

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

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THE AUDITOR-GENERAL

ON

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

FOR THE YEAR ENDED
30 JUNE 2018



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	9
IV. REPORT OF THE AUDITOR GENERAL.....	10
V. STATEMENT OF RECEIPTS AND PAYMENTS	101
VI. STATEMENT OF ASSETS AND LIABILITIES.....	12
VII. STATEMENT OF CASHFLOW.....	13
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & DEVELOPMENT COMBINED	14
IX. SIGNIFICANT ACCOUNTING POLICIES	15
X. NOTES TO THE FINANCIAL STATEMENTS.....	18

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TONGAREN 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
TONGAREN CONSTITUENCY**

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

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 TONGAREN 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	Paul N. Adome
3.	Sub-County Accountant	Kenneth Ochieng Onyango
4.	Chairman NGCDFC	Maurice Chagalwa Wanyonyi
5.	Member NGCDFC	Christopher Simiyu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 214 – 50211, NAITIRI
NG CDF Building
Bungoma North Sub County Headquarters
Mukuyuni, KENYA

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

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

(f) NGCDF TONGAREN Constituency Contacts

Telephone: (254) 724286473
E-mail: cdf Tongaren@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF TONGAREN Constituency Bankers

1. Cooperative Bank of Kenya
Kimilili Branch
P.O. Box
KIMILI - 50204
KENYA

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

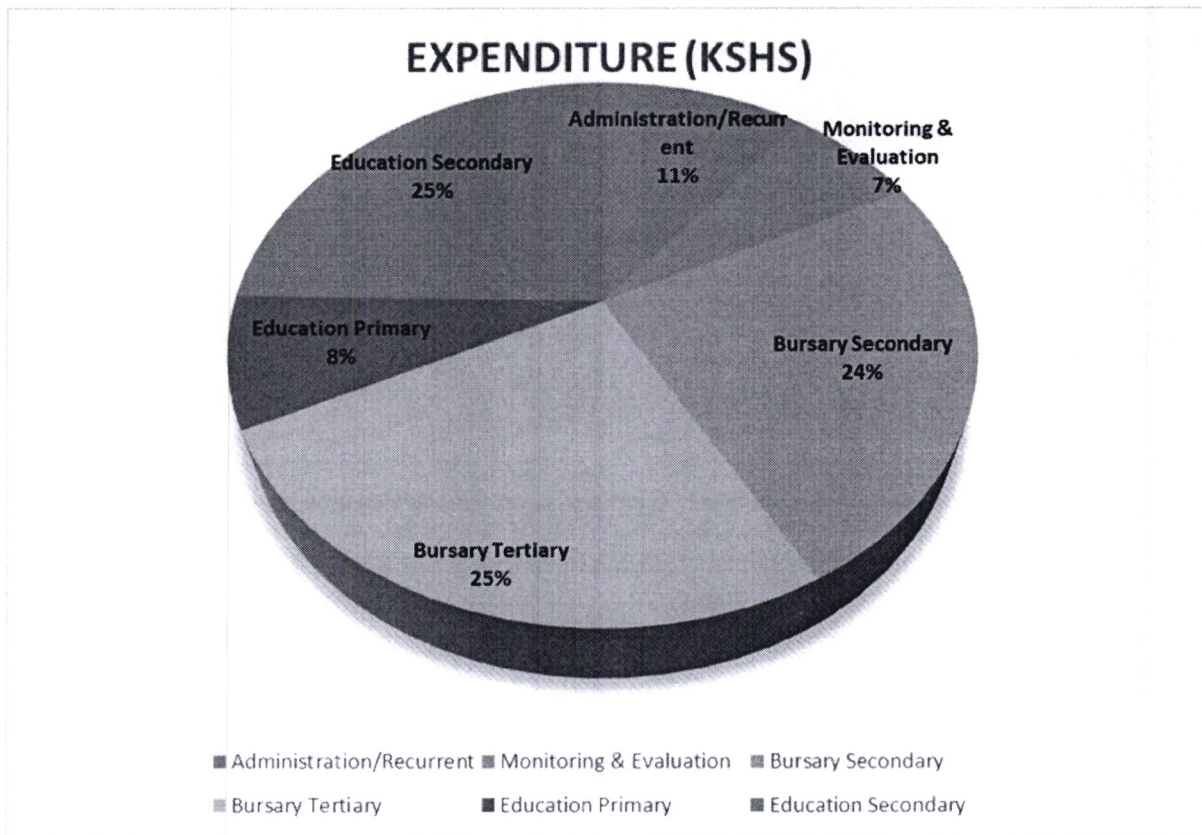
II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Tongaren Constituency is an electoral constituency in Kenya. It is one of the constituencies in Bungoma County. The human population is at an average of 187,478 with an area of approximately 378.30km². There are six wards namely: Mbakalo, Ndalua, Milima, Tongaren, Naitiri Kabuyefwe and Soysambu Mitua. It is a metropolitan scheme settlement.

