REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WEBUYE EAST CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE 2018

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
WEBUYE 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 WEBUYE 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	**George Shibanda**
3.	Sub-County Accountant	**Samuel Motari**
4.	Chairman NGCDFC	**Herbert Enos Holi**
5.	Member NGCDFC	**Elizabeth Wanji**

(d) Fiduciary Oversight Arrangements

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

P.O. Box 404-50205
NG-CDF OFFICE Building
D.C.Cs COMPOUND
WEBUYE KENYA

(f) NGCDF WEBUYE EAST Constituency Contacts

Telephone: (254) 0727 389 947
E-mail: webuyeeast@NGCDF.go.ke
Website: www .webuyeeast.go.ke

(g) NGCDF WEBUYE EAST Constituency Bankers

Kenya Commercial Bank
P.O Box 332
WEBUYE

(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

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2019
P O. Box 404, WEBUYE
TEL. 20315404

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NGCDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The constituency was allocated Ksh 98,189,657 in the financial year 2017/2018. Education programmes were allocated Ksh 53,440,032 which 54.4% of the entire budget followed by Bursary schemes at Ksh 22,202,586 or 23% of the total budget. The NG-CDF has improved the Education and Security infrastructures of Webuye East. Literacy levels have gone up as a result of bursary disbursement. Other sectors under consideration included, security, and environment and office.

The constituency successfully completed the CDF office and a total of 120 classrooms which has enhanced learning in various institutions in the constituency. Several students were awarded bursary.

However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approval of proposals and reallocations

The NG-CDFCs wish that the issues of having the project on going for more than 2years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers. There was involvement of the public in project Identification which increased project ownership. This will be enhanced in the next financial year in order to achieve more citizen ownership.

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2019
P. O. Box 404, WEBUYE
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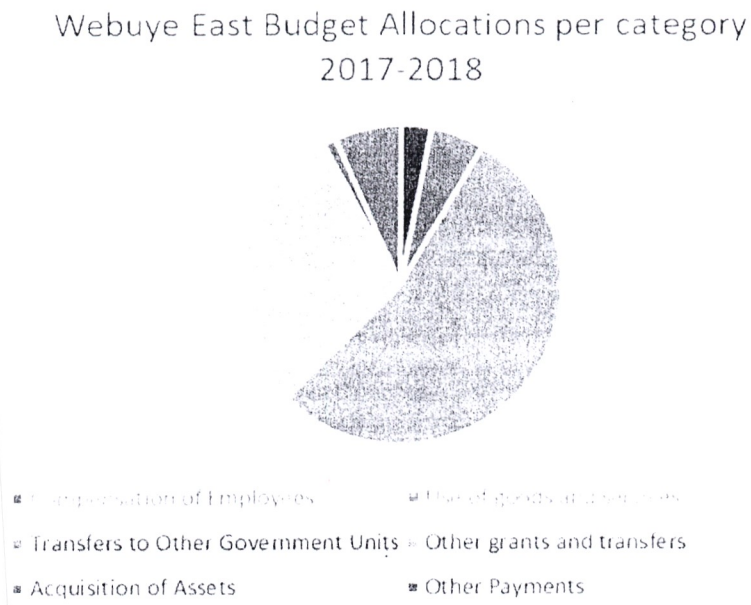

The figure 1 shows budgetary allocation per sector, transfer to other government units had the highest allocation from the constituency followed by other grants, other payments, use of goods and services, compensation of employees and lastly acquisition of assets.

