

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
ENDEBESS CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018

THE NATIONAL ASSEMBLY
DATE: 07 AUG 2019 Wednesday
TABLED BY: Hon. Benjamin Wazohali
CLERK OF THE TABLE: Majority Party Whip
Halima Ahmed

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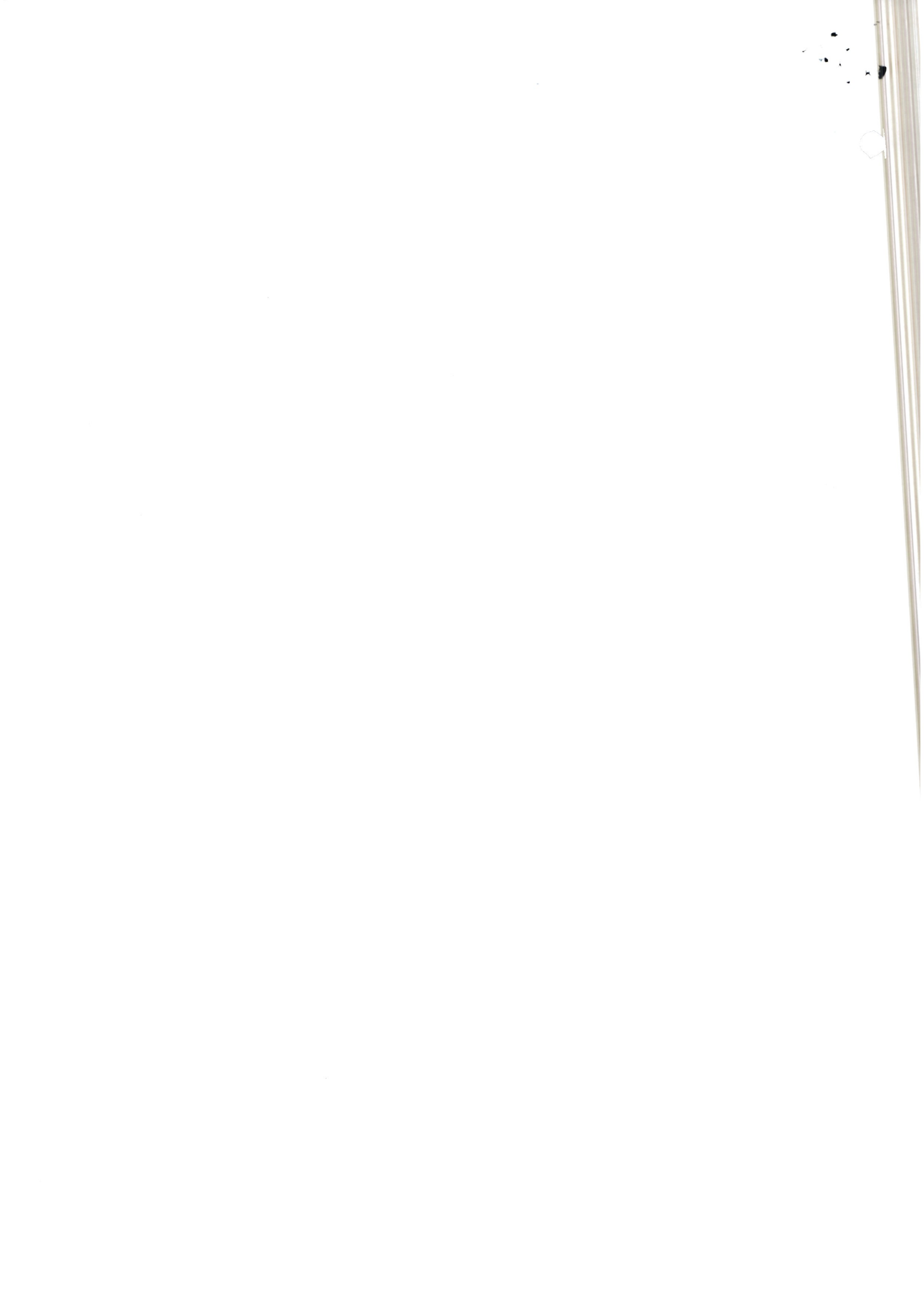


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND ENDEBESS
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30 JUNE 2018**

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



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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

ENDEBESS CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June, 2018

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ENDEBESS 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 NG-CDF Endebess day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Benson Tindi
3.	Sub-County Accountant	Alex Muhando
4.	Chairman NGCDFC	Gilbert Ngirio
5.	Member NGCDFC	Agnes Nasimiyu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 29-30201,
NG-CDF/DCC BUILDING,
KITALE-SUAM HIGHWAY,
ENDEBESS, KENYA.

