

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

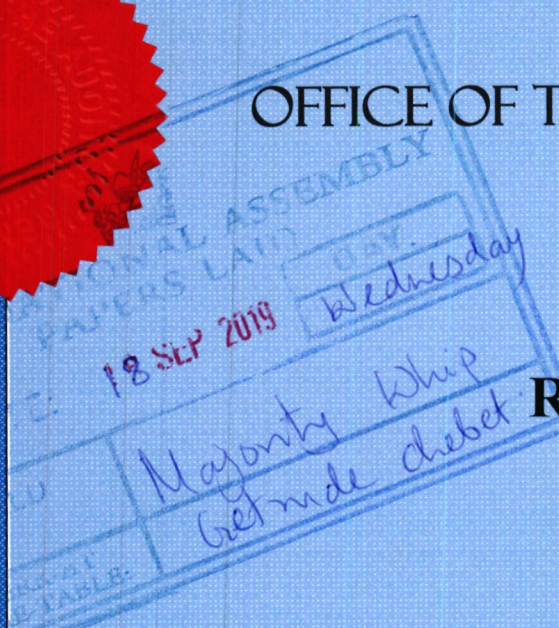
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND  
BURETI CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE 2018











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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND BURETI  
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)**  
**BURETI 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 BURETI 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	Esau Kemboi
3.	Sub-County Accountant	Stephen Chirchir
4.	Chairman NGCDFC	Anthony Keter
5.	Member NGCDFC	Vincent Soi

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 43  
NGCDF Building  
Next to Bureti Sub-county Headquarters  
Litein, Kericho County





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
BURETI CONSTITUENCY**

**Reports and Financial Statements**

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

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**(f) NGCDF BURETI Constituency Contacts**

Telephone: (254) 723501835  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF BURETI Constituency Bankers**

1. EQUITY BANK  
A/C 0530261223447  
LITEIN BRANCH

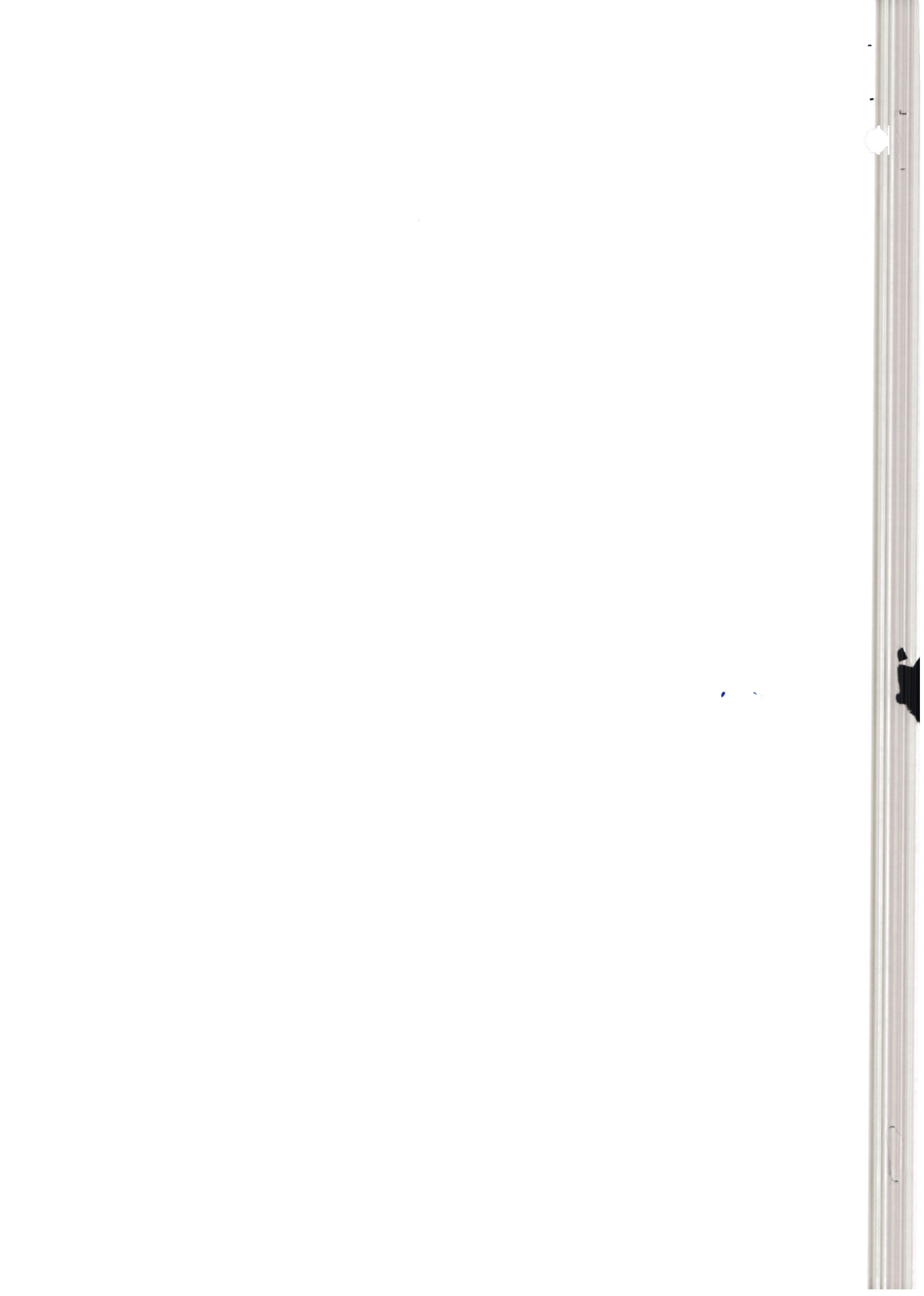
**(h) Independent Auditors**

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

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

The Bureti National Government Constituency Development Fund in the Financial Year 2017/2018 had a total receipt from the NGCDFB of Kshs. 46,305,172. During the Financial year Kshs 37,903,275 was spent. This left a balance of 8,700,525 at the close of financial year. Our Total Budget Utilization was therefore 37.4%, this was due to late disbursement of funds. A Total of Kshs 30,429,114 was spent on Bursaries to needy students in the constituency. Bureti NGCDFC is eagerly waiting for the final disbursement of Funds from the Board so that we can be able to complete projects for Financial Year 2017/2018 on time.