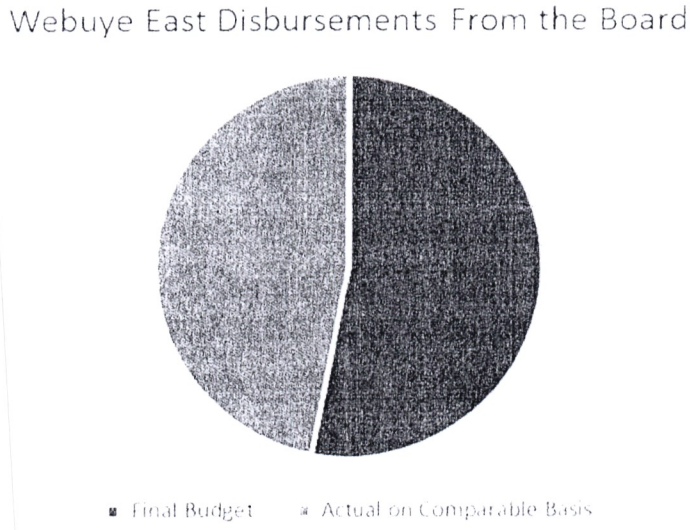

Figure 2 shows the actual budgeted and received in the financial year 2017/2018.

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FIG 3 Shows a newly constructed laboratory and classrooms at Mikuva Secondary School in the financial year 2017 – 2018 Webuye East Constituency for enhancing learning environment.

Despite the fact that the year 2017/2018 has had a fare share of challenges i.e. the board gave the first disbursement in February 2018, the absorption rate of the constituency has been good given the odds of events.

Sign

CHAIRMAN NGCDF COMMITTEE
ENOS HOLI

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2018
P O Box 404, WEBUYE
TEL. 20315404

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-WEBUYE 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-WEBUYE 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-WEBUYE 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-WEBUYE 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-WEBUYE EAST Constituency financial statements were approved and signed by the Accounting Officer on 17TH JULY 2018.

.....	.....
Fund Account Manager	Sub-County Accountant
Name: ALLAN ROTICH CHEMATIEK	Name: JOEL W. BARASA
	ICPAK Member Number:

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2018
P. O. Box 404, WEBUYE
TEL. 20315404

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 - WEBUYE 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 – Webuye East Constituency set out on pages 9 to 26, 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 statement of comparison of budget and actual amounts 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 – Webuye East 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Webuye 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. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

1.1. Budgetary Performance

The Fund had an approved budget of Kshs.98,747,566 for the year ended 30 June 2018. During the same period the Fund incurred total expenditure of Kshs.87,101,971 representing 88% of the approved budget resulting to budget under-utilization of Kshs.11,645,595 representing 12% of the approved budget as detailed below;

Expenditure Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Percentage Variance (%)
Compensation of Employees	3,080,000	2,715,130	364,870	12
Use of Goods and Services	5,261,079	5,114,107	146,972	3
Transfers to Other Government Units	53,440,032	44,153,825	9,286,207	17
Other Grants and Transfers	29,031,518	27,183,973	1,847,545	6
Acquisition of Assets	1,257,909	1,257,909	0	0
Other Payments	6,677,028	6,677,027	1	0
Total	**98,747,566**	**87,101,971**	**11,645,595**	**12**

Failure to utilise all the funds as budgeted for is an indication that services and approved programs may not have been delivered to Webuye East constituents.

1.2 Project Implementation Status

The project implementation status report of the Fund since 2013/2014 was as summarized below:

Implementation Status	Approved allocation (Kshs.)	Amount Disbursed (Kshs.)	No. of Projects
Complete	301,081,163	288,431,163	150
Continuous Exercise	24,075,101	23,075,101	19
New	64,515,521	9,155,348	24
Ongoing	104,239,216	88,215,612	67
Total	**493,911,001**	**408,877,224**	**260**

From the report, five (5) projects with an approved budget and total disbursements of Kshs.10,696,152 were ongoing from 2013/14 to 2015/16 although they should have been completed by 2017/18 as shown below:

No	Financial Year	Implementation Status	Project Name	Approved Allocation (Kshs)	Amount Disbursed (Kshs)
1	2014/15	Ongoing	St. Cecilia Girls Misikhu	5,000,000	5,000,000
2	2014/15	Ongoing	Nabuyole Pefa Primary School	2,000,000	2,000,000
3	2014/15	Ongoing	Mukhuyu Fym. Primary School.	837,931	837,931
4	2014/15	Ongoing	Misemwa Asst, Chief Office	200,000	200,000
5	2015/16	Ongoing	Magemo Friends Sec School	2,658,221	2,658,221
Total				**10,696,152**	**10,696,152**