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

ENDEBESS CONSTITUENCY

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(f) NGCDF Endebess Constituency Contacts

Telephone: +254792786366/+254726271453

E-mail: cdfendebess@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF Endebess Constituency Bankers

1. Equity Bank of Kenya
Kitale 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)
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FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Managing public finance trying and requires people who are fair and contented with what they have. The 2017/2018 financial year was quite trying and having in that a lot of hard politics took place in our country. It was harder still in Endebess given that it is a cosmopolitan Constituency. We went through it and we thank the Government through NG-CDG Board that all the years finances streamed down. Given that it is only NG-CDF finances that are really felt at the grassroots level. The masses seriously yawned for its monies. All needs can never be satisfied at once. These funds went along way to providing pointers for hope into the unknown future. In the financial year 2017/2018 the NG-CDFC received Ksh 75,853,447 from the NG-CDF Board compared to Ksh 50,948,277 received the previous year 2016/2017. The committee disbursed Ksh 26,950,000 other government entities with a larger share disbursed to primary and secondary schools to support school infrastructure while a total of Ksh 27,026,294 was transferred as other grants and transfers majorly as bursaries to learning institutions. In terms of project implementation the NG-CDFC made a major milestone when during the 2017/2018 financial the committee funded construction of its new offices at DCC's ground in Endebess that house the NG-CDF team and Endebess DCC. The offices were officially opened by His Excellency the Deputy President of Kenya on 24th August 2018. These new offices will now afford the NG-CDFC enough space and a conducive physical environment in which to serve its clients.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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A Front View of newly constructed NG-CDF offices at Endebess town.

The main challenge for the Financial Year 2017/2018 was the heavy rains which destroyed toilets for over twenty schools. These toilets sapped the emergency funds to zero and still some remains incomplete. NG-CDF establishment and its funds came as a blessing to the people of Endebess Constituency. We hope the disbursement should always be on the race.

GILBERT NGIRIO - CHAIRMAN NG-CDF COMMITTEE



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

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

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 NG-CDF-Endebess 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 NG-CDF-Endebess 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 NG-CDF Endebess constituency 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 NG-CDF-Endebess Constituency further confirms the completeness of the accounting records maintained for the NG-CDF Endebess constituency, 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 NG-CDF-Endebess 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

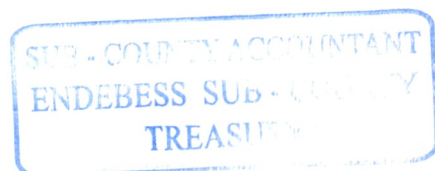
The NG-CDF Endebess Constituency financial statements were approved and signed by the Accounting Officer on 13th September 2018.

