REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KIPKELION EAST CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE 2018

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
KIPKELION EAST 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)

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF KIPKELION EAST 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	**Mwibiri Francis**
3.	Sub-County Accountant	**Simon Ochieng**
4.	Chairman NGCDFC	**Janet Tobon**

(d) Fiduciary Oversight Arrangements

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

P.O. Box 188-20203
Londiani

KIPKELION EAST
NG-CDF OFFICE
17 APR 2019
SIGN.....
P.O. BOX 188-20203, LONDIANI

(f) NGCDF KIPKELION EAST Constituency Contacts

Telephone: (254) 724718529
E-mail: cdfckipkelioneast@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KIPKELION EAST Constituency Bankers

1. Central Bank of Kenya
   Haile Selassie Avenue
   P.O. Box 60000
   City Square 00200
   Nairobi, Kenya

2. Kenya Commercial Bank, Londiani Branch
   A/C No. 1147413487
   ...

(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

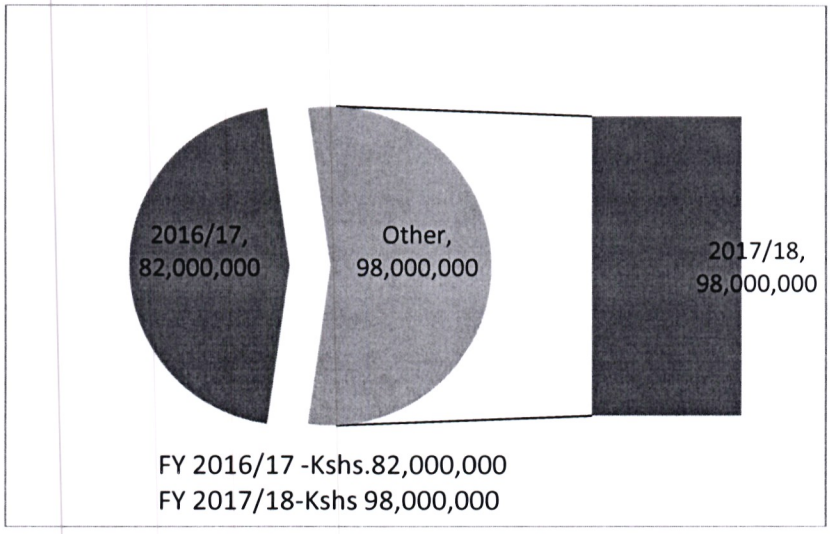
KIPKELION EAST
NG-CDF OFFICE
17 APR 2019
SIGN.....
P.O. BOX 188-20203, LONDIANI

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

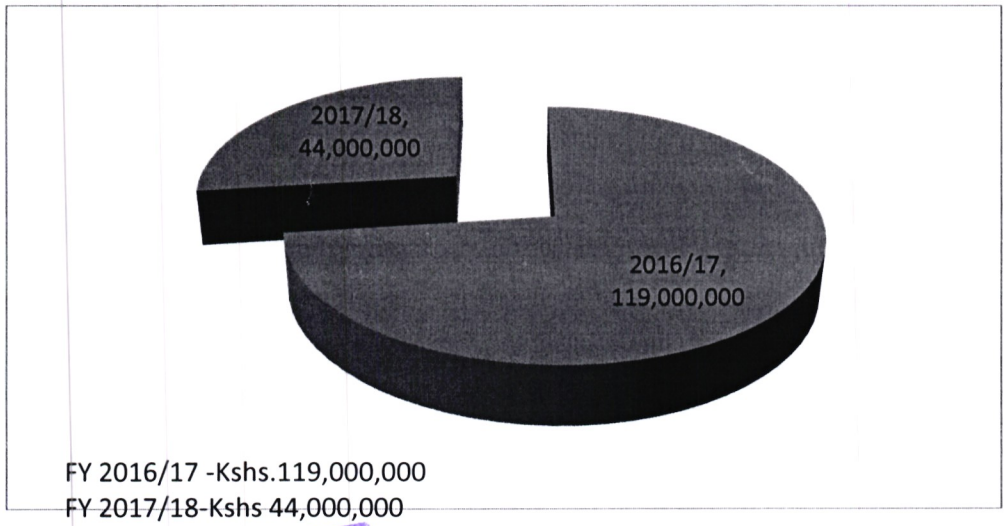
Kipkelion East NG-CDF has in the last financial year disbursed **Kshs 44,396,481.00** down from **Kshs. 119,250,727.00** disbursed in the financial year 2016/17. This shows a decline in the disbursement in the last financial year.

