

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

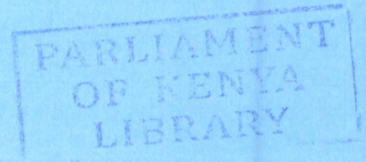
OF


THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
NYARIBARI MASABA CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2018



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| <br>PARLIAMENT OF KENYA<br>PAPERS LAID |  |
| DATE: 24 JUL 2019   |  |
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| PREPARED BY:  |  |





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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NYARIBARI  
MASABA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018

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Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector  
Accounting Standards (IPSAS)

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
NYARIBARI MASABA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)  
NYARIBARI MASABA CONSTITUENCY**  
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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 NYARIBARI MASABA 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

| No | Designation           | Name                   |
|----|-----------------------|------------------------|
| 1. | Accounting Officer    | Yusuf Mbuno            |
| 2. | A.I.E holder          | Ronald Ingala Khaggayi |
| 3. | Sub-County Accountant | Evans Obae             |
| 4. | Chairman NGCDFC       | Mark Siko              |
| 5. | Member NGCDFC         | Jayesh Orego Bonuke    |

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF - NYARIBARI MASABA Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) NGCDF NYARIBARI MASABA Constituency Headquarters**

P.O. Box 976 - 40202  
Masimba NGCDF Office  
Off Keroka – Nyangusu Road  
Keroka, KENYA

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NYARIBARI MASABA CONSTITUENCY**

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**(f) NGCDF NYARIBARI MASABA Constituency Contacts**

Telephone: (+254) 722 577 340  
E-mail: [cdfnyaribarimasaba@ngcdf.go.ke](mailto:cdfnyaribarimasaba@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF NYARIBARI MASABA Constituency Bankers**

1. The Cooperative Bank of Kenya  
Keroka Town  
P.O. Box 754  
40202  
Keroka, 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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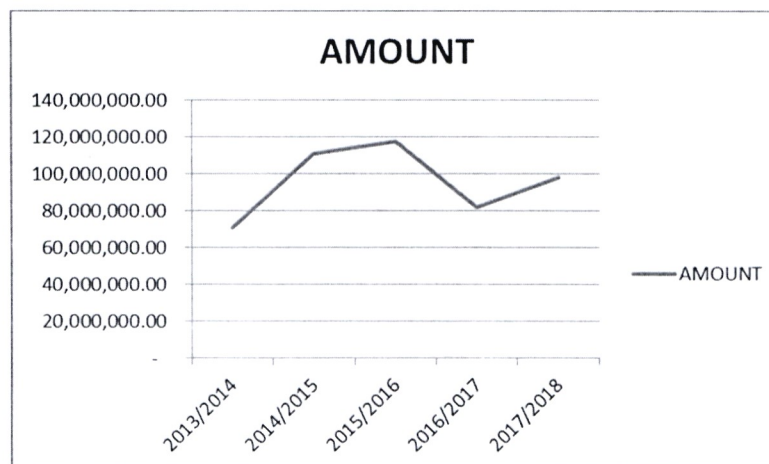
**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

- \* The Vision for Nyaribari Masaba NGCDF is; Nyaribari Masaba to shine in all areas of human endeavors; to achieve a high Human Development Index characterized by:
  - Peaceful coexistence
  - Improved quality of life
  - Food sufficiency
  - Employment opportunities
  - Investment opportunities,
  - Well-connected infrastructure
  - Excellent academic performance
- \* A good place to live and work
- \* A good place to invest
- \* A good place to attract others to visit and emulate.

We were gazetted into office in November 2017. We held our first meeting as a committee in December 2017 where we agreed as a committee to work towards the betterment of the life of the people of Nyaribari Masaba. This is in line with meeting NGCDF targets both at the constituency level and at Board level as per our mission, vision and core mandate.

Considering we formally took the office from the former NGCDF office in the month of January 2018, we were able to exhaust our funds within the financial year apart from the supplementary budget which was allocated later in the financial year.

Nyaribari Masaba has received approximately Kshs. 479,852,795.02 (Kenya Shillings Four Hundred and Seventy Nine Million Eight Hundred and Fifty Two Thousand Sven Hundred and Ninety Five) of CDF funds from the FY. 2013/2014 to the end of the FY.2017/18.



In the FY.2017/2018 Nyaribari Masaba was allocated Kshs.98,189,655.16. The constituency was able to receive Kshs. 84,810,345 from the Board to fund various

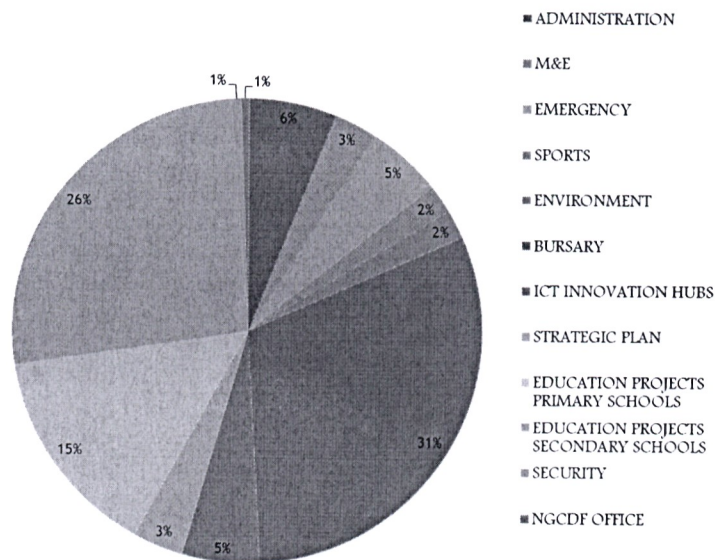


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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programs. This can be demonstrated in the chart below;



**Key Achievements**

- The committee was able to issue bursary to over 7800 students in both secondary and tertiary institutions to a tune of Kshs.27.5 million.
- The NGCDF Committee has managed to disburse all funds due to respective PMCs.
- Covered over 50 schools in funding.



- All Projects are ongoing and some complete.
- The NGCDF adopted a labour based contract method to empower the local community benefit from the projects.
- Strategic plan already developed.

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
***NYARIBARI MASABA CONSTITUENCY***  
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- Distributed 14 (10,000 litres) Roto tanks to 12 schools and 2 milk cooling centers (Ekerubo & Gesusu).
- Supplied tree seedlings to 50 schools (10 per ward).
- The Football tournament was held as per schedule.