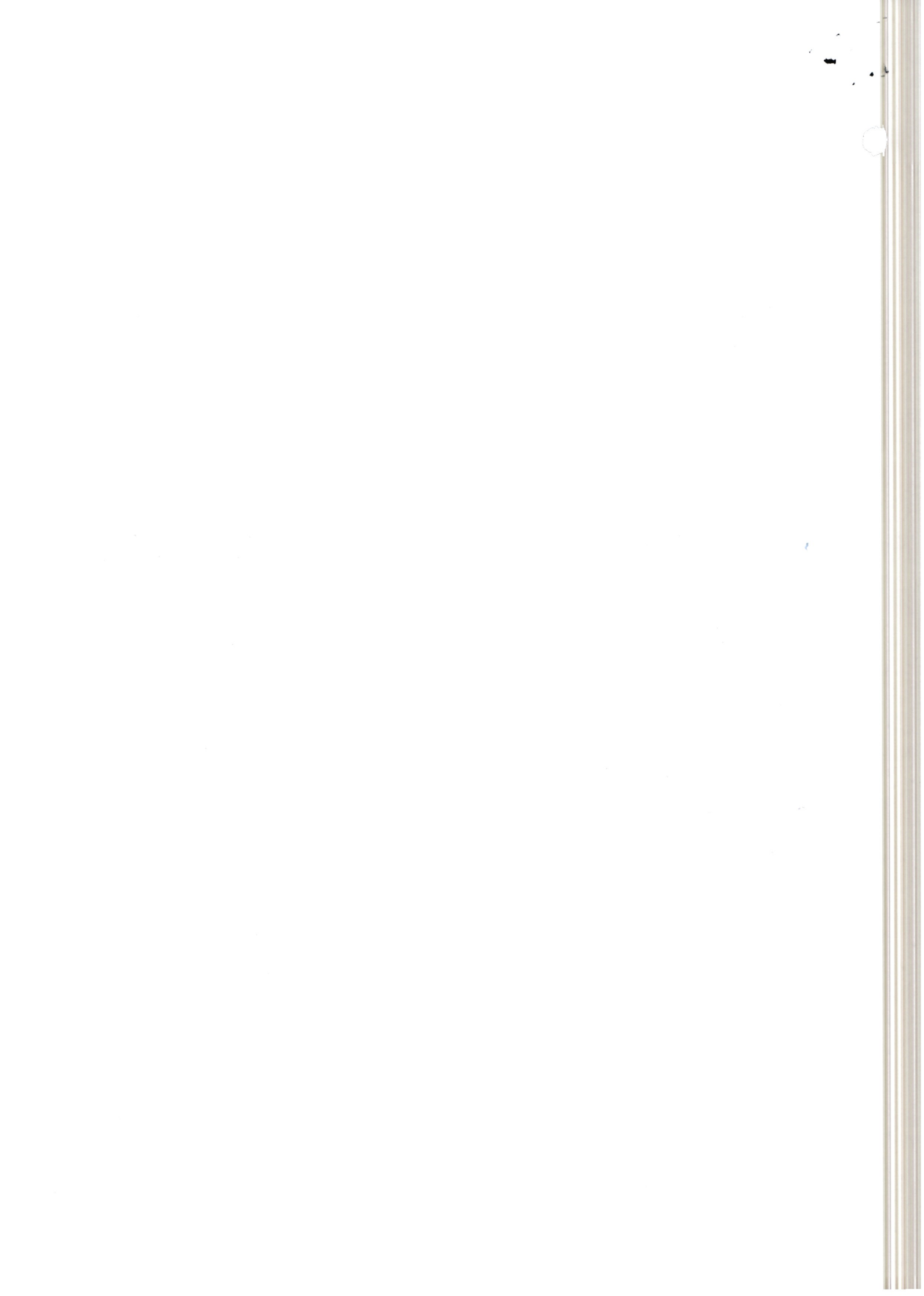


Fund Account Manager
Name: Benson Tindi



Sub-County Accountant
Name: Alex Muhando
ICPAK Member Number:





REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Endebess Constituency set out on pages 1 to 24, which comprise the statement of financial assets as at 30 June 2018, and the statements of receipts and payments, statement of cash flows and statement of comparison of budget and actual amount for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Endebess Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Remittance of Statutory Deductions in Time

The Fund failed to remit the statutory deductions totalling to Kshs.1,100,911 to Kenya Revenue Authority (KRA), National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF) during the year under review as detailed below:

Cheque No.	Date	Payee	Amount Kshs.
3759	1.2.18	Comm. Dom. Tax	5,074
3760	„	Comm. Dom Tax	2,943
3837	„	Comm. Dom Tax	84,750
3840	„	Comm. Dom Tax	296,424

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

Cheque No.	Date	Payee	Amount Kshs.
3851	„	Comm. Dom. Tax	272,100
4995	„	Comm. Dom Tax	90,900
4996	„	Comm. Dom Tax	90,480
4996	„	Comm. Dom Tax	45,240
4997	„	Comm. Dom Tax	123,000
4998	„	Comm. Dom Tax	90,000
		Total	1,100,911

Failure to remit statutory deductions in stipulated time is likely to attract penalties and fines besides contravening the law.