This was because of the prolonged electioneering period.

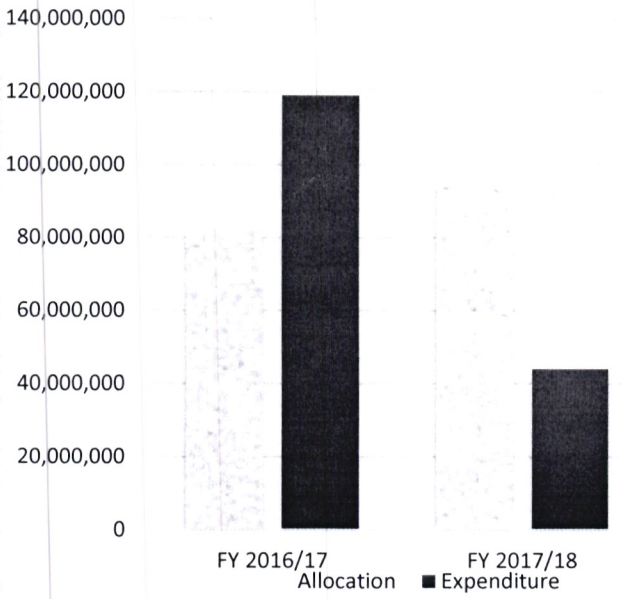
Allocations for the financial years 2016/17 and 2017/18



Expenditures for the financial years 2016/17 and 2017/18



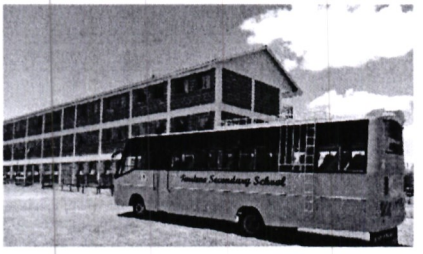
Allocations/Expenditures for the financial years 2016/17 and 2017/18



Sample of Implemented Projects during the Financial Year 2017/18

Construction of Dormitory at Kimasian Secondary school

Construction of Classroom at Ringa Primary school



Purchase of school bus at Tendeno Secondary School

Construction of Laboratory at Londiani Township Sec. school

Sign

CHAIRPERSON NG-CDF 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-Kipkelion East 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-Kipkelion East 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-Kipkelion East 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-Kipkelion East 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-Kipkelion East Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.

Fund Account Manager
Name:

Sub-County Accountant
Name:
ICPAK Member Number:

KIPKELION EAST
NG-CDF OFFICE
17 APR 2019
SIGN.....
P.O. BOX 188-20203, LONDIANI

DISTRICT ACCOUNTANT
LONDIANI

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 – KIPKELION EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kipkelion East Constituency set out on pages 7 to 23, 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 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kipkelion East Constituency as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Kipkelion East 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 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. There were no key audit matters to report in the year under review.

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

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 Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Projects Without Certificates of Practical Completion

During the year under review, NG–CDF Kipkelion East Constituency implemented various projects in both primary and secondary schools, comprising classrooms and laboratories, totalling to Kshs.22,160,000. According to the project implementation status report, the projects were indicated as "completed and in use". Physical verification done on 14 March 2019, revealed that although the facilities were in use, they were not issued with certificates of practical completion by qualified professionals. This is contrary to section 36(1) of the CDF Act, 2015 which requires that projects shall be implemented by the Project Implementation Committee (PMC), with the assistance of relevant government departments. Under the circumstance, the buildings may not meet technical standards.