- The NGCDF office is now fully functional with staff.

As a Committee we managed to achieve 100% in terms of transfer of funds to other government institutions within the financial year for which the financial statements apply. This was possible despite late funding from the treasury.

Challenges;

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

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The main challenge experienced by the committee is the existence of several unfinished projects initiated by NGCDF. This has led to the community not being able to enjoy value for money for the various projects.

The existence of projects which were initiated by NGCDF but now fall under the county government and have not been handed over to the county government has denied the community an opportunity to benefit from the funds towards these projects.

Way Forward;

The NGCDF intends to cover all school (public) during the 5 year term with an aim to finish all incomplete projects initiated by NGCDF. In addition all secondary schools to have functional laboratories with an overall view of being able to improve infrastructure in all public schools.

The NGCDF committee together with the constituency leadership will engage the County governments with an aim of handing over facilities whose functions have been transferred to the devolved system of governance.

We wish to thank the NGCDF Board for the support provided to the Committee which has enabled the committee carry out its roles effectively.

God Bless Nyaribari Masaba, God Bless Kenya.

Sign;



**MR. Mark Siko  
CHAIRMAN NGCDF COMMITTEE**

**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 the Public Sector Accounting Standards Board of Kenya from time to time.

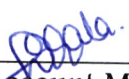
The Accounting Officer in charge of the NGCDF-NYARIBARI MASABA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 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 MASABA 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 MASABA 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 MASABA 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 MASABA Constituency financial statements were approved and signed by the Accounting Officer on 6<sup>TH</sup> SEPT 2018.

  
\_\_\_\_\_  
Fund Account Manager  
Name: *Ronald Ingala Khaggayi*

  
\_\_\_\_\_  
Sub-County Accountant  
Name: *Evans Obae*

# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the financial statements of National Government Constituencies Development Fund - Nyaribari Masaba Constituency set out on pages 9 to 37, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined 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 Masaba Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Project Management Committee (PMC) Bank Balances

Included in Annex 4 to the financial statements is an analysis of project management committee (PMC) bank balances totalling Kshs.16,610,119 as at 30 June 2018. However, these bank balances were not supported by bank statements and certificates of bank balances as at 30 June 2018. In the circumstances, it was not possible to confirm the existence, accuracy and completeness of the project management committee (PMC) bank balances as at 30 June 2018.

##### 2. Net Financial Position

The statement of assets and liabilities as at 30 June 2018 reflects total financial assets balance of Kshs.7,576,453 and nil liabilities. However, contrary to the guidelines

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

issued by the Public Sector Accounting Standards Board, the statement of assets and liabilities shows net liabilities instead of the net financial position of Kshs.7,576,453.

### **3. Unexplained Difference in Transfers from NGCDF Board**

The summary statement of appropriation reflects transfers from the NGCDF Board of Kshs.95,784,597 which differs with the amount of Kshs.84,810,345 reflected in the statement of receipts and payments, leading to unreconciled and unexplained of Kshs.10,974,252. Consequently, the accuracy of the receipts during the year under review could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Nyaribari Masaba 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. Reallocation of Fund**

Included in transfers to other government units' expenditure of Kshs.49,978,725 is an amount of Kshs.1,150,000 which was paid to two primary schools for projects whose nature and scope were changed irregularly without approval of the National Government Constituency Development Fund Board as required by law. The projects are as detailed below:

- i. The approved project at Nyamagesa DEB Primary School was construction of two classrooms at a sum of Kshs.650,000. Physical verification done in March

2019 revealed that the management had changed the nature of the project to construction of administration block.

- ii. Ichuni Girls Primary School was issued with Kshs.500,000 for construction of a five door pit latrine. Physical verification done in March 2019 revealed that the money was instead used to re-inforce the pillars and walls of classrooms without approval of the re-allocation.

Consequently, the regularity and value for money of these projects could not be ascertained.

## 2. Projects Implemented Without the Involvement of Project Management Committees

Included also in the transfers to other government units of Kshs.49,978,725 is an amount of Kshs.7,486,466 which was disbursed in for construction of classrooms in various primary schools. However, these projects were implemented directly by the Fund's Management without the involvement of the primary schools' Project Management Committees contrary to the provisions of Section 36 (1) of National Government Constituencies Development Fund Act, 2015.

In the circumstance, the regularity and value for money of the expenditure of Kshs.7,486,466 could not be confirmed.

## 3. Budget Performance Analysis

A review of the budget performance for the year 2017/2018 revealed a general under absorption of voted funds on four expenditure components as tabulated below:

| Expense Component          | Approved Budget<br>(Kshs) | Actual Expenditure<br>(Kshs) | Under Expenditure<br>(Kshs) | % of Under-utilization |
|----------------------------|---------------------------|------------------------------|-----------------------------|------------------------|
| Compensation of Employees  | 2,367,000                 | 801,000                      | 1,566,000                   | 66.2%                  |
| Use of goods and services  | 9,442,165                 | 4,712,219                    | 4,729,946                   | 50.1%                  |
| Other grants and transfers | 43,699,937                | 32,180,200                   | 11,519,737                  | 26.4%                  |
| Other Payments             | 4,667,027                 | 0                            | 4,667,027                   | 0%                     |

The under-utilization of the funds budgeted adversely affected efficiency and effectiveness in service delivery to the constituents.

