

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

CLASSIFIED BY:	
TABLED BY:	
DATE:	24 JUL 2018
THE NATIONAL ASSEMBLY PAPERS	

REPORT

DAY



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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KABUCHAI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**





OFFICE OF THE AUDITOR-GENERAL
P. O. Box 61000-00100, BUNGOMA

29 MAR 2019


RECEIVED

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KABUCHAI
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)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	24 JUL 2019
	DAY: Wednesday
TABLED BY:	Hon. Aden Duale MP (LOM)
CLERK AT THE TABLE:	Halima Ahmed

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

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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 Kabuchai 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	Joyce Wanjala
3.	Sub-County Accountant	Gofrey Simiyu
4.	Chairman NGCDFC	Charles Sirengo
5.	Member NGCDFC	Fredrick Mutieme

(d) Fiduciary Oversight Arrangements

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

P.O. Box 120-50202 chwele
Along Kanduyi – Chwele Road
CHWELE, KENYA

(f) NGCDF Kabuchai Constituency Contacts

Telephone: (254)722245551
E-mail: cdfkabuchai.go.ke
Website: www.kabuchaicdf.go.ke

(g) NGCDF Kabuchai Constituency Bankers

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

2. The Cooperative Bank of Kenya
Bungoma, Branch
A/C.No.01141536140900
P.O Box 1964,
Bungoma, Kenya

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

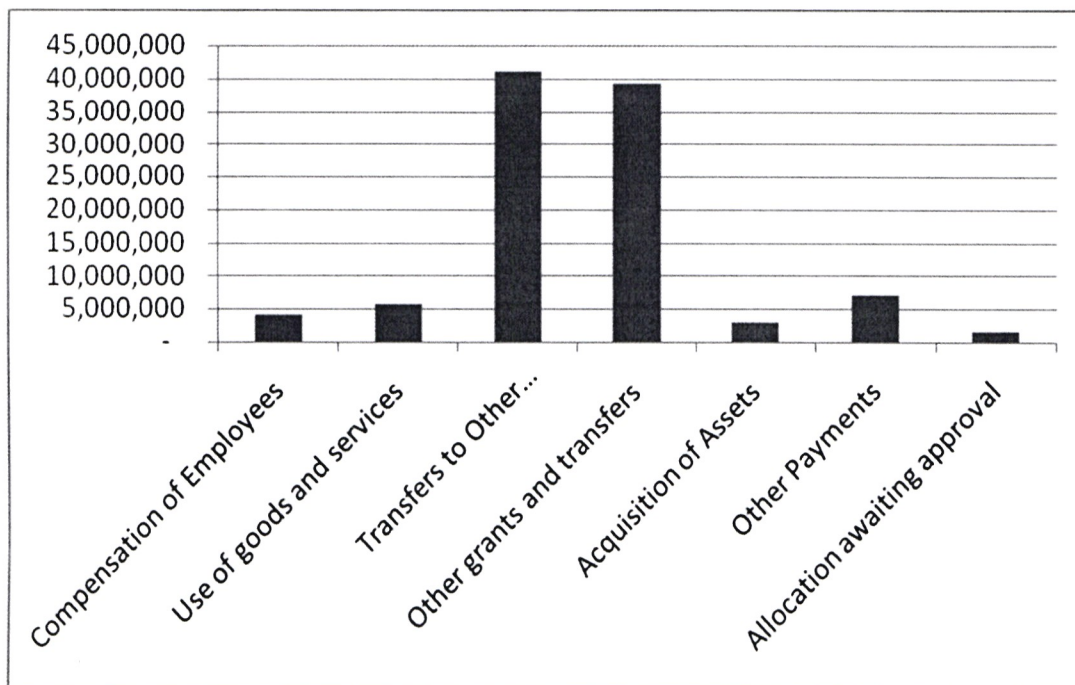
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I feel privileged to have this opportunity of submitting our financial statement for the Financial Year 2017/2018 in line with the requirement of the NG-CDF Act 2015.

The constituency had an original budget of ksh. 86,810,345 (Eighty six million, eight hundred and ten thousand, three hundred and forty five only), adjustments during the year were ksh. 15,124,446(Fifteen million, one hundred and twenty four thousand, four hundred and forty six only) leading to a final budget of ksh. 101,934,791(One hundred and one million, nine hundred and thirty four thousand, seven hundred and ninety one only) as represented in the graph below;

Compensation of Employees	4,107,491
Use of goods and services	5,788,714
Transfers to Other Government Units	41,072,456
Other grants and transfers	39,312,896
Acquisition of Assets	2,940,000
Other Payments	7,177,027
Allocation awaiting approval	1,536,207
Total	101,934,791



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

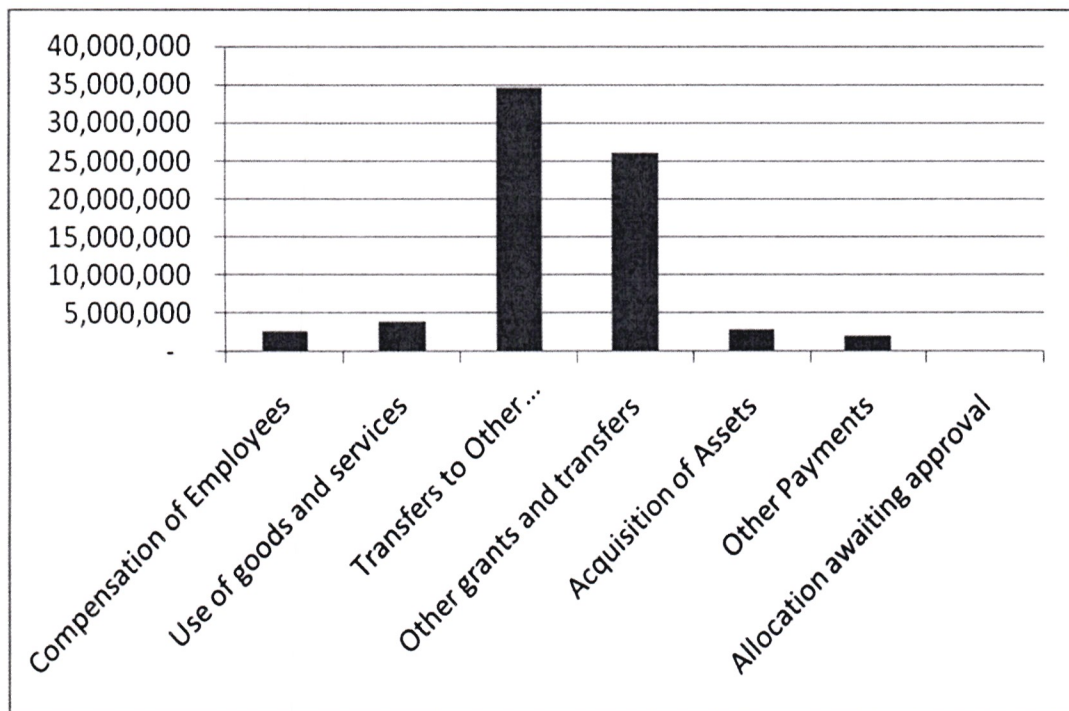
KABUCHAI CONSTITUENCY

Reports and Financial Statements

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The constituency received kshs. 86,874,138 in the year 2017/2018 we are indeed the most grateful to the CDF Board for this funding. However, the constituency was able to utilize up to ksh. 72,216,394.50 (seventy-two million two hundred and sixteen thousand, three hundred and ninety-four, cents fifty only) as represented in the graph below;

