

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
NYARIBARI CHACHE

FOR THE YEAR ENDED  
30 JUNE 2018

THE NATIONAL ASSEMBLY  
PAPERS LAID

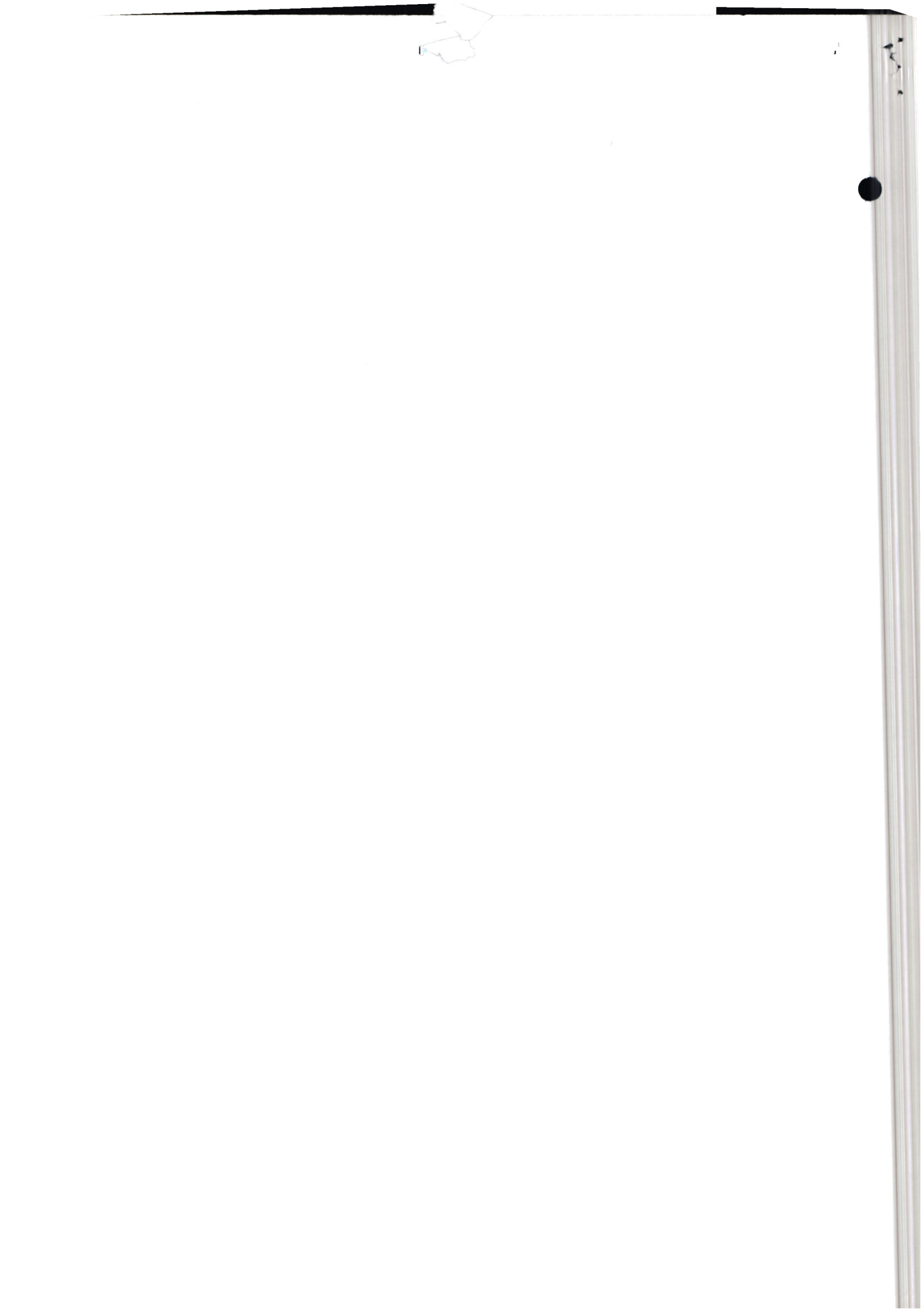
DATE: 24 JUL 2019

DAY.


