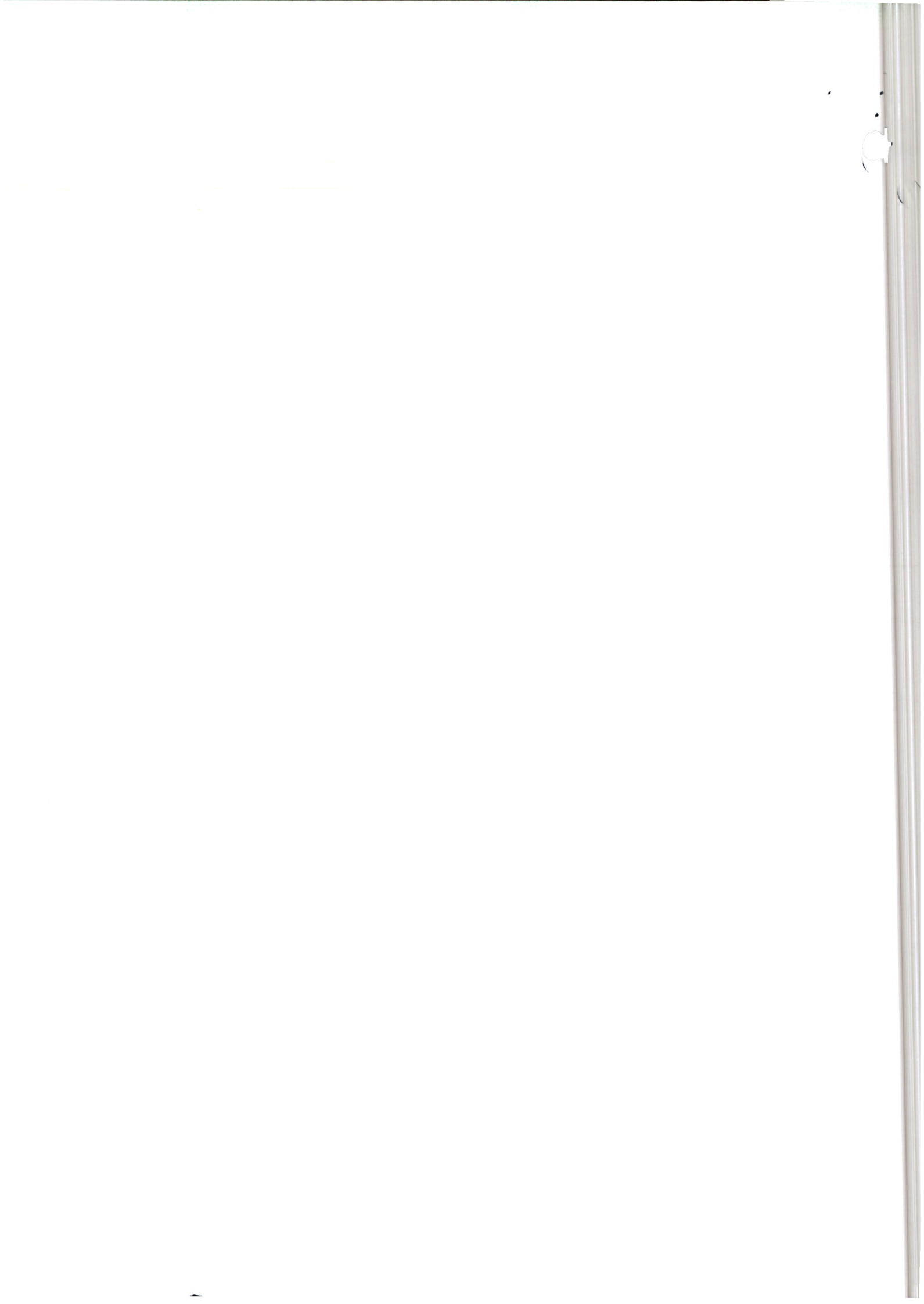
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

16 May 2019



Appendix I: Project Implementation Status Report

Project Name	Sub-Project/Activities	Location	Financial Year	Allocations (Kshs)	Disbursement (Kshs)	Cum. Achievement (%)	Implementations Status (Not Started, Ongoing, Completed, Stalled Or Abandoned)	Remarks
Orolwo Chiefs Office	1 Block	Kodich	2016/2018	1,000,000	1,000,000	70%	Ongoing	Needs More Funds
Boralee Sec	Dormitory	Konyao	2017/20118	1,000,000	-	0%	Not Started	Awaiting Disbursements
Kiwawa Boys Sec	Building Dormitory	Kiwawa	2017/2016	2,000,000	2,000,000	60%	Ongoing	Needs More Funds
Alale Pri	Fence	Alale	2017/2016	1,500,000.	1,500,000	40%	Ongoing	Needs More Funds
Bursary	Secondary	Kacheliba	2017/2018	9,653,448.	7,797,667	80%	Ongoing	Awaiting Disbursements
Bursary	Tertiary	Kacheliba	2017/2018	11,672,629	9,077,100	78%	Ongoing	Awaiting Disbursements
Kiwawa Boys Sec	Building Dormitory	Kiwawa	2017/2018	3,000,000.	3,000,000	0%	Not Started	Awaiting Disbursements
Holy Cross Sec	Dining Hall	Suam	2017/2018	1,631,595	-	0%	Not Started	Awaiting Disbursements
Kamketo Secondary	2classes	Konyao	2017/2018	2,000,000.	-	0%	Not Started	Awaiting Disbursements
Nakwapuo Primary	1classes	Kodich	2017/2018		-	0%	Not Started	Awaiting Disbursements
Woyakol Primary	2classes	Alale	2017/2018	300,000.	-	0%	Not Started	Awaiting Disbursements
Kapetakinei Pri	1classes	Suam	2017/2018	600,000.	-	0%	Not Started	Awaiting Disbursements
Shongen Pri	1classes	Suam	2017/2018	600,000	-	0%	Not Started	Awaiting Disbursements
Kopeyon Pri	1classes	Konyao	2017/2018	600,000	-	0%	Not Started	Awaiting Disbursements
Kariamawoi	1classes	Konyao	2017/2018	600,000	-	0%	Not Started	Awaiting Disbursements
Kanyerus Pri	2classes	Suam	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Kalas Pri	Dormitory	Kodich	2017/2018	200,000	-	0%	Not Started	Awaiting Disbursements
Cheptapa Pri	2classes	Kiwawa	2017/2018	500,000	-	0%	Not Started	Awaiting Disbursements
Krimti Pri	2classes	Kodich	2017/2018	500,000	-	0%	Not Started	Awaiting Disbursements

Project Name	Sub-Project/ Activities	Location	Financial Year	Allocations (Kshs)	Disbursement (Kshs)	Cum. Achievement (%)	Implementation Status (Not Started, On-Going, Completed, Stalled Or Abandoned)	Remarks
Sirwach Pri	2classes	Kasei	2017/2018	400,000	-	0%	Not Started	Awaiting Disbursements
Kour Pri	Dormitory	Kasei	2017/2018	500,000	-	0%	Not Started	Awaiting Disbursements
Kases Pri	2classes	Kiwawa	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Wasat Pri	2classes	Kiwawa	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Kapem Pri	2classes	Kiwawa	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Chepsepin Pri	2classes	Kiwawa	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Alany Pri	2classes	Alale	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Nasal Pri	Staff Hse	Alale	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Kaptolomwo Pri	2classes	Kasei	2017/2018	300,000	-	0%	Not Started	Awaiting Disbursements
Lokichar Pri	Dormitory	Kodich	2017/2018	800,000	-	0%	Not Started	Awaiting Disbursements
Ngengechwa Pri	Dormitory	Suam	2017/2018	1,800,000	1,000,000		Not Started	Awaiting Disbursements
Ngotut Pri	Dormitory	Kapchok	2017/2018	800,000	-	0%	Not Started	Awaiting Disbursements
Mistin Pri	1class	Kasei	2017/2018	1,000,000	-	0%	Not Started	Awaiting Disbursements
Dc Residence	Fencing	Alale	2017/2018	300,000.00	300,000		Not Started	Awaiting Disbursements
Cdf Office	Building Cdf Office	Alale	2017/2018	4,400,000.	4,400.0	95%	Ongoing	At Finishing Level
Constituency Office	Fencing	Konyao	2017/2018	2,000,000.	-	0%	Not Started	Awaiting Disbursements
Ng-Cdfc Strategic Plan	Strategic Plan	Kacheliba	2017/2018	4,000,000.	-	0%	Not Started	Awaiting Disbursements
Constituency Informatin Hub	Hub	Kacheliba	2017/2018	4,677,027	-		Not Started	Awaiting Disbursements
Konyao Office	D.O Office	Kapchok	2017/2018	2,000,000	2,000,000	52%	Ongoing	Structures And Roofing Done
Orolwo Office	Chiefs 1 Block	Kodich	2017/2018	1,000,000	1,000,000	45%	Ongoing	Structures and Roofing Done
				63,434,699	33,074,767			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KACHELIBA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172	151,495,247
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	=
TOTAL RECEIPTS		43,405,172	151,495,247
PAYMENTS			
Compensation of employees	4	3,331,220	2,430,820
Use of goods and services	5	9,578,653	8,345,542
Transfers to Other Government Units	6	4,000,000	87,614,854
Other grants and transfers	7	23,890,767	42,757,731
Acquisition of Assets	8	4,400,000	7,800,000
Other Payments	9	=	=
TOTAL PAYMENTS		45,200,640	148,948,947
SURPLUS/(DEFICIT)		<u>(1,795,468)</u>	<u>2,546,300</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KACHELIBA Constituency financial statements were approved on 01/04/2019 and signed by:



