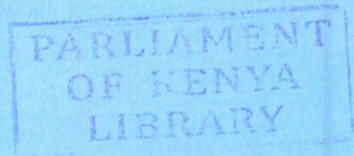


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT



OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
KITUTU CHACHE SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

NATIONAL ASSEMBLY PAPERS LAID	
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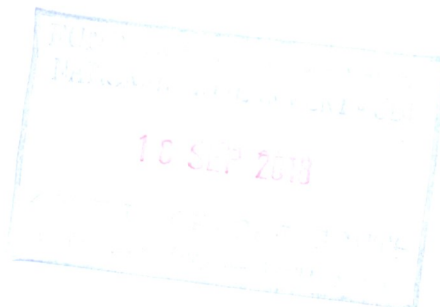
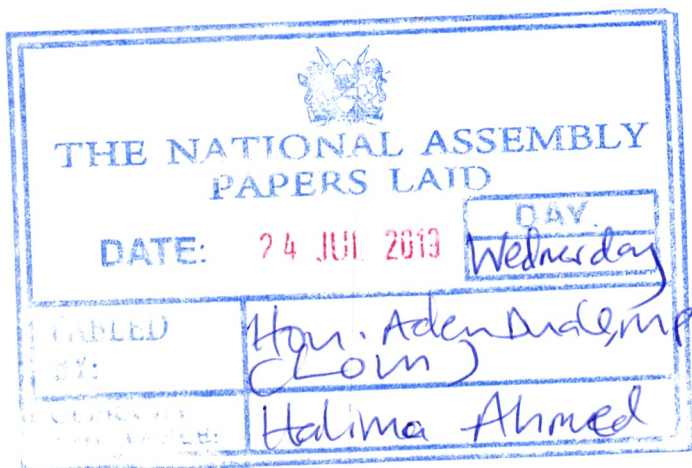


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KITUTU
CHACHE SOUTH CONSTITUENCY

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)
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
KITUTU CHACHE SOUTH 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 KITUTU CHACHE SOUTH 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	Edwin K. Rutto
3.	Sub-County Accountant	Evans N. Onchiri
4.	Chairman NGCDFC	James M.Maobe

(d) Fiduciary Oversight Arrangements

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

Kitutu Chache South NG-CDF Office Building
Monarch Building-Opposite D.O's Office Mosochi
P.o Box 2223-40200
KISII.

**.NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF KITUTU CHACHE SOUTH Constituency Contacts

Telephone: (254) 720 140 374

E-mail: cdfkitutuchachesouth@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF KITUTU CHACHE SOUTH Constituency Bankers

Co-operative Bank of Kenya

Kisii Branch

P.o Box 2469

KISII, KENYA

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

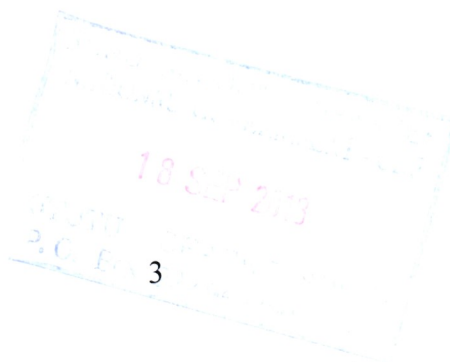
State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**