Budget Performance

The constituency received a total of Ksh. 43,405,172 plus a brought forward balance of Ksh. 2,234,127.60 amounting to Kshs. 45,639,299.60. The total expenditure in the year was Kshs. 42,601,500.86 which is 93.34% Of the funds received. The balance of funds at the NG CDF Board at the close of the financial year was Kshs. 54,784,483.16.

Sectoral Performance as a % of the total expenditure. Figure 1



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

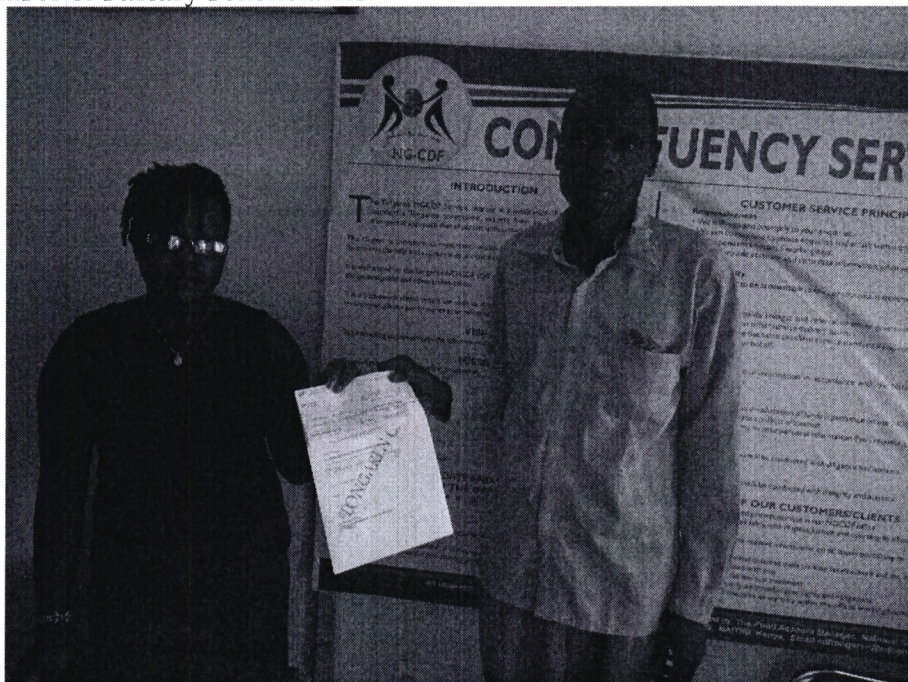
Sectoral Performance and Funds Balance. Table 1

VOTE	EXPENDITURE (KSHS)
Administration/Recurrent	4,520,189
Monitoring & Evaluation	2,900,740
Bursary Secondary	10,476,572
Bursary Tertiary	10,904,000
Education Primary	3,300,000
Education Secondary	10,500,000
TOTAL EXPENDITURE	42,601,501
Brought Forward Balance	2,234,128
First AIE received	5,500,000
Second AIE received	37,905,172
Total Available Funds	45,639,300
Expenditure	42,601,501
Balance Carried Forward	3,037,799

Achievements.

The NG CDFC was able to disburse the available funds timely including Bursary to the students in various institutions leading to a 93.34% consumption rate.