2. Building with Poor Workmanship

The NG–CDF Kipkelion East Constituency on 16 June 2018 remitted a total of Kshs.2,200,000 to Kisabo Secondary School for the construction of a single – storey building comprising 3 classrooms and a laboratory. However, examination of the project files revealed that there were no summary of the expenditure returns prepared by the Project Management Committee (PMC), to reconcile the funds disbursed with the supporting documents for the expenditure incurred. Physical verification done on 14 March 2019

revealed that although the building was still incomplete, the first floor slab had caved in and new pillars were introduced to support it. Further it was noted there were no approved structural and architectural designs from a government department as required by the CDF Act, 2015. Under the circumstance, the structural integrity of the building is likely to be compromised.

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 for the Financial Statements

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 to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the 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 of the Financial Statements

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 Fund's ability to continue 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 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

14 August 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	44,205,172	81,896,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		**44,205,172**	**81,896,552**
PAYMENTS			
Compensation of employees	4	1,964,343	1,833,218
Use of goods and services	5	4,674,325	8,607,731
Transfers to Other Government Units	6	22,800,000	52,470,000
Other grants and transfers	7	14,957,813	56,339,779
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		**44,396,481**	**119,250,728**
SURPLUS/DEFICIT		**(191,309)**	**(37,354,176)**

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

Fund Account Manager
Name:

KIPKELION EAST
NG-CDF OFFICE
17 APR 2019
SIGN.....
P.O. BOX 188-20203, LONDIANI

Sub-County Accountant
Name:
ICPAK Member Number:

17/4/19
DISTRICT ACCOUNTANT
LONDIANI

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	448,768	640,077
Cash Balances (cash at hand)	10B	-	-
Total cash and Cash Equivalent		448,768	640,077
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		**448,768**	**640,077**
FINANCIAL LIABILITIES			
Retention	12	-	-
NET FINANCIAL ASSETS		**448,768**	**640,077**
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	640,077	37,994,253
Surplus/Defict for the year		(191,309)	(37,354,176)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		448,768	640,077

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

Fund Account Manager

Name:

KIPKELION EAST
NG-CDF OFFICE
17 APR 2019
SIGN.....
P.O. BOX 188-20203, LONDIANI

Sub-County Accountant

Name:

17/4/19

ICPAK Member Number:

DISTRICT ACCOUNTANT
LONDIANI

VI. STATEMENT OF CASHFLOW

Transfers from CDF Board	1	44,205,172.00	81,896,551.70
Other Receipts	3	-	-
		44,205,172.00	**81,896,551.70**
Payments for operating expenses			
Compensation of Employees	4	1,964,343.00	1,833,218.00
Use of goods and services	5	4,674,325.00	8,607,730.90
Transfers to Other Government Units	6	22,800,000.00	52,470,000.00
Other grants and transfers	7	14,957,813.00	56,339,779.00
Other Payments	9	-	-
		44,396,481.00	**119,250,727.90**
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		**(191,309.00)**	**(37,354,176.20)**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		**(191,309.00)**	**(37,354,176.20)**
Cash and cash equivalent at BEGINNING of the year	**13**	**640,076.80**	**37,994,253.00**
Cash and cash equivalent at END of the year		**448,767.80**	**640,076.80**

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

Fund Account Manager
Name:

Sub-County Accountant
ICPAK Member Number:

KIPKELION EAST NG CDF OFFICE
17 APR 2019
SIGN..... P.O. BOX 188-20203, LONDIANI

DISTRICT ACCOUNTANT 17/4/19
LONDIANI

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c= a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	13,319,387	100,129,732	44,845,249	55,284,483	45%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts (resubmission funding)	-	-	-	-	-	
TOTAL RECEIPTS	**86,810,345**	**13,319,387**	**100,129,732**	**44,845,249**	**55,284,483**	45%
PAYMENTS			-		-	
Compensation of Employees	2,618,559	640,077	3,258,636	1,964,343	1,294,293	60%
Use of goods and services	6,515,792	10,345	6,526,137	4,674,325	1,851,812	72%
Transfers to Other Government Units	43,030,000	12,100,000	55,130,000	22,800,000	32,330,000	41%
Other grants and transfers	29,968,966	568,966	30,537,932	14,957,813	15,580,118	49%
Acquisition of Assets	-	-	-	-	-	
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0%
TOTAL	**86,810,344**	**13,319,387**	**100,129,731**	**44,396,481**	**55,733,250**	44%