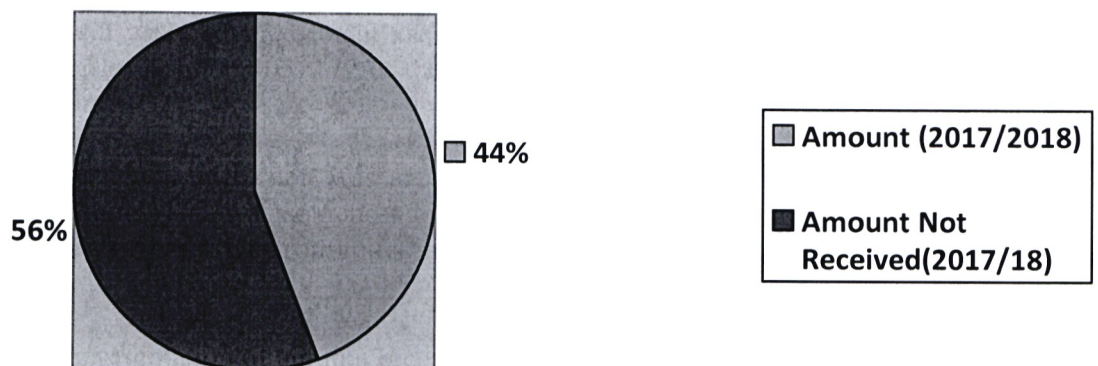
**Reports and Financial Statements
For the year ended June 30, 2018**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

During the financial year 2017/2018 Kitutu Chache South Constituency was allocated Ksh.86, 810,344.82 in the initial allocation, later during the financial year a supplementary budget was passed increasing allocation by Ksh.11, 379310.34. Therefore the total allocation for the year was Ksh.98, 189,656.16. The total amount was budgeted for in the proposal and the board approved in totality. The constituency received a total of Ksh.53, 405, 172 of these Ksh. 10,000,000 was amount which relates to other previous financial years.

On appropriation the constituency utilization was average, the constituency was able to absorb about 40% of the total available funds. This was somehow lower than previous years; this low absorption was caused by delay in gazetting of NG-CDF Committee members which was done towards the end of the financial year.

The chart below shows a representation of amount received from board the financial year in comparison to the amount not yet received is represented by the pie chart below;



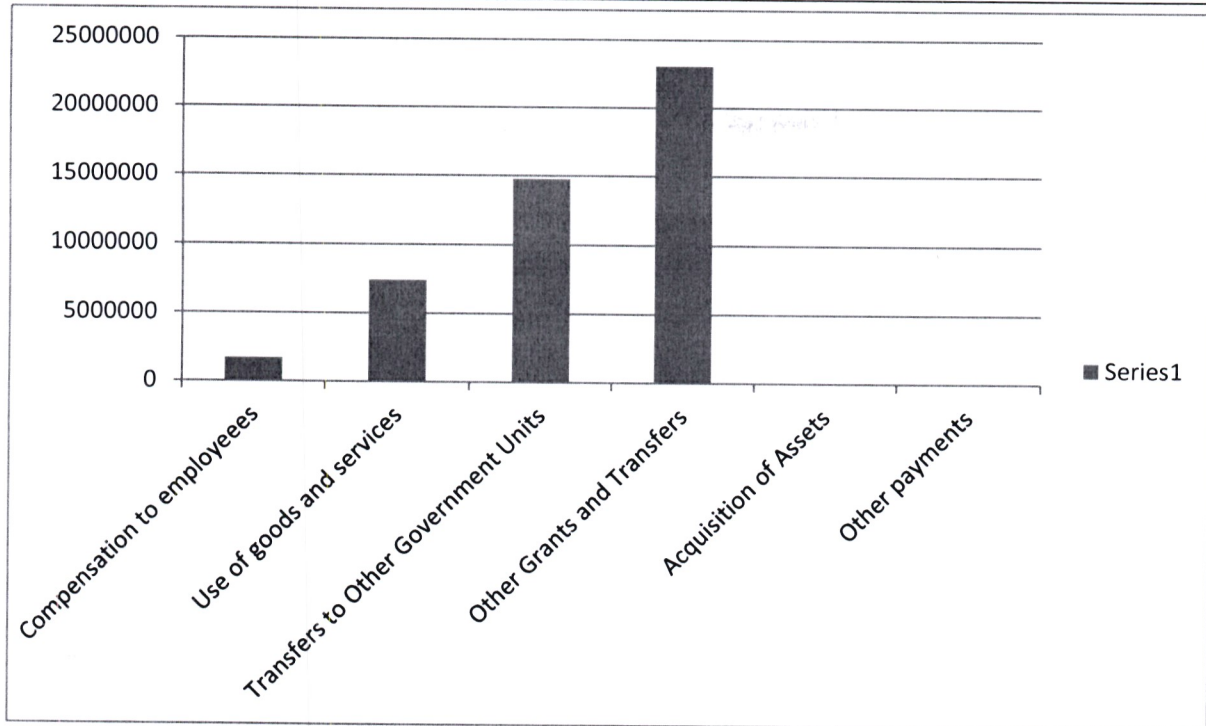
From the chart it can be seen that a large bulk of 56% of the fund was still with the board at the end of the financial year.