## 4. Project Verification Status

Twenty-four projects in respect of which disbursements totalling Kshs.28,000,000 had been made in 2017/2018 financial year were verified in April 2019. It was noted that there were changes in some activities from the ones indicated in the approved budget during the implementation. The specific observations are as follows:

| Project Name                | Disbursement 2017/2018 in Kshs. | Activity  | Status   | Observation   |
|-----------------------------|---------------------------------|---|----------|---|
| Amabuko Sec. School         | 1,000,000                       | Construction of 2 No. classrooms (foundation super structure and roofing) | Ongoing  | On the Ground; Changed to construction of Dormitory<br>The facility is not in use<br>Ongoing project<br>Not branded |
| Bogeche Sec. School         | 1,000,000                       | Completion of Laboratory and renovation of two classrooms                 | Complete | The lab is complete and is in good condition<br>Complete and is in use<br>Branded                                   |
| Emeroka Sec. School         | 1,800,000                       | Construction of Science Laboratory.                                       | Ongoing  | Construction is ongoing<br>Not branded  |
| Getare Girls Sec. School    | 1,900,000                       | Completion of dormitory.  | Ongoing  | The plan was changed to construction of classroom and administration Block.<br>Project is ongoing.<br>Not branded   |
| Nyamagesa D.E.B Sec. School | 1,000,000                       | Construction of 2No. of Classrooms  | Ongoing  | Project was changed to construction of administration block.<br>Ongoing   |
| Mobamba High School         | 800,000                         | Construction of two classrooms: foundation super structure and roofing    | Ongoing  | The construction is ongoing.<br>Not branded   |
| Mogweko Sec. school         | 1,300,000                       | Completion of 2 storey classrooms   | Ongoing  | The construction is ongoing   |
| Suguta Sec School           | 1,500,000                       | Construction of laboratory  | Complete | Laboratory built and completed.<br>It is in use.  |
| Metembe Sec. School         | 2,000,000                       | Purchase of School bus: co funding with PTA                               | Complete | The bus was delivered, Reg. no: KCP 140K.<br>Branded.   |
| Ramasha Sec. School         | 1,000,000                       | Construction of two classrooms: foundation, wall and roofing              | Ongoing  | Foundation done.<br>Wall and pillars raised.<br>No roof yet done.<br>Not branded                                    |



| Project Name                   | Disbursement 2017/2018 in Kshs. | Activity   | Status   | Observation  |
|--------------------------------|---------------------------------|--|----------|--|
| St Mark Mokoingwa Sec. School  | 1,000,000                       | Dormitory plastering, doors and windows  | Ongoing  | Ongoing project<br>Partly in use<br>Branded.   |
| Mesabisabi Sec. School         | 1,800,000                       | Completion of a 4 storey classrooms: Staircase, plastering, doors and windows, co funded with PTA.   | Ongoing  | Foundation structure is done.<br>Ongoing project.  |
| Nyanturago High School         | 400,000                         | Construction of a new 8 door pit latrines  | Complete | Complete and is in use<br>Not branded  |
| Kiamokama DEB Primary School   | 400,000                         | Construction of a new 8 door pit latrines  | Complete | Complete and is in use<br>Not labeled  |
| Ichuni Boys DOK Primary School | 500,000                         | Construction of a new 8 door pit latrines  | Complete | Complete and is in use<br>Branded.   |
| Mobamba Primary School         | 400,000                         | Construction of a new 8 door pit latrines  | Ongoing  | Ongoing project  |
| Kiamoka F. Primary School      | 1,000,000                       | Completion of 4 classrooms ; staircase, plastering , fixing doors and windows in partnership with PTA  | Complete | 4 classrooms completed.<br>Project is ongoing.<br>Not branded                                    |
| Gotinyango DOK Pri Sch         | 1,000,000                       | Completion of 3 classrooms and installation of lighting arresters  | Complete | 3 classrooms has been constructed.<br>Lighting arresters are not been installed.<br>Not branded. |
| Riabigutu Primary School       | 1,000,000                       | Roofing of 8 classrooms  | Complete | 12 classrooms roofed and windows fitted in 2 classrooms<br>Not branded                           |
| Nyankoba Comm. Pri School      | 2,000,000                       | Completion of 3 classrooms: Foundation, super structure, plastering, doors and windows, roofing, veranda and painting and renovation of 3 classrooms | Complete | 4 classrooms constructed and 2 renovated<br>Not branded  |

| Project Name                     | Disbursement 2017/2018 in Kshs. | Activity  | Status   | Observation   |
|----------------------------------|---------------------------------|---|----------|---|
| Ichuni Girls Primary School      | 1,500,000                       | Roofing of 8 classrooms and construction of 5 door pit latrine                | Complete | 8 classrooms re-roofed.<br>Pit latrine was not constructed<br>Not branded |
| Ibacho Primary School            | 1,500,000                       | Completion of 2 classrooms and roofing of 8 classrooms                        | Complete | 21 classrooms re-roofed and completion of meeting hall<br>Not branded     |
| Nyankononi Community Pri. School | 1,000,000                       | Roofing of 8 classrooms   | Complete | 10 classrooms re-roofed<br>Not branded                                    |
| Kiomiti Primary School           | 1,200,000                       | Construction of 4 classrooms, storey building. Foundation and super structure | Complete | Super structure and foundation is complete<br>Not branded                 |
| <b>Total</b>                     | <b>28,000,000</b>               |   |          |   |

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 Masaba Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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.

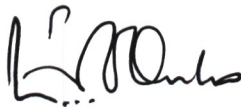
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 Masaba 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**

**17 June 2019**


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

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

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

|   | Note | 2017-2018          | 2016-2018           |
|---|------|--------------------|---------------------|
|   |      | Kshs               | Kshs                |
| <b>RECEIPTS</b>                         |      |                    |                     |
| Transfers from CDF board-AIEs' Received | 1    | 84,810,345         | 81,896,552          |
| Other Receipts                          | 3    | -                  | 40,000              |
|   |      |                    |                     |
| <b>TOTAL RECEIPTS</b>                   |      | <b>84,810,345</b>  | <b>81,936,552</b>   |
| <b>PAYMENTS</b>                         |      |                    |                     |
|   |      |                    |                     |
| Compensation of employees               | 4    | 801,000            | 667,000             |
| Use of goods and services               | 5    | 4,712,219          | 7,183,218           |
| Transfers to Other Government Units     | 6    | 49,978,725         | 49,933,509          |
| Other grants and transfers              | 7    | 32,180,200         | 78,428,068          |
| Acquisition of Assets                   | 8    | 536,000            | -                   |
|   |      |                    |                     |
| <b>TOTAL PAYMENTS</b>                   |      | <b>88,208,144</b>  | <b>136,211,795</b>  |
|   |      |                    |                     |
| <b>SURPLUS/DEFICIT</b>                  |      | <b>(3,397,799)</b> | <b>(54,275,243)</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NYARIBARI MASABA Constituency financial statements were approved on 6<sup>TH</sup> SEPT 2018 and signed by:

  
 Fund Account Manager  
 Name: *Ronald Ingala Khaggayi*

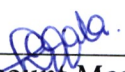
  
 Sub-County Accountant  
 Name: *Evans Obae*

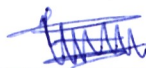
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 NYARIBARI MASABA CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2018**