No reason was however provided for the failure to implement all the projects as budgeted. Consequently, the Webuye East Constituents may not have benefited from the incomplete projects.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Acquisition of Assets

Included in the figure for acquisition of assets figure of Kshs.1,257,909 is a payment of Kshs.700,000 to a contractor for fencing of the Fund's offices. According to the bills of quantities, the contractor was to use cracked precast concrete posts and six (6) strand galvanized barbed wire to fence at a contract sum of Kshs.1,200,000. However, physical verification of the fencing conducted in April 2019 revealed that the contactor used wooden posts instead of the precast concrete posts and four (4) strand galvanized wire instead of six (6) as per the bills of quantities. Although the management has explained that the contractor was given site instructions to increase the length and compensate with the changed specifications, details of the instructions and accompanying measured works were not availed for audit verification.

Consequently, the probity of the expenditure of Kshs.700,000 for the year ended 30 June 2018 could not be confirmed.

2. Transfers to Other Government Units

2.1 Stalled Project

The Fund undertook to construct a library at Magemo Friends Secondary School at a total cost of Kshs.9,742,132. The tender was awarded to a contractor on 16 October 2017 and was to be completed within six months from the date of the award hence expected to have been completed by April 2018. Project verification conducted in April 2019 showed that the sub-structure and walling works up to and including ring beam had been done and a total of Kshs.4,432,912 had been paid to the contractor. However, no work had been done since February 2018 and the contractor was not on site. The management did not however explain the steps that were being taken to ensure the project is completed as designed.
Consequently, the delay in project completion could have resulted to cost overruns due to inflation and contract variations.

2.2 Failure to Obtain Ownership Documents for Land

The Fund incurred Kshs.2,501,000 on acquisition of three pieces of land for the its projects but had not secured the tittle deeds as shown below:

Project Name	Amount (Kshs)	Remarks
Sipala Chiefs Camp	141,000	The owner of the land was said to be facilitating the transfer but no evidence of the process availed for verification.
Njata DEB Primary School	1,160,000	The owner of the land was said to be facilitating the transfer and had already paid for land control board meeting but no evidence availed for verification
St Pauls Kibisi Primary School	1,200,000	As above
Total	**2,501,000**	

Consequently, probity of the expenditure of Kshs.2,501,000 on acquisition of land for the year ended 30 June 2018 could not be confirmed.

2.3 Construction of Classrooms at Friends School Lutacho

The Fund undertook the construction of 3 classrooms at Friends School Lutacho at a cost of Kshs.4,590,120. Physical verification of the project done in April 2019 revealed that the floors had severely damaged and in need of repairs barely 12 months after the project was completed, an indication of poor workmanship. Although the management indicated that the project had not been handed over and would ensure that the defects were repaired before hand over, no documentary evidence was provided to show that the contractor has been advised of the poor workmanship considering that the six months liability period had elapsed. Consequently, the public did not receive value for Kshs.4,590,120 spent on the construction of the classrooms.

3. Other Payments

Included in other payments figure of Kshs.6,677,027 is the cost of four projects amounting to Kshs.4,677,028 for provision of internet access and associated services for constituency innovation hubs. The cost of each project was Kshs.1,169,257.

According to the NGCDF circular dated 25 July 2017, the Ministry of Information Technology and Telkom Kenya entered into a contract which indicates that the Fund was to install WiFi internet services through three Project Management Committees namely St. Cecilia Girls High School - Misikhu, St. Mathews ACK Girls Secondary School, Ndivisi and Constituency Development Fund offices.

Physical verification on the projects conducted in April 2019 confirmed that installation had been done at the Constituency Development Fund offices and evidence in form of certificates was produced in support of installation at St. Mathews ACK Secondary School. However, installation of the equipment had not been done at St. Cecilia Girls High School – Misikhu. In addition, according to the schedule of project implementation committee bank balances, St. Cecilia Girls High School- Misikhu did not have bank balance relating to the project as at 30 June 2018.