Compensation of Employees	2,657,234
Use of goods and services	4,000,705
Transfers to Other Government Units	34,586,250
Other grants and transfers	26,032,206
Acquisition of Assets	2,940,000
Other Payments	2,000,000
Total	72,216,395



Over the years, the Kabuchai NG-CDF has promptly disbursed funds to the Project Management Committee's (PMC's) for implementation of various projects. We have consequently recorded tremendous progress in various sectors as follows:-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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1. Many needy and vulnerable children have accessed education through the bursary schemes,
2. Construction of classrooms, laboratories, dormitories, and libraries and computer rooms has enhanced provision of quality education.
3. Promotion of environmental conservation, Aids awareness, sensitisation on drug and substance abuse as well as promotion of Youth Sports,
4. The funds have also been used to provide security facilities.

The following are sample successful projects;

CHEBUKWA SECONDARY SCHOOL – Construction of Dormitory



Improved learning and teaching environment to both learners and teachers hence improved performance

CHEKULO BAPTIST SECONDARY SCHOOL – Construction of three classrooms



Improved learning and teaching environment to both learners and teachers hence improved performance



**SANGO PRIMARY SCHOOL –
Construction of classrooms**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Improved learning and teaching environment to both learners and teachers hence improved performance

ASSISTANT CHIEF OFFICE NANGWE – Construction of office



Improved working environment hence improved service delivery to the public.

However, the implementation of such projects has not gone without challenges;

1. Lacks of sufficient funds as needs are limitless.
2. The problem of bit funding has slowed the period of completion of projects.
3. Lack of partners for co-funding has also been a challenge.

The entity is striving to prioritize projects and implement as stipulated in the strategic plan to ensure priority projects are funded and implemented to completion.

Finally we appreciate the role NG-CDF is playing in our development and it is my hope that it will be retained to continue serving as a vehicle for economic development of our country

Regards'

Sign.....
CHAIRMAN NGCDFC- KABUCHAI

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND
FUND ACCOUNT MANAGER
Date 27/9/18 Sign:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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 by the Public Sector Accounting Standards Board of Kenya from time to time.

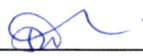
The Accounting Officer in charge of the NGCDF-Kabuchai Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-Kabuchai 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 the entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Kabuchai 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-Kabuchai 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-Kabuchai Constituency financial statements were approved and signed by the Accounting Officer on 27/09/2018 2018.



Fund Account Manager
Name: JOYCE WANJALA
Date: 27/9/18 Sign: 

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND
FUND ACCOUNT MANAGER



Sub-County Accountant
Name: GODFREY SIMIYU
ICPAK Member Number: N/A

DISTRICT ACCOUNTANT
BUNGOMA CENTRAL

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- KABUCHAI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kabuchai Constituency set out on pages 9 to 23, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kabuchai Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Transfer to Other Government Entities

Included in the transfer to other government units figure of Kshs.34,586,250 are payments totaling Kshs.900,000 for purchase of various parcels of lands as detailed below:

- a) The Fund transferred Kshs.700,000 to the PMCs account for purchase of 1.25 acres of land valued at Kshs.1,200,000 for Nangwe Primary School. However, the title deed for the parcel of land and the sale agreement were not availed for audit verification.
- b) The Fund contributed Kshs.400,000 towards purchase of land for Lwanda Primary School with total cost of Kshs.1,000,000. However, title deed for the parcel of land was not availed for audit verification.

In the circumstances, it was not possible to ascertain ownership of the parcels of land purchased by the management.

2. Other Grants and transfers

Included in the other grants and other transfers figure of Kshs.26,032,206 is an amount of Kshs.6,590,000 in respect of security expenditure which in turn includes Kshs.1,300,000 incurred on renovation and purchase of furniture for the Bungoma Central DCIO office. However, scrutiny of the relevant records revealed that the furniture was not purchased and renovation works not done to completion.

In the circumstances, it was not possible to ascertain accuracy of the expenditure on other grants and transfers figure incurred during the year under review.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund- Kabuchai Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Other Matter sections of my report, I have determined that there are no Key Audit Matters to report.

Other Matter

1. Budgetary Control and Performance

During the year under review, the Fund spent Kshs.72,216,395 against a budgeted amount of Kshs.101,934,791, resulting in under-absorption of Kshs.29,718,396 representing 29 % as highlighted below:

Receipt/Expense Item	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Budget Utilization Difference Kshs.	% of Utilization
Receipts				
Transfers from CDF Board	101,934,791	89,019,274	12,915,517	87
Total	101,934,791	89,019,274	12,915,517	87
Payments				
Compensation of Employees	4,107,491	2,657,234	1,450,257	65
Use of goods and services	5,788,714	4,000,705	1,788,009	69

Receipt/Expense Item	Final Budget Kshs.	Actual on Comparable Basis Kshs.	Budget Utilization Difference Kshs.	% of Utilization
Transfers to Other Government Units	41,072,456	34,586,250	6,486,207	84
Other grants and transfers	39,312,896	26,032,206	13,280,690	66
Acquisition of Assets	2,940,000	2,940,000	0	100
Other Payments	7,177,027	2,000,000	5,177,027	28
Allocation awaiting approval	1,536,207	0	1,536,207	-
Total	101,934,791	72,216,395	29,718,396	71

Consequently, the Fund did not fully achieve its planned programmes this may have led to the constituents not receiving the much needed services.

2. Project Implementation Status

The Fund was to implement a total of 72 projects/programmes under security, Education, Sports, and Environment sectors during the year under review. However, further analysis conducted on the performance records revealed that 4 representing 11% of the projects had started, 21 representing 37% were still on going and 47 representing 52% had been completed as at the time of audit as highlighted below:

Sector	Total Project Cost Kshs.	Budgeted projects	Actual/Implemented Projects						% of completed projects
			Not Started Kshs.		Ongoing Kshs.		Completed Kshs.		
Transfers to Primary Schools	22,800,042	28	2	3,213,793	4	6,200,000	22	13,386,249	59
Transfers to Secondary Schools	24,100,000	27	0	-	12	10,900,000	15	13,200,000	55
CDF- Office	2,500,000	1	0	-	0	-	1	2,500,000	100
ICT Hub	4,677,027	1	1	4,677,027	0	-	0	-	-
Security	18,300,000	10	0	-	4	8,500,000	6	9,800,000	54
Sports	1,763,793	2	0	-	0	-	2	1,763,793	100
Environment	1,536,207	1	1	1,536,207	0	-	0	-	-
Emergency Projects	5,137,951	1	0	-	1	5,137,951	0	-	-
Strategic Plan	2,500,000	1	0	-	0	-	1	2,500,000	100
Total	83,315,021	72	4	9,427,027	21	30,737,951	47	43,150,042	52

Consequently, the Fund did not achieve its projects completion targets and could therefore not provide its constituents with the planned service delivery.