TABLED  
BY:

MEMBER  
OF PARLIAMENT







 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
DATE: 24 JUL 2019	DAY: Wednesday
TABLED BY: Hon. Aden Duale (MP) (h.o.m.)	
CLERK AT THE TABLE: Halima Ahmed	



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NYARIBARI  
CACHE 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)**

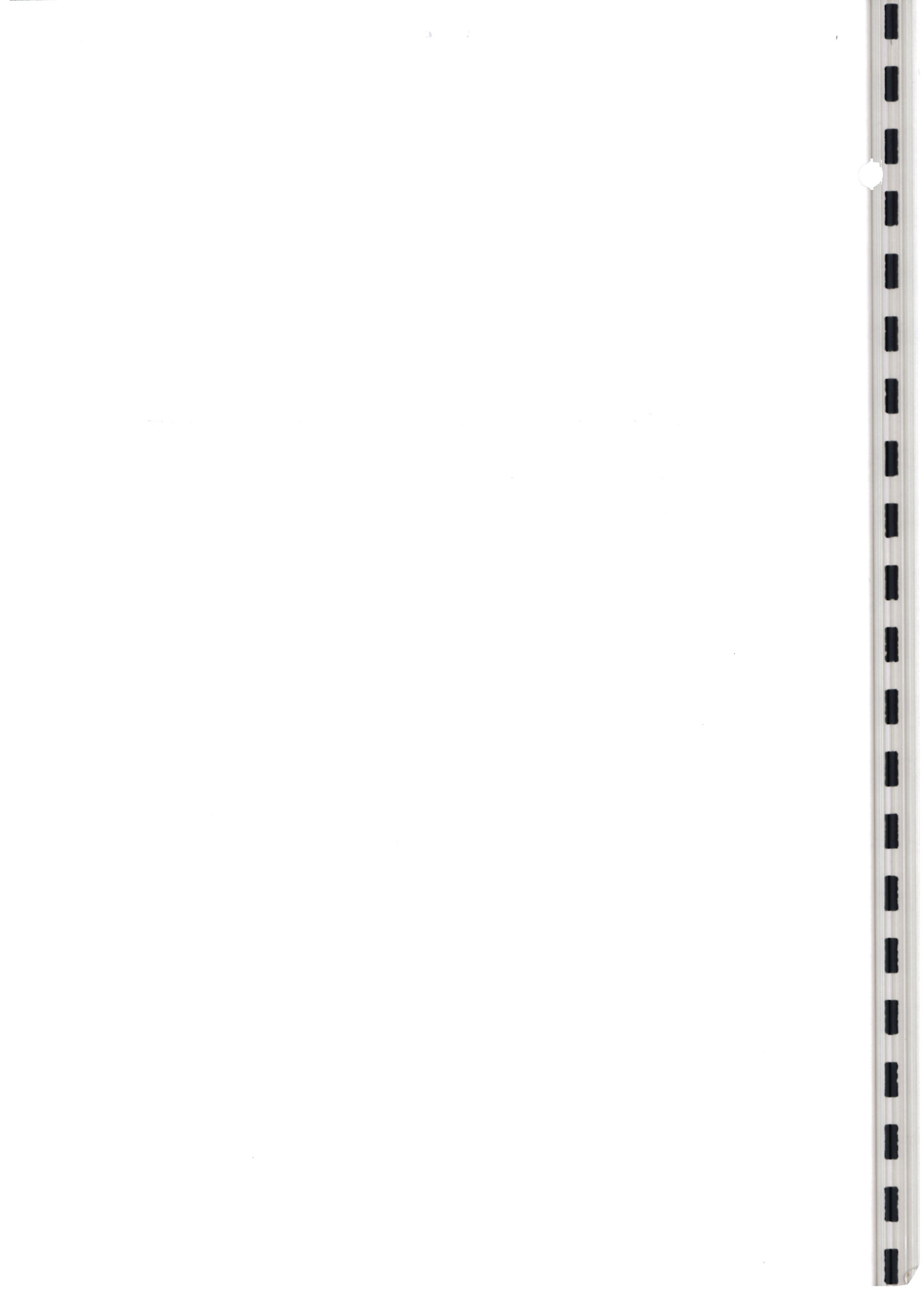




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**NYARIBARI CHACHE CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