REASONS FOR UNDERUTILIZATION BELOW 90%:

1. **Delay of release of funds from the NG-CDF Board to the constituency, the AIE just came before the closure of the financial year.**

The NGCDF-Kipkelion East Constituency financial statements were approved on _____ 2018 and signed by:

Fund Account Manager
Name:

KIPKELION EAST NG-CDF OFFICE 17 APR 2019 SIGN..... P.O. BOX 188-20203, LONDIANI

Sub-County Accountant
Name:
ICPAK Member Number:

DISTRICT ACCOUNTANT LONDIANI 17/4/19

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-Kipkelion East 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.

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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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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.

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IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		**2017-2018**	**2016-2017**
		Kshs	**Kshs**
Normal Allocation	AIE'S NO. A896813	37,905,172.00	
	AIE'S NO. A855871	5,500,000.00	
	AIE'S NO. A892666	800,000.00	
	AIE NO. A829613		4,094,828.00
	AIE NO. A855041		36,853,449.00
	AIE NO.A 855221		40,948,275.00
Receipt from other Constituency			-
TOTAL		**44,205,172.00**	**81,896,552.00**

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Total	0.00	0.00

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3. OTHER RECEPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

Description		**2017-2018**	**2016-2017**
		Kshs	**Kshs**
Basic wages of contractual employees		1,816,041.00	1,650,410.00
Basic wages of casual labour		-	-
Personal allowances paid as part of salary		-	-
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		-	-
Employer contribution to NSSF		148,302.00	182,808.00
Gratuity-contractual employees		-	
TOTAL		**1,964,343.00**	**1,833,218.00**

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5. USE OF GOODS AND SERVICES

Description		2017-2018	2016-2017
		Kshs	Kshs
Utilities, supplies and services		19,920.00	185,243.00
Electricity		20,000.00	-
Water & sewerage charges		20,836.00	-
Office rent		-	-
Communication, supplies and services		-	-
Domestic travel and subsistence		-	-
Printing, advertising and information supplies & services		231,979.00	380,310.00
Rentals of produced assets		-	-
Training expenses		-	-
Hospitality supplies and services		-	-
Other commitee expenses		1,866,820.00	2,707,400.00
Commitee allowance		1,936,000.00	4,455,150.00
Insurance costs		-	-
Specialised materials and services		-	-
Office and general supplies and services		-	-
Fuel , oil & lubricants		280,040.00	410,000.00
Other operating expenses		-	189,241.00
Bank service commission and charges		-	-
Security operations		-	-
Routine maintenance - vehicles and other transport equipment		298,730.00	280,387.00
Routine maintenance- other assets		-	
TOTAL		**4,674,325.00**	**8,607,731.00**

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6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description		**2017-2018**	**2016-2017**
		Kshs	**Kshs**
Transfers to Primary schools		12,000,000.00	26,140,000.00
Transfers to Secondary schools		10,800,000.00	26,330,000.00
Transfers to Tertiary institutions		-	-
TOTAL		**22,800,000.00**	**52,470,000.00**

7. **OTHER GRANTS AND OTHER PAYMENTS**

Description		**2017-2018**	**2016-2017**
		Kshs	**Kshs**
Bursary -Secondary		8,740,779.00	21,164,926.00
Bursary -Tertiary		5,739,675.00	11,878,059.00
Bursary-Special schools		-	-
Mocks & CAT		-	-
Water		-	500,000.00
Food security		-	-
Electricity		-	-
Security		-	13,680,000.00
Roads and Bridges		-	500,000.00
Sports		77,359.00	2,977,242.00
Environment		200,000.00	37,000.00
Cultural Projects		-	-
Agriculture		-	
Emergency Projects		200,000.00	5,602,552.00
TOTAL		**14,957,813.00**	**56,339,779.00**