2. Other Grants and transfers

2.1 Emergency Expenses

Included in other grants and transfers figure of Kshs.27,026,294 is Kshs.2,000,000 out of which Kshs.1,900,000 was incurred in respect of emergency expenses released to various schools to be spent on construction of toilets as detailed below:

PV No.	Date	Cheque No.	Payee	Amount Kshs.
075	10.5.2018	3893	Kayos Primary School	100,000
075	10.5.2018	3874	Cheptikit Primary School	100,000
075	10.5.2018	3875	Kapkures Primary School	200,000
075	10.5.2018	3896	Cheberem Primary School	100,000
075	10.5.2018	3897	Suam Primary School	150,000
075	10.5.2018	3898	Kamaroko Primary School	100,000
075	10.5.2018	3899	Kitinda Primary School	100,000
075	10.5.2018	3900	Imbuye Primary School	100,000
075	10.5.2018	4001	Chepkwirot Primary School	100,000
075	10.5.2018	4002	Rwanda Primary School	200,000
075	10.5.2018	4003	Sabwani Primary School	100,000
075	10.5.2018	4004	Cheptantan Primary School	100,000
075	10.5.2018	4006	Titimet Secondary School	150,000
075	10.5.2018	4006	Sabwani Boys Secondary	100,000
075	10.5.2018	4007	St. Lilians Small Home Primary	100,000
075	10.5.2018	4008	Matumbei Secondary	100,000
			Total	1,900,000

However, the expenses did not qualify to be emergency as per the requirements of Section 8 (3) of the National Government Constituency Development Fund Act, 2015. Further, there were no supporting documents provided to confirm that the institutions requested for the assistance and whether the same was included in the budget for the year under review.

2.2 Bursary Expenses- Secondary Schools

Under note 7 to the financial statements, bursary to secondary school figure of Kshs.10,316,000 differs with the figure of individual vouchers availed for audit verification totalling Kshs.10,294,000 as detailed below, resulting into non-reconciled variance of Kshs.22,000:

PV No.	Payee	Date	Amount Kshs.
36	Endebess CDF	1/3/2018	500,000
92	Endebess CDF	4/6/2018	9,475,000
93	Endebess CDF	25/6/2018	68,000
94	Endebess CDF	25/6/2018	251,000
		Total	10,294,000

2.3 Unapproved Distribution of Bursary Funds

In the minutes of the meeting held on 11 May 2018, the Fund resolved to allocate bursaries at the following rates per beneficiary; National Schools Kshs.10,000, Extra County and County Schools Kshs.5,000, Colleges and TTC Kshs.6,000, Polytechnics/KMTCs Kshs.7,000 and Universities Kshs.10,000. However, an audit verification procedure performed on the records for bursary awards revealed that the set basis was not followed in some cases as some beneficiaries received more than the approved rate as indicated below:

Name	Institution	Cheque No	Approved Amount Kshs.	Actual Amount Kshs.	Excess Amount Kshs.
Timothy Machoka	Kabuyefwe Boys Secondary	4830	5,000	25,000	20,000
Kibet Meshack	Eldoret University	4025	10,000	20,000	10,000
Simiyu Wafula	Kenya Methodist University	4026	10,000	40,000	30,000
Sabila Daniel	Eldoret College of Professional Studies	4027	7,000	40,000	33,000
Edwin Cheboret	Eldoret College of Professional Studies	4028	7,000	15,000	8,000
Jeremia Kimtai	Kapenguria Boys Secondary	4028	10,000	15,000	5,000
Sarah Cherop	Laikipia University	4029	10,000	15,000	5,000
Vincent Lwolei	KMTC Homabay	4573	7,000	20,000	13,000
Christine Cheruto	Sensei Institute	4581	7,000	40,000	33,000
Dorcas N.	Kisii University	4590	10,000	20,000	10,000
Irine Chepkwemoi	Eldoret University	4593	10,000	20,000	10,000
Lisa Uside	Catholic University	4595	10,000	20,000	10,000
	Total		290,000	290,000	187,000

Failure to follow the set guidelines is likely to lead to unequal distribution of bursaries to the intended beneficiaries.