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

Bureti NGCDFC fully committed to ensure that projects are funded in one phase i.e from start to completion so that the community can get value for their taxes and also to adhere to the presidential directive that all ongoing projects within the country should be completed.

We look forward to a better Performance in the next financial year 2018/2019



*Sign*

CHAIRMAN NGCDF COMMITTEE: Anthony Keter





Handwritten text in blue ink, possibly a signature or initials, located in the lower right quadrant of the page.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
BURETI CONSTITUENCY**

**Reports and Financial Statements**

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

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF-BURETI 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, 20XX. 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- BURETI 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- BURETI 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- BURETI 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**

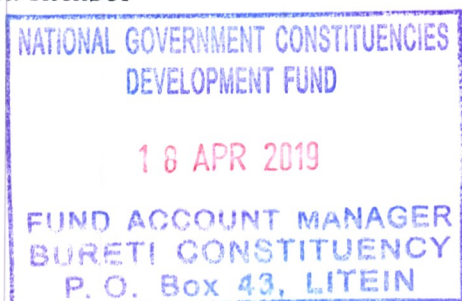
The NGCDF- BURETI Constituency financial statements were approved and signed by the Accounting Officer on 18<sup>th</sup> April 2019.



Fund Account Manager  
Esau Kemboi



Sub-County Accountant  
Stephen Chirchir







# REPUBLIC OF KENYA

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Fax: +254-20-311482  
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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

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

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#### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Bureti Constituency set out on pages 7 to 28, 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 for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter 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-Bureti Constituency as at 30 June, 2018, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1.0 Inaccuracies in the Financial Statements

The statement of receipts and payments reflects transfers from CDF board of Kshs.46,305,172 while the summary statement of Appropriation: recurrent and development combined reflects a balance of Kshs.46,478,799 resulting into unexplained variance of Kshs.173,627.00.

In the circumstances, the accuracy of the statement of receipts and payments could not be confirmed:

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



## **2.0 Inaccurate Cash and Cash Equivalents**

The statement of assets reflects bank balance of Kshs.8,700,525 which differs with the reconciled cash book balance of Kshs.8,700,824.60 by unexplained variance of Kshs.299.60.

In the circumstances, the accuracy of the statement of assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Bureti 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 matter(s) described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other matter**

### **Budget Utilization and Performance**

During the financial year under audit, the fund had a budget on receipts from NGCDF Board of Kshs.101,263,282. However, only Kshs. 46,478,799 was received from the Board and thus leaving a budget utilization difference of Kshs.54,784,483. The underfunding has not been explained despite the board having approved the budget. Consequently, the Constituents of Bureti Constituency were denied the much needed development activities during the year under review.

It is therefore not clear why the Board approved a budget it could not finance

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY**

### **Conclusion**

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



## **Basis for conclusion**

### **1.0 Non-acknowledged Bursary**

An expenditure of Kshs.30,429,053 was incurred on disbursements of bursary to secondary schools and tertiary institutions. However, only acknowledgement letters for Kshs.22,398,700 were presented for audit verifications leaving a balance of Kshs.8,030,353 unacknowledged.

No explanation has been given for non-acknowledgement of the bursary despite the NGCDFC having bursary and monitoring and evaluation committees in place.

In the absence of acknowledgements, it was not possible to confirm the bursaries reached the intended beneficiaries.

### **2.0 Summary of Fixed Assets**

The summary of fixed assets register presented under annex 4 reflects office equipment, furniture and fittings brought forward from previous year of Kshs.2,000,000. However, physical verification of the fixed assets carried out on 26 March 2018 revealed that furniture and computer accessories worth Kshs.742,500 were acquired in year 2014 for the purpose of running a library within the CDF premises. It was however observed that the furniture has been lying idle since acquisition and the computer accessories were diverted to other unrelated activities.

It has not been explained why an expenditure of Kshs.742,500 was incurred for a project that has not been implemented four years after the acquisition of the assets.

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, GOVERNANCE AND RISK MANAGEMENT SYSTEM**

### **Conclusion**

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.



## **Basis for conclusion**

### **1.0 Lack of Internal Audit Function**

During the year under review, the entity did not have an internal auditor as required by law. Consequently, there was no assurance that the institutional policies and procedures were adhered to in the execution of the operations of the fund.

No explanation was provided for failure to have internal audit function in place.

### **1.1 Lack of Risk Management Policy**

During the year under review, Bureti NG-CDF did not have a risk management in place as required by National Treasury Circular No 3/2009 of 23 February, 2009 and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks.

No explanation has been given for failure to have a risk management policy in place.