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8. **ACQUISITION OF ASSETS**

Non Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Total	0.00	0.00

9. **OTHER PAYMENTS**

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	0.00	0.00
ICT Hub	0.00	0.00
	0.00	0.00

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2017-2018	2016-2017
		Kshs (30/6/2017)	Kshs (30/6/2016)
Kenya Commercial Bank,Londiani Branch	*A/C no.1147413487*	**448,768.00**	**640,077.00**
8B: CASH IN HAND)			
		2017-2018	**2016-2017**
		Kshs (30/6/2017)	**Kshs (30/6/2016)**
		-	-
TOTAL		-	-

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11: OUTSTANDING IMPRESTS

Name of Officer		*Amount Taken*	*Amount Surrendered*
	Date imprest taken	***Kshs***	***Kshs***
			-
		NIL	NIL

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Total	0.00	0.00

13. BALANCES BROUGHT FORWARD

		2017-2018	2016-2017
Description		**Kshs (1/7/2017)**	**Kshs (1/7/2016)**
Bank accounts		**640,077.00**	**37,994,253.00**
Cash in hand		-	-
Imprest		-	-
TOTAL		**640,077.00**	**37,994,253.00**

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Total	0.00	0.00

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
	0.00	0.00

15.2: PENDING STAFF PAYABLES (See Annex 2)

		2017-2018	**2016-2017**
Senior management		**Kshs**	**Kshs**
Middle management		-	-
Unionisable employees		-	-
Others (specify)- contractual employees		-	-
Total		-	-

15.3: UNUTILIZED FUNDS (See Annex 3)

		2017-2018	**2016-2017**
		Kshs	**Kshs**
Amounts due to other Government entities (see attached list)		32,330,000	0
Amounts due to other grants and other transfers (see attached list)		15,580,118	-
Others (ICT HUB & Strategic plan)		4,677,027	-
Use of Goods and Services		1,851,812	
Others (specify)- contractual employees		1,294,293	640,077
TOTALS		**55,733,250**	**640,077**

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15.4: PMC account balances (See Annex 5)

	2017- 2018
	Kshs
PMC account Balances (see attached list)	4,013,665.00
TOTALS	**4,013,665.00**

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
	a	b	c	d=a-c		
Sub-Total						
Grand Total						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance
				2018	2017
Sub-Total					
Others (Contractual Employees)					
Compensation to Employees	-		-	-	-
	-		-	-	-
Grand Total	-		-	-	-

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
					2018	2017	
		a	b	c	d=a-c		
Compensation to Employees		3,258,635		1,964,343	1,294,293	640,077	
Sub Total					**1,294,293**		
Amounts due to other Government entities							
1. Primary Schools			-	0			
Benditai Primary School	Renovation of 6 classrooms 400k -floor and plaster and purchase of desks at 60k.	460,000.00		0	460,000.00		
Burgei Primary School	Purchase of one acre land	500,000.00			500,000.00		
Cheboror Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Chepcholiet Primary School	Renovation of 3 classrooms -floor and plaster at 200k and purchase of desks at 60k.	260,000.00		200,000.00	60,000.00		

Chepseon Complex Primary Sch	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Chepseon Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Chepsir Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Chesinende Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Chumba Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Dr.Koech Primary School	Renovation of 5 classrooms at 300k and purchase of 30 desks at 60k.	360,000.00		300,000.00	60,000.00		
Gwitu Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		

Irerma Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kabarak United Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00			560,000.00		
Kabbisoi Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kamarus Annex Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kamarus Primary School	Renovation of 6 Classrooms..floor,plaster at 300k and windows and Purchase of 30 desks at 60k	360,000.00		300,000.00	60,000.00		
Kamaua Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kapkwen Primary school	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		