Fund Account Manager
Name: Wilson Chemkenei



Sub-County Accountant
Name: Stephen Marigi
ICPAK Member Number: 1550




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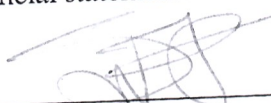
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KACHELIBA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS AS AT 30 JUNE 2018

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	765,425	2,560,893
Cash Balances (cash at hand)	10B	=	=
		765,425	2,560,893
Outstanding Imprests	11	=	=
TOTAL FINANCIAL ASSETS		<u>765,425</u>	<u>2,560,893</u>
REPRESENTED BY			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	2,560,893	
Surplus/Defict for the year		(1,795,468)	2,546,300
Prior year adjustments	14	=	14,593
NET LIABILITIES		<u>765,425</u>	<u>2,560,893</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KACHELIBA Constituency financial statements were approved on 01/04/2018 and signed by:


Fund Account Manager
Name: Wilson Chemkenei


Sub-County Accountant
Name: Stephen Marigi
ICPAK Member Number: 1550

**NG - CDF BOARD
MANAGER**
01 APR 2018
Sign: 
KACHELIBA

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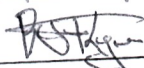
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KACHELIBA CONSTITUENCY


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

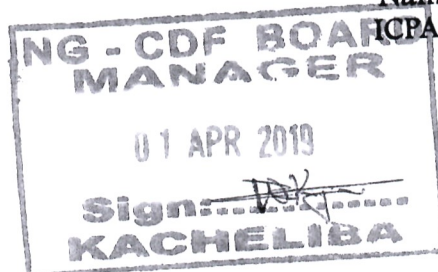
VI. STATEMENT OF CASHFLOW

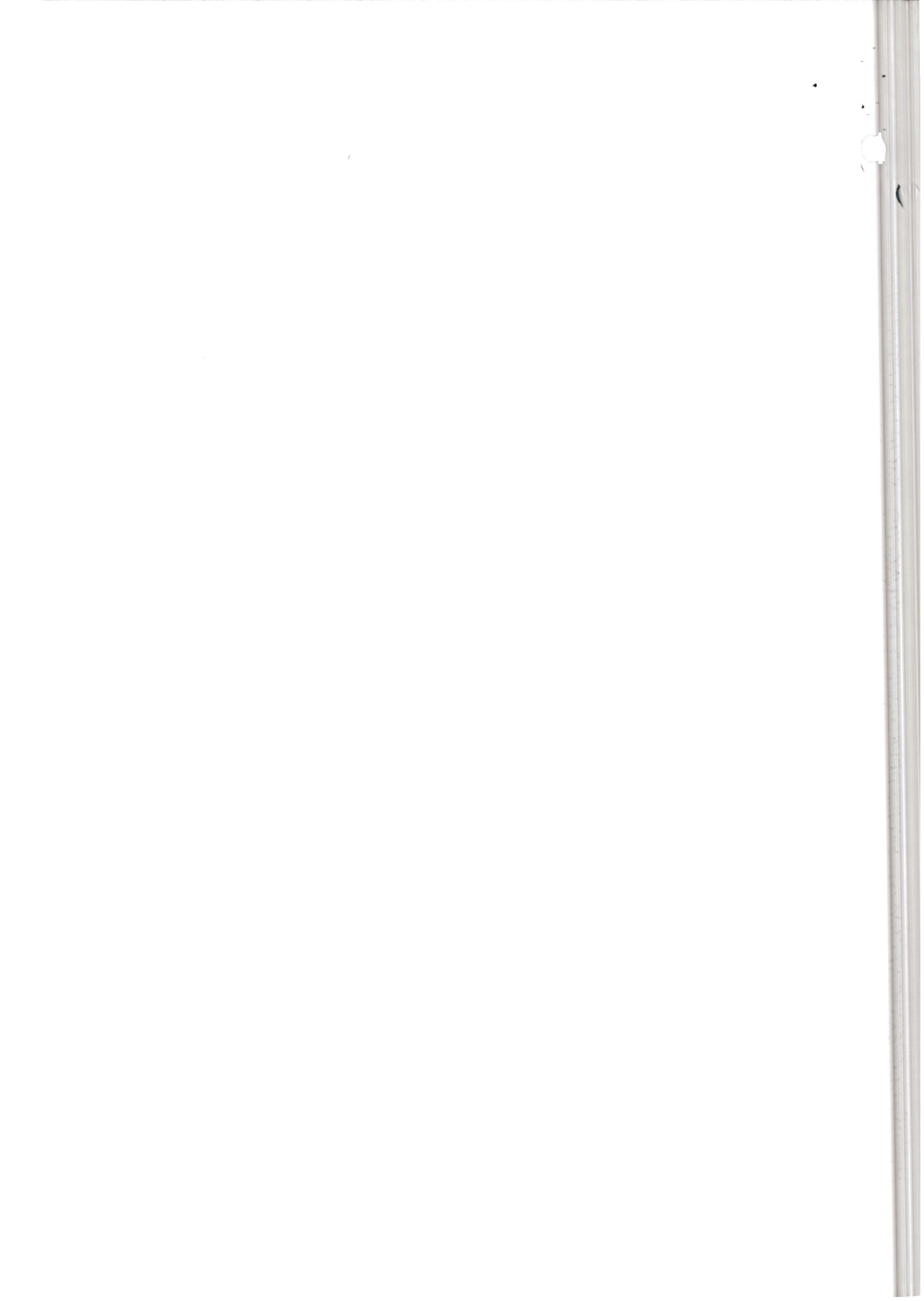
		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	43,405,172	151,495,247
Other Receipts	3	=	=
		43,405,172	151,495,247
Payments for operating expenses			
Compensation of Employees	4	3,331,220	2,430,820
Use of goods and services	5	9,578,653	8,345,542
Transfers to Other Government Units	6	4,000,000	87,614,854
Other grants and transfers	7	23,890,767	42,757,731
Other Payments	9	-	-
		(40,800,640)	(141,148,947)
Adjusted for:			
Adjustments during the year	14	-	14,593
Net cash flow from operating activities		2,604,532	10,360,893
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(4,400,000)	(7,800,000)
Net cash flows from Investing Activities		(4,400,000)	(7,800,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,795,468)	2,546,300
Cash and cash equivalent at BEGINNING of the year	13	2,560,893	-
Cash and cash equivalent at END of the year		<u>765,425</u>	<u>2,560,893</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KACHELIBA Constituency financial statements were approved on 01/04/2018 and signed by:


 Fund Account Manager
 Name: Wilson Chemkenei


 Sub-County Accountant
 Name: Stephen Marigi
 ICPAK Member Number: 1550





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KACHELIBA 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 Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,344	16,540,204	103,350,548	45,200,640	58,149,908	43.7%
Proceeds from Sale of Assets	-	-				
Other Receipts	-	-				
TOTAL	86,810,344	16,540,204	103,350,548	45,200,640	58,149,908	43.7%
PAYMENTS						
Compensation of Employees	2,749,804	-	2,749,804	3,331,220	(581,416)	121.1%
Use of goods and services	9,063,127	617,069	9,680,196	9,578,653	101,543	99.0%
Transfers to Other Government Units	24,831,595	5,640,468	30,472,063	4,000,000	26,472,063	13.1%
Other grants and transfers	39,488,791	282,666	39,771,457	23,890,767	15,880,690	60.1%
Acquisition of Assets	6,000,000	10,000,001	16,000,001	4,400,000	11,600,001	27.5%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0.0%
TOTALS	86,810,344	16,540,204	103,350,548	45,200,640	58,149,908	43.7%

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

At the close of the 2017-2018 financial year Kacheliba NGCDF was able to utilise 43.7% of its budgetary allocation. This resulted from the delay in releasing of funds from the National Management Board. At the close of the 2017-2018 financial year, Kacheliba NGCDF had received Kshs. 43,405,172 which is 44% of the budget with Kshs.54,784,483 still owed to the constituency from the Board.

