

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 AUG 2019

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Wednesday

REPORT

BY:

Hon Benjamin Waisirirai
Majority Party Whip
Halima Ahmed

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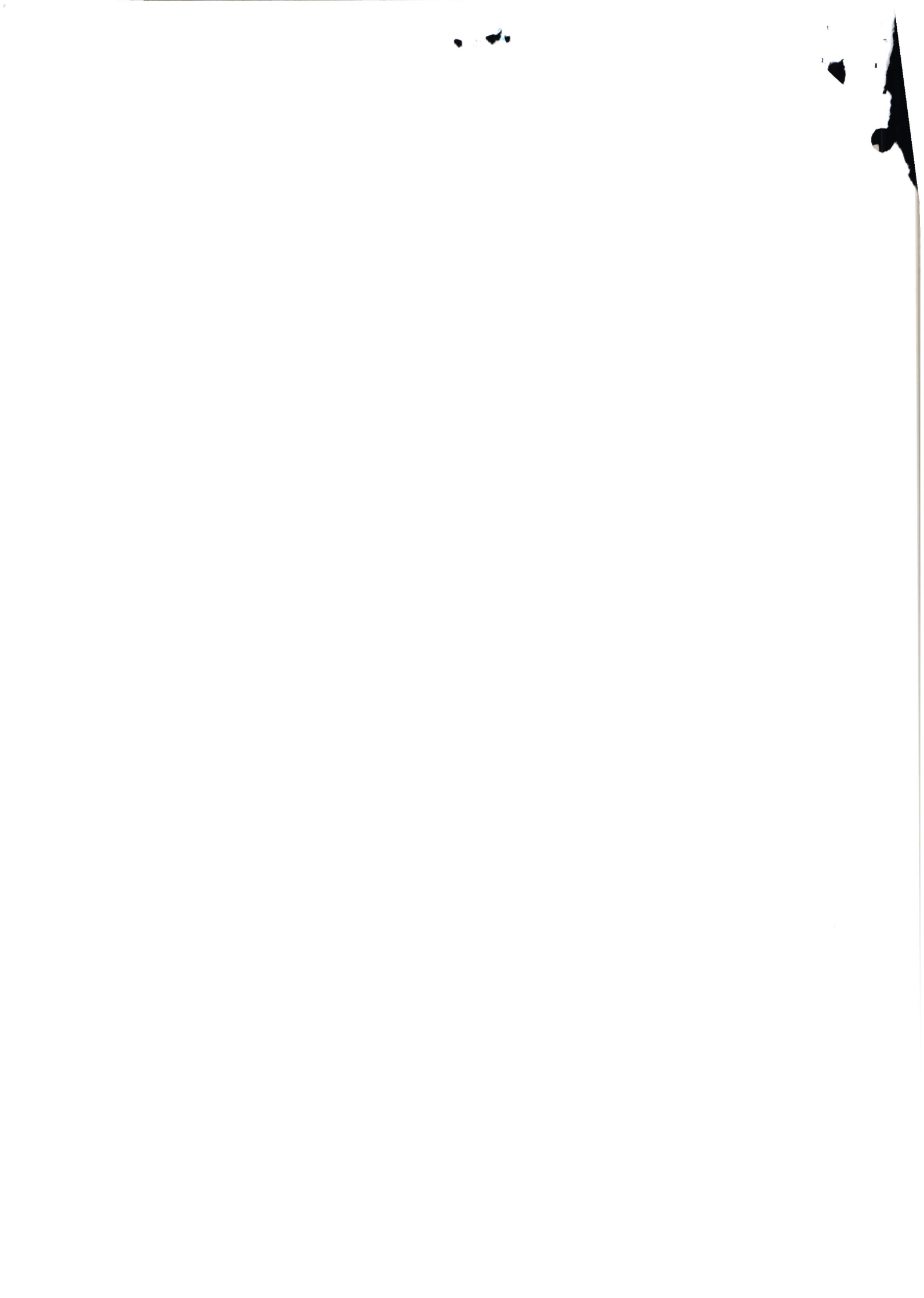
OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
- NYATIKE CONSTITUENCY

FOR THE YEAR
ENDED 30 JUNE 2018



Revised Template 30th June 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND NYATIKE
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NYATIKE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

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

**Reports and Financial Statements
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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF GILGIL day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Marcellus O. Ayieko
3.	Sub-County Accountant	Abednego Odhiambo
4.	Chairman NGCDFC	Tobias Onyango
5.	Member NGCDFC	Phelix Oloo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1 - 40402
NG-CDFC OFFICE -Wath Onger
Sori – Muhuru Road
Macalder, KENYA

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

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

(f) NGCDF NYATIKE Constituency Contacts

Telephone: (254) 711901505
E-mail: cdfnyatike@ngcdf.go.ke
Website: www.cdfnyatike@ngcdf.go.ke

(g) NG-CDF NYATIKE Constituency Bankers

1. Kenya Cooperative Bank
Migori Branch Account Number 01120077327500
P.O. Box
Suna Migori

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I hereby present the unaudited financial statements for Nyatike Constituency for the financial year ended 30th June 2018. The Constituency was allocated a total of Kshs 98,189,655.16. Kshs 86,810,344.82 was normal allocation and Kshs 11,379,310.34 was an additional allocation.