V. STATEMENT OF ASSETS AND LIABILITIES

|                                       | Note | 2017-2018        | 2016-2017         |
|---------------------------------------|------|------------------|-------------------|
|                                       |      | Kshs             | Kshs              |
| <b>FINANCIAL ASSETS</b>               |      |                  |                   |
| Cash and Cash Equivalents             |      |                  |                   |
| Bank Balances ( as per the cash book) | 10A  | 7,576,453        | 10,974,252        |
| <b>TOTAL FINANCIAL ASSETS</b>         |      | <b>7,576,453</b> | <b>10,974,252</b> |
| <b>REPRESENTED BY</b>                 |      |                  |                   |
| Fund balance b/fwd 1st July 2017      | 13   | 10,974,252       | 65,249,496        |
| Surplus/Deficit for the year          |      | (3,397,799)      | (54,275,243)      |
| <b>NET LIABILITIES</b>                |      | <b>7,576,453</b> | <b>10,974,253</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NYARIBARI MASABA Constituency financial statements were approved on 6<sup>th</sup> SEPT 2018 and signed by:

  
 Fund Account Manager  
 Name: *Ronald Ingala Khaggayi*

  
 Sub-County Accountant  
 Name: *Evans Obae*

**VI. STATEMENT OF CASHFLOW**


|   | Notes | 2017-2018<br>Kshs  | 2016-2017<br>Kshs   |
|---|-------|--------------------|---------------------|
| <b>Receipts for operating income</b>              |       |                    |                     |
| Transfers from CDF Board                          | 1     | 84,810,345         | 81,896,552          |
| Other Receipts                                    | 3     | ~                  | 40,000              |
|   |       | <u>84,810,345</u>  | <u>81,936,552</u>   |
| <b>Payments for operating expenses</b>            |       |                    |                     |
| Compensation of Employees                         | 4     | 801,000            | 667,000             |
| Use of goods and services                         | 5     | 4,712,219          | 7,183,218           |
| Transfers to Other Government Units               | 6     | 49,978,725         | 49,933,509          |
| Other grants and transfers                        | 7     | 32,180,200         | 78,428,068          |
|   |       | <u>87,672,144</u>  | <u>136,211,795</u>  |
| Net cash flow from operating activities           |       | <u>(2,861,799)</u> | <u>(54,275,243)</u> |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>         |       |                    |                     |
| Acquisition of Assets                             | 8     | 536,000            | ~                   |
| Net cash flows from Investing Activities          |       | <u>(536,000)</u>   | ~                   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>   |       |                    |                     |
|   |       | <u>(3,397,799)</u> | <u>(54,275,243)</u> |
| Cash and cash equivalent at BEGINNING of the year | 13    | 10,974,252         | 65,249,496          |
| Cash and cash equivalent at END of the year       |       | <u>7,576,453</u>   | <u>10,974,253</u>   |




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

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NYARIBARI MASABA Constituency financial statements were approved on 6<sup>TH</sup> SEPT 2018 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: *Ronald Ingala Khaggayi*

  
\_\_\_\_\_  
Sub-County Accountant  
Name: *Evans Obae*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NYARIBARI MASABA CONSTITUENCY**  
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**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 Utilization Difference | % of Utilization |
|-------------------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
|                                     | a               | b           | c=a+b        | d                          | e=c-d                         | f=d/c %          |
| <b>RECEIPTS</b>                     |                 |             |              |                            |                               |                  |
| Transfers from CDF Board            | 86,810,345      | 23,853,562  | 110,663,907  | 95,784,597                 | 14,879,310                    | 86.6%            |
| Proceeds from Sale of Assets        | -               | -           | -            | -                          | -                             | -                |
| Other Receipts                      |                 | -           | -            | -                          | -                             | -                |
| <b>TOTAL RECEIPTS</b>               | 86,810,345      | 23,853,562  | 110,663,907  | 95,784,597                 | 14,879,310                    | 86.6%            |
| <b>PAYMENTS</b>                     |                 |             |              |                            |                               |                  |
| Compensation of Employees           | 1,752,000       | 615,000     | 2,367,000    | 801,000                    | 1,566,000                     | 33.8%            |
| Use of goods and services           | 5,960,965       | 3,481,200   | 9,442,165    | 4,712,219                  | 4,729,946                     | 49.9%            |
| Transfers to Other Government Units | 36,013,526      | 13,974,252  | 49,987,778   | 49,978,725                 | 9,053                         | 100.0%           |
| Other grants and transfers          | 38,416,827      | 5,283,110   | 43,699,937   | 32,180,200                 | 11,519,737                    | 73.6%            |
| Acquisition of Assets               | -               | 500,000     | 500,000      | 536,000                    | (36,000)                      | 107.2%           |
| Other Payments                      | 4,667,027       | -           | 4,667,027    | -                          | 4,667,027                     | -                |
| <b>TOTAL</b>                        | 86,810,345      | 23,853,562  | 110,663,907  | 88,208,144                 | 22,455,763                    | 80%              |

(a) Compensation of employees was as a result of employees being engaged from the month of February 2018.


(b) Use of goods and services is underutilized due to funds being received in the month of February 2018 hence less than six months expenditure was undertaken.

(c) Other grants and transfers was as result of the supplementary budget being implemented late into the financial year with funds being received after the closure of the financial year 2017/2018.

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

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The NGCDF-NYARIBARI MASABA Constituency financial statements were approved on 6<sup>TH</sup> SEPT 2018 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: *Ronald Ingala Khaggayi*

  
\_\_\_\_\_  
Sub-County Accountant  
Name: *Evans Obae*

## 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 MASABA 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
NYARIBARI MASABA CONSTITUENCY  
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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

During the year ended 30<sup>th</sup> 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.