The increase in the original budget is represented by supplementary budget for the year 2017/2018 and the unutilised funds carried forward from the 2016-2017 budget


The NGCDF-KACHELIBA Constituency financial statements were approved on 01/04/2018 and signed by:



Fund Account Manager
Name: Wilson Chemkenei



Sub-County Accountant
Name: Stephen Marigi
ICPAK Member Number: 1550

**NG - CDF BOARD
MANAGER**
01 APR 2019
Sign: 
KACHELIBA

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-KACHELIBA 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.

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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.

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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.

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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.

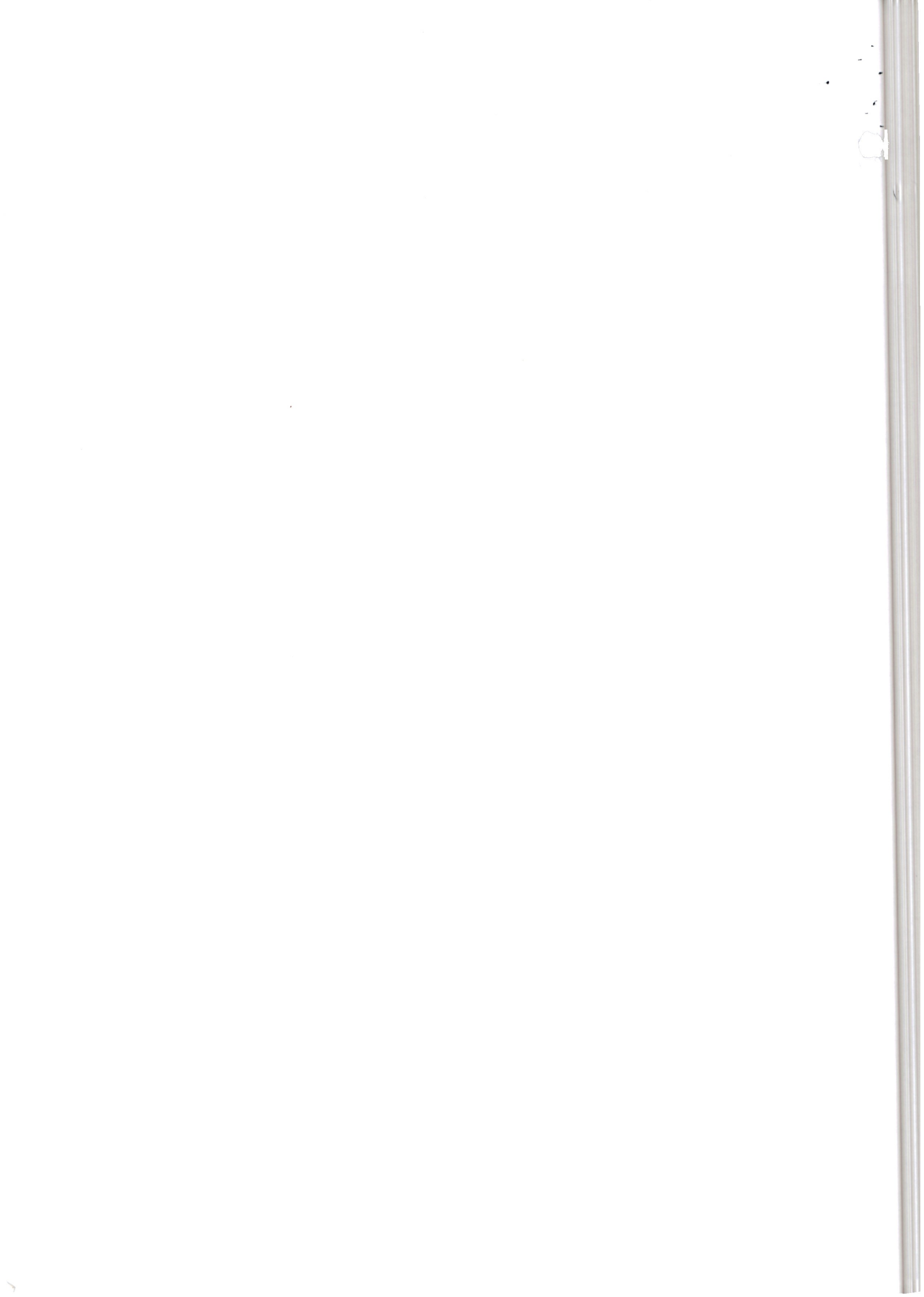
14. Errors

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) –
KACHELIBA 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	1		72,198,695
AIE NO	2		4,094,828
AIE NO	3		36,853,449
AIE NO	4		38,348,275
AIE NO – A855830	1	5,500,000	
AIE NO – A892826	2	37,905,172	
TOTAL		43,405,172	151,495,247

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

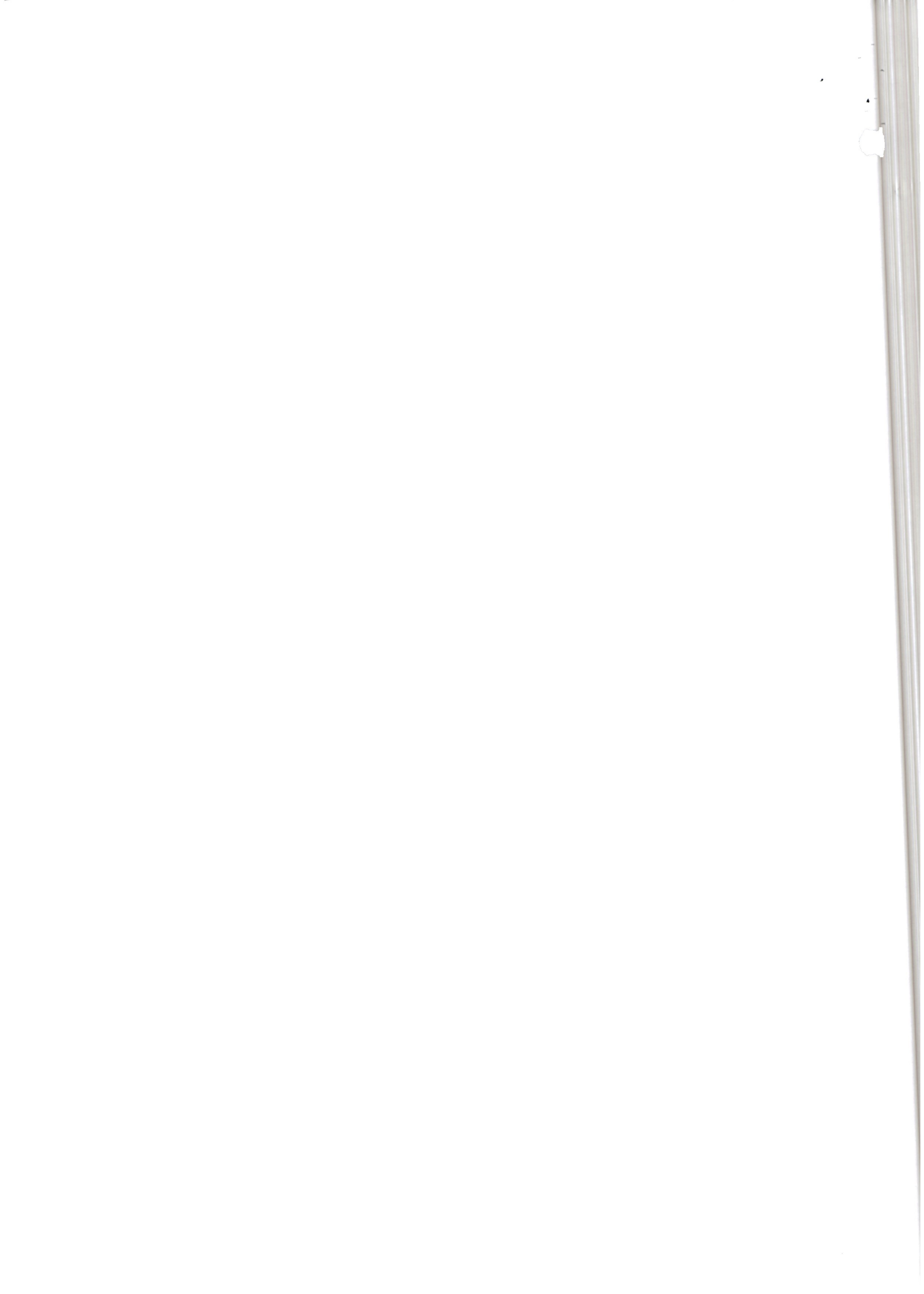
	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	3,309,820	2,198,020
Basic wages of casual labour	-	210,000
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Employer contribution to NSSF	21,400	22,800
Other personnel payments	-	-
Total	3,331,220	2,430,820