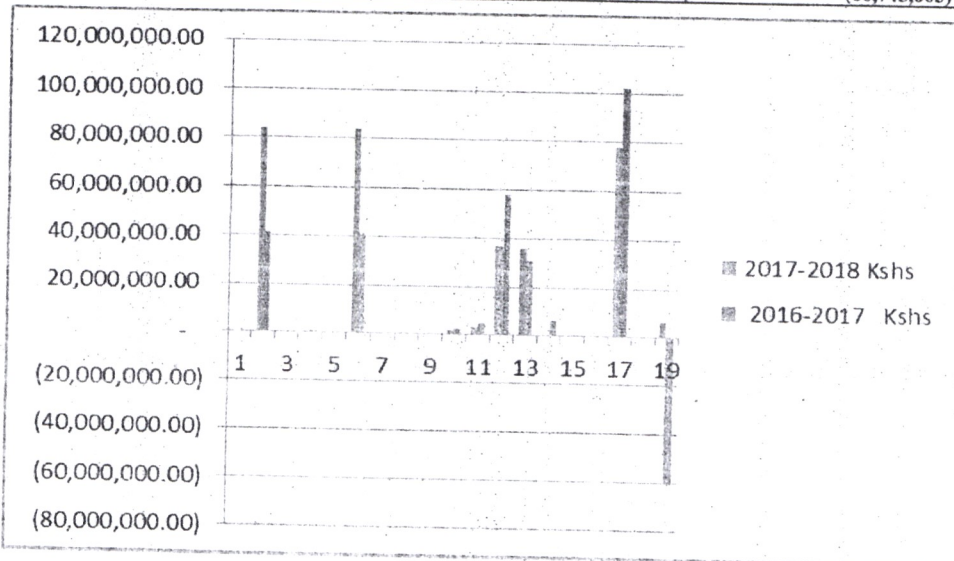
During the financial year under review, the NGCDF Board disbursed to us 50% of the normal Constituency funding of Kshs 43,405,172. We also received Kshs 40,548,275.10 which was the unspent balances from the previous financial year hence a total of Kshs 93,953,447 was the total disbursements from the NGCDF Board in the 2017/2018 financial year.

The Nyatike National Government Constituencies Development Fund Committee (NG-CDFC) met; prioritized and disbursed funds to various projects in the Constituency following approved projects' code list.

INCOME AND EXPENDITURE

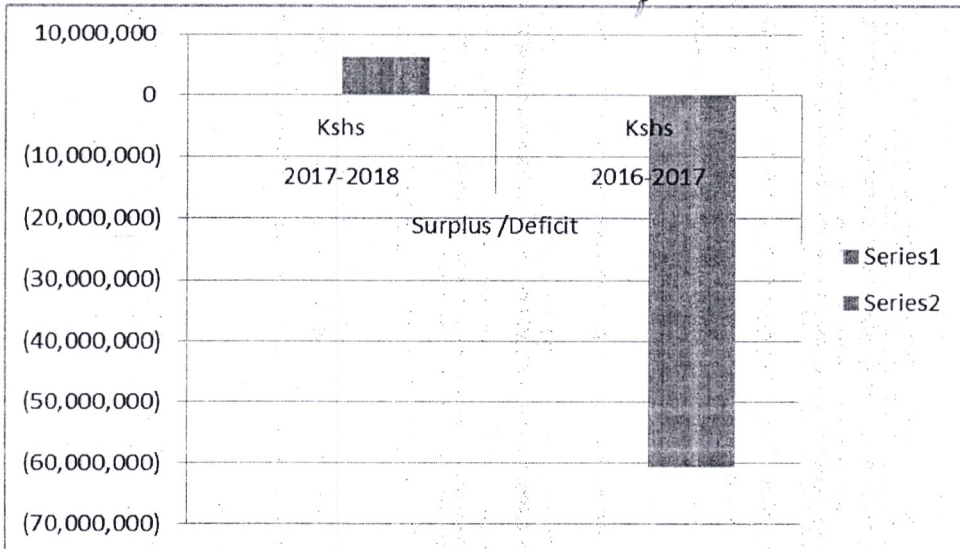
	2017-2018	2016-2017
	Kshs	Kshs
RECEIPTS		
Transfers from NG- CDF board	83,953,447	41,348,277
Proceeds from Sale of Assets	0	
Other Receipts (Sale of Tender)		69,000
TOTAL RECEIPTS	83,953,447	41,417,277
PAYMENTS		
Compensation of employees	1,886,587	2,349,929
Use of goods and services	3,086,753	4,487,652
Transfers to Other Government Units	36,750,000	58,050,000
Other grants and transfers	35,994,427	31,000,552
Acquisition of Assets	-	6,274,750
Other Payments		
TOTAL PAYMENTS	77,717,767	102,162,882
SURPLUS/DEFICIT	6,235,680	(60,745,605)

Comparative figures



Graphical presentation

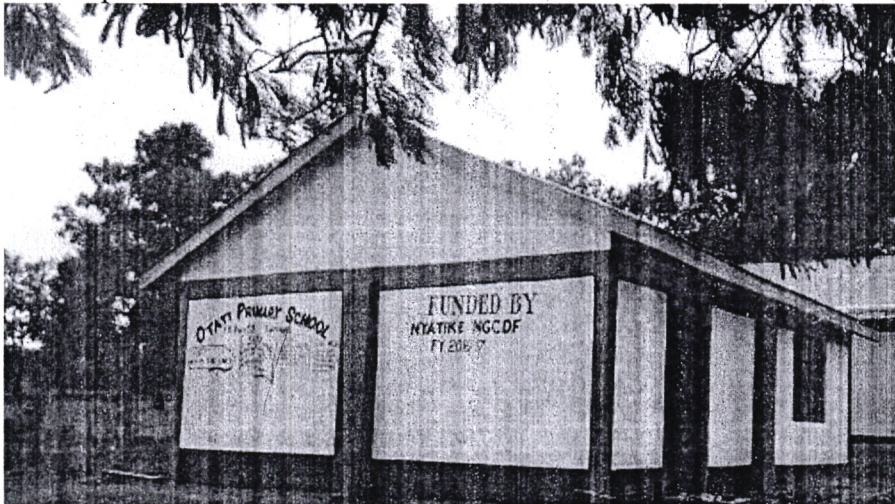
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Deficit/surplus

Key achievements were in the sector of education where a number of infrastructure projects were successfully completed.

See the pictures below:



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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As an emerging issue, the construction of classrooms for the nursery children was still being requested by the citizens even though it was devolved. Also there was a lot of demand to open access roads to various learning institutions in the constituency.