Further, it was noted that the two projects at which the equipment had been installed were not operational as internet services were not available as at the time of audit in April 2019. Interviews carried out with the intended users of the service revealed that the services have never been available consistently due to unreliable internet connection.
Consequently, value for money for Kshs.4,677,028 incurred on the project may not have been realised.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 effective

processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 as a going concern or to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

Nairobi

22 July 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	86,810,345	81,896,551
Other Receipts		-	116,000
TOTAL RECEIPTS		**86,810,345**	**82,012,551**
PAYMENTS			
Compensation of employees	2	2,715,130	3,082,374
Use of goods and services	3	5,114,107	5,080,439
Transfers to Other Government Units	4	44,153,825	39,216,144
Other grants and transfers	5	27,183,973	26,254,078
Acquisition of Assets	6	1,257,909	11,122,697
Other Payments	7	6,677,027	-
TOTAL PAYMENTS		**87,101,971**	**84,755,732**
(DEFICIT)		**-291,626**	**-2,743,181**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WEBUYE EAST Constituency financial statements were approved on 17TH JULY 2018 and signed by:

Fund Account Manager
Name: ALLAN ROTICH CHEMATIEK

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2018
P. O. Box 404, WEBU
TEL. 20315404

Sub-County Accountant
Name: JOEL W' BARASA
ICPAK Member Number:

VI. STATEMENT OF ASSETS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	266,283	557,909
TOTAL FINANCIAL ASSETS		**266,283**	**557,909**
REPRESENTED BY			
Current Payables			
Fund balance b/fwd 1st July	9	557,909	3,301,090
Deficit for the year		-291,626	-2,743,181
NET LIABILITIES		**266,283**	**557,909**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WEBUYE EAST Constituency financial statements were approved on 17TH JULY 2018 and signed by:

Fund Account Manager
Name: ALLAN ROTICH CHEMAYIEL

Sub-County Accountant
Name: JOEL W. BARASA
ICPAK Member Number:

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2018
P. O. Box 404, WEBUYE
TEL. 20315404

VII. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	86,810,345	81,896,551
Other Receipts		-	116,000
		86,810,345	**82,012,551**
Payments for operating expenses			
Compensation of Employees	2	2,715,130	3,082,374
Use of goods and services	3	5,114,107	5,080,439
Transfers to Other Government Units	4	44,153,825	39,216,144
Other grants and transfers	5	27,183,973	26,254,078
Other Payments	7	6,677,027	-
		85,844,062	**73,633,035**
Net cash flow from operating activities		966,283	8,379,516
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	1,257,909	11,122,697
Net cash flows from Investing Activities		**1,257,909**	**11,122,697**
NET INCREASE IN CASH AND CASH EQUIVALENT		**-291,626**	**-2,743,181**
Cash and cash equivalent at BEGINNING of the year	9	**557,909**	**3,301,090**
Cash and cash equivalent at END of the year	8	**266,283**	**557,909**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-WEBUYE EAST Constituency financial statements were approved on 17th JULY 2018 and signed by:

Fund Account Manager
Name: ALLAN ROTICH CHEMAMIGH

Sub-County Accountant
Name: JOEL W. BARASA
ICPAK Member Number:

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2018
P. O. Box 404, WEBUYE
TEL. 20315404