In the circumstances, it was not possible to ascertain probity of other grants and other payments of Kshs.187,000 incurred during the year under review.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Endebess 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 Emphasis of Matter 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 procedures performed, except for the matter described 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. Budget

1.1 Late Submission of the Budget Proposals

The CDFC submitted budget (project proposal) for the year under review for inclusion to the annual government budget late in January 2018 instead of February 2017 as required. Further, the approval for the project proposal of Kshs.86,310,344 was done on bids thereafter of which contravenes Section 28 of the National Government Constituencies Development Fund Act, 2015.

1.2 Late Remittance of Funds from the Board

The verification of Project GFS Code-list (list of approved projects) showed that out of project proposal with estimated cost of Kshs.86,310,344 for the year under review, the Board approved only Kshs.5,500,000 on 30 January 2018 and released the same on 5 March 2018 and next tranche of Kshs.81,310,345 was approved on 20 April 2018 but only Kshs.37,905,172 was disbursed from the Board and received on 19 April 2018. The Fund operation was thus subjected to inconsistent flow of funds.

1.3 Budget Performance

Scrutiny of the comparison of the budget against actual expenditure for the year under review revealed that the following differences;

Appropriation

Receipt/Expense	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfers from CDF Board	86,810,345	46,198,498	133,008,843	78,224,360	54,784,483	58.8%
Total	86,810,345	46,198,498	133,008,843	78,224,360	54,784,483	58.8%
Payments						
Compensation of Employees	1,050,000	2,275,158	3,325,158	2,427,766	897,392	73.0%
Use of Goods and Services	8,762,930	3,839,411	12,602,341	5,417,651	7,184,690	43.0%
Transfers to Other Government Units	44,820,000	21,278,053	66,098,053	26,950,000	39,148,053	40.8%
Other Grants and Transfers	26,399,380	5,805,876	32,205,256	27,026,294	5,178,962	83.9%
Acquisition of Assets	1,101,008	13,000,000	14,101,008	12,100,000	2,001,008	85.8%
Other Payments	4,677,027	0	4,677,027	0	4,677,027	
Total	86,810,345	46,198,498	133,008,843	73,921,711	59,087,132	55.6%

The budget underutilisation is likely to affect service delivery to the constituents.

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 matter described in the Report On Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

IT Internal controls

The Fund did not have the Information Technology Strategic Policy nor strategic plan, active IT steering committee either at the constituency level or at the board level, formally approved IT Security policy to ensure data confidentiality. In addition, documented and approved processes to manage upgrades, formally documented and approved process to manage upgrades, environmental controls such as fire suppression systems, fire extinguishers and air conditioning systems were also not in place. However, the Fund manager is trained on IT in the Constituency and such training has not been extended to other staff members.

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to sustain its services and disclosing as applicable matters related to sustainability of services. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Auditor-General's Responsibilities for the Audit

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 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's 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 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

28 June 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2018

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	75,853,447	50,948,277
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		75,853,447	50,948,277
PAYMENTS			
Compensation of employees	4	2,427,766	2,093,278
Use of goods and services	5	5,417,651	5,301,267
Transfers to Other Government Units	6	26,950,000	33,350,000
Other grants and transfers	7	27,026,294	40,502,214
Acquisition of Assets	8	12,100,000	7,204,400
Other Payments	9	-	-
TOTAL PAYMENTS		73,921,711	88,451,159
SURPLUS/(DEFICIT)		<u>1,931,736</u>	<u>(37,502,882)</u>

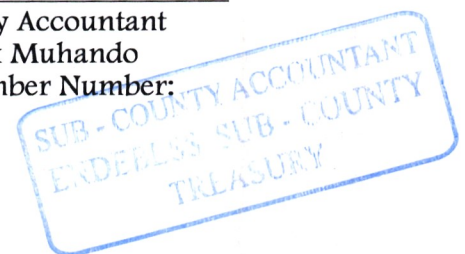
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Endebess Constituency financial statements were approved on 13th September 2018 and signed by:



Fund Account Manager
Name: Benson Tindi



Sub-County Accountant
Name: Alex Muhando
ICPAK Member Number:



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

STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,302,649	2,370,913
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		4,302,649	2,370,913
Current receivables - Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,302,649	2,370,913
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	-	-
NET FINANCIAL ASSETS		4,302,649	2,370,913
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,370,913	39,873,795
Surplus/Deficit for the year		1,931,736	(37,502,882)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		4,302,649	2,370,913