Kapseger Primary School	Renovation of 4 classrooms,floor,plaster and roof at 400k and Purchase of 30 desks at 60k.	460,000.00			460,000.00		
Kapsimotwo Primary School	Construction of one classroom at 500K and Purchase of one acre land at 400k	900,000.00		500,000.00	400,000.00		
Kaptembwo Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Katet Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kedowa River Farm Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kedowa School for the Deaf Primary School	Construction of office at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Kichawir Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		

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Kimoson Primary school	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kiptenden Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Kiprengwe Primary School	Renovation of 4 classrooms..floor plaster at 300k and purchase of 30 desks at 60k.	360,000.00			360,000.00		
Kipyemit Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00			560,000.00		
Koibarak Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00			560,000.00		
Kondamet Primary Schol	Renovation of 4 classrooms..floor plaster at 300k and purchase of 30 desks at 60k.	360,000.00			360,000.00		
Kosyin Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		

Lolongbei Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Londiani Farmers Primary School	Completion of 6 Classrooms plaster,floor ,painting at 300k and purchase of 30 desks at 60k.	360,000.00		0	360,000.00		
Malaget Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Masomborik Primary School	Completion of 5 classrooms at 400k Plaster, floor,windows and Purchase of 30 desks at 60k.	460,000.00		400,000.00	60,000.00		
Momoniat Primary School	Renovation of 3 classrooms..floor plaster at 200k and purchase of 30 desks at 60k.	260,000.00			260,000.00		
Mugumoini Primary School	Renovation of 4 classrooms..floor plaster at 300k and purchase of 30 desks at 60k.	360,000.00			360,000.00		

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Murasoi Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Ngatumek Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Sabunit Primary School	Construction of Toilets at 500k and purchase of 30 desks at 60k.	560,000.00		500,000.00	60,000.00		
Saramek Primary School	Construction of 24 doors Toilets at 500k and purchase of 30 desks at 60k.	560,000.00		500,000.00	60,000.00		
Sigowet Primary School	Renovation of 8 classrooms at 200k - plaster,Painting and purchase of desks at 60k.	260,000.00			260,000.00		
Simboiyon Primary School	Renovation of 6 classrooms at 400k -floor and plaster and purchase of desks at 60k.	460,000.00			460,000.00		
Sitian Primary School	Construction of Toilets at 500k and purchase of 30 desks at 60k.	560,000.00			560,000.00		
Tegunot Primary School	Construction of Toilets at 500k and purchase of 30 desks at 60k.	560,000.00			560,000.00		

Tembwo Primary school	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		500,000.00	60,000.00		
Tendeno Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Tirichta Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
Tugunon Primary School	Construction of one classroom at 500k and Purchase of 30 desks at 60k	560,000.00		0	560,000.00		
CHUMBA PRY SCH	construction of one classroom	500,000.00		0	500,000.00		
SAILO PRY SCHOOL	construction of one classroom	500,000.00		0	500,000.00		
2. Secondary Schools							
Chesinende Girls Secondary School	Completion of Dinning Hall	800,000.00		0	800,000.00		
Moi Sorget Sec School	Completion of Lab	500,000.00		0	500,000.00		
Momoniat Sec School	Construction of one classroom	500,000.00		0	500,000.00		
Ringa Sec School	Construction of Toilets at 300K	300,000.00		0	300,000.00		