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.

Basis for Conclusion

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 effectiveness of 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 such 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.

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.

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

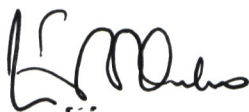
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.



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

Nairobi

22 May 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KABUCHAI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Ksh	ksh
RECEIPTS			
Transfers from CDF board	1	86,874,138	80,296,552
TOTAL RECEIPTS		86,874,138	80,296,552
PAYMENTS			
Compensation of employees	2	2,657,234	3,139,786
Use of goods and services	3	4,000,705	7,794,969
Transfers to Other Government Units	4	34,586,250	72,040,000
Other grants and transfers	5	26,032,206	54,977,897
Acquisition of Assets	6	2,940,000	3,160,000
Other Payments	7	2,000,000	-
TOTAL PAYMENTS		72,216,395	141,112,652
SURPLUS/DEFICIT		14,657,744	(60,816,100)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kabuchai Constituency financial statements were approved on 27/09/2018 2018 and signed by:

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND
FUND ACCOUNT MANAGER



Fund Account Manager Date: 27/9/18 Sign: 
Name: JOYCE WANJALA

DISTRICT ACCOUNTANT
BUNGOMA CENTRAL



Sub-County Accountant
Name: GODFREY SIMIYU
ICPAK Member Number: N/A

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

V. STATEMENT OF ASSETS

	Note	2017-2018	2016-2017
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	16,802,880	2,145,136
TOTAL FINANCIAL ASSETS		16,802,880	2,145,136
REPRESENTED BY			
Fund balance b/fwd 1st July...	9	2,145,136	62,961,236
Surplus/Deficit for the year		14,657,744	(60,816,100)
NET FINANCIAL POSITION		16,802,880	2,145,136

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kabuchai Constituency financial statements were approved on 27/09/ 2018 and signed by:

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND
FUND ACCOUNT MANAGER

Date: 27/9/18 Sign: [Signature]

**Fund Account Manager
Name: JOYCE WANJALA**

DISTRICT ACCOUNTANT
BUNGOMA CENTRAL

[Signature]
**Sub-County Accountant
Name: GODFRTEY SIMIYU
ICPAK Member Number: N/A**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KABUCHAI CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

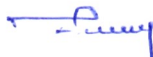
Receipts for operating income	Notes	2017-2018	2016-2017
Transfers from CDF Board	1	86,874,138	80,296,552
Total Receipts for operating income		86,874,138	80,296,552
Payments for operating expenses			
Compensation of Employees	2	2,657,234	3,139,786
Use of goods and services	3	4,000,705	7,794,969
Transfers to Other Government Units	4	34,586,250	72,040,000
Other grants and transfers	5	26,032,206	54,977,897
Other Payments	7	2,000,000	
Total Payments for operating expenses		69,276,395	137,952,652
Net cash flow from operating activities		17,597,744	(57,656,100)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(2,940,000)	(3,160,000)
Net cash flows from Investing Activities		(2,940,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		14,657,744	(60,816,100)
Cash and cash equivalent at BEGINNING of the year	9	2,145,136	62,961,236
Cash and cash equivalent at END of the year	8	16,802,880	2,145,136

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Kabuchai Constituency financial statements were approved on 27/09/2018 2018 and signed by:


Fund Account Manager
 Name: JOYCE WANJALA

NATIONAL GOVERNMENT CONSTITUENCIES
 DEVELOPMENT FUND
FUND ACCOUNT MANAGER

27/09/2018 Sign: 


Sub-County Accountant
 Name: GODFREY SIMIYU
 ICPAK Member Number: N/A

DISTRICT ACCOUNTANT
 BUNGOMA CENTRAL

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KABUCHAI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	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 CDF Board	86,810,345	15,124,446	101,934,791	89,019,274	12,915,517	87
TOTAL	86,810,345	15,124,446	101,934,791	89,019,274	12,915,517	87
PAYMENTS						
Compensation of Employees	2,936,210	1,171,281	4,107,491	2,657,234	1,450,257	65
Use of goods and services	4,436,721	1,351,993	5,788,714	4,000,705	1,788,009	69
Transfers to Other Government Units	33,786,249	7,286,207	41,072,456	34,586,250	6,486,207	84
Other grants and transfers	33,997,931	5,314,965	39,312,896	26,032,206	13,280,690	66
Acquisition of Assets	2,940,000	-	2,940,000	2,940,000	-	100
Other Payments	7,177,027	-	7,177,027	2,000,000	5,177,027	28
allocation awaiting approval	1,536,207	-	1,536,207	-	1,536,207	-
TOTAL	86,810,345	15,124,446	101,934,791	72,216,395	29,718,397	71

The NGCDF-Kabuchai Constituency financial statements were approved on 27/09/2018 and signed by:

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND
FUND ACCOUNT
Date: 27/09/2018 Sign: [Signature]

[Signature]
DISTRICT ACCOUNTANT
BUNGOMA CENTRAL

Sub-County Accountant
Name: GODFREY SIMIYU
ICPAK Member Number: N/A

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-Kabuchai 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.

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.

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

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.

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016 - 2017
	AIE NO.	kshs	kshs
Normal Allocation		5,500,000	-
	A892761	37,905,172	-
		1,600,000	-
	A896937	41,868,966	-
	A829571	-	4,094,826
	A855023	-	36,853,449
		-	39,348,275
TOTAL		86,874,138	80,296,552

2. COMPENSATION OF EMPLOYEES

Description		2017-2018	2016 - 2017
		khs	Kshs
Basic wages of contractual employees		1,690,795	1,304,864
Personal allowances paid as part of salary			
House allowance		312,000	336,000
Transport allowance		312,000	336,000
Leave allowance		24,000	
Other personnel payments(NHIF)		42,350	48,550
Employer contribution to NSSF		78,000	77,350
gratuity		198,089	1,037,023
Total		2,657,234	3,139,786