Increased number of bursary beneficiaries.



Bursary Cheque Issuance. Figure 2

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

Improved project completion rate.

St. Elizabeth's Binyenya RC Primary School – 2 Classrooms



Mukuyuni Chief's Office



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

Maliki Boys Secondary School – Twin Laboratory



Emerging Issues

The constituency is faced with a great financial challenge due to the large area and high population. There are 135 public primary schools and 52 public secondary schools which keep increasing. This has greatly affected the quality of education as a good number of the schools have no land or on small plots with very poor structures. Owing to the fact that the roads are a devolved function, there is a great risk to learners as the road network is so bad that in some situations, the school children have to wade over streams to rich schools and generally pass in very muddy roads. The demand for bursary is equally overwhelming pausing a challenge to the available funds.

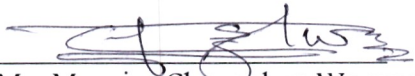
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TONGAREN CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

Implementation Challenges and Way forward

The constituency is faced with the biggest challenge of less funds allocation to the projects which has led to a quality issue. The general amount allocated for example to a single classroom is Ksh. 500,000 which can only be constructed using normal silver iron sheets and low quality local materials leading to poor finishes. The most common mode of construction is hence via labour contract with the “Fundi” missing the relevant compliance and registration documents. There is the lack of Bills of Quantities with a usage of “schedule of material”.

In order to counter this challenge, the PMCs are to be trained in July 2018 before procurement can be embarked on with clear requirements for the contractors spelled out. No payments shall be approved to any company without a valid Tax Compliance Certificate nor to individual suppliers.

The amount allocated in the 2018/19 financial year to be raised up to ensure a fair implementation and completion of the projects. The office to increase the use of technical department to ensure that there is all relevant project documents like drawings and Bills of Quantities before procurement is done.



Mr. Maurice Changalwa Wanyonyi
CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TONGAREN CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

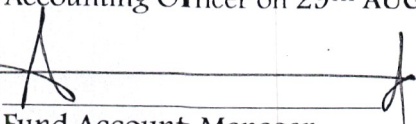
The Accounting Officer in charge of the NGCDF-TONGAREN Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

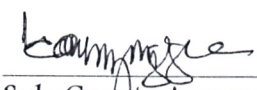
The Accounting Officer in charge of the NGCDF-TONGAREN Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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-TONGAREN 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-TONGAREN 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-TONGAREN Constituency financial statements were approved and signed by the Accounting Officer on 29TH AUGUST, 2018.


Fund Account Manager
Paul N. Adome


Sub-County Accountant
Kenneth Ochieng Onyango

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 - TONGAREN 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 - Tongaren Constituency set out on pages 11 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 statement of comparison of budget and actual amounts 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 - Tongaren 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. Other Grants and Transfers

The other grants and transfers reflect Kshs.21,380,572 comprising of bursary to secondary schools of Kshs.10,476,572 and bursary to tertiary institutions of Kshs.10,904,000 for the year ended 30 June 2018 as disclosed in note 6 to the financial statements. However, the bursary award lists provided for audit review totalled Kshs.24,248,701 resulting to an unexplained and unreconciled variance of Kshs.2,868,129. Further, the criteria used in the award of bursaries, the minutes of the bursary committee, and acknowledgement from the beneficiary institutions were not availed for audit review.

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

Consequently, the accuracy of the other grants and transfers figure of Kshs.21,380,572 for the year ended 30 June 2018 could not be confirmed.

2. Use of Goods and Services

The use of goods and services figure of Kshs.5,420,114 include Kshs.858,040 incurred on fuel, oil and lubricants during the year under review. However, the management did not provide a fuel register and the detailed orders to show how the fuel paid for, was utilised.