The NG-CDF Committee prioritized the funds which were received and gave priority to projects in Other Grants and Transfers and Transfers to other government entities. Most of these projects were done to satisfaction. The bulk of funds utilized in the financial were in bursary and education projects.

The table below shows the utilization proportion of various votes during the financial year.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**

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



Kitutu Chache South National Government Constituency Development Fund Committee (NGCDF) projects were implemented through Project Management Committees. Some of the projects implemented during the year are represented pictorially below.

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.

10 SEP 2018

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY
Reports and Financial Statements
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KITUTU CHACHE SOUTH NG CDF PROJECT-7 UNITS OF STAFF HOUSES CONSTRUCTED BY NG-CDF AT RUGA AP. LINE



KITUTU CHACHE SOUTH NG CDF PROJECT-8 CLASSROOMS CONSTRUCTED BY NG-CDF AT KIANYABINGE PRIMARY SCHOOL

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**

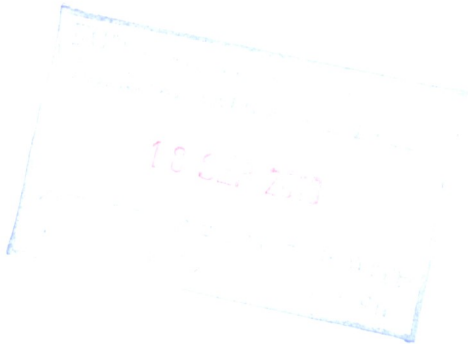
**Reports and Financial Statements
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The major challenge faced by the Committee delay in gazettelement of NG-CDF Committee members which greatly affected the operations of the fund another challenge faced during the year is piecemeal disbursement of fund by CDF Board which meant that some projects had to be held back thereby affecting performance and effecting utilization of funds when need. This challenge was highly felt while disbursing bursary funds because these funds are more effective when disbursed when needed and not later.

It is our hope that these challenges will be handled effectively in future through proper planning on priority areas.

Sign 

**James Mokaya Maobe
CHAIRMAN NGCDF COMMITTEE**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH 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-KITUTU CHACHE SOUTH 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-KITUTU CHACHE SOUTH 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-KITUTU CHACHE SOUTH 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-KITUTU CHACHE SOUTH 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-KITUTU CHACHE SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 18/09/ 2018.



Fund Account Manager

Name: Edwin Kimutai



Sub-County Accountant

Name:

ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KITUTU CACHE SOUTH 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 – Kitutu Cache South Constituency set out on pages 9 to 30, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, 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 effects 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 – Kitutu Cache South Constituency as at 30 June, 2018 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.14,647,780, which was held in the Co-operative Bank of Kenya Account No. 01141423185500 as at 30 June 2018. The bank reconciliation statement for the account as at 30 June 2018 reflects unpresented cheques totalling Kshs.17,749,461, out of which an amount of Kshs.274,252 comprise stale cheques some dating back to 20 December 2016. Further, a payment of Kshs.20,000 was not captured in the cash book. Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.14,647,780 could not be confirmed.