The greatest implementation challenge was increased demand for infrastructural equipment like desks. Also, there were increased demand for classrooms, laboratories, dormitories and dining halls.

The Ng- Cdfc intends to prioritise and fund school infrastructure as in the ward proposals.

I wish to thank God for allowing us do so much being a new committee. I also thank all stakeholders for their support in the management of the projects. We look forward to achieving a much better performance in the subsequent years. Thank you.

TODUK MATHO

Sign

CHAIRMAN NGCDF COMMITTEE



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

NYATIKE 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.

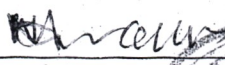
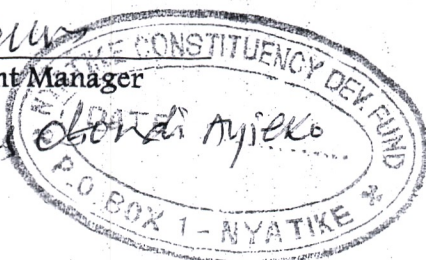
The Accounting Officer in charge of the NG-CDF-NYATIKE Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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.

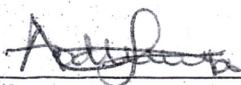
The Accounting Officer in charge of the NG-CDF-NYATIKE Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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-NYATIKE 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-NYATIKE 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-NYATIKE Constituency financial statements were approved and signed by the Accounting Officer on _____ 2018.


Fund Account Manager
Name: Marceline Obonda Nyieko



Sub-County Accountant
Name: Abednego Odhiambo
ICPAK Member Number: 13916

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – NYATIKE 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 - Nyatike Constituency set out on pages 8 to 32, 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 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- Nyatike 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 Reporting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Other Grants and Transfers

1.1 Emergency Projects

Included in other grants and transfers expenditure of Kshs.35,994,427 is an amount Kshs.4,300,000 paid in respect of emergency projects which mainly involved construction of pit latrines as detailed below:

Project	Amount (Kshs.)
Munyu Primary School	100,000
NSSF	450,000
Owich Primary School	450,000
Kopala Primary School	450,000
Bondo Kosiemo Primary School	450,000
Kanga Onditi Primary School	450,000
Nyandago Primary School	450,000

Project	Amount (Kshs.)
Chamachichi Secondary School	450,000
St. Gabriel Primary School	400,000
Migori Petro Service Station	200,000
Kurukongo Primary School	450,000
Total	4,300,000

However, the management did not provide for audit review relevant documents and records in respect of the above projects. Consequently, the validity, propriety and accuracy of the expenditure of Kshs.4,300,000 could not be ascertained.

1.2 Expenditure on Sports

Included also in other grants and transfers expenditure of Kshs.35,994,427 is an amount Kshs.1,500,000 relating to sports project. The management similarly did not provide relevant documents and records to support the expenditure. Consequently, the propriety and accuracy of the expenditure could not be ascertained.

2. Summary Statement of Appropriation

The summary statement of appropriation indicates an original budget of Kshs.86,810,345, and an adjustment of Kshs.56,360,351 bringing the total final budget to Kshs.143,170,696 for the year 2017/2018. The adjustments in the statement of appropriation were not supported by approved code list showing the 2016/2017 financial year items which were to be financed in the year 2017/2018. In the absence of a list of rolled over projects, the validity of the adjustments 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 - Nyatike Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources

sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Budget Performance Analysis

Nyatike NG-CDF approved budget for the year 2017/2018 amounted to Kshs.143,170,696 with actual expenditure of Kshs.77,717,767 representing or 54% of approved budget. Contrary to the guidelines issued by the Public Sector Accounting Standards Board, the management did not in respect of each receipt/ expenditure item disclose and give reasons for the significant variations between the approved budget and actual amounts as shown in the table below:

Item	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Variance in %
Receipts				
Transfers from NG-CDF Board	143,170,696	88,386,213	54,784,483	38%
Payments				
Compensation of Employees	4,202,186	1,886,587	2,315,599	55%
Use of Goods and Services	13,268,643	3,086,753	10,181,890	77%
Transfer to other Government units	69,181,034	36,750,000	32,431,034	47%
Other grants and transfers	51,841,806	35,994,427	15,847,379	31%
Other payments	4,677,027	0	4,677,027	
Totals	143,170,696	77,717,767	65,452,929	46%

2. Other Grants and Transfers

2.1 Construction of Pit Latrines at Lwanda-Konyango Beach and Modi Beach

Included in other grants and transfers expenditure of Kshs.35,994,427 is an amount of Kshs.2,500,000 relating to environmental projects which in turn includes Kshs.1,500,000 paid for construction of pit latrines at Lwanda-Konyango Beach and at Modi Beach. However, audit verification revealed that the cost of these projects was not commensurate with the work done. Consequently, the regularity and value for money of the expenditure could not be confirmed.

3. Transfer to Other Government Units

3.1 Projects Implementation

Included in the transfer to other government units expenditure of Kshs.36,750,000 is an amount of Kshs.8,500,000 relating to various projects as detailed below:

Project Title	Activity	Amount (Kshs.)
Nyabono Primary School	Construction of Classrooms	1,500,000
Olasii Secondary School	Construction of Dormitory	1,500,000
Sagenya Primary School	Construction of Administration block	500,000
Diruma Primary School	Construction of Classrooms	500,000
Kiasa Primary School	Construction of Classrooms	500,000
Agnes Okundo Secondary School	Construction of Classrooms	500,000
Banda Girls Secondary School	Construction of Classrooms	1,500,000
Kabuto Primary School	Construction of Classrooms	2,000,000

Project Title	Activity	Amount (Kshs.)
Total		8,500,000

A review of the documents provided for audit revealed that the projects were implemented without bills of quantities (BQS) and certificates of work done. Consequently, the regularity of the expenditure could not be confirmed.