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

## **Responsibilities of Management and Those Charged with Governance**

Management is 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

**Nairobi**

**08 August 2019**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
BURETI CONSTITUENCY**

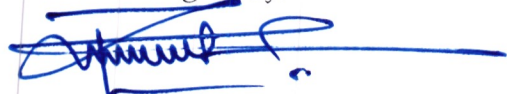
**Reports and Financial Statements**

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

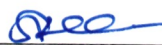
**STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	46,305,172	80,798,621
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	125,000	0
<b>TOTAL RECEIPTS</b>		<b>46,430,172</b>	<b>80,798,621</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,562,854	1,935,898
Use of goods and services	5	4,277,307	11,621,009
Transfers to Other Government Units	6	0	67,554,820
Other grants and transfers	7	32,063,114	62,327,261
Acquisition of Assets	8	0	0
Other Payments	9	0	0
<b>TOTAL PAYMENTS</b>		<b>37,903,275</b>	<b>143,438,988</b>
<b>SURPLUS/DEFICIT</b>		<b>8,526,897</b>	<b>(62,640,367)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- BURETI Constituency financial statements were approved on 18<sup>th</sup> April 2019 and signed by:



Fund Account Manager  
Esau Kemboi



Sub-County Accountant  
Stephen Chirchir





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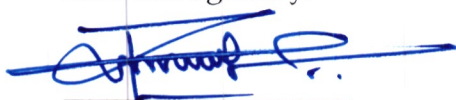
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
BURETI CONSTITUENCY**

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


**I. STATEMENT OF ASSETS**

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	8,700,525	173,627
Cash Balances (cash at hand)	10B	0	0
<b>Total Cash and Cash Equivalents</b>		<b>8,700,525</b>	<b>173,627</b>
Current receivables - Outstanding Imprests	11	0	0
<b>TOTAL FINANCIAL ASSETS</b>		<b>8,700,525</b>	<b>173,627</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable - Retention	12	0	0
<b>NET FINANCIAL ASSETS</b>		<b>8,700,525</b>	<b>173,627</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	173,627	62,813,954
Surplus/Deficit for the year		8,526,897	(62,640,367)
Prior year adjustments	14	0	0
<b>NET FINANCIAL POSITION</b>		<b>8,700,524</b>	<b>173,627</b>

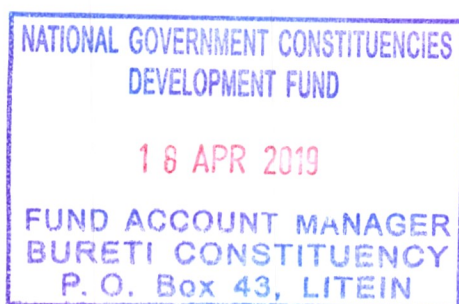
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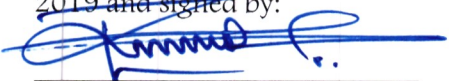
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BURETI CONSTITUENCY**

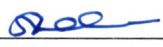
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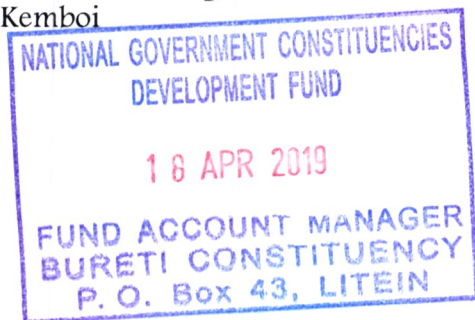
**II. STATEMENT OF CASHFLOW**

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	46,305,172	80,798,621
Other Receipts	3	125,000	
		46,430,172	80,798,621
Payments for operating expenses			
Compensation of Employees	4	1,562,854	1,935,898
Use of goods and services	5	4,277,307	11,621,009
Transfers to Other Government Units	6	0	67,554,820
Other grants and transfers	7	32,063,114	62,327,261
Other Payments	9	0	0
		37,903,275	(143,438,948.7)
Adjusted for:			
Adjustments during the year	14	0	0
Net cash flow from operating activities		8,526,897	62,813,954.70
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	0	0
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		8,526,897	62,813,954.70
Cash and cash equivalent at BEGINNING of the year	13	173,627	(62,640,327.70)
Cash and cash equivalent at END of the year		8,700,524	173,627

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- BURETI Constituency financial statements were approved on 18<sup>th</sup> April 2019 and signed by:

  
Fund Account Manager  
Esau Kemboi

  
Sub-County Accountant  
Stephen Chirchir







**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURETI CONSTITUENCY**

**Reports and Financial Statements**

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

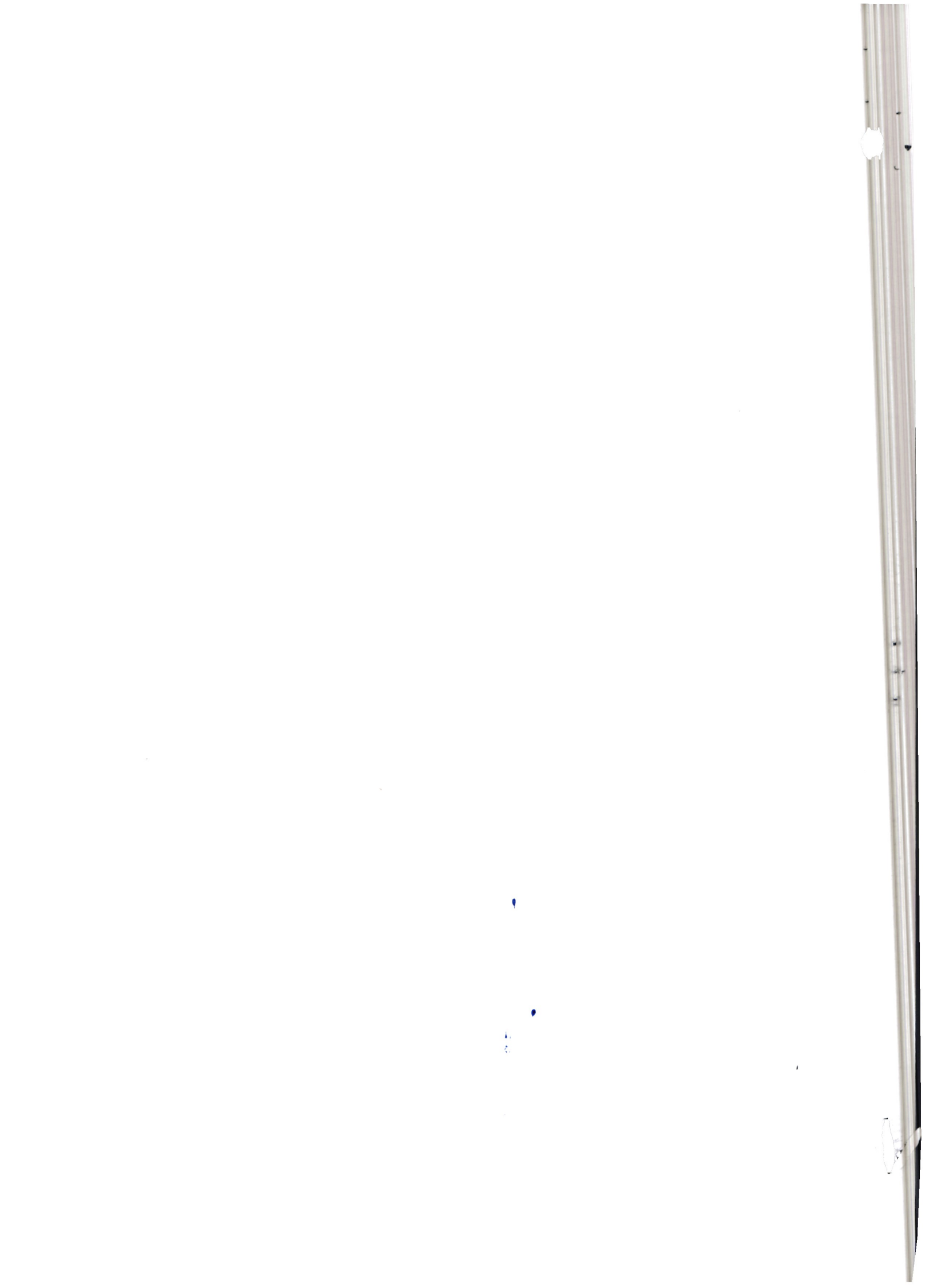
**III. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	86,810,345	14,452,937	101,263,282	46,478,799	54,784,483	45.9%
Proceeds from Sale of Assets						
Other Receipts				125,000	(125,000)	
<b>TOTALS</b>	<b>86,810,345</b>	<b>14,452,937</b>	<b>101,263,282</b>	<b>46,603,799</b>	<b>54,659,483</b>	<b>46%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,100,000.00		2,100,000	1,562,854	537,146	74.4%
Use of goods and services	9,212,931	1,197,765	10,410,696	4,277,307	6,133,389	41.1%
Transfers to Other Government Units	30,631,593	11,458,621	42,090,214	-	42,090,214	0.0%
Other grants and transfers	40,188,793	1,796,552	41,985,345	32,063,114	9,922,231	76.2%
Acquisition of Assets						
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0.0%
<b>TOTALS</b>	<b>86,810,344</b>	<b>14,452,938</b>	<b>101,263,282</b>	<b>37,903,275</b>	<b>63,360,007</b>	<b>37.4%</b>

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. On Receipts, the Total Receipts from the NGCDF Board is 45.9% which is due to late disbursement of funds from NGCDFB. It was also due to additional Funding which was budgeted for in May 2018 for proposal submission of 11,379,310.34





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

- ii. *On compensation of employees budget 74.4% was utilised, this is because the amount is inclusive Gratuity for contractual Employees which shall be paid at the end of their contract.*
- iii. *On Use of Goods and Services budget 41.1% was utilised this was due to year adjustment for the original budget making the Total Budget to be high against the expense.*
- iv. *On transfer to Other Government Units Budget, the amount was not utilised due to delayed transfer of Funds from NGCDFB*
- v. *On Other Grants and Transfers budget 76.2% was utilised this was due to additional projects proposal which was submitted during the month of May.*
- vi. *On Other Payments Budget, the amount was not utilized due to delayed transfer of Funds from NGCDFB*

The NGCDF- BURETI Constituency financial statements were approved on 18<sup>th</sup> April 2019 and signed by:



Fund Account Manager  
Esau Kemboi



Sub-County Accountant  
Stephen Chirchir







**Reports and Financial Statements**

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

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**IV. 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- BURETI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

**a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.



**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

During the year ended 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.





## **SIGNIFICANT ACCOUNTING POLICIES**

### **5. In-kind contributions**

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

### **6. Cash and Cash Equivalents**

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

### **7. Accounts Receivable**

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

### **8. Accounts Payable**

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

### **9. Pending Bills**

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

### **10. Unutilized Funds**

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





## SIGNIFICANT ACCOUNTING POLICIES

### 11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 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) –  
BURETI CONSTITUENCY  
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**V. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO	A855008		36,853,449.00
AIE NO	A855537		39,850,344.10
AIE NO	A829518		4,094,827.60
AIE NO	A855775	5,500,000	
AIE NO	A892655	2,900,000	
AIE NO	A892877	37,905,172	
<b>TOTAL</b>		<b>46,305,172</b>	<b>80,798,621</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEPTS**

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	125,000	0
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>125,000</b>	<b>0</b>

**4. COMPENSATION OF EMPLOYEES**

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,562,854	1,820,338
Basic wages of casual labour	0	115,560.
<b>Personal allowances paid as part of salary</b>		
House allowance	0	0
Transport allowance	0	0
Leave allowance	0	0
Gratuity	0	0
Other personnel payments	0	0
<b>Total</b>	<b>1,562,854</b>	<b>1,935,898</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	3,009,360	8,190,296
Utilities, supplies and services	40,000	30,000
Communication, supplies and services	0	416,000
Domestic travel and subsistence	56,000	160,000
Printing, advertising and information supplies & services	110,000	821,302
Rentals of produced assets	0	0
Training expenses	355,000	473,000
Hospitality supplies and services	300,000	256,000
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	0	362,340
Other operating expenses	0	0
Routine maintenance – vehicles and other transport equipment	0	100,367
Fuel, Oil and Lubricants	200,000	600,000
<b>Total</b>	<b>4,277,307</b>	<b>11,621,009</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**For the year ended June 30, 2018**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	0	53,583,000
Transfers to secondary schools (see attached list)	0	12,786,200
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	1,185,620
<b>TOTAL</b>	<b>0</b>	<b>67,554,820</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,121,314	27,419,686
Bursary – tertiary institutions (see attached list)	13,371,800	16,431,679
Bursary – special schools (see attached list)	0	75,000
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	600,000	2,300,000
Water (see attached list)	0	2,848,800
Roads projects (see attached list)	0	4,094,571
Agriculture (see attached list)	0	1,300,000
Sports projects (see attached list)	0	1,974,000
Emergency projects (see attached list)	970,000	5,883,525
<b>Total</b>	<b>32,063,114</b>	<b>62,327,261</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**9. OTHER PAYMENTS**