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Endebess Constituency financial statements were approved on 13th September 2018 and signed by:



Fund Account Manager

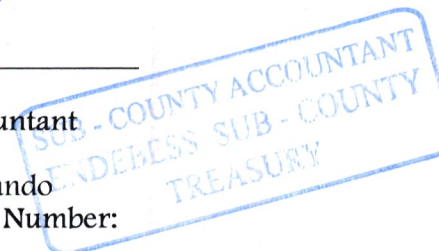
Name: Benson Tindi



Sub-County Accountant

Name: Alex Muhando

ICPAK Member Number:




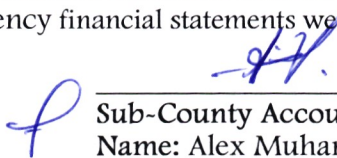
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2018

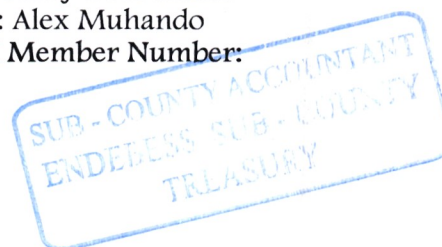
STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	75,853,447	50,948,277
Other Receipts	3	=	=
		75,853,447	50,948,277
Payments for operating expenses			
Compensation of Employees	4	2,427,766	2,093,278
Use of goods and services	5	5,417,651	5,301,267
Transfers to Other Government Units	6	26,950,000	33,350,000
Other grants and transfers	7	27,026,294	40,502,214
Other Payments	9	-	-
		(61,821,711)	(81,246,759)
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		14,031,736	(30,298,482)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(12,100,000)	(7,204,400)
Net cash flows from Investing Activities		(12,100,000)	(7,204,400)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,931,736	(37,502,882)
Cash and cash equivalent at BEGINNING of the year	13	2,370,913	39,873,795
Cash and cash equivalent at END of the year		<u>4,302,649</u>	2,370,913

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Endebess Constituency financial statements were approved on 13th September


Fund Account Manager
Name: Benson Tindi


Sub-County Accountant
Name: Alex Muhando
ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2018

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	86,810,345	46,198,498	133,008,843	78,224,360	54,784,483	58.8%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTALS	86,810,345	46,198,498	133,008,843	78,224,360	54,784,483	58.8%
PAYMENTS						
Compensation of Employees	1,050,000	2,275,158	3,325,158	2,427,766	897,392	73.0%
Use of goods and services	8,762,930	3,839,411	12,602,341	5,417,651	7,184,690	43.0%
Transfers to Other Government Units	44,820,000	21,278,053	66,098,053	26,950,000	39,148,053	40.8%
Other grants and transfers	26,399,380	5,805,876	32,205,256	27,026,294	5,178,960	83.9%
Acquisition of Assets	1,101,008	13,000,000	14,101,008	12,100,000	2,001,008	85.8%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	-
TOTALS	86,810,345	46,198,498	133,008,843	73,921,711	59,087,132	55.6


(a) There is no AIA included in the revenue items above

(b) The underutilization of funds was due to the delay in disbursement of funds by the NG-CDF Board as at the end financial year.

The NG-CDF-Endebess Constituency financial statements were approved on 13th September 2018 and signed by:



Fund Account Manager
 Name: Benson Tindi


 Sub-County Accountant
 Name: Alex Muhandu
 ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESS CONSTITUENCY**

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

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-Endebess 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.