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Tendeno Education Zonal Office	Construction of Education Zonal Office	500,000.00		0	500,000.00		
Kedowa Education Zonal Office	Construction of Education Zonal Office	500,000.00		0	500,000.00		
Lemotit Education Zonal Office	Renovation of Education Zonal Office,plaster,floor,ceiling.	150,000.00		0	150,000.00		
Kapseger Education Zonal Office	Construction of Education Zonal Office	500,000.00		0	500,000.00		
LEBERER SEC SCH		1,200,000.00			1,200,000.00		
KILETIEN SEC SCH		1,000,000.00			1,000,000.00		
CHEPSEON COMPLEX SEC	Purchase of School bus	3,000,000.00			3,000,000.00		
Momoniat Sec School	Purchase of School bus	3,000,000.00			3,000,000.00		
SARAMEK SEC SCHOOL	Purchase of School bus	3,000,000.00			3,000,000.00		
SIMBOIYON SEC SCH	construction of one classroom	500,000.00			500,000.00		
SITIAN SEC SCH	construction of two classroom	800,000.00			800,000.00		
Kiprenge Primary School	Renovation of six classrooms	500.000.00			500,0000		
Sub-Total		**43,030,000.00**		**0**	**32,330,000.00**		
Amounts due to other grants							

and other transfers							
3. Security Projects							
1. Benditai Ass chief's office	construction of Ass. Chief's office	400,000.00		0	400,000.00		
2. Kapkondor Ass chief's off	construction of Ass. Chief's office	400,000.00		0	400,000.00		
3. Kimugul Chief's office	construction of 6 AP'S houses	600,000.00		0	600,000.00		
4. Tendeno ACC'S office	construction ofACC'S office	500,000.00			500,000.00		
4. sports	Purchase of ball and uniforms for Kipkelion east tournament	1,500,000.00	-	-	1,500,000.00	0	
5. Environmental Projects	Purchase and planting of trees	1,700,000.00	-	200,000.00	1,500,000.00	0	
6. Emergencies	To cater for unforeseen occurrence	5,137,931.00	-	200,000.00	4,937,931.00	0	
7. Bursaries	to pay school fees for needy students	20,300,000.00	-	14,557,813.00	5,742,187.00	0	
Sub-Total		**30,537,931.00**		**14,957,813.00**	**15,580,118.00**		
Others (ICT hub)							
8. ICT hub	Equipping of 4 CIH in the constituency	4,677,027.00		-	4,677,027.00	0	
					4,677,027.00		

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9. Use of Goods and Services	fuel, committee allowances	5,026,137.00		4,674,325	1,851,813		
Sub-Total		**6,177,027.00**		**-**	**1,851,813**		
Grand Total		**79,744,958.00**		**14,957,813.00**	**55,733,250.00**		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	**Historical Cost (Kshs)**	**Historical Cost (Kshs)**
	2017-2018	**2016-2017**
Land	-	-
Buildings and structures	-	-
Transport equipment	3,949,999.00	3,949,999.00
Office equipment, furniture and fittings	144,825.00	144,825.00
ICT Equipment, Software and Other ICT Assets	96,250.00	96,250.00
Other Machinery and Equipment	-	-
Heritage and cultural assets	-	-
Intangible assets	-	-
Total	**4,191,074.00**	**4,191,074.00**

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18
KIPTENDEN PRY SCH	KCB LONDIANI	1155920686	501,592
KIMOSON PRY SCH	KCB LONDIANI	1154706427	504,192
KAPKWEN PRY SCH	KCB LONDIANI	1175957186	501,175
NGATUMEK PRY SCH	KCB LONDIANI	1155779258	501090
KAPTEMBWO PRY SCH	KCB LONDIANI	1184259968	500465
MURASOI PRY SCHG	KCB LONDIANI	1113889616	501,090
KOSYIN PRY SCH	KCB LONDIANI	1132178584	500,288
KAPCHEPLANGA SEC SCH	KCB LONDIANI	1110269552	503,775
Total			**4,013,667**

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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)*
1	Cash and Bank Balances	Board of survey availed	FAM	Resolved	17TH Dec 2015
2	Bursary Funds	Copies of acknowledgment letters availed	FAM	Resolved	17TH Dec 2015
3	Acquisition of Assets	Procurement approved by the tender committee. Copy availed	FAM	Resolved	17TH Dec 2015
4	Under-Absorption of Funds	Delay in implementation of funds minimized. Board releasing projects funds on time	FAM	Resolved	10th June 2016
5	Stale cheques	stale cheques to be voted back to the cashbook	FAM	Resolved.	30th June 2017