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
TIVET	0	0
	0	0





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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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>Equity Bank, Litein Branch. A/C no.0530261223447</i>	8,700,525	173,627
<b>Total</b>	<b>8,700,525</b>	<b>173,627</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	N/A	0	0	0
<i>Total</i>				<u>0</u>

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

**12 RETENTION**

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
<b>Total</b>	<u>0</u>	<u>0</u>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	173,627	50,346,754
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<u>173,627</u>	<u>50,346,754</u>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
BURETI CONSTITUENCY**

**Reports and Financial Statements**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**15. OTHER IMPORTANT DISCLOSURES**

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

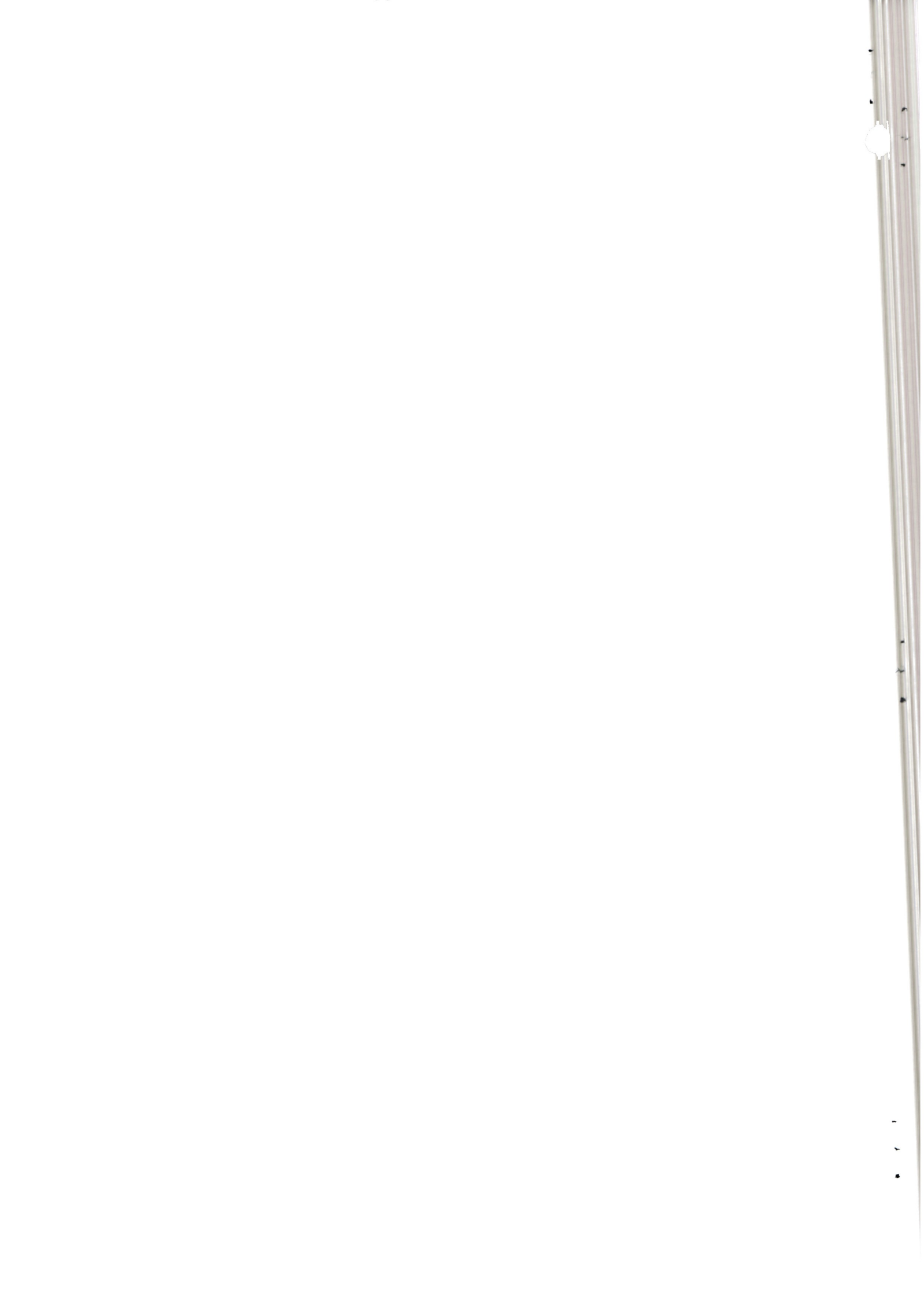
	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	<b>0</b>	<b>0</b>

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

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others ( <i>specify</i> )	0	0
	<b>0</b>	<b>0</b>

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

	Kshs	Kshs
Compensation of employees	0	0
Use of goods and services	0	0
Amounts due to other Government entities (see attached list)	0	0
Amounts due to other grants and other transfers (see attached list)	0	0
Acquisition of assets	0	0
Others ( <i>specify</i> )	0	0
	<b>0</b>	<b>0</b>