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	11,379,310	98,189,657	86,810,345	11,379,312	88.40%
Other Receipts		557,909	557,909	557,909	-	100.00%
	98,189,657	**11,937,220**	**98,747,566**	**87,368,254**	**11,379,312**	**88.50%**
PAYMENTS					-	
Compensation of Employees	3,080,000		3,080,000	2,715,130	364,870	88.20%
Use of goods and services	4,236,941	1,024,138	5,261,079	5,114,107	146,972	97.20%
Transfers to Other Government Units	44,153,825	9,286,207	53,440,032	44,153,825	9,286,207	82.60%
Other grants and transfers	27,962,552	1,068,966	29,031,518	27,183,973	1,847,545	93.60%
Acquisition of Assets	700,000	557,909	1,257,909	1,257,909	-	100%
Other Payments	6,677,028	-	6,677,028	6,677,027	1	100.00%
TOTALS	**98,189,657**	**11,937,220**	**98,747,566**	**87,101,971**	**11,645,595**	**88.20%**

1. Note 4 compensation of employees-88.2% this is as a result of late disbursement of funds
2. Note 6 transfer to other government entity -82.6% this is as a result of late disbursement of funds

The NGCDF-WEBUYE EAST Constituency financial statements were approved on 17TH JULY 2018 and signed by:

WEBUYE EAST CONSTITUENCY DEVELOPMENT FUND
17 JUL 2018
P O Box 404, WEBUYE
TEL 20315404

Fund Account Manager
Name: ALAN ROTICH CHEMAYIEK

Sub-County Accountant
Name: JOEL W. BARASA
ICPAK Member Number:

IX. 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-WEBUYE 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.

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

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.

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
NGCDF Board		
A839534	-	4,094,828
A855110	-	36,853,449
A855572	-	35,128,817
A839720	-	5,819,457
A892543	5,500,000	-
A896853	22,405,173	-
A892805	37,905,172	-
A896921	21,000,000	-
TOTAL	**86,810,345**	**81,896,551**

2. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	2,180,790	2,336,054
Basic wages of casual labour	276,000	-
Employer contribution to NSSF	87,840	220,080
Gratuity	170,500	526,240
Total	**2,715,130**	**3,082,374**

3. USE OF GOODS AND SERVICES

Committee Expenses	846,800	786,600
Utilities, supplies and services	59,994	260,806
Communication, supplies and services	-	40,000
Office rent	-	503,400
Printing, advertising and information supplies & services	93,750	200,000
Training expenses	1,173,250	716,355
Hospitality supplies and services	75,000	-
Committee allowance	681,600	992,500
Office and general supplies and services	823,814	-
Fuel, oil & lubricant	457,000	700,000
Other operating expenses	475,758	623,474
Routine maintenance – vehicles and other transport	240,977	257,304
Routine maintenance – other assets	186,164	-
Total	**5,114,107**	**5,080,439**

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to primary schools	30,222,641	24,164,215
Transfers to secondary schools	13,931,184	15,051,929
TOTAL	**44,153,825**	**39,216,144**

5. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools	12,111,665	8,232,844
Bursary – tertiary institutions	8,882,308	12,262,234
Security projects	1,141,000	1,500,000
Sports projects	299,000	165,000
Environment projects	250,000	-
Emergency projects	4,500,000	4,094,000
Total	**27,183,973**	**26,254,078**

6. ACQUISITION OF ASSETS

Non-Financial Assets	2017-2018 Kshs	2016-2017 Kshs
Construction of Buildings	1,257,909	10,233,775
Purchase of Household Furniture and Institutional Equipment	-	888,922
Total	**1,257,909**	**11,122,697**

7. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
Strategic plan	2,000,000	-
ICT Hub	4,677,027	-
	6,677,027	-

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8. BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
K.C.B BANK ACCOUNT NO 1147722935	266,283	557,909
Total	**266,283**	**557,909**

9. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	557,909	3,301,090
Total	**557,909**	**3,301,090**

10. OTHER IMPORTANT DISCLOSURES

10.1: UNUTILIZED FUNDS (See Annex 1)

	Kshs	Kshs
Compensation of employees	364,870	200,877
Use of goods and services	146,972	42,145
Amounts due to other Government entities	9,286,207	-
Amounts due to other grants and other transfers	1,847,545	314,887.00
	11,645,595	**557,909**

10.2: PMC account balances (See Annex 3)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances	37,168,864	15,414,915
	37,168,864	**15,414,915**