2. Summary Statement of Appropriation

Included in the summary statement of appropriation is an adjustment figure of Kshs.28,835,340 for both receipts and payments. The adjustments in respect of payments comprises compensation of employees - Kshs.274,129, use of goods and services - Kshs.1,308,345, transfers to other government units -

*Report of the Auditor-General on the Financial Statements National Government Constituencies
Development Fund – Kitutu Cache South Constituency For The Year Ended 30 June 2018*

Kshs.22,450,000, other grants and transfers - Kshs.4,302,866 and other payments – Kshs.500,000. However, detailed schedule of the projects in the approved code list in the prior financial year to be financed by the adjusted amount was not provided for audit. Consequently, the accuracy and validity of the adjustments could not be confirmed.

In addition, the summary statement of appropriation reflects total payments of Kshs.46,893,076 which differs with the statement of receipts and payments figure of Kshs.46,913,422, leading to unreconciled difference of Kshs.20,346.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Kitutu Chache South 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 and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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. Transfers to Health Institution

Included in transfers to other government units' expenditure of Kshs.14,750,000 is an amount of Kshs.500,000 which was paid in respect of transfers to health institutions which is a devolved function. The management had indicated that this project was in the approved code list for the financial year 2015/2016. However, no documentary evidence was provided to confirm that the unspent funds for the financial year ended 30 June 2016 were resubmitted for fresh approval by the NGCDF Board. In the circumstances, the regularity and validity of the expenditure of Kshs.500,000 could not be confirmed.

2. Projects Verification

An audit verification of twenty projects with disbursements amounting to Kshs.13,000,000 revealed that some were complete and in use, some were complete but not branded, while others were in progress and ongoing as indicated in the table below:

Project Name	Disbursement 2017/2018 - Kshs	Activity	Status	Observations
Jogoo Primary School	400,000	Completion of 3 classrooms: plastering, flooring and painting	Ongoing	4 classrooms renovated: plastering of walls -Painting not done -Not branded
Nyambere Primary School	500,000	Plastering of four classrooms	Complete	13 classrooms plastered, complete and in use Not labelled
Nyakongo Primary School	350,000	Completion of roofing of Administration block	Complete	Roofing done, project complete and in use. Not branded
Kanyimbo Primary School	400,000	Painting of 4 classrooms	Complete	Plastering done and painting. Project complete and in use Not branded
Nyabundo Primary School	400,000	Finishing of 1 classroom, plastering, fixing doors and windows	Complete	Project complete and in use. Labelled
Rera Primary School	200,000	Completion of one classroom roofing	Ongoing	Roofing of 2 classrooms done, plastering, flooring, doors and windows not done. Poor workmanship Not branded
Nyanchogochi Primary School	400,000	Completion of 3 classrooms :fixing doors and windows, plastering, flooring and painting	Ongoing	Doors and windows fixed, plastering and flooring done. Painting not done. Not branded.
Koere Primary School	400,000	Completion of 3 classrooms :fixing doors and windows ,plastering, flooring and painting	Complete	Project complete and in use. branded
Getembe Primary School	500,000	Renovation of one classroom ,reroofing ,plastering and fixing doors and windows	Ongoing	5 classroom renovated. Project is ongoing Not branded
Mariba Primary School	200,000	Construction of a new toilet to replace a collapsed one	Complete	Complete and in use Not branded
Masere Tea Centre	200,000	Reroofing of the leaking roof	Complete	Complete and in use Not branded
Itii Tea Buying Centre	250,000	Reroofing of the leaking roof	Complete	Complete and in use Not branded