**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 MASABA CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> 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 30<sup>th</sup> 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 MASABA CONSTITUENCY  
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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Description  |         | 2017-2018         | 2016-2017         |
|--------------|---------|-------------------|-------------------|
|              |         | Kshs              | Kshs              |
| NGCDF BOARD  | AIE NO. | 5,500,000         |                   |
|              | AIE NO. | 37,905,172        |                   |
|              | AIE NO. | 41,405,172        |                   |
|              | AIE NO. |                   | 4,094,827         |
|              | AIE NO. |                   | 36,853,449        |
|              | AIE NO. |                   | 40,948,275        |
| <b>TOTAL</b> |         | <b>84,810,345</b> | <b>81,896,552</b> |

**2. PROCEEDS FROM SALE OF ASSETS**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 NYARIBARI MASABA 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                       | 0          | 0             |
| Rents                                   | 0          | 0             |
| Receipts from Sale of tender documents  | 0          | 40,000        |
| Other Receipts Not Classified Elsewhere | 0          | 0             |
| <b>Total</b>                            | <b>0</b>   | <b>40,000</b> |

**4. COMPENSATION OF EMPLOYEES**

| Description                                       | 2017-2018      | 2016-2017      |
|---|----------------|----------------|
|   | Kshs           | Kshs           |
| Basic wages of contractual employees              | 781,616        | 667,000        |
| Basic wages of casual labour                      | 0              | 0              |
| <b>Personal allowances paid as part of salary</b> | <b>0</b>       | <b>0</b>       |
| House allowance                                   | 0              | 0              |
| Transport allowance                               | 0              | 0              |
| Leave allowance                                   | 0              | 0              |
| Other personnel payments                          | 0              | 0              |
| Employer contribution to NSSF                     | 19,384         | 0              |
| Gratuity-contractual employees                    | 0              | 0              |
| <b>TOTAL</b>                                      | <b>801,000</b> | <b>667,000</b> |

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

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

| Description  | 2017-2018        | 2016-2017        |
|--|------------------|------------------|
|  | Kshs             | Kshs             |
| Utilities, supplies and services                             | 1,034,919.00     | 640,000.00       |
| Electricity  | 20,000.00        | -                |
| Water & sewerage charges                                     |                  | -                |
| Office rent  |                  | -                |
| Communication, supplies and services                         |                  | 200,000.00       |
| Domestic travel and subsistence                              | 75,000.00        | -                |
| Printing, advertising and information supplies & services    |                  | -                |
| Rentals of produced assets                                   |                  | -                |
| Capacity Building  | 650,000.00       | 410,000.00       |
| Hospitality supplies and services                            | 90,000           |                  |
| Other committee expenses                                     |                  | 3,300,000        |
| Committee allowance  | 1,300,000        | 1,117,736        |
| Insurance costs  |                  | 451,904          |
| Specialised materials and services                           |                  |                  |
| Office and general supplies and services                     |                  |                  |
| Fuel , oil & lubricants                                      | 300,000          | 700,000          |
| Strategic Plan   | 1,188,800        | -                |
| Bank service commission and charges                          | 53,500           |                  |
| Security operations  | -                |                  |
| Routine maintenance - vehicles and other transport equipment |                  | 363,578          |
| Routine maintenance- other assets                            |                  |                  |
| <b>TOTAL</b>   | <b>4,712,219</b> | <b>7,183,218</b> |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 NYARIBARI MASABA 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 Primary schools       | 19,778,725        | 49,933,509        |
| Transfers to Secondary schools     | 30,200,000        | -                 |
| Transfers to Tertiary institutions | -                 | -                 |
| Transfers to Health institutions   | -                 | -                 |
| <b>TOTAL</b>                       | <b>49,978,725</b> | <b>49,933,509</b> |

7. OTHER GRANTS AND OTHER PAYMENTS

| Description             | 2017-2018         | 2016-2017         |
|-------------------------|-------------------|-------------------|
|                         | Kshs              | Kshs              |
| Bursary -Secondary      | 12,714,200        | 63,836,000        |
| Bursary -Tertiary       | 14,842,500        | -                 |
| Bursary-Special schools | -                 | -                 |
| Mocks & CAT             | -                 | -                 |
| Water                   | -                 | -                 |
| Food security           | -                 | -                 |
| Electricity             | -                 | -                 |
| Security                | 613,500           | -                 |
| Roads and Bridges       | -                 | -                 |
| Sports                  | -                 | 1,556,034         |
| Environment             | 305,000           | 1,556,034         |
| Cultural Projects       | -                 | -                 |
| Agriculture             | -                 | -                 |
| Emergency Projects      | 3,705,000         | 11,480,001        |
| <b>TOTAL</b>            | <b>32,180,200</b> | <b>78,428,069</b> |

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

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**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

| <b>Non Financial Assets</b>                            | <b>2017-2018</b> | <b>2016-2017</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Purchase of Buildings                                  | -                | -                |
| Construction of Buildings                              | -                | -                |
| Refurbishment of Buildings                             | -                | -                |
| Purchase of Vehicles                                   | -                | -                |
| Purchase of Bicycles & Motorcycles                     | -                | -                |
| Overhaul of Vehicles                                   | -                | -                |
| Purchase of office furniture and fittings              | 345,000          | -                |
| Purchase of computers ,printers and other IT equipment | 100,000          | -                |
| Purchase of photocopier                                | 91,000           | -                |
| Purchase of other office equipment                     | -                | -                |
| Purchase of soft ware                                  | -                | -                |
| Acquisition of Land                                    | -                | -                |
| <b>TOTAL</b>   | <b>536,000</b>   | <b>-</b>         |

**9. OTHER PAYMENTS**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 NYARIBARI MASABA CONSTITUENCY  
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*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>The Cooperative Bank of Kenya,<br/>A/C. 01120018104700</i> | 7,576,453        | 10,974,252        |
| <b>Total</b>  | <b>7,576,453</b> | <b>10,974,252</b> |
|   |                  |                   |
| <b>10B: CASH IN HAND</b>                                      |                  |                   |
|   |                  |                   |
| <b>Total</b>  | <b>0</b>         | <b>0</b>          |
|   |                  |                   |

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

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

11: OUTSTANDING IMPRESTS

12: RETENTION

13. BALANCES BROUGHT FORWARD

| Description   | 2017-2018         | 2016-2017         |
|---------------|-------------------|-------------------|
|               | Kshs              | Kshs              |
|               | (01/07/2017)      | (01/07/2016)      |
| Bank accounts | 10,974,252        | 65,366,496        |
| Cash in hand  |                   | -                 |
| Imprest       |                   | -                 |
| <b>TOTAL</b>  | <b>10,974,252</b> | <b>65,366,496</b> |