ANNEX 1 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
Compensation of employees		364,870	200,877	
Use of goods & services		146,972	42,145	
Amounts due to other Government entities				
Sambu Central Primary		4,586,207		
Holy Family Misikhu Girls Primary School		200,000		
Mukhuyu Primary School		950,000		
Nzoia Rc Primary School		1,000,000		
Sipala Primary School		1,000,000		
Silungai Primary School		1,000,000		
St Johns Savanna Secondary School		550,000		
Sub-Total		**10,443,469**	**243,022**	
Amounts due to other grants and other transfers			314,887	
Bursary university and college		1,208,613		
Sports activity		1,000		
emergency		637,932		
Sub-Total		1,847,545	314,887	
Grand Total		**11,645,595**	**557,909**	

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ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/2017	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/2018
Buildings and structures	30,943,058	1,257,909	-	32,200,967
Transport equipment	8,107,630	-	-	8,107,630
Office equipment, furniture and fittings	1,479,399	-	-	1,479,399
ICT Equipment, Software and Other ICT Assets	292,600	-	-	292,600
Total	**40,822,687**	**1,257,909**	**-**	**42,080,596**

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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2018

	FINANCIAL YEAR	PMC	BANK	A/C NO	BANK BALANCE 2017/2018	BANK BALANCE 2016/2017
1	2017/2018	NG-CDF MAIN ACCOUNT	KCB BANK	1147722935	8,950,769	2,927,910
2	2017/2018	NDIVISI PRIMARY SCHOOL	KCB BANK	1210392216	253,320	50,000
3	2017/2018	NJATA PRIMARY SCHOOL	KCB BANK	1183257554	6,718	6,718
4	2017/2018	MISIKHU BOARDING PRY	KCB BANK	1157539149	10,800,870	2,000,000
5	2017/2018	ST. PAULS KIBISI PRY SCH	KCB BANK	1178268985	101,528	18,095
6	2017/2018	SAMBU PAG PRIMARY SCH	KCB BANK	1150712694	587,036	267,256
7	2017/2018	BAKISA SA PRY SCHOOL	KCB BANK	1145876722	314,295	179,021
8	2017/2018	MAHANGA PEFA PRY. SCH.	KCB BANK	1210572109	132,795	2,046
9	2017/2018	NABUYOE PEFA PRY	KCB BANK	1145431747	2,000,738	996,623
10	2017/2018	SAMBU CENTRAL PRY SCH	KCB BANK	1157483461	6,325,245	2,650
11	2017/2018	SANGO DEB PRIMARY SCH	KCB BANK	1177936461	103,417	44,346
12	2017/2018	MASINDU PRIMARY SCH	KCB BANK	1109653018	999,926	487
13	2017/2018	MUKHUYU PRIMARY SCH	KCB BANK	1128241986	100,238	34,044
14	2017/2018	FRIENDS SCHOOL SINOKO	KCB BANK	1145286798	474,300	1,130
15	2017/2018	ST.FRANCIS G.H.MAKEMO.	KCB BANK	1109725620	- 2,055	275
16	2017/2018	MISEMWA SEC. SCHOOL	KCB BANK	1170973663	3,328	2358
17	2017/2018	LUTACHO SEC SCHOOL	KCB BANK	1149823534	1,056,093	710
18	2017/2018	FRIENDS SEC SCH MIKUVA	KCB BANK	1182218639		
19	2017/2018	MAGEMO FR SEC SCHOOL	KCB BANK	1183689519	2,131,148	2,538,074
20	2017/2018	CHIEFS OFFICE MARAKA	KCB BANK	1177833476	1,020,346	105,345
21	2017/2018	ASST. CHIEFS OFFICE SIPALA	KCB BANK	1170463142	210	200
22	2016/2017	LUGULU PAG PRIMARY	KCB BANK	1136889825	4,951	868,849