Project Name	Disbursement 2017/2018 - Kshs	Activity	Status	Observations
Nyabundo DOK Primary School	200,000	Construction of a new toilet to replace a collapsed one	Complete	Complete and in use Not labeled
Kanyimbo Secondary School	400,000	Wiring, Plumbing and Painting of a Laboratory	Ongoing	Ongoing and in use Not branded
Nyatieko Secondary School	1,000,000	Payment of installment for bus purchased Reg. No: KCA 650 F	Ongoing	In use Not branded
St. Catherine Iranda Sec.	1,000,000	Payment of installment for bus purchased Reg. No: KCA 162 F	Ongoing	In use Not branded
St. Joseph Ongicha Secondary School	1,000,000	Payment of installment for bus purchased	Ongoing	In use Not branded
St. Patricks Mosocho Secondary School	2,000,000 500,000	Fixing doors and windows, flooring and Plastering Payment towards the purchase of school bus Reg No KCA 647 F	Ongoing	Partly in use Not branded In use
Getembe Secondary School	1,000,000	Payment of installment for bus purchased Reg No: KCA 651 F	Ongoing	Labelled and in use
St Lukes Kanunda Secondary School	1,000,000	Payment of installment for bus purchased	On going	The school bus Reg. no KCE 337 D In use Not branded
Ruga AP Line	200,000	Plumbing, piping and erection of two 10,000-liter water tanks to be used by security officer at the AP Line	Ongoing	Funds used for other purpose other than the intended one The facility is in use
Botori AP Line	500,000	Completion of AP units at Botori; roofing, Plastering, flooring, fixing doors and windows and painting	Ongoing	Incomplete The facility is in use
Total	13,000,000			

3. Budget Performance Analysis

According to the summary statement of appropriation Kitutu Chache South NG-CDF management had budgeted to receive from the NGCDF Board Kshs.115,645,685 but the actual receipts were Kshs.60,861,202. The management had also budgeted to spent Kshs.115,645,685 but the actual expenditure was Kshs.46,893,076 or 40.5%, resulting in an under expenditure of Kshs.68,752,609 or 59.5%.

The under-utilization of the budgeted provisions negatively affected the achievement of the core objectives of the Fund and, the efficiency and effectiveness of service delivery to the constituents.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability of the National Government Constituencies Development Fund – Kitutu Chache South Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to 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 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 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:

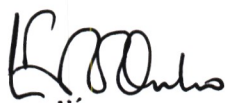
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 ability of Fund 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 sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund – Kitutu Chache South Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

18 June 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KITUTU CHACHE SOUTH CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

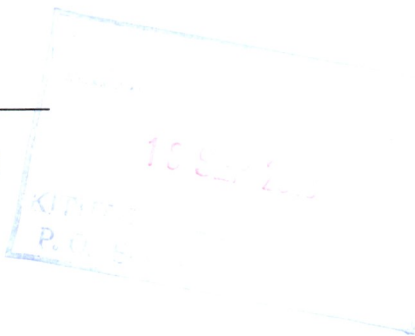
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	53,405.172.00	127,932,726.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	=
TOTAL RECEIPTS		53,405.172.00	127,932,726.00
PAYMENTS			
Compensation of employees	4	1,442,996.00	1,676,528.00
Use of goods and services	5	8,210,346.00	7,995,749.00
Transfers to Other Government Units	6	14,750,000.00	74,650,000.00
Other grants and transfers	7	22,510,080.00	48,567,233.00
Acquisition of Assets	8	-	-
Other Payments	9	=	=
TOTAL PAYMENTS		46,913,422	132,889,510.00
SURPLUS/(DEFICIT)		<u>(6,491,750.0)</u>	<u>(4,956,784.00)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 18/09/2018 and signed by:



Fund Account Manager
Name: Edwin Kimutai



Handwritten stamp: KIPAKA P.O. Box 10000
Handwritten signature: [Signature]




Sub-County Accountant
Name:
ICPAK Member Number:

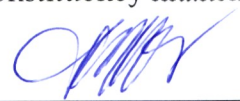
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	14,647,780.00	7,456,030.00
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		14,647,780.00	7,456,030.00
Current receivables - Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		14,647,780.00	7,456,030.00
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	-	-
NET FINANCIAL ASSETS		14,647,780.00	7,456,030.00
REPRESENTED BY			
Fund balance b/fwd 1st July..	13	7,456,030.00	12,412,814.00
Surplus/Deficit for the year		6,491,750.00	(4,956,784.00)
Prior year adjustments	14	700,000.00	-
NET FINANCIAL POSITION		14,647,780.00	7,456,030.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 18/09 2018 and signed by:


Fund Account Manager
Name: Edwin Kimutai


Sub-County Accountant
Name:
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE SOUTH CONSTITUENCY**


Reports and Financial Statements

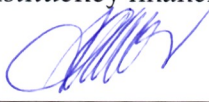
For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

		2017 – 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	53,405,172.00	127,932,726.00
Other Receipts	3	-	-
		53,405,172.00	127,932,726.00
Payments for operating expenses			
Compensation of Employees	4	1,442,996.00	1,676,528.00
Use of goods and services	5	8,210,000	7,995,748.00
Transfers to Other Government Units	6	14,750,000.00	74,650,000.00
Other grants and transfers	7	22,510,080.00	48,567,233.00
Other Payments	9	-	-
		46,913,422.00	132,889,510.00
Adjusted for:			
Adjustments during the year	14	700,000.00	-
Net cash flow from operating activities		7,191,750.00	4,956,784.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(-)	(-)
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		7,191,750.00	4,956,784.00
Cash and cash equivalent at BEGINNING of the year	13	7,456,030.00	12,412,814.00
Cash and cash equivalent at END of the year		<u>14,647,780.00</u>	<u>7,456,030.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 18/09/2018 and signed by:


Fund Account Manager
Name: Edwin Kimutai


Sub-County Accountant
Name:
ICPAK Member Number:

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-KITUTU CHACHE SOUTH Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the subsequent year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

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) –
KITUTU CHACHE SOUTH 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:A855884	1	5,500,000.00	
AIE NO:A892735	2	9,500,000.00	
AIE NO:A892668	3	500,000.00	
AIE NO:A0089614	4	37,905,172.00	
AIE NO:A825826	1		55,536,174.00
AIE NO:A829626	2		4,094,827.00
AIE NO:A855654	3		31,448,275.10
AIE NO:A855126			36,853,449.00
TOTAL		53,405,172.00	127,932,726.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	1,442,996.00	1,676,528.00
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		
Other personnel payments		
Total	1,442,996.00	1,676,528.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	3,285,000.00	2695,896.00
Utilities, supplies and services	800,000.00	1,825,000.00
Communication, supplies and services	250,000	205,000.00
Domestic travel and subsistence	200,000	212,000.00
Printing, advertising and information supplies & services	-	230,000.00
Office Rent	180,000.00	180,000.00
Training expenses	850,000	400,000.00
Hospitality supplies and services	50,000.00	-
Insurance costs		-
Specialized materials and services	530,000	175,000.00
Office and general supplies and services	135,000.00	458,000.00
Other operating expenses	270,346	
Routine maintenance – vehicles and other transport equipment	200,000	414,852.92
Routine maintenance – other assets	100,000	-
Oil, fuel and lubricants	1,360,000	1,200,000
Total	8,210,346.00	7,995,748.92