#### 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 Chache day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituencies Development Fund Management Committee (NGCDFMC)

#### (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	Jared Bosire
3.	Sub-County Accountant	Evans Onchiri
4.	Chairman NGCDFC	Raymond Machogu
5.	Member NGCDFC	Esther Monda Ratemo

#### (d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF –Nyaribari Chache 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 CHACHE Constituency Headquarters

P.O. Box 78-40204  
NG-CDF Office Building  
KEUMBU



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

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

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

Telephone: (254) 728731132  
E-mail: [cdfnyaribarichache@cdf.go.ke](mailto:cdfnyaribarichache@cdf.go.ke)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

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

Equity Bank  
A/C No. 0510294577003  
Kisii Branch  
P.O. Box 78- 40204  
KEUMBU

**(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

**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The NG-CDFC wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF has improved in their budget performance despite the challenges encountered with the high turnover of managers and delay in receiving of funds from the board. The performance in all the sectors i.e. Education, Security, Bursary and other projects implemented achieved a desirable 59.7% in terms of utilization.

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations. Below are few of the Key achievements of FY. 2017/2018

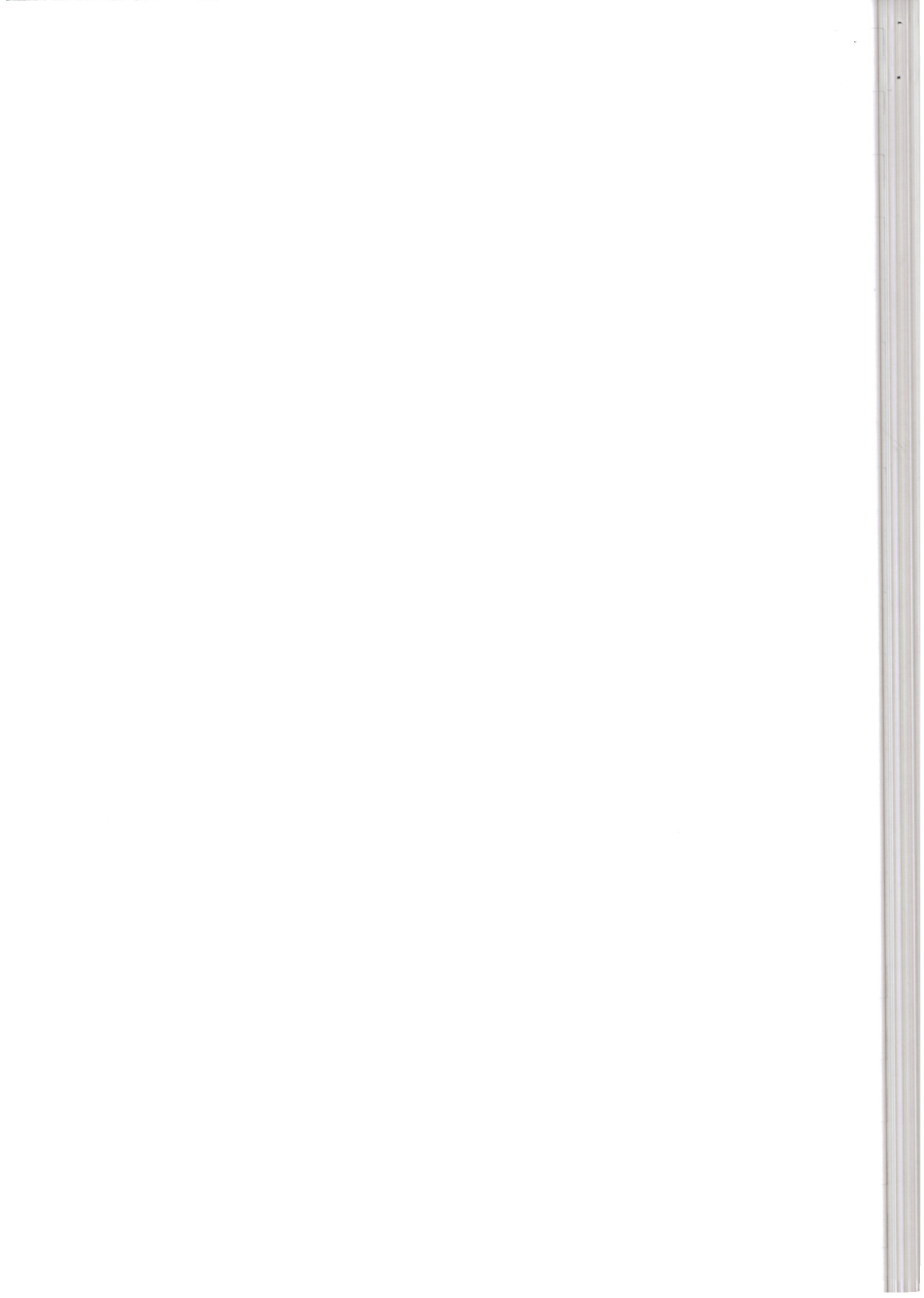
**KEY ACHIEVEMENTS IN THE FINANCIAL YEAR 2017/2018**





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

			Kshs
	Construction of buildings	-	-
	Construction of civil works	-	-
	Supply of goods	-	-
	Supply of services	-	-
	<b>TOTAL</b>		-
	<b>15.2: PENDING STAFF PAYABLES (See Annex 2)</b>		
			Kshs
	Senior management	-	-
	Middle management	-	-
	Unionisable employees	-	-
	Others ( <i>specify</i> )	-	-
			-
	<b>15.3: OTHER PENDING PAYABLES (See Annex 3)</b>		
			Kshs
	Amounts due to other Government entities (see attached list)	-	-
	<b>TOTAL</b>		
	Amounts due to other grants and other transfers (see attached list)		-
	security		
	Others ( <i>specify</i> )		