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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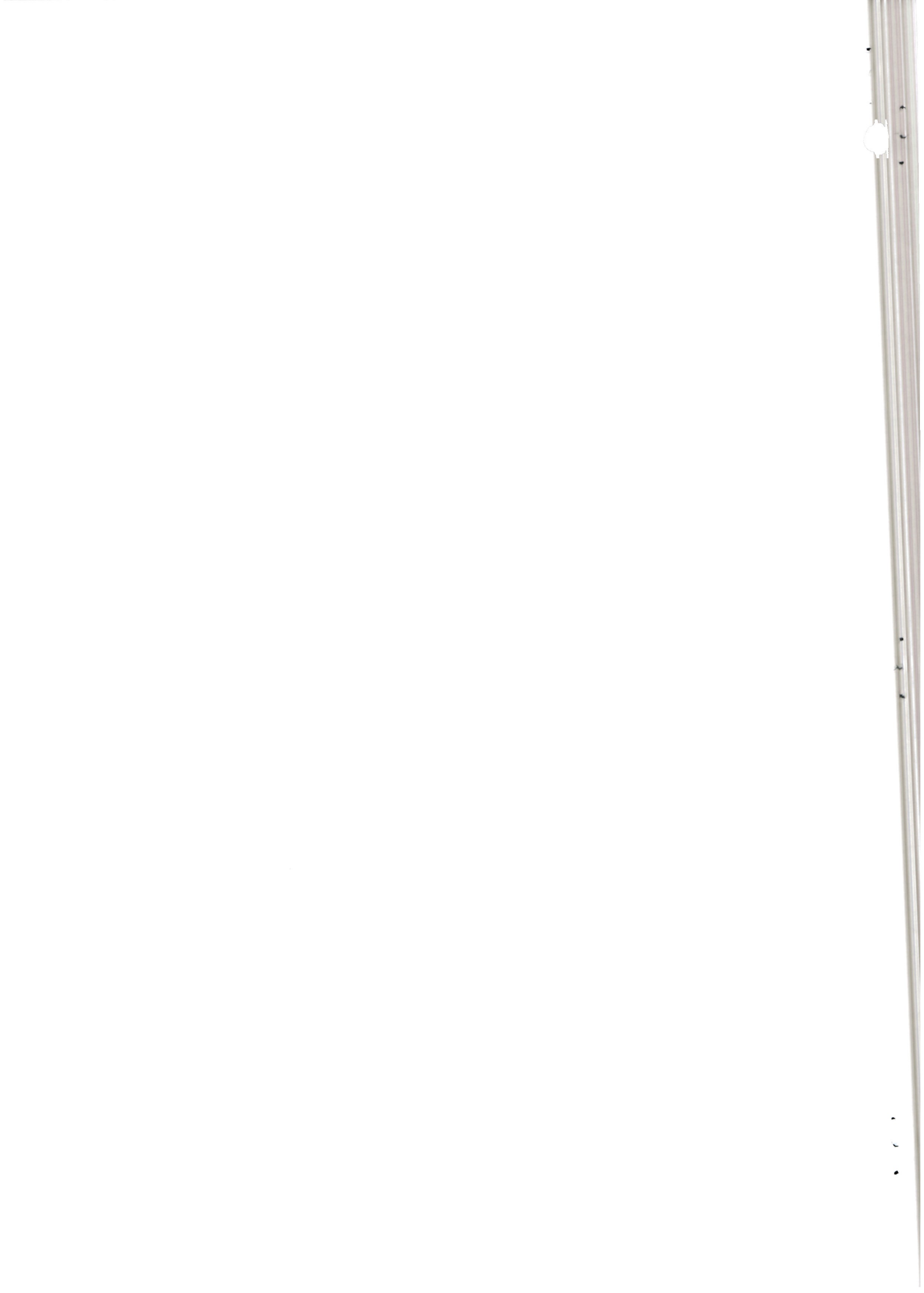
*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

15.4: PMC account balances (See Annex 4)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	600,000	0
	600,000	0

15.4: Summary of Fixed Assets Register (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
Summary of Fixed Assets Register (Various)	12,000,000	12,000,000
	12,000,000	12,000,000