3.2 Construction of Administration Block at Saginya Primary school

Included also in the transfer to other government units' expenditure of Kshs.36,750,000 is an amount of Kshs.500,000 relating construction of administration block at Saginya Primary school. However, the project implementation committee re-allocated funds meant for construction of a classroom to the completion of an administration block without authority from the NGCDF Board.

4. Projects Verification

During the audit process for 2017/2018 financial year, twenty-nine projects with a budget outlay of Kshs.27,648,835 were verified and observations made as detailed below:

Project Name	Activity	Budget Kshs.	Level Of Completion %	Observations
Saginya Primary School	Completion of classrooms	500,000	90	1.0 Changed from classrooms to administration block without authority
Kanga Onditi Primary School	Construction of 3 door pit latrine	450,000	100	In use
Kurukongo Primary School	Construction of 3 door pit latrine	450,000	100	In use
Nyandago Primary School	Construction of 3 door pit latrine	450,000	100	No expenditure returns
Chamachichi Secondary School	Construction of 3 door pit latrine	450,000	100	Expenditure not supported.
Bande Girls Secondary School	Construction of 2 classrooms	1,500,000	100	Complete and in use.
Kiasa Primary School	Construction of 1 classroom	500,000	100	Complete and in use
Olasii Secondary School	Construction of dormitory	1,500,000	50	Roofing not done as provided for in the BQ
Nyabomo Primary School	Construction of 2 classrooms	1,500,000	80	BQ tender
Nyandago Mixed Secondary School	Construction of administration block	500,000	100	No expenditure returns and procurement documents
CDF Office Nyatike	Completion of office block	300,000	95	In use
Paw Ndege Primary School	Renovation of 3 classrooms	500,000	98	In use
Nyatike CDF Office	Renovation works	3,198,834.90	95	In use

Project Name	Activity	Budget Kshs.	Level Of Completion %	Observations
Kabuto Primary School	Construction of 2 classrooms	2,000,000	100	Supporting documents for expenditure and procurement not availed
St Joseph's Alendo Girls Secondary School	Construction of a dormitory	1,000,000	70	In progress
Bondo Kosiemo Primary School	Construction of 3 door pit latrine	450,000	100	Complete
Raga Primary School	Renovation of 6 classrooms	600,000	50	Irregular Cash procurement
Kopala Primary School	Construction of 3 door pit latrine	450,000	100	No expenditure returns
St Agnes Okudo Mixed Secondary School	Construction of 1 classroom	500,000	85	1) No records were availed to support the expenditure. 2) Un-procedural change of use
BL Tezza Complex Secondary School	Completion of twin laboratory	3,550,000	100	In use
Osiri Primary school	Construction of 3 door pit latrine	450,000	100	In use
Adugo Primary School	Completion of administration block	500,000	60	No expenditure returns and procurement documents.
Owich Primary School	Construction of pit latrine	450,000	100	No returns for the expenditure
Moi Nyatike Secondary School	Construction of water network	3,000,000	95	In use
St Gabriel's Primary school	Renovation of 3 classrooms	400,000	100	Complete and in use
Okenge Primary School	Renovation of 3 classrooms	500,000	100	In use
Diruma Primary School	Completion of 2 classrooms	500,000	100	Cash procurement above prescribed ceiling
Lwanda - Konyango Beach Toilet	Construction of a 4 door pit latrine with a urinal and a bathroom	1,000,000	100	Unrealistic costing of the project
Modi Beach Public toilet	Construction of a pit latrine	500,000	100	Complete in use
Total		27,648,835		

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

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

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

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

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

responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

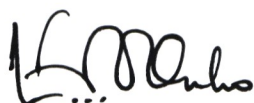
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 of the Fund 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 sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the of National Government Constituencies Development Fund – Nyatike Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

04 June 2019

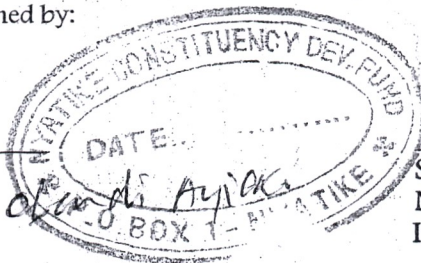
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NYATIKE CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017-2018	2016-2017
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	83,953,447	41,348,277
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		69,000
TOTAL RECEIPTS		83,953,447	41,417,277
PAYMENTS			
Compensation of employees	4	1,886,587	2,349,929
Use of goods and services	5	3,086,753	4,487,652
Transfers to Other Government Units	6	36,750,000	58,050,000
Other grants and transfers	7	35,994,427	31,000,552
Acquisition of Assets	8	-	6,274,750
Other Payments	9		
TOTAL PAYMENTS		77,717,767	102,162,882
SURPLUS/(DEFICIT)		6,235,680	(60,745,605)

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

Marceline
 Fund Account Manager
 Name: *Marceline*



Abednego Odhiambo
 Sub-County Accountant
 Name: *Abednego Odhiambo*
 ICPAK Member Number: *13716*

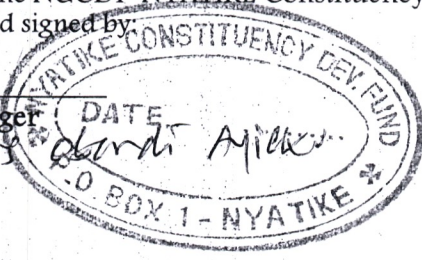
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NYATIKE CONSTITUENCY
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017-2018	2016-2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	10,668,446	4,432,766
Cash Balances (cash at hand)	10B		
Cash and cash equivalent		10,668,446	4,432,766
ACCOUNT RECEIVABLES			
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		10,668,446	4,432,766
REPRESENTED BY			
ACCOUNTS PAYABLE			
Retention	12		
Fund balance b/fwd 1st July...	13	4,432,766	65,178,371
Surplus/Defict for the year		6,235,680	-60,745,605
Prior year adjustments	14		
NET LIABILITIES		10,668,446	4,432,766