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

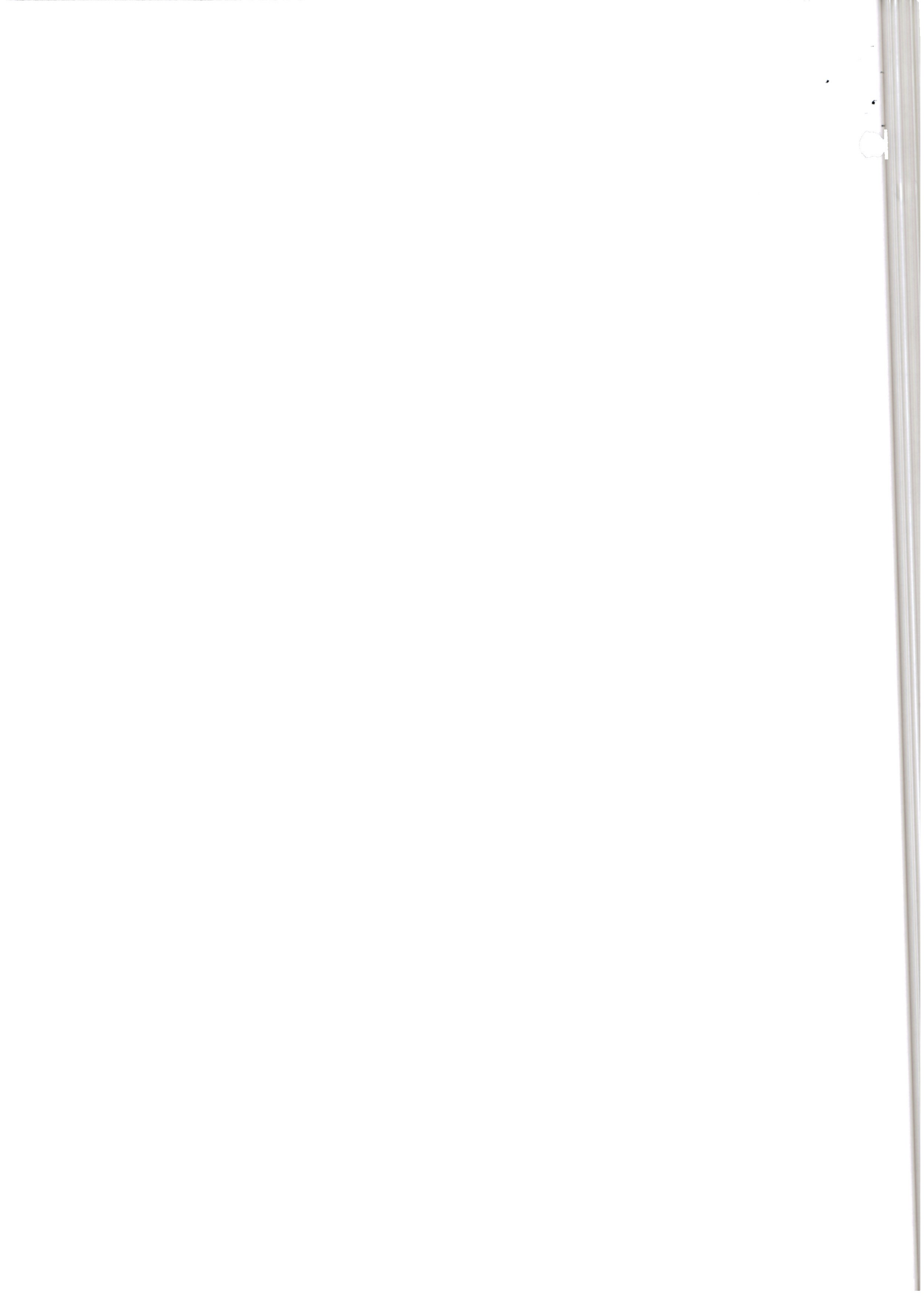


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KACHELIBA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Allowance	4,421,500	2,536,800
Other committee expenses	4,021,700	4,278,534
Utilities, supplies and services	-	135,000
Office rent	90,000	76,960
Communication, supplies and services	375,880	861,648
Domestic travel and subsistence	308,278	-
Printing, advertising and information supplies & services	-	-
Fuel and Lubricants	43,000	-
Training expenses	-	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	210,295	295,200
Other operating expenses	-	79,000
Routine maintenance – vehicles and other transport equipment	108,000	82,400
Routine maintenance – other assets	-	-
Total	9,578,653	8,345,542



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

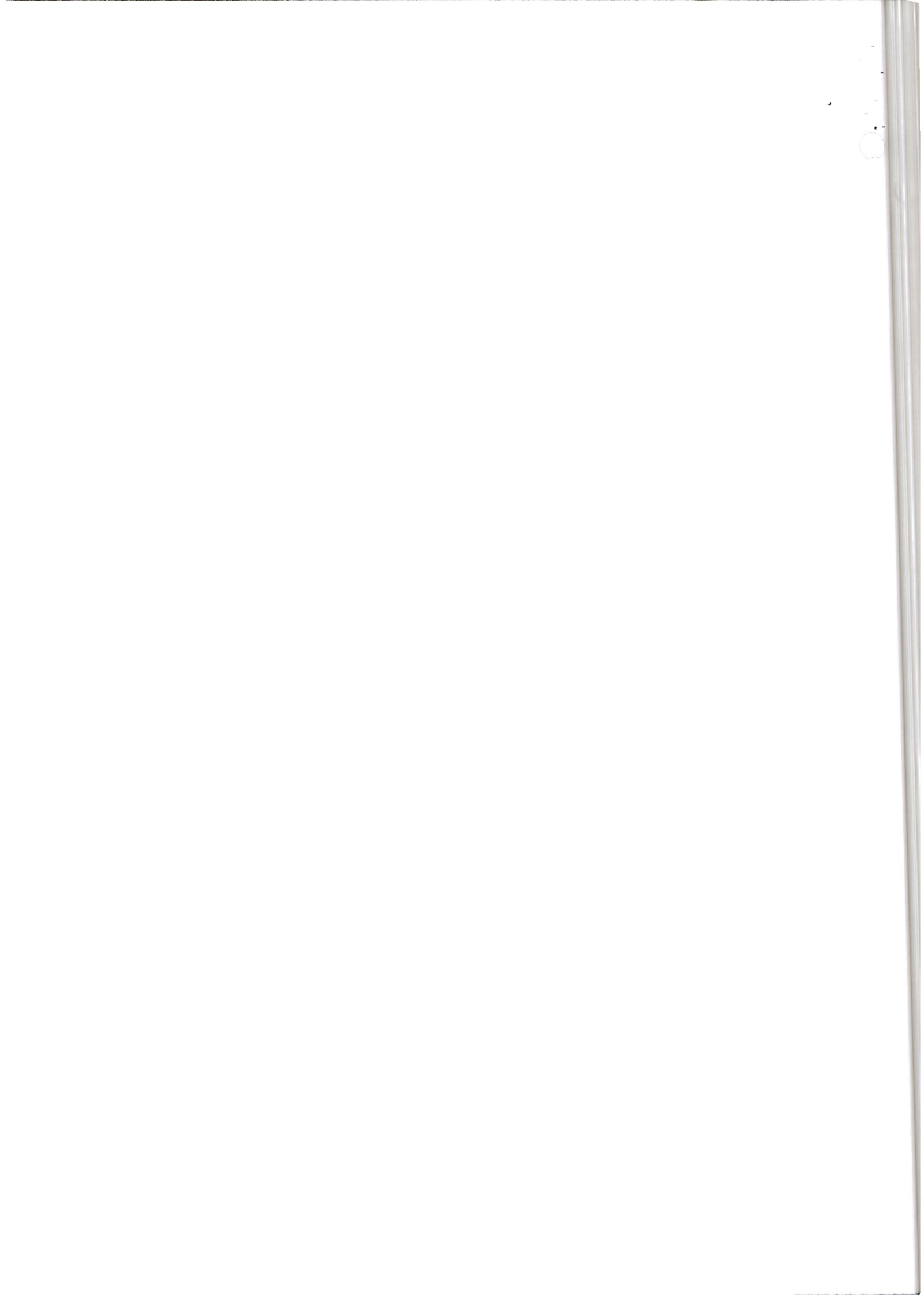
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	1,000,000	62,864,854
Transfers to secondary schools (see attached list)	3,000,000	20,150,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	4,000,000	87,614,854