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURETI CONSTITUENCY**

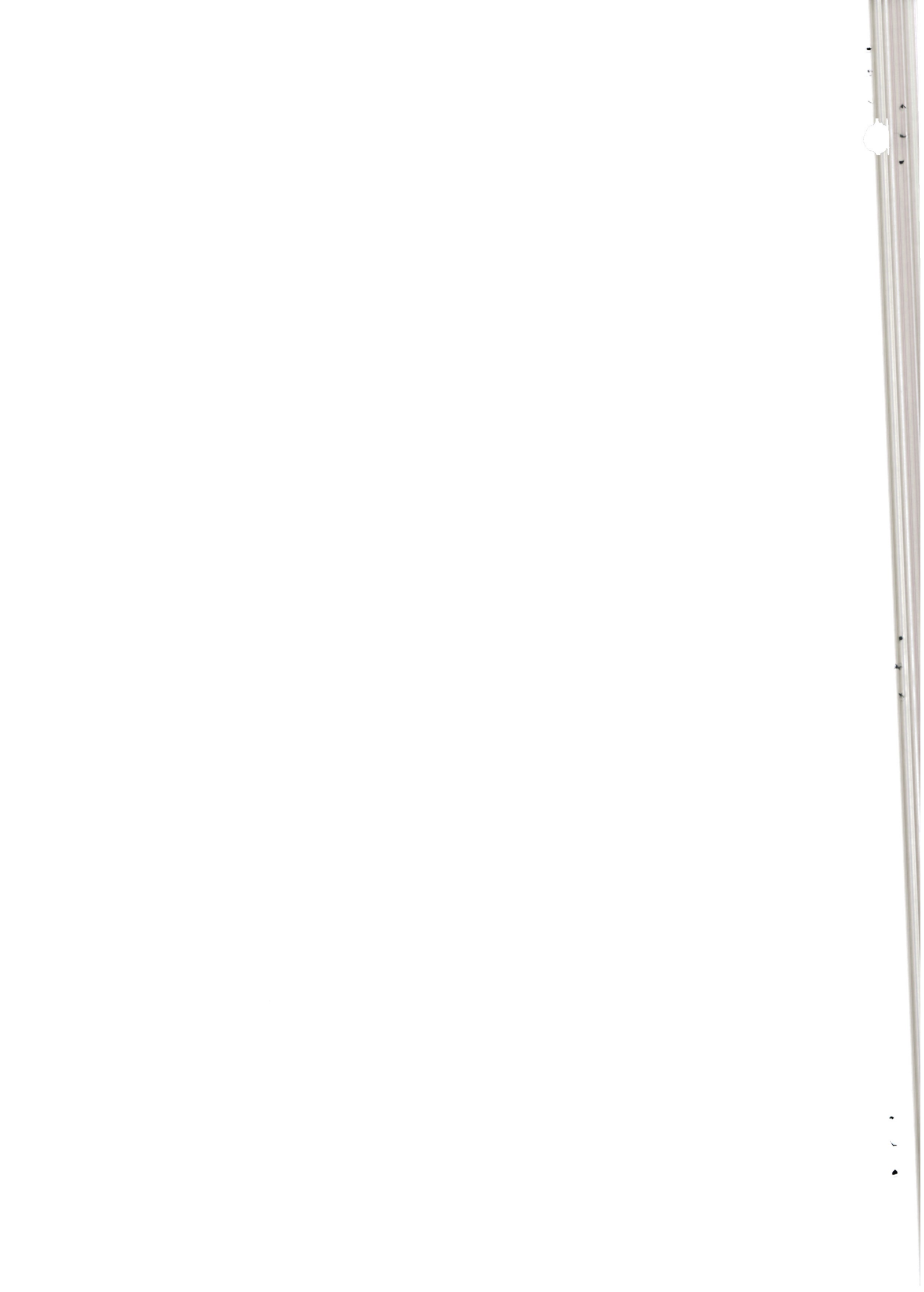
**Reports and Financial Statements**

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

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

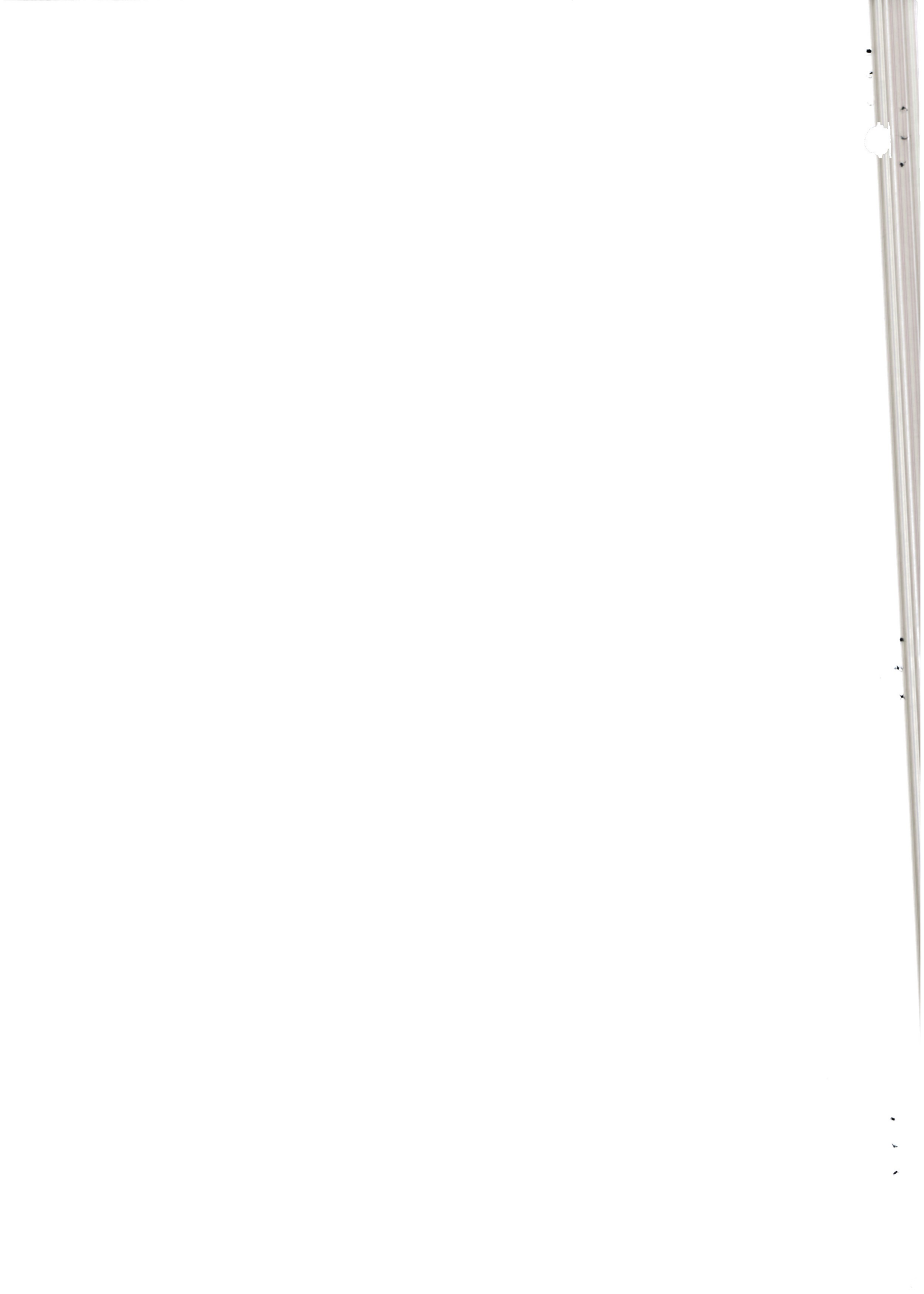




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURETI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
		a	B	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BURETI CONSTITUENCY