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 (NG-CDF) –
ENDEBESSCONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESSCONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO	A892577	31,948,275	
AIE NO	A829572	500,000	
AIE NO	A855798	5,500,000	
AIE NO	A892577	37,905,172	
AIE NO	A825923		1,000,000
AIE NO	A829543		4,094,828
AIE NO	A855518		36,853,449
AIE NO	A839725		9,000,000
TOTAL		75,853,449	50,948,277

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESSCONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,019,224	1,919,878
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	112,000	150,000
Transport allowance	-	-
Leave allowance	-	-
Gratuity	1,270,582	-
Employer Contribution to NSSF	25,960	23,400
Total	<u>2,427,766</u>	<u>2,093,278,</u>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
 ENDEBESS CONSTITUENCY
 Reports and Financial Statements
 For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Other Committee Expenses	459,000	-
Utilities, supplies and services	-	51,109
Communication, supplies and services	120,000	144,000
Domestic travel and subsistence	209,340	336,800
Printing, advertising and information supplies & services	6,941	139,690
Rentals of produced assets	-	-
Training expenses	40,000	-
Hospitality supplies and services	174,050	239,700
Insurance costs	-	-
Fuel, Oil and Lubricants	202,700	400,000
Office and general supplies and services	224,194	261,200
Other operating expenses	67,820	-
Routine maintenance – vehicles and other transport equipment	370,586	346,568
Routine maintenance – other assets	37,020	38,200
Electricity	43,000	-
Committee Allowance	3,463,000	3,344,000
Total	5,417,651	5,301,267

The prior year figure 2017/2017 for goods and services was overstated by an amount of Ksh. 2,093,278 (7,394,545-5,301,267).

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESS CONSTITUENCY**

Reports and Financial Statements

For the year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	14,450,000	15,750,000
Transfers to secondary schools (see attached list)	12,500,000	17,600,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	26,950,000	33,350,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	10,316,000	15,568,000
Bursary – tertiary institutions (see attached list)	11,047,000	6,591,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	388,098	3,058,240
Roads Project (see attached list)	-	3,807,974
Sports projects (see attached list)	1,638,966	1,294,500
Environment projects (see attached list)	1,636,200	2,062,500
Emergency projects (see attached list)	2,000,000	8,120,000
Total	27,026,294	40,502,214



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	12,100,000	7,204,400
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	12,100,000	7,204,400

9. OTHER PAYMENTS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
 ENDEBESSCONSTITUENCY
 Reports and Financial Statements
 For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Equity Bank, Kitale Branch, 330261608206</i>	4,302,649	2,370,913
	-	-
	-	-
Total	4,302,649	2,370,913
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12 RETENTION

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

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	2,370,913	39,873,795
Cash in hand	-	-
Imprest	-	-
Total	2,370,913	39,873,795

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESSCONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	-	501,642
Cash in hand	-	-
Imprest	-	-
Total	-	501,642

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	481,590	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	481,590	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUNDS (See Annex 3)

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
ENDEBESSCONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 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)	6,232,151	596,042



NATIONAL GOVERNMENT ENTITY - (ENDEBESS CONSTITUENCY)
Reports and Financial Statements
For the year ended 30 June 2018

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2018 d=a-c	Outstanding Balance 2017	Comments
Construction of buildings						
1.	19,785,990	28/2/2017	19,304,400	481,590	12,381,590	
2.						
3.						
Sub-Total	19,785,990	28/2/2017	19,304,400	481,590	12,381,590	
Construction of civil works						
4.	-	-	-	-	-	
5.	-	-	-	-	-	
6.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Supply of goods						
7.	-	-	-	-	-	
8.	-	-	-	-	-	
9.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Supply of services						
10.	-	-	-	-	-	
11.	-	-	-	-	-	
12.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Grand Total	19,785,990	28/2/2017	19,304,400	481,590	12,381,590	



NATIONAL GOVERNMENT ENTITY – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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





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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2016/17
Land				
Buildings and structures	19,304,400	12,100,000	-	7,204,400
Transport equipment	6,253,343	-	-	6,253,343
Office equipment, furniture and fittings	93,835	-	-	93,835
ICT Equipment, Software and Other ICT Assets	243,000	-	-	243,000
Other Machinery and Equipment	26,750	-	-	26,750
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	25,921,328	-	-	13,821,328