23	2016/2017	LUGUSI FYM PRY. SCHOOL	KCB BANK	1153757478	1,569	1,900
24	2016/2017	LUTACHO SEC SCHOOL	KCB BANK	1128838397	2,303	2303
25	2016/2017	MASIBAYI PR. SCHOOL	KCB BANK	1136573828	595	53,525
26	2016/2017	MASIBAYI PR. SCHOOL	KCB BANK	1183231032	759	1,100
27	2016/2017	MIKUVA FYM PRY SCHOOL	KCB BANK	1138932304	810	2,500
28	2016/2017	MIKUVA SEC SCHOOL	KCB BANK	1182218639		11,267
29	2016/2017	MISEMWA FYM SCHOOL	KCB BANK	1170973663	3,328	3,329
30	2016/2017	NABUYOLE SECONDARY SCHOOL	KCB BANK	1177989255	1,215	468,456
31	2016/2017	MAHANGA PEFA PRIMARY SCHOOL	KCB BANK	1135608903	1,159	1,490
32	2016/2017	NJATA DEB PRI SCHOOL	KCB BANK	1183257503	3,082	1,913
33	2016/2017	ONDOTI PR SCH	KCB BANK	1183093608	63,441	227,009
34	2016/2017	SAMBU CENTRAL PRY. SCHOOL.	KCB BANK	1135384053	15,614	15614
35	2016/2017	SAMBU PAG PRY. SCHOOL.	KCB BANK	1150712694	4,334	4,665
36	2016/2017	ST JOSEPHS RC PRIMARY SCHOOL	COOPERATIVE BANK	1.13941E+12		2744
37	2016/2017	ST.JOHNS RC SAVANNA PRY.SCHOOL	KCB BANK	1168695473	400	112,711
38	2016/2017	WEBUYE ACK	KCB BANK	1212036263	481	200
39	2016/2017	ST.PAULS RC SEC SCHOOL	KCB BANK	1177915839	26,791	990,502
40	2016/2017	ST CECILIA GIRLS SEC SCHOOL	KCB BANK	1176006150	7,015	45,000
41	2016/2017	ST.JOHNS RC SAVANNA SEC .SCHOOL	KCB BANK	1208229915	16,003	5,000
42	2016/2017	MISIKHU POLICE POST	KCB BANK	1170973663	1,736	1,736
43	2015/2016	ASST. CHIEFS OFFICE SITABICHA	KCB BANK	1177897245	293	41,293
44	2015/2016	KHAMOTO PRY. SCHOOL	KCB BANK	1165375893	19	349
45	2015/2016	LUGULU MIXED BOARDING PRY. SCHOOL.	KCB BANK	1140832867	874,151	1,725,698
46	2015/2016	NAMARAMBI PRY SCHOOL	KCB BANK	1133783511	122	45,000
47	2015/2016	LUKHOBA DISPENSARY	KCB BANK			
48	2015/2016	LUMULI SDA PRY. SCHOOL	KCB BANK	1145945031	1,334	1,664