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 USE OF GOODS AND SERVICES			
Description		2016-2017	2016 -2017
		ksh	ksh
Utilities, supplies and services		10,960	41,960
Communication, supplies and services		220,000	150,000
Domestic travel and subsistence		104,000	597,340
Printing, advertising and information supplies & services		200,500	400,000
Training expenses		1,219,820	2,144,658
Hospitality supplies and services		342,800	392,100
Committee allowance		1,098,630	2,763,100
Specialized materials and services		-	69,026
Office and general supplies and services		420,000	647,694
Fuel ,oil & lubricants		200,000	400,000
Other operating expenses		-	40,582
Routine maintenance – vehicles and other transport equipment		45,600	69,443
Routine maintenance – other assets		138,395	79,066
Total		4,000,705	7,794,969
4 TRANSFER TO OTHER GOVERNMENT ENTITIES			
Description		2017-2018	2016 - 2017
		khs	ksh
Transfers to primary schools		15,186,250	33,560,000
Transfers to secondary schools		19,400,000	34,680,000
Transfers to Tertiary institutions		-	3,300,000
Transfers to Health institutions		-	500,000
TOTAL		34,586,250	72,040,000
5 OTHER GRANTS AND OTHER PAYMENTS			
Description		2017-2018	2016 - 2017
		khs	ksh
Bursary -Secondary		6,000,000	9,284,000
Bursary -Tertiary		9,601,000	15,883,000
Bursary-Special schools		305,000	-
Security		6,590,000	8,560,000
Roads and bridges		-	13,000,000
Sports		1,536,206	1,556,897
Other capital grants and transfer(environment)		-	1,000,000
Emergency Projects		2,000,000	5,694,000
Total		26,032,206	54,977,897

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 ACQUISITION OF ASSETS		
Non Financial Assets	2017-2018	2016 - 2017
	khs.	kshs
Refurbishment of Buildings	2,500,000	2,000,000
Purchase of office furniture and fittings	-	1,000,000
Purchase of computers ,printers and other IT equipments	-	160,000
Purchase of photocopier	200,000	-
Purchase of other office equipments(generator)	240,000	-
Total	2,940,000	3,160,000

7. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	2,000,000	-
	2,000,000	-

8. BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency		2017-2018	2016 - 2017
	Account Number	khs (30/6/2018)	Kshs (30/6/2017)
Cooperative Bank- Bungoma	01141536140900	16,802,880	2,145,136
Total		16,802,880	2,145,136

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – Kabuchai CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

9.0 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	Unsupported land acquisitions – Included under transfer to other government entities figure of Kshs. 71,940,000 is Kshs. 5,300,000 for parcels of land acquired for several projects. However, no title deeds registered in the names of the beneficiary institutions were availed for audit verification and were noted to be still under previous owners.	The management agrees with the audit observation. The challenge in transfer of land ownership documents in Kabuchai constituency is as a result of delays in the land succession process and also most of the lands have NOT been fully paid for given that most of the NGCDF projects are funded in phases. However, the management notes your recommendation with a lot of keenness to ensure the land ownership documents are processed without fail.	Joyce N. Wanjala – Fund Account Manager	Resolved	One week
2.0	Budgetary control and performance – During the year under review, the Fund spent Kshs.141, 112, 652 against a budgeted amount of Kshs. 144,857,788 resulting to under-absorption of Kshs.3, 745,136 or 3%.	The management agrees with the auditor's observation. This was due to the delays by the CDFB to release the project fund and the Authority to Incur Expenditure.	NGCDFB	Resolved	The funds received and disbursed to various projects in the subsequent year.
3.0	Project implementation Status – The CDF was to implement a total of 92 projects/programmes through different Project Management Committees during the financial year under review. Further analysis indicated that 3 or 3% of projects had not started, 39 or 42% of these were ongoing and 50 Or 54% had been completed as at the time of audit.	The management agrees with the audit observation. The delay in implementation of some projects was due to the delay in disbursement of funds from the NGCDF Board. The management will ensure that the budget is fully implemented as per your recommendation to ensure maximum service delivery to the constituents of Kabuchai in future.	NGCDFB	Resolved	Projects implemented in the subsequent year.

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

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	800,000	-	-	800,000
Buildings and structures	7,000,000	2,500,000	-	9,500,000
Transport equipment	6,158,843	-	-	6,158,843
Office equipment, furniture and fittings	2,522,000	240,000	-	2,762,000
ICT Equipment, Software and Other ICT Assets	558,200	200,000	-	758,200
Tot	17,039,043	2,940,000	-	19,979,043

ANNEX 2 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance	Bank Balance
			2017/2018	2016/2017
NATIONAL GOVERNMENT KABUCHAI CONSTITUENCY OFFICE	COOPERATIVE	01141669605400	1,775,000.00	775.25
KABUCHAI CONST. SPORTS COMMITTEE	COOPERATIVE	01141668565600	2,162.80	162.80
KABUCHAI CONST. ENV COMMITTEE	COOPERATIVE	01141668506200	497.5.	497.5.
BUNGOMA CENTRAL EDU OFFICE	COOPERATIVE	01141669811500	1,373.00	1,373.00
NAIRUMBI PRIMARY SCHOOL	COOPERATIVE	01141050138300	1,440.00	600,000.00
CHEBUNYINYI PRIMARY SCHOOL	COOPERATIVE	01141669294400	345,302.50	5,302.50
SIKUSI RC PRIMARY SCHOOL	COOPERATIVE	01141049852400	2,027.50	2,027.50
HON. WETANG'ULA SANGO PRIMARY SCHOOL	COOPERATIVE	'01139050212300	2,453.50	2,453.50
CHEKULO BAPTIST PRIMARY SCHOOL	COOPERATIVE	01141049007000	3,607.50	3,607.50
LUFUTU PRIMARY SCHOOL	COOPERATIVE	01141536315500	345.25	345.25
MAKHONGE SA PRIMARY	COOPERATIVE	01141668244200	289,682.50	9,682.50
KIBICHORI FYM PRIMARY	COOPERATIVE	01141049256800	3,091.00	
SANANDIKI SA PRIMARY	COOPERATIVE	01141049710800	1,325.00	1,325.00