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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
KITUM PRIMARY SCHOOL	Equity	0330290814763	98,892	
KAPKURES PRIMARY SCHOOL	Equity	0330198772493	249,632	
AIC CHEBEREM PRIMARY SCHOOL	Equity	0330268578054	217,300	
SUAM PRIMARY SCHOOL	Equity	0330193433225	77,490	
KAMAROKO PRIMARY SCHOOL	Equity	0330269055059	18,465	
KITINDA PRIMARY SCHOOL	Equity	0330270885297	10	
IMBUYE PRIMARY SCHOOL	Equity	0330269156736	603,550	
CHEPKWIROT PRIMARY SCHOOL	Equity	03300269592154	636,675	
RWANDA PRIMARY SCHOOL	Equity	0330268597051	111,845	
SABWANI PRIMARY SCHOOL	Equity	0330192686574	26,287	
MATUMBEI SECONDARY SCHOOL	Equity	0330192677752	16,083	
TITIMET SECONDARY SCHOOL	Equity	0330268501928	1,084.00	-
FEEDLOT PRIMARY SCHOOL	Equity	0330290840915	1,660	
KOIBEI PRIMARY SCHOOL	Equity	0330266654404	189,745	-
NAMINIT PRIMARY SCHOOL	Equity	0330261804916	6,025	-
ROBINSON PRIMARY SCHOOL	Equity	0330261593186	1,03	
KEBEN PRIMARY SCHOOL	Equity	0330162314085	1879	-
LUTASO PRIMARY SCHOOL	Equity	0330297420356	28,201	-
AMANI PRIMARY SCHOOL	Equity	0330266690863	502,862	-
KIBOI PRI SCH	Equity	0330262666896	87,697	-
CHESITIA PRIMARY SCHOOL	Equity	0330261721889	1,321	-
ST. MARYSNAI SEC. SCHOOL	Equity	0330263650267	14,840	-
KIMWONDO PRIMARY SCHOOL	Equity	0330192677855	50,901	-
LUTASO SECONDARY SCHOOL	Equity	0330297420356	28,200	-
NABAKHWANA PRIMARY SCHOOL	Equity	0330271954208	509,950	-



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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
SABWANI BOYS SECONDARY SCHOOL	Equity	0330290753728	12,288	-
MUBERE SECONDARY SCHOOL	Equity	0330290726630	7,116	-
BWALA SECONDARY SCHOOL	Equity	0330299588829	1,001,483	-
JAPATA SECONDARY SCHOOL	Equity	0330264495532	703,745	-
NALULINGO SECONDARY SCHOOL	Equity	0330266676708	1,026,925	-
			6,232,151	

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Presentation and errors of the financial statement				
	1.1 Presentation				
	1.20 Errors in the financial statements	Management corrected specific errors in the financial statements	Benson Tindi F.A.M	Not resolved	30/6/2019
	1.2.1 Use of goods and services	Management corrected specific errors in the financial statements	Benson Tindi F.A.M	Not resolved	30/6/2019
	1.1.2 Irregular Charge	Management corrected specific errors in the financial statements	Benson Tindi F.A.M	Not resolved	30/6/2019
	1.2.3 Comparative Figures	Management corrected specific errors in the financial statements	Benson Tindi F.A.M	Not resolved	30/6/2019
	1.2.4 Summary Statement of Appropriation	Management to respond	Benson Tindi F.A.M	Not resolved	30/6/2019
2.0	Transfers to other Government Entities				
	2.1 Unconfirmed Expenditure	Management to respond	Benson Tindi F.A.M	Not resolved	30/6/2019
	2.2 Purchase of Buses	Management has sought for procurement records from PMC's	Benson Tindi F.A.M	Not resolved	30/6/2019
3.0	Other Grants and				



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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)
	Transfer				
	3.1 Road Projects	Management will provide required project files	Benson Tindi F.A.M	Not resolved	30/6/2019
	3.2 Security Projects	Management to respond	Benson Tindi F.A.M	Not resolved	30/6/2019
	3.3 Unsupported Expenditure on Emergency Funds	Management to respond	Benson Tindi F.A.M	Not resolved	30/6/2019
	3.4 Irregular Expenditure	Management to respond	Benson Tindi F.A.M	Not resolved	30/6/2019
4.0	Construction of NG-CDF Office	Management has provided the auditor with the missing project file	Benson Tindi F.A.M	Not resolved	30/6/2019
5.0	Cash and Cash Equivalent	Management to respond	Benson Tindi F.A.M	Not resolved	30/6/2019
6.0	Unsupported Project Management Committee Bank Balances	Management has sought for bank statements from PMC's	Benson Tindi F.A.M	Not resolved	30/6/2019