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

**Reports and Financial Statements**

**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

|                             | 2017- 2018 | 2016-2017 |
|-----------------------------|------------|-----------|
|                             | Kshs       | Kshs      |
| Construction of buildings   | 0          | 0         |
| Construction of civil works | 0          | 0         |
| Supply of goods             | 0          | 0         |
| Supply of services          | 0          | 0         |
|                             | 0          | 0         |

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

|                                 | Kshs          | Kshs     |
|---------------------------------|---------------|----------|
| Gratuity ( <i>NGCDF Staff</i> ) | 90,390        | 0        |
|                                 | 0             | 0        |
| <b>Total</b>                    | <b>90,390</b> | <b>0</b> |

**15.3: UNUTILIZED FUNDS (See Annex 3)**

|   | Kshs              | Kshs     |
|---|-------------------|----------|
| Compensation of employees   | 1,566,000         | 0        |
| Use of goods and services   | 4,729,946         | 0        |
| Amounts due to other Government entities (see attached list)        | 9,053             | 0        |
| Amounts due to other grants and other transfers (see attached list) | 11,519,737        | 0        |
| Acquisition of assets   | (36,000)          | 0        |
| Others ( <i>ICT Hubs</i> )  | 4,667,027         | 0        |
| <b>Total</b>  | <b>22,455,763</b> | <b>0</b> |

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

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**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) | 16,610,118.60 | 158,865.60 |
|  |               |            |
|  | 16,610,118.60 | 158,865.60 |



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA CONSTITUENCY**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| NYARIBARI MASABA IPSAS 2017/2018 ADJUSTMENT FIGURE |                |  |                  |                |  |  |
|--|----------------|--|------------------|----------------|--|--|
| Project Name                                       | Project Number | Project activity   | Amount Allocated | Current Status |  |  |
| 1 Goods and Services                               | 2017/2018      | Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, office tea.  | 682,758.62       | Statutory      |  |  |
| 2 Capacity Building                                | 2017/2018      | Undertake Training of the PMCs/NG-CDFCs on NG-CDF Related issues   | 341,379.32       | Statutory      |  |  |
| 3 Emergency  | 2017/2018      | To cater for any unforeseen occurrences in the constituency during the financial year 2017/2018  | 568,965.51       | Statutory      |  |  |
| 4 Constituency Sports Tournament                   | 2017/2018      | Carry out Constituency Sports tournament and the winning teams/schools to be awarded with trophies, balls, and games kits in the financial year 2017/2018                  | 227,586.20       | Statutory      |  |  |
| 5 Constituency Environment Program                 | 2017/2018      | Water Conservation through Water Harvesting; Purchase and Installation of water tanks to Nyasike Primary School Kshs.110,000 and Nyamasibi Primary School Kshs. 117,586.20 | 227,586.20       | Statutory      |  |  |
| 6 Geteri Primary School                            | 2017/2018      | Renovation of 3No. Classrooms: Flooring, Plastering, painting.   | 500,000.00       | New            |  |  |
| 7 Mesabisabi Primary School                        | 2017/2018      | Renovation of 3No. Classrooms: Flooring, Plastering, painting.   | 500,000.00       | New            |  |  |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA CONSTITUENCY**

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| NYARIBARI MASABA IPSAS 2017/2018 ADJUSTMENT FIGURE |                |   |                  |                |  |
|--|----------------|---|------------------|----------------|--|
| Project Name                                       | Project Number | Project activity  | Amount Allocated | Current Status |  |
| 8 Riasoe Primary School                            | 2017/2018      | Renovation of 3No. Classrooms: Flooring, Plastering, painting.  | 500,000.00       | New            |  |
| 9 Obwari Primary School                            | 2017/2018      | Construction of 2No. Classrooms: Foundation, Super Structure and Roofing  | 800,000.00       | New            |  |
| 10 Amabuko Secondary School                        | 2017/2018      | Construction of 4No. Classrooms: Foundation, Super Structure and Roofing.   | 1,000,000.00     | New            |  |
| 11 Chironge Secondary School                       | 2017/2018      | Construction of 4No. Classrooms: Foundation, Super Structure and Roofing.   | 1,000,000.00     | New            |  |
| 12 Mobamba High School                             | 2017/2018      | Construction of 4No. Classrooms: Foundation, Super Structure and Roofing.   | 800,000.00       | New            |  |
| 13 Nyamagesa DEB Secondary School                  | 2017/2018      | Construction of 4No. Classrooms: Foundation, Super Structure and Roofing.   | 1,000,000.00     | New            |  |
| 14 Ramasha Secondary School                        | 2017/2018      | Construction of 4No. Classrooms: Foundation, Super Structure and Roofing.   | 1,000,000.00     | New            |  |
| 15 Sasati Secondary School                         | 2017/2018      | Construction of 4No. Classrooms: Foundation, Super Structure and Roofing.   | 1,000,000.00     | New            |  |
| 16 Gesusu Zonal Education Office                   | 2017/2018      | Electrical/Electricity Installation; Kshs.131,034.49 and Purchase of Office Equipment (Computer, Printer, Copier) Kshs.100,000.00 | 231,034.49       | New            |  |
| 17 Nyamagesa Chiefs Office                         | 2017/2018      | Construction of Administration Office: Foundation, Super Structure and Roofing  | 500,000.00       | New            |  |
| 18 Ikenye Chiefs Office                            | 2017/2018      | Construction of Administration Office: Foundation, Super Structure and Roofing  | 500,000.00       | New            |  |
| 19 Auditor's Fee                                   | 2014/2015      | KENAO Audit Fees  | 500,000.00       | New            |  |
| 19 Ekerubo Dairy SHG                               | 2014/2015      | Installation of a cooler  | 1,000,000.00     | New            |  |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA CONSTITUENCY**  
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| NYARIBARI MASABA IFSAS 2017/2018 ADJUSTMENT FIGURE |                |   |                  |                |  |
|--|----------------|---|------------------|----------------|--|
| Project Name                                       | Project Number | Project activity  | Amount Allocated | Current Status |  |
| 20 Amabuko Primary School                          | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 2,000,000.00     | New            |  |
| 21 Gesabakwa Primary School                        | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 2,000,000.00     | New            |  |
| 22 Giesembe Primary School                         | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 1,248,700.00     | New            |  |
| 23 Nyamagesa DEB Secondary School                  | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 777,690.00       | New            |  |
| 24 Nyambogo Primary School                         | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 1,277,690.00     | New            |  |
| 25 Chibwobi Primary School                         | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 424,400.00       | New            |  |
| 26 Matibo Primary School                           | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 349,000.00       | New            |  |
| 27 Metembe Primary School                          | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 349,000.00       | New            |  |
| 28 Metembe Secondary School                        | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 99,000.00        | New            |  |
| 29 Gekonge Primary School                          | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 349,000.00       | New            |  |
| 30 Bogeche Primary School                          | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 349,000.00       | New            |  |
| 31 Chironge Primary School                         | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 99,000.00        | New            |  |
| 32 Suguta Primary School                           | 2016/2017      | Two Classrooms: Construction of two model classrooms, complete with ceiling and electricity.                    | 99,000.00        | New            |  |
| 33 Use of Goods and Services                       | 2016/2017      | Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, office tea. | 1,552,772.00     | Statutory      |  |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA CONSTITUENCY**  
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| NYARIBARI MASABA IPSAS 2017/2018 ADJUSTMENT FIGURE |                |                  |                  |                |
|--|----------------|------------------|------------------|----------------|
| Project Name                                       | Project Number | Project activity | Amount Allocated | Current Status |
| TOTAL  |                |                  | 23,853,562.34    |                |
|  |                |                  |                  |                |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – NYARIBARI MASABA**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**  
**Reports and Financial Statements**  
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**ANNEX 3 – UNUTILIZED FUNDS**