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

LUUCHO PRIMARY SCHOOL	COOPERATIVE	01141536267000	1,771.50	3,771.50
TEREMI PRIMARY SCHOOL	COOPERATIVE	01141049006800	2,557.50	2,557.50
SIKULU PRIMARY SCHOOL	COOPERATIVE	01141049310500	1,078.00	1,078.00
CHEKWANDA PRIMARY SCHOOL	COOPERATIVE	01141668569300	22,085.50	22,085.50
HON. WETANGULA SANGO PRIMARY	COOPERATIVE	01139050212300	102,453.50	2,453.50
ST. WALUMOLI PRIMARY SCHOOL	COOPERATIVE	01141425757300	132,575.00	2,575.00
SAWALI RIMARY SCHOOL	COOPERATIVE	01141535778500	24,108.50	24,108.50
NANGWE RC PRIMARY SCHOOL	COOPERATIVE	01141049429100	4,044.50	4,044.50
NANGUBO PRIMARY SCHOOL	COOPERATIVE		2,189.00	
SIKATA PRIMARY SCHOOL	COOPERATIVE	01141011518300	1,087.50	108,087.50
MUSOKHO PRIMARY SCHOOL	COOPERATIVE	01141049280400	2,042.00	164,042.00
CHEBUKAKA BOYS PRIMARY SCHOOL	COOPERATIVE	01141668677500	114,151.70	4,151.70
ST. JOSEPH NALONDO BOYS SECONDARY SCHOOL	COOPERATIVE	01141049934300	2,712.00	2,712.00
CHEKULO BAPTIST SECONDARY SCHOOL	COOPERATIVE	01141536393800	50.00	50.00
CARDINAL OTUNGA SECONDARY SCHOOL- SICHEI	COOPERATIVE	01141536989600	509,862.00	19,862.00
SIKULU SECONDARY SCHOOL	COOPERATIVE	01141050275900	3,922.00	3,922.00
CHEMWA SECONDARY SCHOOL	COOPERATIVE	01141668233300	1,462.00	1,462.00
LUKHOME SECONDARY SCHOOL	COOPERATIVE	01141049933900	4,992.00	4,992.00
MILEMBE SECONDARY SCHOOL	COOPERATIVE	01139427339300	4,977.00	4,977.00
KIMALEWA SECONDARY SCHOOL	COOPERATIVE	01141049933700	98,885.00	98,885.00
BUSAKALA SECONDARY SCHOOL	COOPERATIVE	01141049329600	14,453.00	14,453.00
NANGWE ASS. CHEIF OFFICE	COOPERATIVE	01141668638400	2,887.00	2,887.00
WEST NALONDO ASSISTANT CHIEFS OFFICE	COOPERATIVE	01141669447000	1,612.00	1,612.00
ASSISTANT COUNTY COMMISSIONERS RESIDENCE - NALAONDO	COOPERATIVE		710.00	930,710.00
MUKHWEYA ASSISTANT CHIEF OFFICE	COOPERATIVE	01141669798100	4,325.00	4,325.00

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

CHEKULO SUB LOCATION OFFICE	COOPERATIVE	01141669877300	1,325.00	35,325.00
NASAKA HEALTH CETRE	COOPERATIVE	01141290153700	4,214.00	4,214.00
KUYWA BRIDGE	COOPERATIVE	01141669184100	27,263.00	27,263.00
SIKUSI SECONDARY SCHOOL	COOPERATIVE	01141049933100	12,487.00	12,487.00
CHENJENI SECONDARY SCHOOL	COOPERATIVE	01141426491600	1,210.00	1,210.00
LUKHOME PRIMARY SCHOOL	COOPERATIVE	01141011502900	1,512.00	1,512.00
Total			3,542,293.75	2,138,870.00



Fig 1: Fully funded School bus by Nyaribari Chache for St. Andrews' Irondi Secondary School



Fig 2: Fully funded School bus by Nyaribari Chache for St. Vincent De Paul Nyanko Secondary School



Fig 3: Construction of one classroom at Nyosia Primary School fully funded by Nyaribari Chache

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NYARIBARI CHACHE CONSTITUENCY**

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



Fig 4: Renovation of 3 class rooms at Gekomu Primary School




Fig 5: construction of 3 door pit latrine for girls at Kabosi Primary School

IMPLEMENTATION CHALLENGES

The NG-CDFCs wish that the issues of having the project on going for more than two years be stopped and the NG-CDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers.

Finally, the Nyaribari Chache NG-CDF wish to thank the NG CDF board and all other stake holders who have made it easy for them to be able to deliver services to the people of Nyaribari Chache NG-CDF within the precincts of the NG-CDF Act, 2015.


Sign _____
CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NYARIBARI CHACHE CONSTITUENCY**

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

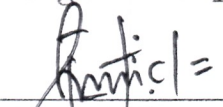
The Accounting Officer in charge of the NGCDF-Nyaribari Chache Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June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

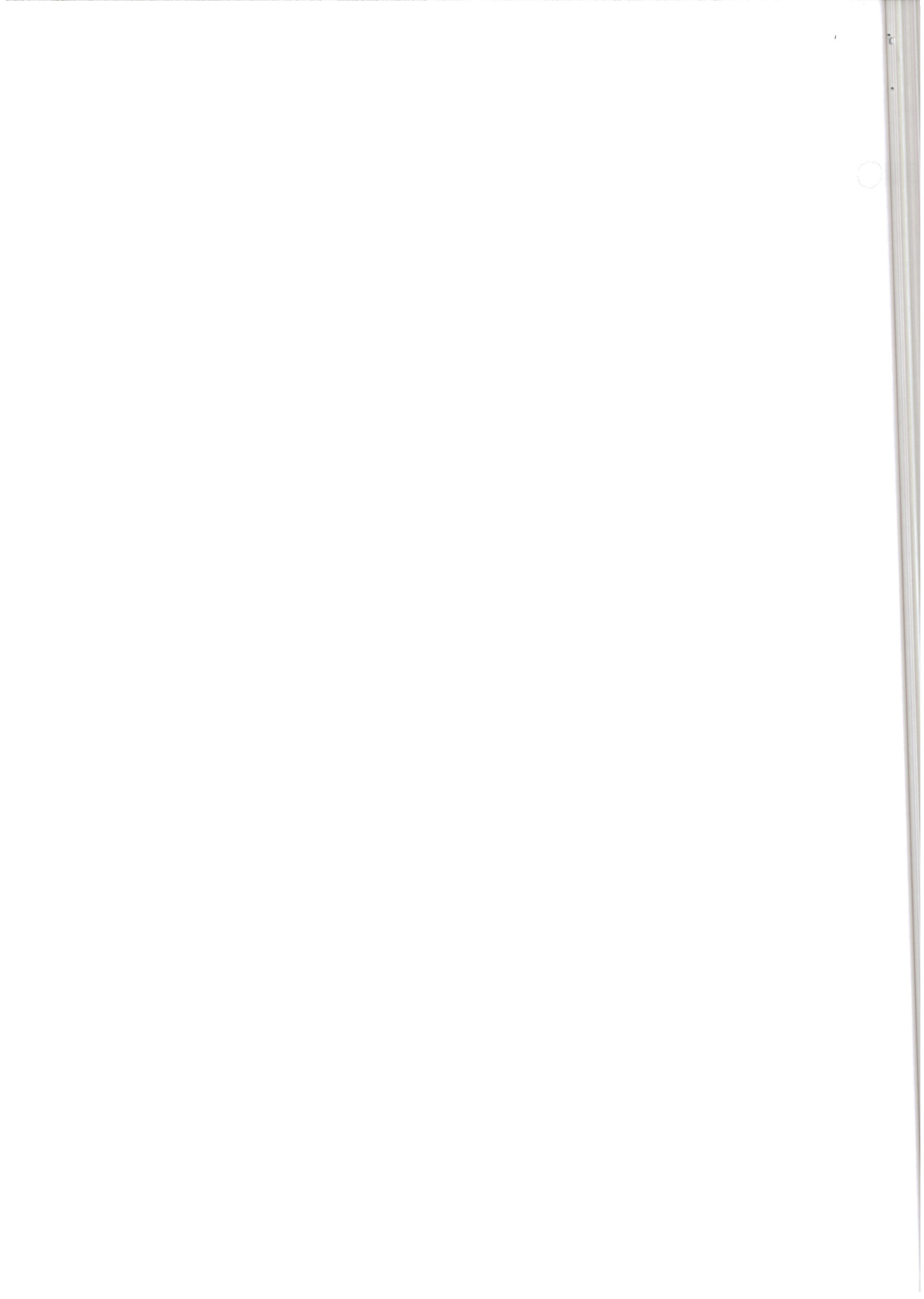
The NGCDF-Nyaribari Chache Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.