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	7,797,667	7,230,000
Bursary – tertiary institutions (see attached list)	9,077,100	20,124,700
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Water	-	500,000
Security projects (see attached list)	3,500,000	500,000
Roads	-	6,500,000
Sports projects (see attached list)	-	1,637,931
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	3,516,000	6,265,100
Total	23,890,767	42,757,731



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KACHELIBA CONSTITUENCY

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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	4,400,000	7,800,000
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 Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	4,400,000	7,800,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	-	-
TIVET	-	-
	-	-



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

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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>Name of Bank, Account No. 1070261627353. Kshs</i>	765,425	2,546,300
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	765,425	2,546,300
10B: CASH IN HAND		
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) –
KACHELIBA CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	2,560,893	14,593
Cash in hand	-	-
Imprest	-	-
Total	2,560,893	14,593

[Provide short appropriate explanations as necessary]



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

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

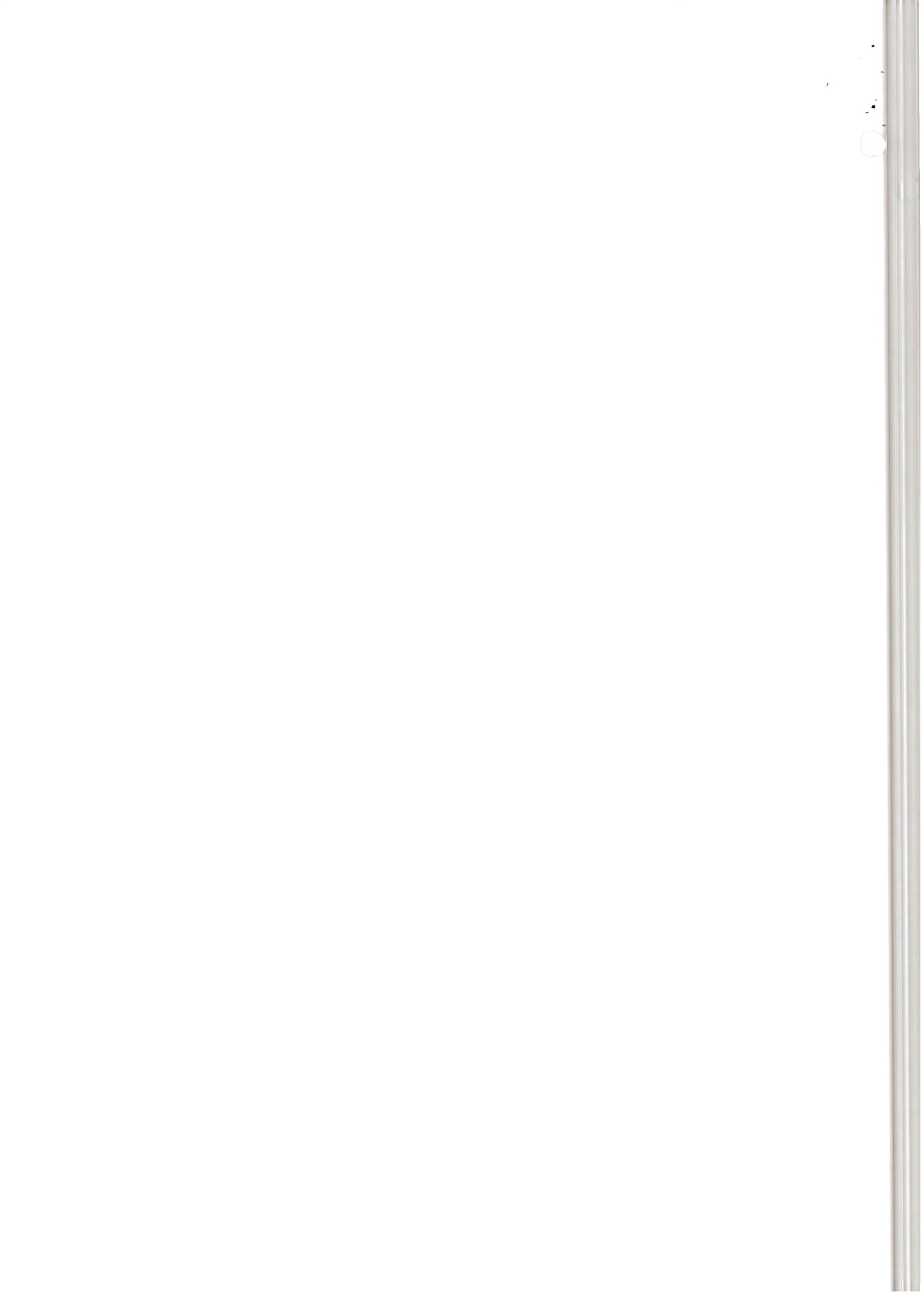
	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	xx	xxx

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	(581,416)	-
Use of goods and services	101,543	(193,276)
Amounts due to other Government entities (see attached list)	26,472,063	5,640,468
Amounts due to other grants and other transfers (see attached list)	15,880,690	(286,300)
Acquisition of assets	11,600,001	-
Others (<i>specify</i>)	4,677,027	-
	58,149,908	5,160,893