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

			-	
	<b>TOTAL</b>	-	-	



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

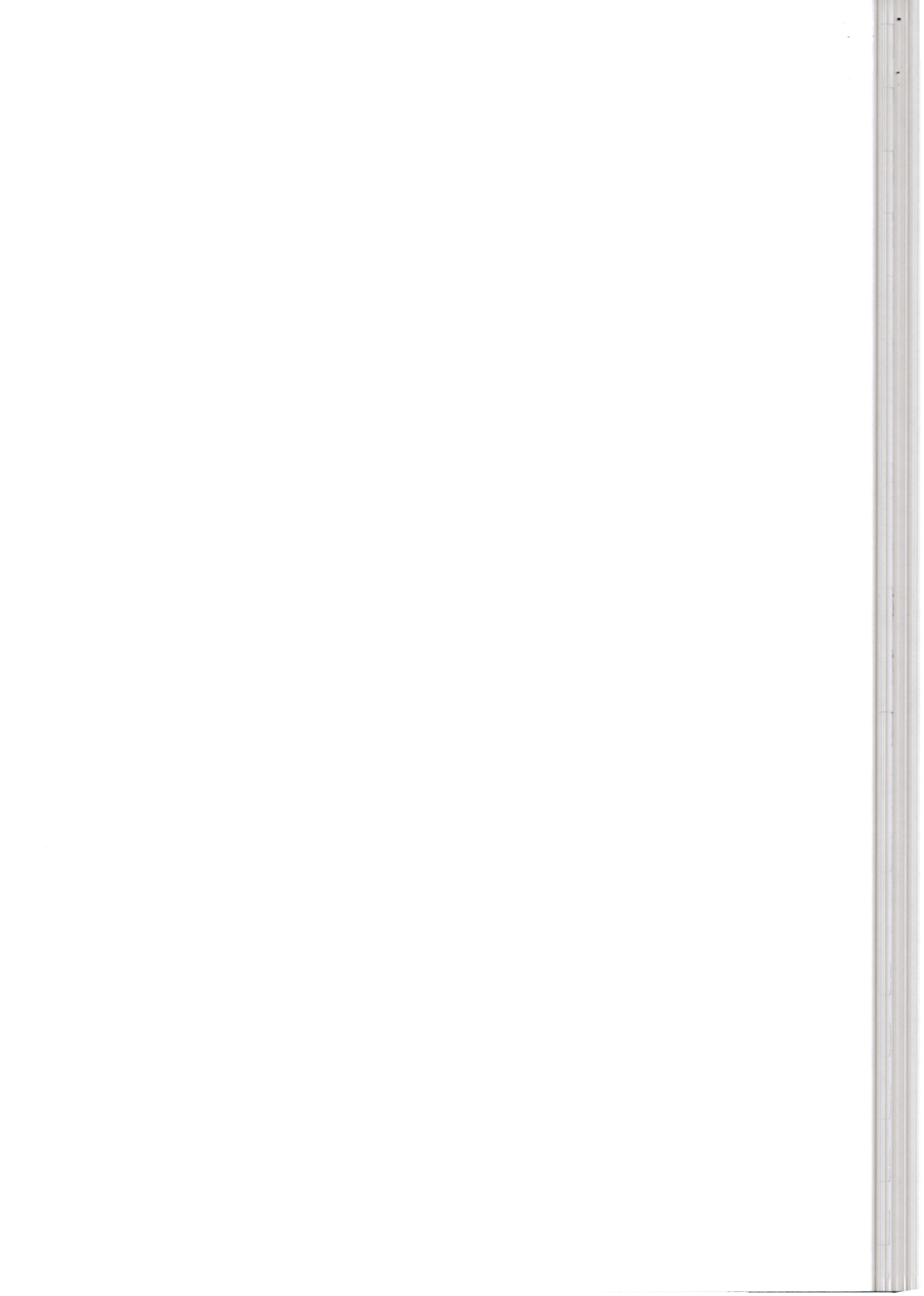
	<b>Total</b>	-	-
<b>1400000</b>	<b>3 OTHER RECEIPTS</b>		
	<b>Description</b>	<b>2017-2018</b>	<b>2016 - 2017</b>
			<b>Kshs</b>
1410107	Interest Received	-	
1410405	Rents	-	
1420601	Sale of tender documents	-	
1450207	Other Receipts Not Classified Elsewhere (specify)	-	
	<b>Total</b>	-	
<b>2110000</b>	<b>4 COMPENSATION OF EMPLOYEES</b>		
	<b>Description</b>	<b>2017-2018</b>	<b>2016 - 2017</b>
		<b>Kshs</b>	<b>Kshs</b>
2110201	Basic wages of contractual employees	1,915,510	1,796,724
2110202	Basic wages of casual labour		
	<b>Personal allowances paid as part of salary</b>		
2110301	House allowance	-	
2110314	Transport allowance	-	
2110320	Leave allowance	-	
2110326	Other personnel payments	-	
2120101	Employer contribution to NSSF	-	
2710120	gratuity	-	1,868,523
	<b>Total</b>	<b>1,915,510</b>	<b>3,665,247</b>
<b>2200000</b>	<b>5 USE OF GOODS AND SERVICES</b>		
	<b>Description</b>	<b>2017-2018</b>	<b>2016 - 2017</b>
			<b>Kshs</b>
2210100	Utilities, supplies and services		





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

2210104	Office rent			