| Name   | Brief Transaction Description                      | Outstanding Balance 2017/18 | Outstanding Balance 2016/17 | Comments |
|--|--|-----------------------------|-----------------------------|----------|
| Compensation of employees                              | Payment of Salaries and other allowances           | 1,566,000                   |                             |          |
| Use of goods & services                                |  | 4,729,946                   |                             |          |
| <b>Amounts due to other Government entities</b>        |  |                             |                             |          |
| Masimba Sub-County HQs                                 | Purchase of Water Tank and Construction of latrine | 9,053                       |                             |          |
|  |  |                             |                             |          |
|  |  | 6,304,999                   |                             |          |
| <b>Amounts due to other grants and other transfers</b> |  |                             |                             |          |
| Emergency  |  | 1,568,965                   | -                           |          |
| Environment  |  | 1,963,792                   |                             |          |
| Sports   |  | 1,955,946                   |                             |          |
| Amabuko Secondary School                               | Construction of 4No. Classrooms                    | 1,000,000                   |                             |          |
| Chironge Secondary School                              | Construction of 4No. Classrooms                    | 1,000,000                   |                             |          |
| Mobamba High School                                    | Construction of 4No. Classrooms                    | 800,000                     |                             |          |
| Nyamagesa DEB Secondary School                         | Construction of 4No. Classrooms.                   | 1,000,000                   |                             |          |
| Ramasha Secondary School                               | Construction of 4No. Classrooms.                   | 1,000,000                   |                             |          |
| Sasati Secondary School                                | Construction of 4No. Classrooms.                   | 1,000,000                   |                             |          |
| Gesusu Zonal Office                                    | Electricity Installation and Purchase of Equipment | 231,034                     |                             |          |
|  |  |                             |                             |          |
|  |  | 11,519,737                  | -                           |          |
| <b>Acquisition of assets</b>                           | Over-expenditure                                   | (36,000)                    | -                           |          |
|  |  |                             |                             |          |
| <b>Others (specify)</b>                                |  |                             |                             |          |



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

| Asset class                                  | Historical Cost<br>b/f<br>(Kshs)<br>2016/17 | Additions<br>during the<br>year<br>(Kshs) | Disposals<br>during the<br>year<br>(Kshs) | Historical Cost<br>(Kshs)<br>2017/18 |
|--|---|---|---|--------------------------------------|
| Land   | 18,924,723                                  | -   | -   | 18,924,723                           |
| Buildings and structures                     | 4,000,000                                   | -   | -   | 4,000,000                            |
| Transport equipment                          | 1,357,635                                   | -   | -   | 1,357,635                            |
| Office equipment, furniture and fittings     | 75,000                                      | 345,000                                   | -   | 420,000                              |
| ICT Equipment, Software and Other ICT Assets | -   | 191,000                                   | -   | 191,000                              |
| Other Machinery and Equipment                | -   | -   | -   | -                                    |
| Heritage and cultural assets                 | -   | -   | -   | -                                    |
| Intangible assets                            | -   | -   | -   | -                                    |
| <b>Total</b>                                 | <b>24,357,358</b>                           | <b>536,000</b>                            | <b>0</b>                                  | <b>24,893,358</b>                    |



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**

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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