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

Marcelus
 Fund Account Manager
 Name: *Marcelus*



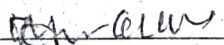
Abednego Odhiambo
 Sub-County Accountant
 Name: *Abednego Odhiambo*
 ICPAK Member Number: *13916*

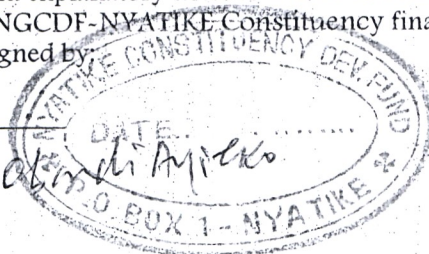
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 NYATIKE CONSTITUENCY
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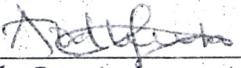
VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
		Kshs	Kshs
Transfers from NGCDF Board	1	83,953,447	41,348,277
Other Receipts	3		
		83,953,447	41,348,277
Payments for operating expenses			
Compensation of Employees	4	1,886,587	2,349,929
Use of goods and services	5	3,086,753	4,487,652
Transfers to Other Government Units	6	36,750,000	58,050,000
Other grants and transfers	7	35,994,427	31,000,552
Other Payments	9		
		77,717,767	95,888,132
Adjusted for:			
Adjustments during the year	14		
Changes in accounts receivables			-471,450
Net cash flow from operating activities		77,717,767	95,416,682
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	-
Acquisition of Assets	8	0	6,274,750
Net cash flows from Investing Activities		0	6,274,750
NET INCREASE IN CASH AND CASH EQUIVALENT		6,235,680	-60,274,156
Cash and cash equivalent at BEGINNING of the year	11A	4,432,766	64,706,922
Cash and cash equivalent at END of the year	10A	10,668,446	4,432,766

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


 Fund Account Manager
 Name: Maureen Akumu




 Sub-County Accountant
 Name: Abraham Odhiambo
 ICPAK Member Number: 12916

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

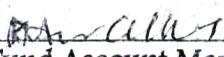
**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT
 COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	56,360,351	143,170,696	88,386,213	54,784,483	62
Proceeds from Sale of Assets						
Other Receipts (Sale of Tender)						
TOTAL RECEIPTS	86,810,345	56,360,351	143,170,696	88,386,213	54,784,483	62
PAYMENTS						
Compensation of Employees	2,530,000	1,672,186	4,202,186	1,886,587	2,315,599	45
Use of goods and services	8,782,931	4,485,712	13,268,643	3,086,753	10,181,890	23
Transfers to Other Government Units	37,550,000	31,631,034	69,181,034	36,750,000	32,431,034	53
Other grants and transfers	33,270,387	18,571,419	51,841,806	35,994,427	15,847,379	69
Acquisition of Assets	0	0	0	0	0	
Other Payments	4,677,027	0	4,677,027	0	4,677,027	
TOTALS	86,810,345	56,360,351	143,170,696	77,717,767	65,452,929	54


- i. Underutilization in compensation of employees was because the new Ng-Cdfe employed staff later in the financial year under review.
- ii. The underutilization of funds in other sectors was due to the fact that we only received a half our allocation for the financial year under review

The changes between the original and final budget are as a result of unutilized funds brought forward from the previous financial year into the financial year under review.

The NGCDF-NYATIKE Constituency financial statements were approved on _____ 2018 and signed by:


 Fund Account Manager
 Name: *Manuel...*




 Sub-County Accountant
 Name: *Abednego Odhiambo*
 ICPAK Member Number: *2916*

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

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-NYATIKE Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NYATIKE CONSTITUENCY
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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 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.

1. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO	1		4,094,828
AIE NO	2		36,853,449
AIE NO	3		400,000
AIE NO. A855980	1	5,500,000	
AIE NO.A892702	2	40,548,275	
AIE NO.A892971	3	37,905,172	
TOTAL		83,953,447	41,348,277

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 (NGCDF) –
 NYATIKE CONSTITUENCY**

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For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,812,763	2,249,004
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		
Other personnel payments		
Employer contribution to NSSF	73,824.00	100,925
Total	1,886,587	2,349,929

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

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services	43,000	294,850
Communication, supplies and services		252,430
Domestic travel and subsistence		
Printing, advertising and information supplies & services	127,600	73,080
Rentals of produced assets		
Training expenses	494,000	292,000
Hospitality supplies and services	506,940	350,000
Insurance costs		
Specialized materials and services		
Fuel ,oil & lubricants	400,000	400,000
Office and general supplies and services		200,000
Other operating expenses		13,896
Routine maintenance – vehicles and other transport equipment	436,364	357,396
Routine maintenance – other assets	650,500	1,230,500
Commitee allowance		
Other commitee expenses	428,349	1,023,500
Strategic plan		
Total	3,086,753	4,487,652

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

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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		
Transfers to primary schools (see attached list)	20,100,000	12,200,000
Transfers to secondary schools (see attached list)	16,650,000	45,850,000
Transfers to tertiary institutions		
Transfers to health institutions		
TOTAL	36,750,000	58,050,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,917,000	10,048,430
Bursary – tertiary institutions (see attached list)	10,722,695	6,965,663
Bursary – special schools (see attached list)	299,000	-
Mock & CAT (see attached list)	-	3,500,000
Health	-	800,000
Security projects (see attached list)	4,305,732	500,000
Sports projects (see attached list)	1,500,000	1,500,000
Environment projects (see attached list)	2,500,000	1,000,000
Emergency projects (see attached list)	4,750,000	6,686,459
Total	35,994,427	31,000,552

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

8. ACQUISITION OF ASSETS

Non Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		4,575,300.00
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		1,694,450.00
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialised Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Purchase of Other office Equipment		5,000.00
Acquisition of Land		
Acquisition of Intangible Assets		
Total	-	6,274,750.00