2210200	Communication, supplies and services			
2210300	Domestic travel and subsistence			
2210500	Printing, advertising and information supplies & services			
2210600	Rentals of produced assets			
2210700	Training expenses			
2210800	Hospitality supplies and services			
2210802	Other committee expenses			
2210809	Committee allowance		4,441,612	
2210900	Insurance costs			
2211000	Specialised materials and services			
2211100	Office and general supplies and services			
2211200	Fuel ,oil & lubricants			
2211300	Other operating expenses			
2220100	Routine maintenance – vehicles and other transport equipment			
2220200	Routine maintenance – other assets			
	<b>Total</b>	<b>9,427,544</b>	<b>4,441,612</b>	
<b>2630200</b>	<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>			
	<b>Description</b>	<b>2017-2018</b>	<b>2016 - 2017</b>	
			<b>Kshs</b>	
2630204	Transfers to Primary schools	4,000,000	44,196,951	
2630205	Transfers to Secondary schools	5,600,000	42,794,776	
2630206	Transfers to Tertiary institutions	-		
2630207	Transfers to Health institutions	-		
	<b>TOTAL</b>	<b>9,600,000</b>	<b>86,991,727</b>	
<b>2640000</b>	<b>7 OTHER GRANTS AND TRANSFERS</b>			
	<b>Description</b>	<b>2017-2018</b>	<b>2016 - 2017</b>	
			<b>Kshs</b>	