Fund Account Manager
ICPAK Member Number:



Sub-County Accountant
ICPAK Member Number:



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYARIBARI CHACHE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of National Government Constituencies Development Fund - Nyaribari Chache Constituency set out on pages 10 to 31, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Nyaribari Chache 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 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Emergency Projects

Included in other grants and other transfers of Kshs. 31,169,000 under Note 7 to the financial statements is an expenditure of Kshs. 4,016,000 in respect of emergency projects. A review of the project files and payment records in respect of the emergency expenditure revealed that all the payments were not supported by bill of quantities, inspection and acceptance committee reports and interim or completion certificates as appropriate. In the circumstances, the propriety and accuracy of the expenditure of Kshs. 4,016,000 could not be confirmed.

2. Prior Year Adjustments

Included in the statement of assets and disclosed in Note 14 to the financial statements is an unexplained prior year adjustment of Kshs. 3,406,213 whose

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

breakdown was not provided. In the circumstances, the validity, completeness and accuracy of the prior year adjustment could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Nyaribari Chache Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Diversion of Funds Towards Purchase of Land

Kabwori primary school was allocated Kshs.537,455.17 for construction of one classroom. Physical verification of the project done in February 2019, revealed that the funds were diverted towards purchase of land contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015. According to that Section of the Act, once funds are allocated for a particular project, they may only be re-allocated for any other purpose during the financial year with approval of the Board. The title deed for the said land was also not produced for audit to confirm the ownership.

2. Budget Performance Analysis

A review of the approved budget against the actual expenditure revealed gross under expenditure on some items as shown below:

Expense Item	Final Budget (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)	% of Under Expenditure
Compensation of Employees	4,252,200	2,431,387	1,820,813	43%
Transfers to Other Government Units	59,256,295	45,830,199	13,426,096	23%
Other Grants and Transfers	67,363,366	31,169,000	36,194,366	54%
Allocation Awaiting Approval	9,400,000	-	9,400,000	100%

The under expenditure is an indication that some of the planned projects, programmes and activities were not executed, leading to ineffective delivery of the services to the constituents.

3. Project Verification Status

Twenty projects valued at Kshs.15,806,337 were physically verified and observations made as shown in the table below:

Project Name	Activity	Disbursement in 2017/2018 - Kshs	Status	Remarks
Nyataro primary School	Construction of one classroom and 3 door pit latrine	750,000	Complete	-Three door pit latrine is complete and in use. -Classroom complete its already in use, painting is yet to be done.
Kiogoro primary	Construction of one classroom	537,455	Complete	-One classroom was constructed and its already in use. -Not labelled
Amariba Secondary school	Purchase of 64 seater bus	5,000,000	Ongoing	Deposit of Kshs.5 million has been made awaiting the balance to be paid.
Matanwa secondary school	Construction of Multipurpose hall	600,000	Incomplete	The project has stalled
Nyandarema primary school	Construction of 6 door toilet	600,000	Ongoing	6 door toilet has been constructed but doors have not been fitted
Rianyamwamu primary	Construction of one classroom	502,972	Complete	One classroom is under construction, flooring doors and windows not yet done. Part of the money was diverted to build pit latrines
Kabwari SDA primary School	Construction of one classroom	537,455	Complete	Funds diverted to buy land and the rest

Project Name	Activity	Disbursement in 2017/2018 - Kshs	Status	Remarks
				used to roofing an incomplete class.
Nyosia primary school	Construction of one classroom and 3 door pit latrine	750,000	Complete	Classroom and pit latrine are complete and in use.
Maburi primary	Construction of 3 classrooms	1,500,000	Ongoing	-The project is ongoing, 3 classrooms constructed. One roofed, doors and windows not fitted. Flooring and painting not done -Not labelled
Chidwani primary school	Construction of one classroom	537,455	Complete	-Complete and it's in use -Not labelled
Kabwari SDA primary School	Construction of one classroom	500,000	Complete	Diverted the funds to complete an existing classroom.
Boronyi DEB	Construction a four door latrines collapsed due to heavy rain	300,000	Complete	-Completed and in use. -Not labelled
Kionganyo Sub Location	Payment made to construct Ass. Chiefs office due to insecurity in the area	500,000	Complete	-Completed and in use. -Not labelled.
Matunwa DEB	Construction of a four door latrine to replace the one that had collapsed due to heavy rains	400,000	Complete	-Completed and in use. -Not labelled.
Nyaguta DEB	Construction of a four door latrines to replace the ones that had collapsed	300,000	Complete	-Complete and in use -Not labelled
Kegati DEB	Payment made to unblock pupils modern toilet blocked due to heavy rain	100,000	Complete	The latrines were unblocked and in use.

Project Name	Activity	Disbursement in 2017/2018 - Kshs	Status	Remarks
Ritaro Primary School	Construction of a latrine to replace the one that had collapsed due to heavy rains	100,000	Complete	-Complete and in use. -Not labelled
Amasago Secondary School	Equipping of Dining Hall, Purchase of office Furniture Including Cabinet and Purchase of 100 Lockers for students	1,600,000	Complete	Complete and in use.
Nyamagwa SDA	Purchase of School Bus	366,000	complete	Complete and in use.
Boruma Secondary School	Construction of a classroom	325,000	Not started	Amount allocated yet to be spent.
	Total	15,806,337		

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

(Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, Risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund - Nyaribari Chache Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the 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 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Nyaribari Chache Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