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH 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)	6,850,000.00	43,200,000.00
Transfers to secondary schools (see attached list)	7,400,000.00	22,050,000.00
Transfers to tertiary institutions (see attached list)		5,200,000.00
Transfers to health institutions (see attached list)	500,000	4,200,000.00
TOTAL	14,750,000.00	74,650,000.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	-	8640,000.00
Bursary – tertiary institutions (see attached list)	18,920,000	25,160,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)		-
Security projects (see attached list)	967,000	4,300,000.00
Sports projects (see attached list)	400,000	2,818,693.00
Environment projects (see attached list)	943,080.00	500,000.00
Emergency projects (see attached list)	1,280,000	4,048,540.00
Roads	-	
Total	22,510,080	48,567,233.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	3,285,000.00	2695,896.00
Utilities, supplies and services	800,000.00	1,825,000.00
Communication, supplies and services	250,000	205,000.00
Domestic travel and subsistence	200,000	212,000.00
Printing, advertising and information supplies & services	-	230,000.00
Office Rent	180,000.00	180,000.00
Training expenses	850,000	400,000.00
Hospitality supplies and services	50,000.00	-
Insurance costs		-
Specialized materials and services	530,000	175,000.00
Office and general supplies and services	135,000.00	458,000.00
Other operating expenses	270,346	
Routine maintenance – vehicles and other transport equipment	200,000	414,852.92
Routine maintenance – other assets	100,000	-
Oil, fuel and lubricants	1,360,000	1,200,000
Total	8,210,346.00	7,995,748.92

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Co-operative Bank, Account No. 01141423185500</i>	14,647,780.00	7,456,030.00
Total	14,647,780.00	7,456,030.00
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) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

Total

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

12 RETENTION

	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	7,456,030.00	-
Cash in hand		-
Imprest		-
Total	7,456,030.00	12,412,814.00-

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Prior year Reversed Cheques not replaced		-
Cheque No:002557	500,000	-
Cheque No:002164	200,000	-
Total	700,000.00	-

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
Staff gratuity	-	-
Staff salaries	-	-
	-	-

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	267,283.00	-
Use of goods and services	3,035,126.00	-
Amounts due to other Government entities (see attached list)	30,300,000.00	-
Amounts due to other grants and other transfers (see attached list)	24,973,173.00	-
Other Payment	5,177,027.00	-
Acquisition of Assets	5,000,000.00	-
	68,752,609.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU CHACHE SOUTH 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)	0	602,164.00
	0	602,164.00

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (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, 2014 (Kshs'000)

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 (Kshs')

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				
Transport equipment	4,300,000.00	-	-	4,300,000.00
Office equipment, furniture and fittings	251,400.00	-	-	251,400.00
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	4,551,400.00	-	-	4,551,400.00

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

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs')

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor in 2016/2017 financial year, 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)
<p>1.Funding of Devolved Government Functions</p>	<p>Included in other grants and transfers balance of Kshs.48,567,233 is Kshs.25,000,000 and Ksh.600,000 allocated to water and agricultural projects respectively. However following the enactment of the NG-CDF Act ,2015 on 16th February 2016,the management continued to fund functions meant for the County Governments contrary to section 24 of the Act which states that the projects under this Act shall be respect of works,services falling within the functions of the national government under the constitution.</p>	<p><i>The funded water projects and agricultural project during the financial year 2016/2017 were project balances which had been approved in the year 2015/2016 and earlier which were ongoing.</i></p> <p><i>The Committee is now in process of handing over completed projects which fall under the county and at same time submit reports on incomplete devolve project so</i></p>	<p>Fund Manager</p>	<p>Resolved</p>	

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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)
		<i>that the NG-CDF Board can make a decision on how the projects will be completed. the projects.</i>			
<p>2.0 Irregular use of Emergency</p>	<p>Included under grants and transfers balance of Ksh.48,567,233 is Kshs.4,048,540 which in turn includes non emergency projects worth Kshs.2,500,000 disbursed to fund emergency projects .However,projects worth Kshs.2,500,000.00 did not qualify as emergencies in accordance with Section 8(3) of the Act.</p>	<p><i>It was the in the opinion of the committee that this projects were emergency projects, since leaving them at the state they were would have been more costly in the long run, some required roofing and leaving them as were the project would have been more vulnerable to heavy rains and other harmful weather conditions. This</i></p>	<p>Fund Manager and District Accountant</p>	<p>Resolved</p>	

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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)
		<p><i>project were implemented as emergency projects as envisaged by Section 8(3) of the NG-CDF Act.</i></p>			