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

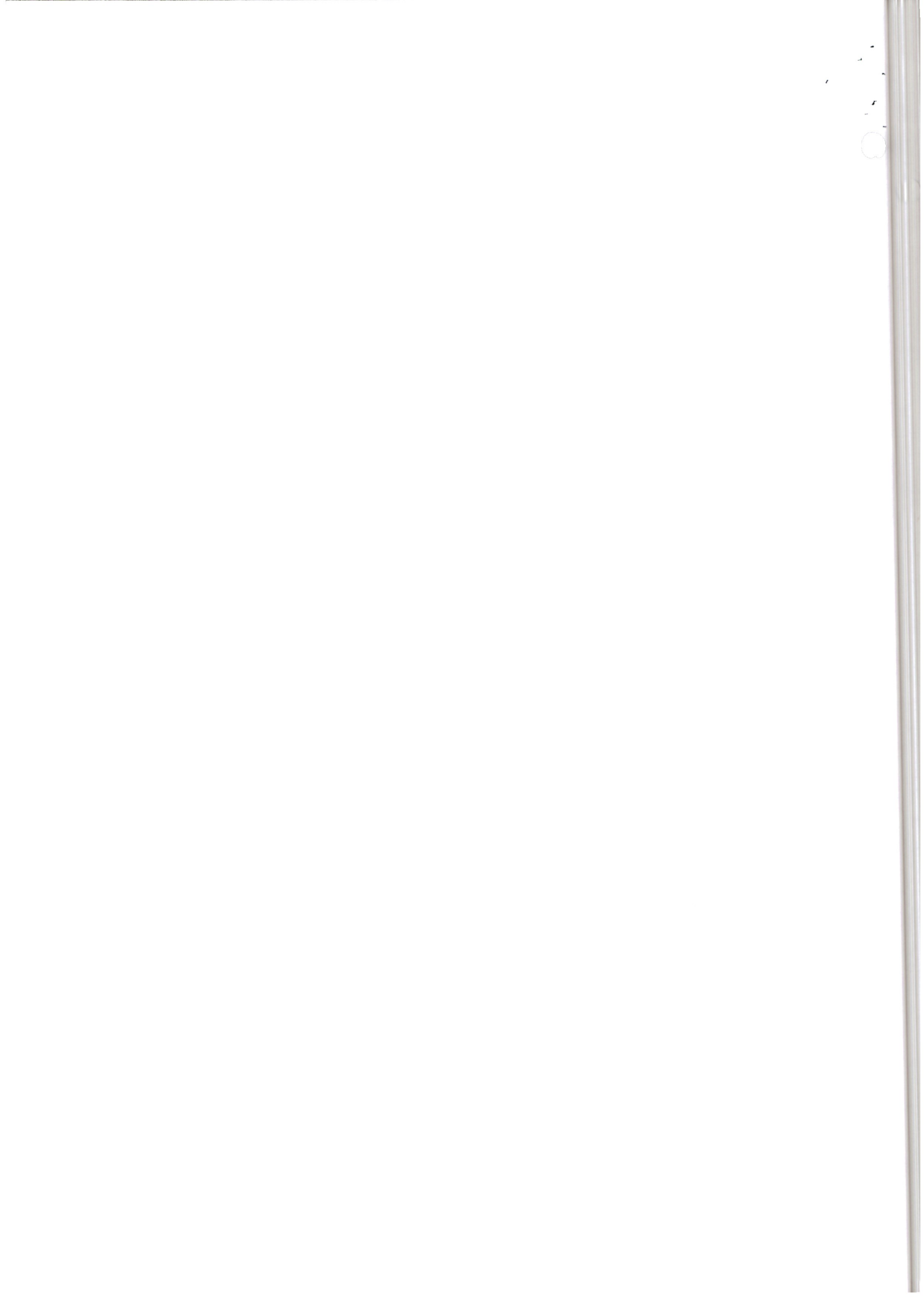
Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

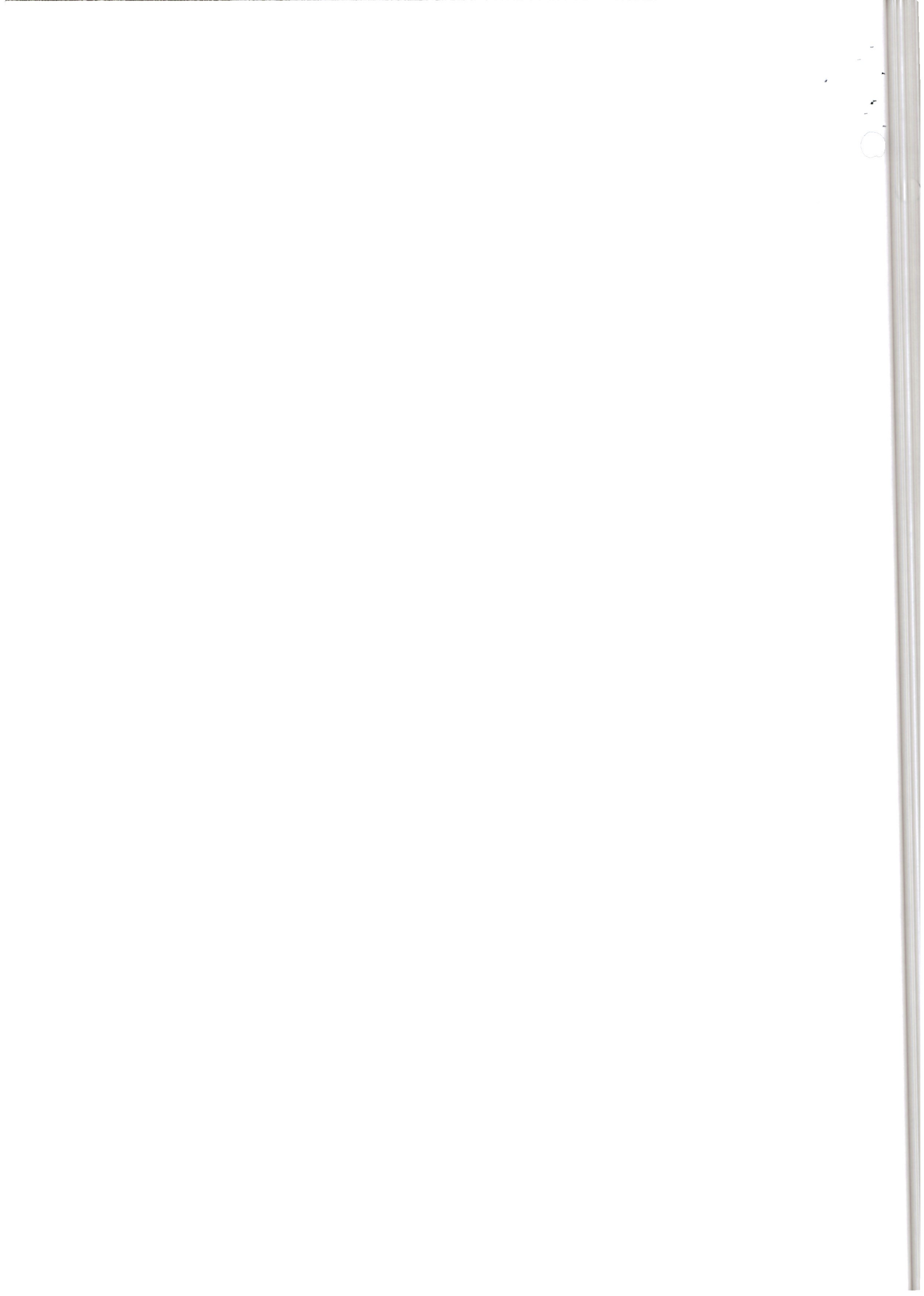
	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	xxx	xxx
	xxx	xxx



NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

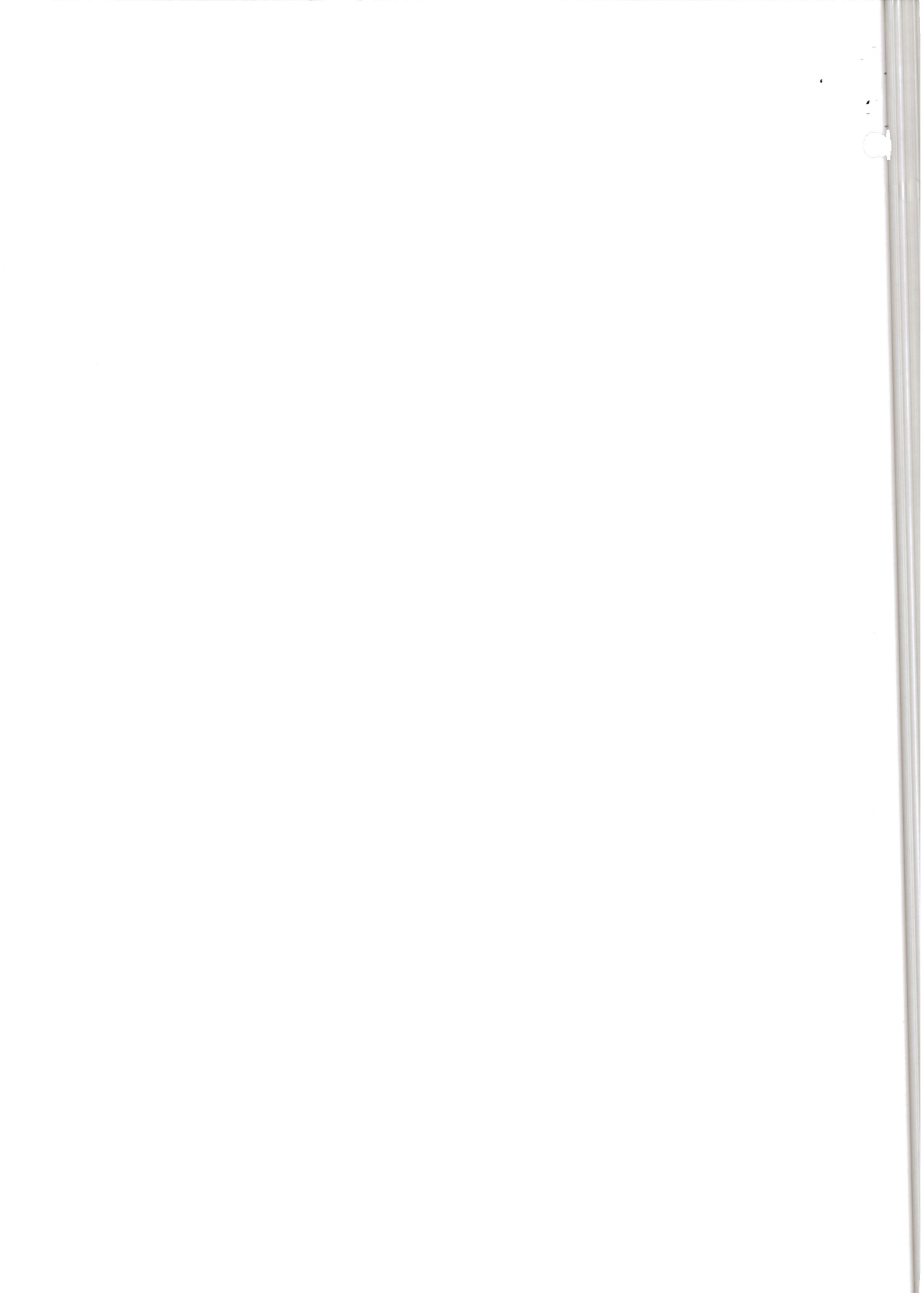
Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total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



NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
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		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



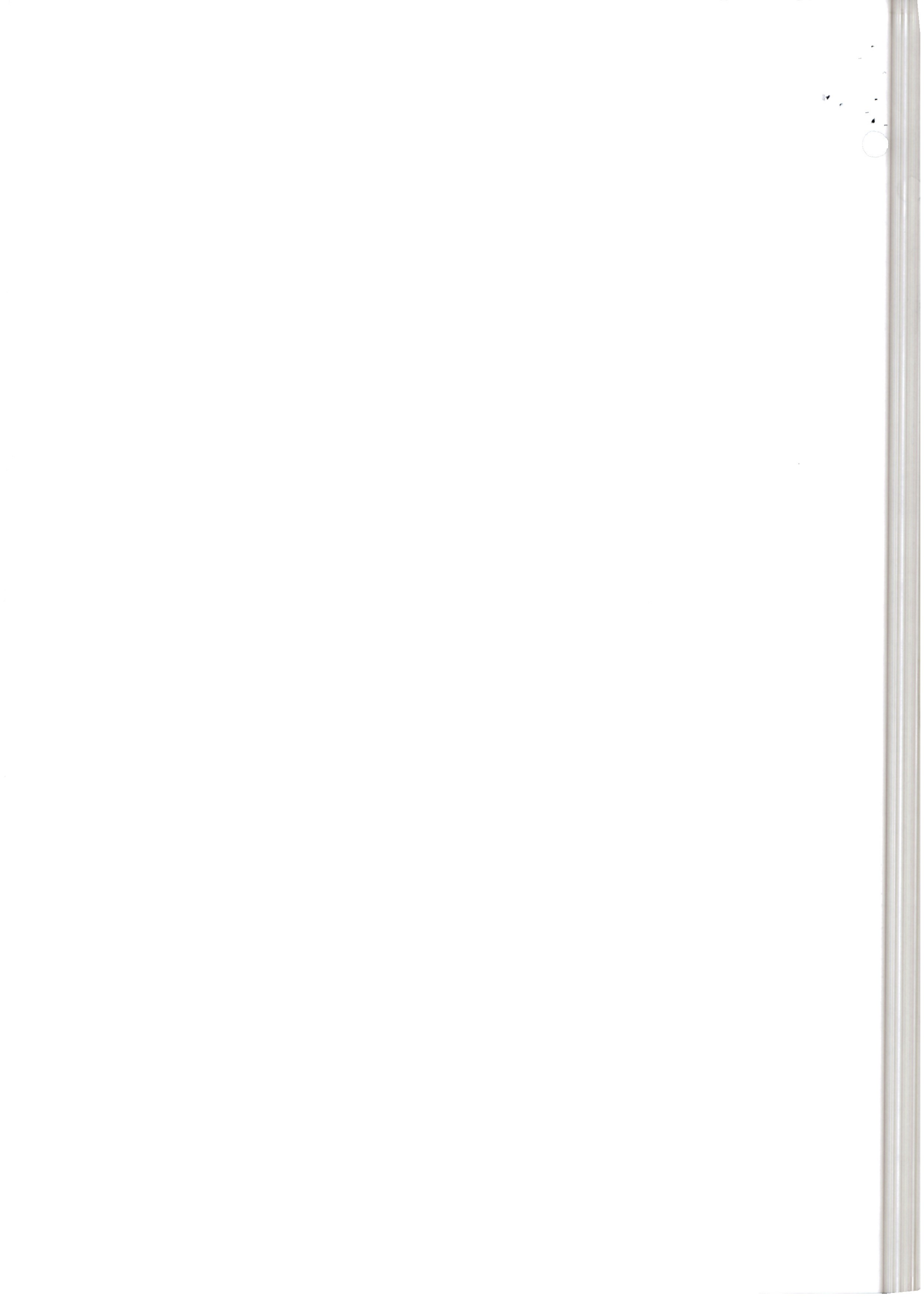
NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
 Reports and Financial Statements
 For the year ended June 30, 2018

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	14,100,000	4,400,000	-	18,500,000
Transport equipment		-	-	20,188,390
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, Software and Other ICT Assets	526,500	-	-	526,500
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	14,626,500	4,400,000	-	39,214,890

The transport equipment has been included at historical cost were omitted from the previous year's financial statements.





NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

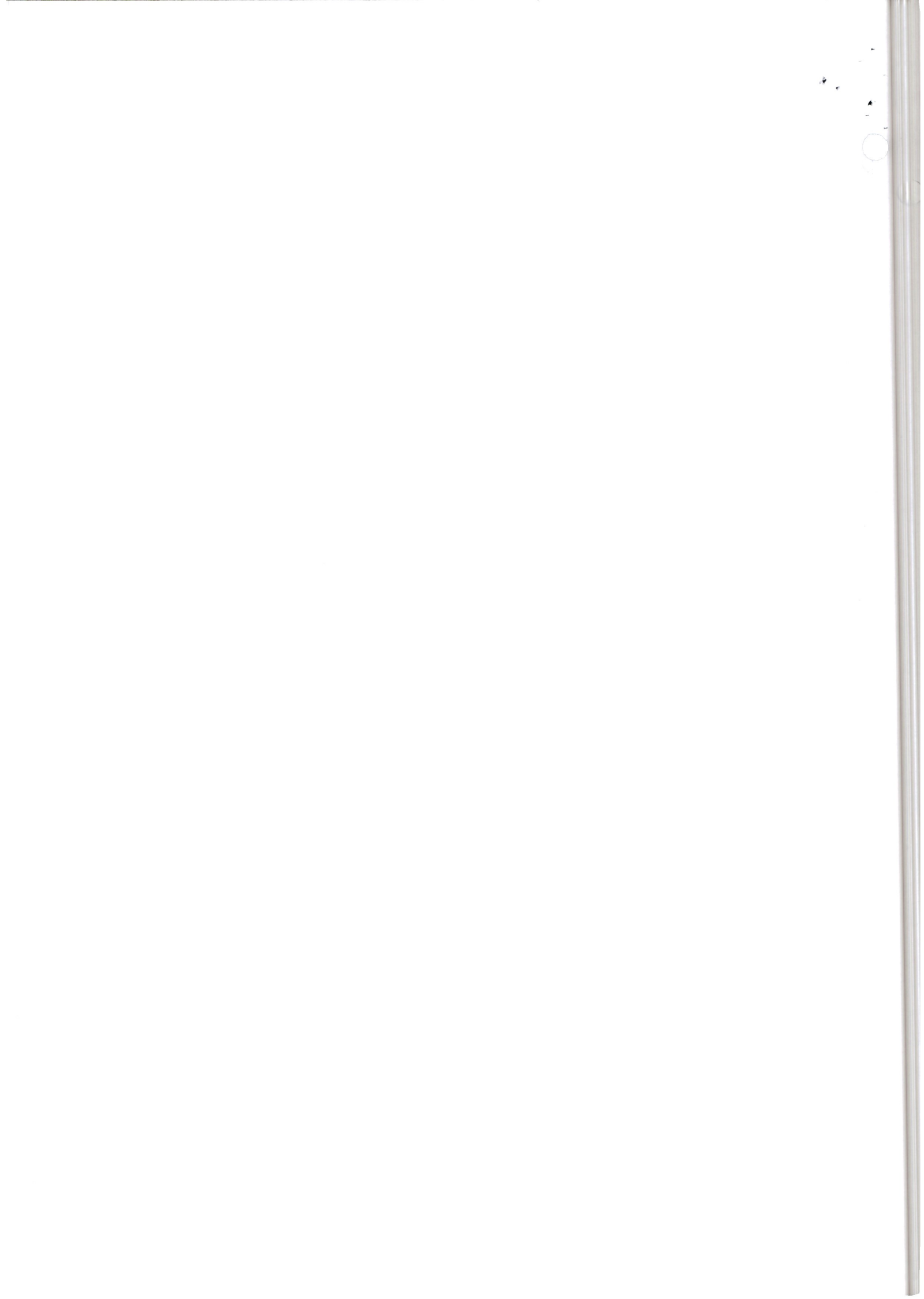
Reports and Financial Statements

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)
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Inaccuracies in the Financial statements- Comparative balances	The variance under use of goods and services and at Note. 13 balance B/F was an arithmetic error which has since been corrected.	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Unconfirmed expenditure	We have with us the expenditure returns and the accounting documents for a number of project. We have attached one of the returns and accounting document for your review. See copy attached. Others are available for your review.	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Purchase of two buses	We had obtained four quotations for the two buses. After evaluation, General motor was found to be the lowest in terms of cost. After delivery, the inspection and acceptance committee took on charge before payment was made.	Wilson Chemkenei-FAM	Resolved	



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018

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)
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Construction of Dormitory at Kodich Boys Secondary School	There is a complete file of procurement records on this project including bill of quantities, drawings, the completion certificates and other relevant record.	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Bursary	The beneficiaries were identified with the help of the area assistant chiefs who are well versed with the economic conditions of most families within their sub location being the lowest administrative unit within the constituency. (See appendix 11 being minutes with attachments where the assistant chiefs had stamped the list of the beneficiaries). The same appendix 11 being minutes indicated that the area DEO was a member of the bursary committee a Mr Ngalima Lopeyok ID No 156132561. In addition, we wish to inform you that institutions acknowledges receipts of bursary once they are paid. See copies of acknowledgment letters	Wilson Chemkenei-FAM	Resolved	

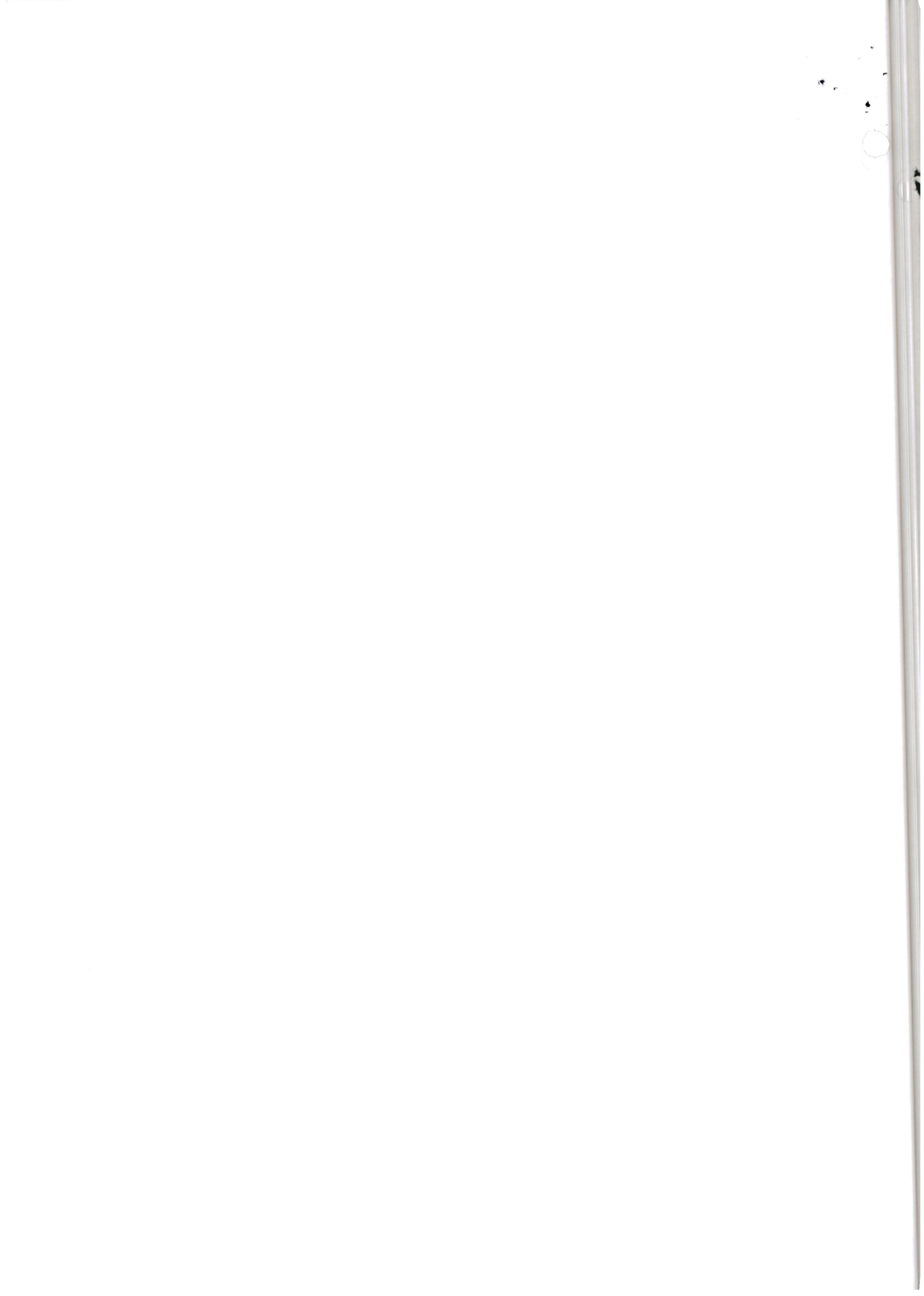


NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018

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)
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Roads	The funds related to roads were given to the Project management committees which engaged individuals for labour on maintenance and repairs of the road.	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Sports	The items purchased did not cost more than Ksh 5,000 per item. The regulations provides for low value procurement, the items should not cost more than Ksh 5,000 per procurement per item. The items were received by the inspection and acceptance committee and were distributed to the various teams	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Emergency Projects	The items purchased did not cost more than Ksh 5,000 per item. The regulations provides for low value procurement, the items should not cost more than Ksh 5,000 per procurement per item. The items were received by the inspection and acceptance committee and were distributed to the various teams.	Wilson Chemkenei-FAM	Resolved	



NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2018

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)
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Delay in completion of project	The project has taken long because according to engineer estimates it was to cost Ksh 30,665,271.64 (See appendix 9 attached) However, the funding from the board come in small bits (piece meal funding) (See a copy of the code list appendix 10). This piece meal funding made the projects to cross over several financial years	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Cash and Bank Balances	The stale cheques has since been reversed in the cash book (See appendix 12). The details on when the unrepresented cheques were presented in the bank has been attached for your review (See appendix 13).	Wilson Chemkenei-FAM	Resolved	
REF ELD-KACHELIBA/CDF-2016-2017-1-01-0131-09-9	Project management committee balances	We have contacted the various project management committee for the cash books, board of survey report, bank confirmation certificates and bank reconciliation statements.	Wilson Chemkenei-FAM	Not resolved	30/8/18