06 June 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NYARIBARI CHACHE CONSTITUENCY

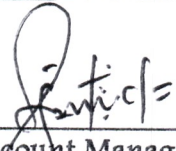
Reports and Financial Statements

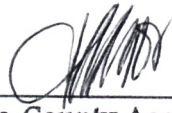
For the year ended June 30, 2018

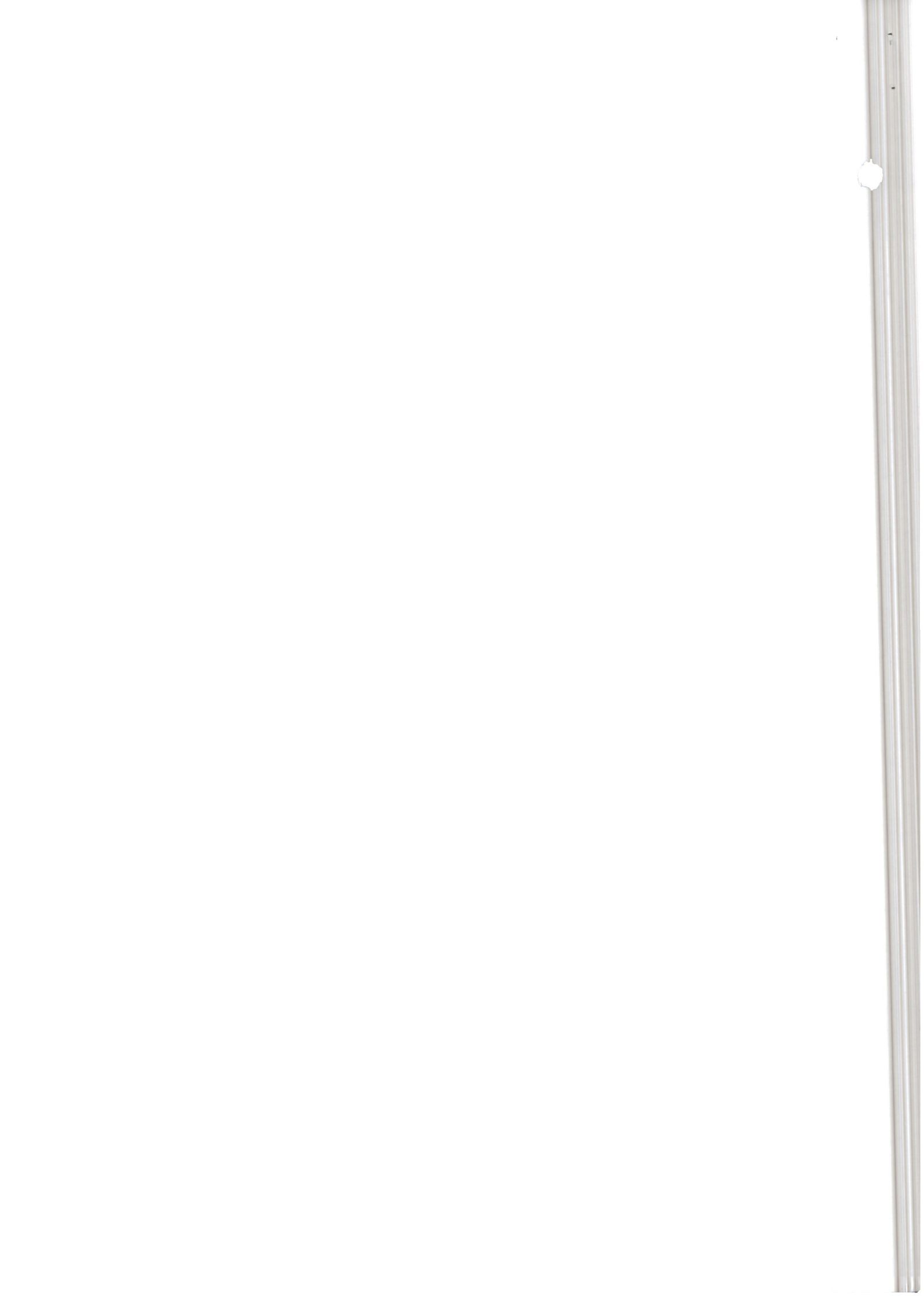
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	129,837,930	98,492,900
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		129,837,930	98,492,900
PAYMENTS			
Compensation of employees	4	2,431,387	1,647,800
Use of goods and services	5	10,843,788	8,320,473
Transfers to Other Government Units	6	45,830,199	34,650,000
Other grants and transfers	7	31,169,000	62,029,671
Acquisition of Assets	8	-	
Other Payments (Bank Charges)	9	106,885	
TOTAL PAYMENTS		90,381,260	106,647,944
SURPLUS/DEFICIT		39,456,670	(8,155,044)

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


 Fund Account Manager
 Name: Jared Bosire


 Sub-County Accountant
 Name: Evans Onchiri
 ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NYARIBARI CHACHE CONSTITUENCY

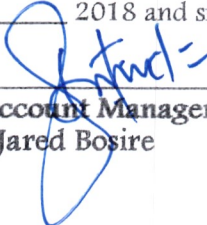
Reports and Financial Statements


For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017-2018 Kshs	2016-2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	43,461,359	598,476
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		43,461,359	598,476
Current receivables - Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		43,461,359	598,476
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	-	-
NET FINANCIAL ASSETS		43,461,359	598,476
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	598,476	8,753,520
Surplus/Deficit for the year		39,456,670	(8,155,044)
Prior year adjustments	14	3,406,213	-
NET FINANCIAL POSITION		43,461,359	598,476

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


Fund Account Manager
 Name: Jared Bosire


Sub-County Accountant
 Name: Evans Onchiri
 ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NYARIBARI CHACHE CONSTITUENCY

Reports and Financial Statements


For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017-2018	2016-2017
		Kshs	Kshs
Transfers from CDF Board	1	129,837,930	98,492,900
Other Receipts	3	-	-
		129,837,930	98,492,900
Payments for operating expenses			
Compensation of Employees	4	2,431,387	1,647,800
Use of goods and services	5	10,843,788	8,320,473
Transfers to Other Government Units	6	45,830,199	34,650,000
Other grants and transfers	7	31,169,000	62,029,671
Other Payments(Bank Charges)	9	106,885	-
		90,381,260	106,647,944
Adjusted for:			
Adjustments during the year	14	3,406,213	-
Net cash flow from operating activities		42,862,883	(8,155,044)
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		42,852,883	(8,155,044)
Cash and cash equivalent at BEGINNING of the year	13	598,476	8,753,520
Cash and cash equivalent at END of the year		43,461,359	598,476

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


 Fund Account Manager
 Name: Jared Bosire


 Sub-County Accountant
 Name: Evans Onchiri
 ICPAK Member Number:

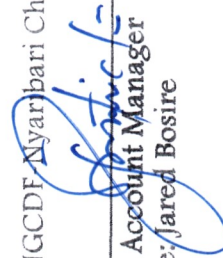
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NYARIBARI CHACHE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018


VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	64,626,062	151,436,407	130,436,406	21,000,001	59.0%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
TOTAL RECEIPTS	86,810,345	64,626,062	151,436,407	130,436,406	21,000,001	59.0%
PAYMENTS						
Compensation of Employees	2,900,000	1,352,200	4,252,200	2,431,387	1,820,813	57%
Use of goods and services	4,912,931	6,251,615	11,164,546	10,843,788	320,758	97%
Transfers to Other Government Units	26,172,414	33,083,881	59,256,295	45,830,199	13,426,096	77%
Other grants and transfers	43,425,000	23,938,366	67,363,366	31,169,400	36,194,366	54%
Acquisition of Assets	-	-	-	-	-	0%
Other Payments	-	-	-	106,385	-	0%
Allocation awaiting approval	9,400,000	-	9,400,000	-	9,400,000	-
TOTAL	86,810,345	64,626,062	151,436,407	90,381,760	61,018,032	59.7%

NB: The percentage utilization of *Compensation of Employees* was below 90% i.e. 57.48% because funds were not disbursed in time.
 The percentage utilization of *Transfers to other Government Units* was below 90% i.e. 77% because funds were not disbursed in time.
 The percentage utilization of *Other grants and Transfers* was below 90% i.e. 54% because funds were not disbursed in time.
 The total absorption rate was below 90% i.e. 59.7% due to late disbursement of funds.