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub		
TIVET		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018 Kshs	2016-2017 Kshs
<i>Cooperative Bank, Migori Branch A/C no.01120077327500</i>	10,668,446	4,432,766
Total	10,668,446	4,432,766
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	10,668,446	64,706,921
Cash in hand		
Imprest		471,450
Total	10,668,446	65,178,371

[Provide short appropriate explanations as necessary]

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff gratuity		

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>)		

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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)		
	7,083,585.5	6,550,603.22

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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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 (<i>specify</i>)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,871,470.65		
Use of goods & services		5,592,884.21		
Sub-Total		7,464,354.86		
Amounts due to other Government entities				
Orore Primary School	Drilling of water borehole:drilling works and development Kshs. 1,718,000;borehole equipping with sub-murcible pump Kshs. 685,000.00;installation of solar panels with control panels Kshs. 713,580.00;provision of elevated steel tower for anchoring solar panels and PVC storage tank 10m3 Kshs. 596,800.00;supply and installation of Pvc tank 10m3 Kshs. 126,000.00;construction of standard water kiosk Kshs. 485,000.000;piping works for raising and distribution mains Kshs. 675,620.00	5,000,000.00		
Kanyandiko Primary School	Construction of 1 No. classrooms: foundation slab, walling, roofing, fittings, plastering and painting.	800,000.00		
Nyagod Jope primary school	Renovation of 2 No. classrooms: flooring, fittings and painting.	531,034.49		
Bongu Primary School	construction of 1 classroom	500,000.00		
Sori Primary school	construction of 1 classroom	500,000.00		
Kiasa Primary School	Construction of 2 No. classrooms: foundation slab, walling, roofing, fittings, plastering and painting.	1,500,000.00		
Mikei Primary School	Renovation of 2 No. classrooms: Plastering , fitting and paintings	1,000,000.00		
Owiro Primary School	Construction of 2 No. classrooms: foundation slab, walling, roofing, fittings, plastering and painting.	1,500,000.00		
Magungu Primary School	Renovation of 2 No. classrooms: Plastering , fitting and paintings	500,000.00		
Lwala Primary School	Fencing of the School and fixing of gate. Chain link Kshs. 1,400,000.00; Gate Kshs. 100,000.00	1,500,000.00		
Pap Ndege Primary School	Renovation of 2 No. classrooms: Plastering , fitting and paintings	500,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Got Ong'er Primary School	Construction of 2 No. classrooms: foundation slab, walling, roofing, fittings, plastering and painting.	2,000,000.00		
Ogongo Primary School	Renovation of 2 No. classrooms: Plastering , fitting and paintings	500,000.00		
Orere Primary School	Construction of 1 No. classroom: Foundation slab, walling, roofing.	500,000.00		
Modi Primary School	Renovation of 2 No. classrooms: flooring and fittings.	400,000.00		
St. Agnes Okuodo Secondary School	construction of 1 classroom	500,000.00		
Kopala Secondary School	Construction of Twin Laboratory: foundation slab, walling to lintel	1,000,000.00		
Senye Secondary School	Construction of Dormitory: foundation slab, walling to lintel.	1,000,000.00		
Rabwao Secondary School	Construction of Administration block: foundation slab, walling, roofing.	2,000,000.00		
Lwanda Magwar Secondary School	Construction of Dinning Hall: foundation slab, walling, roofing.	1,500,000.00		
Ndiwa Girls	Construction of Twin Laboratory: foundation slab, walling, roofing.	3,000,000.00		
Agenga Secondary School	Construction of 2 No. classroom: foundation slab, walling, roofing.	2,000,000.00		
St. Jacobs Kolanya Secondary School	Completion of 1 No. classroom: plastering, fittings and painting.	500,000.00		
Gunga Secondary School	Construction of 1 No. classroom: Foundation slab, walling, roofing.	500,000.00		
Sidika Secondary School	Completion of PTA/NG-CDFC administration block: floor slab, plastering, fittings.	500,000.00		
God Keyo Secondary School	Renovation of 3 No. classrooms: flooring, fittings and painting Kshs. 600,000.00; Purchase of 40 No. set lockers with chairs Kshs. 200,000.00	800,000.00		
St. Sabianus Owich Secondary School	Renovation of 2 No. classrooms: flooring, fittings and painting.	500,000.00		
Gunga Secondary School	Purchase of 40 No. set lockers with chairs	200,000.00		
Kumoni Secondary School	Purchase of 40 No. set lockers with chairs	200,000.00		
Akala Secondary School	Purchase of 40 No. set lockers with chairs	200,000.00		
Kimai Secondary School	Purchase of 40 No. set lockers with chairs	200,000.00		
BL Tezza Complex Secondary School	Purchase of 5 No. HP 600 GI Desktop Computers (duocore) intel duo core 2.7 Ghz processor , 500 GB Hdd, 4GB ddr3 ram expandable DVD	250,000.00		