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		537,146		Pending staff gratuity
Use of goods & services		6,133,389		Ongoing
Amounts due to other Government entities		42,090,214		Awaiting disbursement of funds from NGCDFB
Sub-Total		45,260,748,54	0	
Amounts due to other grants and other transfers		9,922,231		Awaiting disbursement of funds from NGCDFB
Sub-Total		9,922,231	0	
Sub-Total				
Acquisition of assets				
Others ( <i>specify</i> )	Constituency Innovation Hubs	4,677,027		
Sub-Total		0	0	
Grand Total		63,360,007	0	



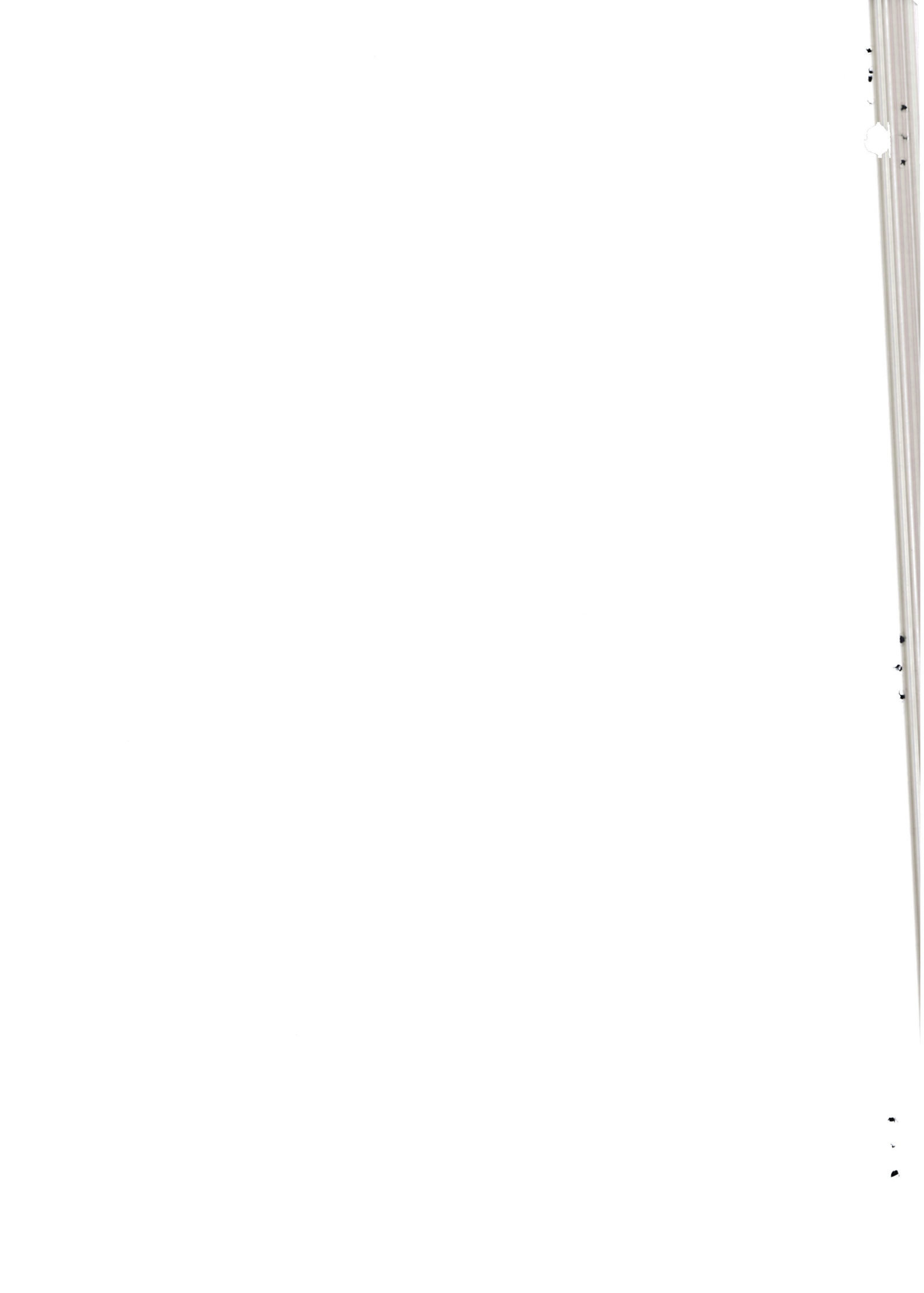
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kapkatet Acc Quarters	KCB	-	600,000	0
Total			600,000	

**ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	10,000,000			10,000,000
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	2,000,000			2,000,000
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	12,000,000			12,000,000





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- BURETI  
CONSTITUENCY**

**Reports and Financial Statements**

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

**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.

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designati on)	Status: (Resolve d / Not Resolve d)	Timefra me: (Put a date when you expect the issue to be resolved)
1.	<u>CASH AND CASH EQUIVALENT</u> (a)Receipts in cashbook not in bank	The figure of Ksh 180,106 reflected in the bank reconciliation shows that payments in the cashbook not reflected in the bank. This could be due to unrepresented cheques that have been released to various projects. The same I seeing looked into to correct the anomaly.	FAM	Not Resolved	1 Month
	(b)Payments in Bank not in Cash	The bank reconciliation statement shows a figure of ksh.228,044 being figure in the bank but not reflected in the cash book. This was due to misposting of vouchers which has since been rectified.	FAM	Not Resolved	1 Month
	(c)Unsupported Bending Staff Payable	During the year ended June 2017 there was an amount of ksh. 173,627 which was reported as staff payables. Unfortunately during the audit exercise a schedule to support the same was not provided for verification. The same has been attached for audit	FAM	Not Resolved	1 Month