|    | PMC                                  | Bank                     | Account number  | Bank Balance 2017/18 | Bank Balance 2016/17 |
|----|--------------------------------------|--------------------------|-----------------|----------------------|----------------------|
| 1  | KIAMOKAMA FRIENDS PRIMARY SCHOOL     | KCB, Keroka              | 1112664173      | 21,299.50            | 695.00               |
| 2  | ICHUNI GIRLS PRIMARY SCHOOL          | KCB, Keroka              | 1226212247      | 750.00               | -                    |
| 3  | NYANKOBA COMMUNITY PRIMARY SCHOOL    | KCB, Keroka              | 1226207774      | 137,410.00           | -                    |
| 4  | RIABIGUTI PRIMARY SCHOOL             | Cooperative Bank, Keroka | 011170117525900 | 55,009.50            | 56,289.50            |
| 5  | GOTINYANGO PRIMARY SCHOOL            | KCB, Keroka              | 1153304635      | 500,124.50           | 89.50                |
| 6  | EMEROKA SECONDARY SCHOOL             | Cooperative Bank, Keroka | 01141363401800  | 1,900,000.00         | -                    |
| 7  | MESABISABI SECONDARY SCHOOL          | Cooperative Bank, Keroka | 01141362021900  | 808,540.00           | -                    |
| 8  | SOSERA SECONDARY SCHOOL              | KCB, Keroka              | 1176083988      | 71.60                | 84,731.60            |
| 9  | ENGORWA PRIMARY SCHOOL               | KCB, Keroka              | 1224653394      | -3,111.00            | -                    |
| 10 | NYANTURAGO HIGH SCHOOL               | KCB, Keroka              | 1224742362      | 455.00               | -                    |
| 11 | ICHUNI BOYS D.OK. PRIMARY SCHOOL     | KCB, Keroka              | 1224638441      | 144.50               | -                    |
| 12 | KEREMA PRIMARY SCHOOL                | KCB, Keroka              | 1234471361      | 1,000,000.00         | -                    |
| 13 | NYAGEMI PRIMARY SCHOOL               | KCB, Keroka              | 1234356937      | 608,830.00           | -                    |
| 14 | NYANKONONI PRIMARY SCHOOL            | KCB, Keroka              | 1234275236      | 999,050.00           | -                    |
| 15 | SUGUTA SECONDARY SCHOOL              | KCB, Keroka              | 1234202697      | 1,499,835.00         | -                    |
| 16 | ST. MARK MOKOROGOWA SECONDARY SCHOOL | KCB, Keroka              | 1234751267      | 999,925.00           | -                    |
| 17 | MOGWEGO SECONDARY SCHOOL             | KCB, Keroka              | 1234275767      | 1,299,435.00         | -                    |
| 18 | GETERI SECONDARY SCHOOL              | Equity Bank, Keroka      | 1240266715083   | 1,400,915.00         | 5,575.00             |
| 19 | CHIBWOBI SECONDARY SCHOOL            | Cooperative Bank, Keroka | 01139360777700  | 1,407,500.00         | 7,500.00             |
| 20 | BOGECHE SECONDARY SCHOOL             |                          | 1153097826      | 972,545.00           | 2,875.00             |
| 21 | AMASEGE SECONDARY SCHOOL             | Equity Bank, Keroka      | 1240277348132   | 1,600,000.00         | -                    |
| 22 | BONGONTA SECONDARY SCHOOL            | Equity Bank, Keroka      | 1240265340868   | 1,401,390.00         | 1,610.00             |
| 23 | NYAMAGESA DEB SECONDARY SCHOOL       | Cooperative Bank, Keroka | 011413613888800 | 0                    | -                    |
|    | <b>TOTAL</b>                         |                          |                 | <b>16,610,118.60</b> | <b>158,865.60</b>    |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI  
MASABA**

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**

**Reports and Financial Statements  
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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report                       | Issue / Observations from Auditor  | Management comments  | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved)                    | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|--|--|
| <i>Report of the Auditor General For year ended 30 June 2016</i> | <p>1. Transfers from NGCDF Board</p> <p>The constituency management received from the NGCDF Board Kshs. 116,123,008 against an annual allocation of Kshs. 117,623,008 leading to unexplained difference of Kshs. 1,500,000.</p> <p>Desired service delivery may not have been fully attained on a timely basis due to delayed disbursement of funds.</p> | <p>The funds were held at the NGCDF Board with the Board requiring some information from the projects.</p> <p>Kshs. 1,000,000 was for Ekerubo Dairy Farmers SHG and Kshs. 500,000 was KENAO audit fees.</p> <p>A reallocation of the above funds is to be done and submitted to the Board.</p> | Fund Account Manager   | Resolved; Reallocation submitted to the NGCDF Board. | FY. 2018/2019  |
|  | <p>2. Cash and Cash Equivalents</p> <p>Cash and cash equivalents balance of Kshs. 65,249,496 and analysis by bank reconciliation statement and other records had a list of un-</p>   | <p>We thank the Audit team for noting the above shortfall on maintaining of our cashbook.</p> <p>Consequently, the stale cheques were immediately reversed and unpresented cheques also reversed once they became stale in the FY.</p>   | Fund Account Manager   | Resolved.  | FY. 2017/18  |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**  
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| Reference No. on the external audit Report  | Issue / Observations from Auditor   | Management comments         | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|-----------------------------|--|-----------------------------------|--|
|   | <p>presented cheques amounting to Kshs. 1,437,459 which include stale cheques of Kshs. 289,523 issued in the year under review and prior years that had not been reversed in the cashbook. Further, the certificate of bank balances has not been availed for audit verification.</p> <p>Consequently, it has not been possible to confirm that cash and cash equivalents balance of Kshs. 65,249,496 is fairly stated.</p> | <p>2017/18.</p>             |  |                                   |  |
| <p>3. Projects Implemented by PMCs Not Adequately Supported</p> <p>i. The constituency management disbursed Kshs. 1,000,000 to the proposed Ikarango Health Centre for roofing, plastering, flooring, fitting, painting, electrification and ceiling. Physical verification conducted on 15 June 2017 however revealed that works on fitting, painting,</p> | <p>Ikarango Health Centre; the contractor was instructed to return on site to complete the remaining works as per the BoQs and contract instructions.</p> <p>The Remaining works have been completed. However, the Health Centre is not operational due to the fact that it has not been taken over by the county now that Health is a devolved function.</p> <p>The Environment Implementation</p>                         | <p>Fund Account Manager</p> | <p>Partially Resolved</p>                                      | <p>FY. 2018/19</p>                |  |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**

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| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|-----------------------------------|--|
|  | <p>electrification and ceiling had not been carried out and the health centre was not operational.</p> <p>ii. N/Masaba Environment Implementation Committee (PMC) received Kshs. 2,352,460 for environment activities. However, the expenditure returns were not made available for audit verification.</p> <p>In absence of the expenditure returns, the funds disbursed may not have been utilized for the intended purpose.</p> | <p>Committee has submitted its returns to the office for verification which was forwarded to the Office of the Auditor General – Kisumu Hub.</p>   |  |                                   |  |
| 4. Projects Implementation                 | <p>Constituency Development Fund Committee (CDFC) directly implemented projects in six primary schools and three secondary schools for electrification, installation of lightening arresters and water tanks totalling Kshs. 6,750,000 contrary to the</p>   | <p>The projects were undertaken in the said schools when they were in their establishment stage. The School Management Committees and Board of Management were not fully registered and constituted. Thus, The CDF undertook to undertake the project on matters procurement at the CDF level. The M&amp;E was carried out by the respective school management</p> | Fund Account Manager   | Resolved                          | FY. 2017/18  |

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – NYARIBARI MASABA**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments   | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
|  | provisions of the NGCDF Act, 2015 which requires that all projects under the Act be implemented through Project Management Committees (PMCs) with the assistance of relevant Government departments. Direct implementation of projects contravenes the provisions of the Act. | committees.<br>Currently all projects are being undertaken at the PMC level including the procurement of works and materials. |  |                                   |  |



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