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
	writer, Network card USB Ports, Key Board and mouse, 20" monitor			
Agenga Secondary School	Purchase of 5 No. HP 600 GI Desktop Computers (duocore) intel duo core 2.7 Ghz processor , 500 GB Hdd, 4GB ddr3 ram expandable DVD writer, Network card USB Ports, Key Board and mouse, 20" monitor	250,000.00		
Moi Nyatike Secondary School	Purchase of 5 No. HP 600 GI Desktop Computers (duocore) intel duo core 2.7 Ghz processor , 500 GB Hdd, 4GB ddr3 ram expandable DVD writer, Network card USB Ports, Key Board and mouse, 20" monitor	250,000.00		
St. Gemma Girls Secondary School	Purchase of 5 No. HP 600 GI Desktop Computers (duocore) intel duo core 2.7 Ghz processor , 500 GB Hdd, 4GB ddr3 ram expandable DVD writer, Network card USB Ports, Key Board and mouse, 20" monitor	250,000.00		
Rabwao Secondary School	Purchase of 5 No. HP 600 GI Desktop Computers (duocore) intel duo core 2.7 Ghz processor , 500 GB Hdd, 4GB ddr3 ram expandable DVD writer, Network card USB Ports, Key Board and mouse, 20" monitor	250,000.00		
Kanga Onditi Secondary School	Purchase of 5 No. HP 600 GI Desktop Computers (duocore) intel duo core 2.7 Ghz processor , 500 GB Hdd, 4GB ddr3 ram expandable DVD writer, Network card USB Ports, Key Board and mouse, 20" monitor	250,000.00		
		0		
Sub-Total		33,331,034.49		
Amounts due to other grants and other transfers				
Bursary Secondary Schools	payment of bursary to needy students	5,179,137.93		
Bursary Special Needs	payment of bursary to needy students	790,000.00		
Bursary Tertiary Institutions	payment of bursary to needy students	6,145,530.29		
Environment & Conservation	Tree planting	228,191.20		
Gunga Chiefs Office	Construction of office: Foundation slab, walling, roofing, plastering	500,000.00		
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	710,066.83		
Constituency Sports Tournament	Carry out Constituency Sports tournament and the winning teams to be awarded with trophies, balls, and games kits	1,427,586.20		
Agenga Chiefs Office	Construction of office: Foundation slab, walling, roofing, plastering.	500,000.00		
D.O.s Office Agenga	Construction of office: Foundation slab, walling, roofing, plastering.	1,000,000.00		
Sori ACC Constituency Innovation Hub (CIH)	Procuring the system and services of a satellite antenna, Router, Digital access kit, Digital Ruggedized Tablets, Wi-Fi with outdoor wireless and complete with 12U cabinet complete with installation accessories.	1,169,256.80		

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Wath Ong'er NG-CDF Office Constituency Innovation Hub (CIH)	Procuring the system and services of a satellite antenna, Router, Digital access kit, Digital Ruggedized Tablets, Wi-Fi with outdoor wireless and complete with 12U cabinet complete with installation accessories.	1,169,256.80		
Nyatike DCC Constituency Innovation Hub (CIH)	Procuring the system and services of a satellite antenna, Router, Digital access kit, Digital Ruggedized Tablets, Wi-Fi with outdoor wireless and complete with 12U cabinet complete with installation accessories.	1,169,256.80		
Muhuru ACC Constituency Innovation Hub (CIH)	Procuring the system and services of a satellite antenna, Router, Digital access kit, Digital Ruggedized Tablets, Wi-Fi with outdoor wireless and complete with 12U cabinet complete with installation accessories.	1,169,256.80		
Strategic plan	Development of a strategic plan for Nyatike Constituency	3,500,000.00		
Sub-Total		24,657,539.65		
Sub-Total				
Acquisition of assets				
Others (specify)				
Sub-Total				
Grand Total		65,452,929		

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ANNEX 4 – 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	100,000	-	-	100,000
Buildings and structures	1,000,000	-	-	1,000,000
Transport equipment	7,453,646	-	-	7,453,646
Office equipment, furniture and fittings	1,362,210	-	-	1,362,210
ICT Equipment, Software and Other ICT Assets	235,000	-	-	235,000
Other Machinery and Equipment	7,200,000	-	-	7,200,000
Heritage and cultural assets	-	-	-	0
Intangible assets	-	-	-	0
Total	17,350,856			17,350,856

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	BANK	ACCOUNT NUMBER	BALANCE KSHS. 2017/2018
Olando Primary School	Co-Operative Bank	01139481135600	64,750.00
Kiasa Primary School	Co-Operative Bank	01139481133600	204,700.00
Sagenya Primary School	Co-Operative Bank	01139202618600	21,820.00
Osiri Primary School	Co-Operative Bank	01139482308300	201,112.75
Ratieny Primary School	Co-Operative Bank	01141202894400	97,000.00
Nyangere Primary School	Co-Operative Bank	01139202695200	102,600.00
Adugo Primary School	Co-Operative Bank	01141482672300	502,125.00
Sere Primary School	Co-Operative Bank	01138204725500	143,232.50
Thim Lich Primary School	Co-Operative Bank	01139203677700	152,200.00
Nyasoko Primary School	Co-Operative Bank	01141202874200	305,000.00
Paw Ndege Primary School	Co-Operative Bank	01139202217400	7,769.50
Okenge Primary School	Co-Operative Bank	01139203038600	223,505.55
Diruma Primary School	Co-Operative Bank	01141203675800	4,612.50
Tagache Primary School	Co-Operative Bank	01141750018100	3,412.75
Mikei Primary School	Co-Operative Bank	01139204363200	1,716.35
Kowuor Primary School	Co-Operative Bank	01139202890800	7,380.00
Owich Primary School	Co-Operative Bank	01139204757300	2,090.00
Miroche Primary School	Co-Operative Bank	01139204985900	7,002.50
Mariba Primary School	Co-Operative Bank	01141202875000	4,700.00
Raga Primary School	Co-Operative Bank	01141048330600	1,512.75
Magungu Primary School	Co-Operative Bank	0113977320700	1,081.00
Ndemra Primary School	Co-Operative Bank	01139482026700	1,150.25
Kabuta Primary School	Co-Operative Bank	01139202961300	2,001,970.00
Othora Primary School	Co-Operative Bank	01139204748200	101,540.00
Wath Onger Primary	Co-Operative Bank	01139204990500	5,050.00
Kumoni Primary School	Co-Operative Bank	01141750766700	1,075.25
Ogaka Primary School	Co-Operative Bank	01139202902600	1,927.50
Nyandago Primary School	Co-Operative Bank	01141482649400	117,738.50
Chamachichi Primary School	Co-Operative Bank	01141202670400	301,345.00
Mangu Primary School	Co-Operative Bank	01141203654700	55,905.00
Nyandema Primary School	Co-Operative Bank	01141750022400	1,362.75
Bande Primary School	Co-Operative Bank	01139202842700	4,187.75
God Kwach Mixed Sec. School	Co-Operative Bank	01141482481600	51,215.00
St. Agnes Okuodo Mixed Sec. School	Co-Operative Bank	01141433542901	1,090.25
Miriwi Mixed Secondary School	Co-Operative Bank	01141482650000	32,169.50
Olasi Mxed Secondary School	Co-Operative Bank	01139202884800	1,812,561.00
Kibuon Secondary School	Co-Operative Bank	01141204302800	7,447.80
Nyandago Mixed Secondary School	Co-Operative Bank	011392036799002	505,066.30
St.Jacobs Kolanya Secondary School	Co-Operative Bank	01141434963000	4,817.50
Okenge Secondary School	Co-Operative Bank	01139077217401	16,643.00
Totals			7,083,585.5