The NGCDF Nyaribari Chache Constituency financial statements were approved on 2018 and signed by:


Fund Account Manager
 Name: Jared Bosire


Sub-County Accountant
 Name: Evans Onyari
 ICPAK Member Number:

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-NYARIBARI CHACHE 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.

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

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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

Reports and Financial Statements

For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO. A825940	1		34,244,624
AIE NO. A855075	2		36,853,449
AIE NO	3		23,300,000
AIE NO.	1		4,094,827
AIE NO. A855978	2	5,500,000	
AIE NO. A892565	-	40,448,275	
AIE NO. A892794	4	37,905,172	
AIE NO. A896991	5	45,984,483	
TOTAL		129,837,930	98,492,900

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	2,431,387	1,647,800
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Total	2,431,387	1,647,800

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Utilities, supplies and services	130,475.44	36,805.00
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	183,095.00	-
Domestic travel and subsistence	180,000.00	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,600,000.00	-
Hospitality supplies and services	-	-
Other committee expenses	3,000,000.00	2,261,013.00
Committee allowance	4,100,000.00	4,000,000.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	120,000.00	-
Fuel , oil & lubricants	300,000.00	1,854,000.00
Other operating expenses	1,200,000.00	-
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	30,218.00	168,655.00
Routine maintenance- other assets	-	-
TOTAL	<u>10,843,788.44</u>	<u>8,320,473.00</u>

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	11,977,999	15,250,000
Transfers to secondary schools	33,852,200	13,200,000
Transfers to tertiary institutions	-	2,400,000
Transfers to health institutions	-	3,800,000
TOTAL	45,830,199	34,650,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools	4,784,000	13,243,959
Bursary – tertiary institutions	21,769,000	35,571,257
Agriculture	-	4,800,000
Water	-	1,003,000
Security projects	600,000	4,700,000
Sports projects	-	50,000
Environment projects	-	-
Emergency projects	4,016,000	200,000
Total	31,169,000	62,279,671

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NYARIBARI CHACHE CONSTITUENCY

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For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	400,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	-	400,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-
	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NYARIBARI CHACHE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	11,977,999	15,250,000
Transfers to secondary schools	33,852,200	13,200,000
Transfers to tertiary institutions	-	2,400,000
Transfers to health institutions	-	3,800,000
TOTAL	45,830,199	34,650,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools	4,784,000	13,243,959
Bursary – tertiary institutions	21,769,000	35,571,257
Agriculture	-	4,800,000
Water	-	1,003,000
Security projects	600,000	4,700,000
Sports projects	-	50,000
Environment projects	-	-
Emergency projects	4,016,000	200,000
Total	31,169,000	62,279,671

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NYARIBARI CHACHE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	400,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	-	400,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-
	-	-
Total	-	-

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity Bank, Kisii Branch a/c no. 0510294577003</i>	43,461,359	8,753,520
Total	43,461,359	8,753,520
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 NYARIBARI CHACHE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12: RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	598,476.00	8,753,520.00
Cash in hand	-	-
Imprest	-	-
Total	598,476.00	8,753,520.00

[Provide short appropriate explanations as necessary]

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	3,406,213.05	-
Cash in hand	-	-
Imprest	-	-
Total	3,406,213.05	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,820,813.00	-
Use of goods and services	320,758.00	-
Amounts due to other Government entities (see attached list)	11,960,096.00	-
Amounts due to other grants and other transfers (see attached list)	37,516,366.00	-
Acquisition of assets	-	-
Others (Allocation awaiting approval)	9,400,000.00	-
	61,018,033.00	-

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

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

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2017/18	2016/17	
Compensation of employees				
Use of goods & services		1,820,813.00		
Amounts due to other Government entities		320,758.00		
		11,960,096.00		
Amariba Secondary School	Completion of multipurpose Hall	5,134,811.00		
Taracha Secondary School	Construction of 2 class rooms	1,000,000.00		
Nyansira Secondary School	Construction of 2 class rooms	1,000,000.00		
Kegati Secondary School	Completion of tuition of block	3,000,000.00		
Maburi Primary School	Construction of 3 class rooms	700,000.00		
Roronyi Secondary School	Construction of 3 Door Pit latrine	320,000.00		
Sub-Total		14,101,667.00		
Amounts due to other grants and other transfers		37,516,366.00		
Security	Construction of chiefs' office	6,100,000.00		
Sports	Constituency sports tournaments	1,736,207.00		
Environmental projects	Constituency environment projects	1,736,207.00		
Bursary(Secondary Schools)	Bursary for secondary schools	1,196,000.00		
Bursary(Tertiary Institutions)	Bursary for colleges & universities	11,081,041.00		
Emergency	Emergency projects	2,587,935.00		
NG-CDF Office	Construction of NG CDF Office/library	5,675,535.00		
Sub-Total		37,516,366.00		
Sub-Total		51,618,033.00		
Acquisition of assets				
Others (<i>specify</i>)				
Allocation awaiting approval		9,400,000.00		
Sub-Total		9,400,000.00		
Grand Total		61,018,033.00		

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost	
	(Kshs)	2016/17			(Kshs)	2017/18
Land						
Buildings and structures	8,096,672.00				8,096,672.00	
Transport equipment	6,500,000.00				6,500,000.00	
Office equipment, furniture and fittings	515,300.00				515,300.00	
ICT Equipment, Software and Other ICT Assets	382,000.00				382,000.00	
Other Machinery and Equipment	7,800.00				7,800.00	
Heritage and cultural assets						
Intangible assets						
Total	15,501,772.00				15,501,772.00	0

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

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs'000)

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)	
CDF/2016/2017(1)	Inaccuracies in financial statements	Some incorrect entries identified that have been since corrected	Fund Account Manager	Resolved	N/A
CDF/2016/2017(2)	Fuel not Accounted for	At time of the audit fuel register was not availed but was availed after	Fund Account Manager	Resolved	N/A
CDF/2016/2017(3)	Change of project activity without authority	Necessary documentation from the board and school management in regard of the same was availed	Fund Account Manager	Resolved	N/A