49	2015/2016	LWILE PRIMARY	KCB BANK	1136915494	27,892	228,222
50	2015/2016	MAKUMA SDA PRY. SCHOOL	KCB BANK	1161724338	11,645	76,719
51	2015/2016	MARAKA PRY. SCHOOL.	COOPERATIVE BANK	O1139435170500	100	17,099
52	2015/2016	MANAFWA PRY SCHOOL	COOPERATIVE BANK	1.13941E+12	19,956	195,446
53	2015/2016	MAKUSELWA SECONDARY SCH	KCB BANK	1124093230	877	1,207
54	2015/2016	MIHUU FYM PRY. SCHOOL	KCB BANK	1134996993	159,941	160,271
55	2015/2016	MITUKUYU FYM PRY SCHOOL	KCB BANK	1164663984	27,597	27,927
56	2015/2016	MITUKUYU SEC SCHOOL	COOPERATIVE BANK	O1139435968501	2,500	140,000
57	2015/2016	MURUMBA RC PRY SCHOOL	KCB BANK	1145474748	8,333	8,664
58	2015/2016	NAMWATIKHO DISPENSARY	KCB BANK	1145274692	83,335	83,335
59	2015/2016	NDIVISI GIRLS HIGH SCHOOL	KCB BANK	1145377793	- 1,806	23
60	2015/2016	SINOKO DISPENSARY	KCB BANK	1145468799	1,078	445,504
61	2014/2015	D.OS OFFICE NDIVISI	KCB BANK	1144933021	2,384	3,045
62	2014/2015	LUGULU AP CAMP.	KCB BANK			
63	2014/2015	MAGEMO FYM. PRY. SCHOOL	KCB BANK	1146088051	1,788	1,119
64	2014/2015	MAGEMO FYM. SEC. SCHOOL	KCB BANK	1150745770	1,440	1,770
65	2014/2015	MIHUU SEC. SCHOOL	KCB BANK	1108078036	3,840	179,286
66	2014/2015	MAGEMO FRIENDS SEC SCHOOL	KCB BANK	1178344983	69,700	79,799
67	2014/2015	MISIMO PRY. SCHOOL	KCB BANK	1145921167	956	1,287
68	2014/2015	ASSIST CHIEF MISIMO	KCB BANK	1146199872	103,645	103,645.00
69	2014/2015	MUSA PRY. SCHOOL.	KCB BANK	1136598618	10,295	10,626
70	2014/2015	NAMARAMBI SEC. SCHOOL.	KCB BANK	1121894186	1,577	1,577
71	2014/2015	NAMARAMBI SUB-DISTRICT HOSIPITAL..	KCB BANK	1122173369	2,093	108,559
72	2014/2015	NZOIA PEFA PRY. SCHOOL	KCB BANK	1112478809	542	3163.00
73	2014/2015	SIPALA PRY. SCHOOL	KCB BANK	1136610626	18,460	18,790
74	2014/2015	SIYILILA PRY. SCHOOL	KCB BANK	1134998171	- 1,755	235

75	2014/2015	ST. MATHEWS SEC. SCHOOL	KCB BANK	1132779774	2,044	2,
76	2014/2015	WABUKHONYI PRY. SCHOOL	KCB BANK	1109557078	1,657	1,9
77	2014/2015	ASST CHIEF OFFICE LUTACHO	KCB BANK	1178459144	117,086	
78	2014/2015	WANDABWA PRY. SCHOOL	KCB BANK	1129943046	176	5(
79	2014/2015	WEBUYE HEALTH CENTRE	KCB BANK	1157758695	23,161	4,50
80	2014/2015	WEBUYE KMTC.	KCB BANK	1108446736	5,157	7,46
81	2014/2015	WEBUYE PAG. PRY. SCHOOL	KCB BANK	1135435510	67,464	67,79
82	2014/2015	MASINDU SEC SCHOOL	KCB BANK	1164805789	550	550
83	2014/2015	MINYALI SA PRY SCHOOL	KCB BANK	1133892884	2,335	2335.00
84	2014/2015	FROI DEB PRY SCHOOL	KCB BANK	1149602770	1,052	1052.0
		TOTAL			**37,168,864**	**15,414,915**

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11.0 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)*
1.0	Budgetary control and performance-actual expenditure of ksh84,755,732against budgeted amount of 85,313,641	The funds experienced delays in the disbursement of the authority to incur expenditure (A.I.E) this majorly contributed to the performance	George shibanda Fund Account Manager	Resolved (all funds utilised in the financial year 2017/2018- see financial statements above) but no submission done to the public accounts committee yet	30th June 2018
2.0	Project implementation status -38 projects 12 ongoing 26 completed	The funds experienced delays in the disbursement of the authority to incur expenditure (A.I.E) this majorly contributed to the performance	George shibanda Fund Account Manager	Resolved all projects implemented but no submission done to the public accounts committee yet	30th June 2018
3.0	Title deed had not been processed for St Paul's kibisi primary school	The land was under succession and the processes is at the title transfer stage	Project management committee	Not resolved	30th June 2019