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management responses/comments that were provided to the auditor. We have written responses and emailed to the office of the Auditor General using the following email wilson.maiyo@oagkenya.go.ke on 02/06/2018.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>The figure for use of goods and services of Kshs. 6,410,738 was supported by documentation of only Kshs. 5,735,396 thereby resulting in an unexplained difference of Kshs.675,342.</p> <p>Consequently, it has not been possible to confirm the accuracy and validity of use of goods and services of Kshs. 6,410,738.</p>	<p>The difference of Kshs.675,342 was the sum of various vouchers used in the surrender of imprests and are available for review.</p>	<p>Marcelus O. Ayieko Fund Account Manager</p>	Not Resolved	<p>Response mailed to wilson.maiyo@oagkenya.go.ke on 02/06/2018 and copied to Otieno Beatrice Anyango <banyango@ngcdf.go.ke></p>
2	Included in other grants	It is our considered view	Marcelus O.	Not	Respos

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and transfers figure of Kshs. 82, 522,203 are payments for construction of roads amounting to Kshs. 19,510,00 as per note 7 to the financial statements. However, complete expenditure returns including cashbooks, bank statements, invoices, site minutes, inspection certificates and other relevant accounting documents were not provided for audit review. Further, even though tender evaluation documents for the selection of the contractors were availed, they were not signed by all members of tender evaluation committee.</p>	<p>that tender evaluation document was in the form of minutes and were duly signed by the chairpersons and the secretaries of the tender evaluation committee.</p> <p>These projects were implemented with the help of relevant line ministries who were on site. The contractors were only paid by the PMCs when authority was given by the officers of the relevant line ministries in the form of payment certificates.</p> <p>We have attached inspection certificates that were obtained from the line ministry in respect of the roads projects. Kindly appendix 4_1 herewith attached.</p>	<p>Ayieko Fund Account Manager</p>	<p>Resolved</p>	<p>e mailed to wilson.maiyo@oagkenya.go.ke on 02/06/2018 and copied to Otieno Beatrice Anyango <banyango@ngcdf.go.ke></p>
3	<p>Included in other grants and transfers figure of</p>	<p>Security projects involved construction of</p>	<p>Marcelus O. Ayieko</p>	<p>Not Resolved</p>	<p>Response</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs. 82, 522,203 are payments for security projects amounting to Kshs. 9,334,983 as per note 7 to the financial statements. However, complete expenditure returns including cashbooks, bank statements, invoices, site minutes, inspection certificates and other relevant accounting documents were not provided for audit review. Consequently, the propriety of Kshs. 46, 289,084 included in other grants and transfers could not be ascertained.</p>	<p>solar security lights in various centres in Nyatike Constituency. They were implemented with the help of the PMCs and officers from the line ministry who supervised the works, took site minute and wrote inspection / payment certificates. The inspection certificates / site minutes have members listed to have attended the site meetings that informed the decision to write the payment certificates by the Works officer in charge of Nyatike Sub County. Kindly see these reports attached in appendix 4_4.</p>	<p>Fund Account Manager</p>		<p>mailed to wilson.maiyo@oagkenya.go.ke on 02/06/2018 and copied to Otieno Beatrice Anyango <banyango@ngcdf.go.ke></p>
4	<p>The outstanding imprests balance as at 30 June 2016 of Kshs. 471,450 represents an unaccounted</p>	<p>The imprests were accounted for but the cash book was not updated either by the</p>	<p>Marcelus O. Ayieko Fund Account Manager</p>	<p>Not Resolved</p>	<p>Respos e mailed to wilson.maiyo</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>for amount contrary to the provisions of section 93(5) of the public Finance Management Act (County Governments regulations), 2015, which states that “ a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to the duty station”</p> <p>Consequently, the management was in breach of the law and regulations governing issuance and accounting of imprests.</p>	<p>incoming or outgoing sub county accountant because there transfers. It was a regrettable omission. The imprests surrender vouchers are attached. Kindly see file appendix 6_2 herewith attached.</p>			<p>@oagkenya.go.ke on 02/06/2018 and copied to Otieno Beatrice Anyango <banyango@ngcdf.go.ke></p>
5	<p>The summary statement of appropriation and development expenditure indicates adjustments of Kshs. 46,756,794 in respect of transfers from the CDF Board. These adjustments have not been supported by revised budget allocation estimates from the National</p>	<p>The management have gone through the audit findings and have agreed with the auditor. We are surprised with the finding since our original appropriation in the statement is totally different with the one auditor has. Our</p>	<p>Marcelus O. Ayieko Fund Account Manager</p>	<p>Not Resolved</p>	<p>Response mailed to wilson.maiyo@oagkenya.go.ke on 02/06/2018</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Government Constituencies Development Fund Board. Further, the actual on comparable basis figure for transfers from CDF Board indicated as Kshs. 164,245,976 differs with the amount shown in the statement of receipts and payments figure of Kshs. 145,200,002 by an unexplained difference of Kshs. 19,045,974.</p>	<p>conclusion is that there might have been an error during printing which brought about the audit anomaly. We have so far corrected the anomaly in the appropriation. Here attached find a copy of the corrected statement of appropriation in the Financial Statements attached herewith.</p>			<p>and copied to Otieno Beatrice Anyango <banyango@ngcdf.go.ke></p>

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