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

2640101	Bursary -Secondary	4,350,800	10,000,000	
2640102	Bursary -Tertiary	14,304,000	13,322,847	
2640104	Bursary-Special schools	-		
2640105	Mocks & CAT	-		
2640504	water	-		
2640505	Others	-		
2640506	Electricity projects	-		
2640507	Security	1,000,000	1,816,772	
2640508	Roads	-		
2640509	Sports	525,000		
2640510	Environment	1,947,000		
2640200	Emergency Projects (specify)	1,930,000	2,790,000	
	<b>Total</b>	<b>24,056,800</b>	<b>27,929,619</b>	
<b>3100000</b>	<b>8 ACQUISITION OF ASSETS</b>			
	<b>Non Financial Assets</b>	<b>2017-2018</b>	<b>2016 - 2017</b>	
			<b>Kshs</b>	
3110102	Purchase of Buildings	-		
3110202	Construction of Buildings	-		
3110302	Refurbishment of Buildings	983,719		
3110701	Purchase of Vehicles	-		
3110704	Purchase of Bicycles & Motorcycles	-		
3110801	Overhaul of Vehicles	-		
3111001	Purchase of Office furniture and fittings	178,000		
3111002	Purchase of computers ,printers and other IT equipments	90,000		
3111005	Purchase of photocopier	165,000		
3111009	Purchase of other office equipments	170,000		
3111112	Purchase of soft ware		-	
3130101	Acquisition of Land	-	-	
	<b>Total</b>	<b>1,586,719</b>	-	
	<b>9. Other Payments</b>			
	specify		-	



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

	specify			-
	specify			-
	<b>TOTAL</b>			-
<b>10A: Bank Balances (cash book bank balance)</b>				
	<b>Name of Bank, Account No. &amp; currency</b>	<b>2017-18</b>	<b>2016-2017</b>	
		<b>Kshs</b>	<b>Kshs</b>	
		<b>(30/6/2018)</b>	<b>(30/6/2017)</b>	
	<i>EQUITY BANK BOMET</i>	5,687,606	157,295.75	
	<b>Total</b>	<b>5,687,606</b>	<b>157,295.75</b>	
<b>10B: CASH IN HAND)</b>				
		<b>2017-18</b>	<b>2016-2017</b>	
		<b>Kshs</b>	<b>Kshs</b>	
		<b>(30/6/2018)</b>	<b>(30/6/2017)</b>	
	Location 1	-	-	
	Location 2	-	-	
	Location 3	-	-	
	Other receipts (specify)	-	-	
	<b>Total</b>	<b>-</b>	<b>-</b>	
<b>11 OUTSTANDING IMPRESTS</b>				
	<i>Name of Officer</i>	<b>Date imprest taken</b>	<i>Amount Taken</i>	<i>Balance (30/6/2017)</i>
			<b>Kshs</b>	<b>Kshs</b>
	<i>MOSES KIMUTAI SABILA</i>			





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

			-
	<i>MOSES KIMUTAI SABILA</i>		-
	<i>MOSES KIMUTAI SABILA</i>		-
	<i>MOSES KIMUTAI SABILA</i>		-
	<i>MOSES KIMUTAI SABILA</i>		-
	<i>Total</i>		975,640
	<b>12.RETENTION</b>		
	<i>SUPPLIERS/CONTRACTORS</i>		
	<b>13. BALANCES BROUGHT FORWARD</b>		
		<b>2017-18</b>	<b>2016-17</b>
			<b>Kshs(1/7/2016)</b>
	Bank accounts	4,674,488	40,453,000
	Cash in hand	-	-
	Imprest	795,640	1,639,000
	<b>Total</b>	<b>5,470,128</b>	<b>42,092,000</b>
	<b>14.PRIOR YEAR ADJUSTMENTS</b>		
		<b>2017-18</b>	<b>2016-17</b>
	Bank accounts ( Stale cheques reversal)	4,194,519	541,117
	Cash in hand		
	Imprest		
	<b>Total</b>	<b>4,194,519</b>	<b>541,117</b>
	<b>15.OTHER IMPORTANT DISCLOSURES</b>		
	<b>15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>		
		<b>2017-18</b>	<b>2016-17</b>





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

**Reports and Financial Statements**

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

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)