Consequently, the probity of Kshs.858,040 incurred on purchase of fuel for the year ended 30 June 2018 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 - Tongaren 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 section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

1.1 Budget Performance

The Fund had an approved budget of Kshs.100,423,783 for the financial year 2017/2018. During the same period, the Fund recorded expenditure of Kshs.42,601,501 of the budget resulting to an under expenditure of Kshs.57,822,282 representing 58% of the budget as detailed below:

Item	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Under Absorption (Kshs.)	Under Absorption %
Compensation of employees	2,995,413	2,000,815	994,598	33
Use of goods and services	7,933,783	5,420,114	2,513,669	32
Transfers to other government units	49,490,215	13,800,000	35,690,215	72
Other grants and transfers	39,996,373	21,380,572	18,615,801	47
Other payments-AIA	8,000	0	8,000	100
Total	100,423,784	42,601,501	57,822,283	58

Failure to utilize funds is an indication that services and approved programs were not delivered, and therefore the budget did not meet all the intended objectives of improving delivery of goods and services to the residents of Tongaren Constituency.

1.2 Project Implementation Status

According to the project implementation status report availed for audit review, the Fund had planned to spend Kshs.96,050,901 to implement sixty nine (69) projects during the financial year 2017/2018. As at 30 June 2018, twenty one (21) projects funded for Kshs.29,015,901 were complete, forty-five (45) projects funded for Kshs.66,585,000 were on-going while one (1) was not funded. Two (2) projects funded for Kshs.450,000 did not have current implementation status although they had received their allocation in full. The project implementation status report is as summarized below:

Status	No. of Projects	Amount Disbursed (Kshs.)
Ongoing	45	66,585,000
New	1	0
Complete	21	29,015,901
No status	2	450,000
Total	69	96,050,901

The projects whose implementation status were not provided are as listed below:

Project Name	Approved Allocation (Kshs.)	Amount Disbursed (Kshs.)
Mbakalo Boys High School	400,000	400,000
ICT Hubs	50,000	50,000
Total	450,000	450,000

No reasons have been provided for the failure to implement all the projects as budgeted. Consequently, the Tongaren Constituents have not benefited from the incomplete projects.

2. Prior Year Audit Matters

As previously reported the Fund incurred an amount of Kshs.8,750,000 in acquisition of land for eight schools during the year ended 30 June 2017 and that title deeds registered in the names of the earmarked institutions were not availed for audit review.

According to the progress on follow-up of the auditor recommendations on the financial statements, the management indicated that a meeting was held with teachers and the education officers to assist in ensuring that the schools obtain the title deeds as soon as possible. However, the minutes of the said meeting and the progress made so far was not provided for audit review. Consequently, ownership of the parcels of land is not secured for public use.

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 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. Compensation of Employees

Scrutiny of personnel records revealed that an employee whose ID number is 20675767 was employed on 1 June 2017 as an office messenger at a monthly payment of Kshs.15,000 comprising of basic salary of Kshs.13,000 and house allowance of Kshs.2,000 as per the terms of employment. However, according to the payroll records, the officer earned gross salary of Kshs.10,000 instead of Kshs.15,000 resulting in under-payment of Kshs.5,000 monthly which amounts to Kshs.75,000 for the thirteen months and Kshs.60,000 for the year under review.

The management is therefore in breach of the terms of employment and likely to be exposed to litigations.

2. Construction of Twin Laboratory at Lunyu Secondary School

The Fund undertook to construct a twin laboratory at Lunyu Secondary School at a cost of Kshs.3,500,000. The project was tendered and awarded to a contractor in May 2017 and was to be completed within 3 months as per the contract agreement. However, as at the time of the audit in March 2019, over twenty-two (22) months and the project was still not complete. Although the contractor was on site and roofing had been done, the management has not indicated measures being put in place to ensure the project which has delayed for over 20 months is completed without further delay. The continued delay may lead to escalation of costs and weakening of the structure.

Consequently, the school and the residents of Tongaren Constituency have not benefitted from the incomplete project.

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 section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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 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 Fund's ability to continue 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 liquidate the Fund or 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 Fund policies and procedures may deteriorate.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or 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 continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

26 August 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TONGAREN CONSTITUENCY

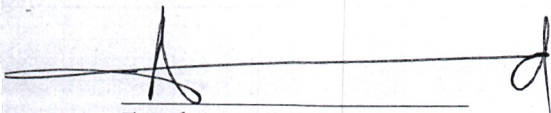
Reports and Financial Statements

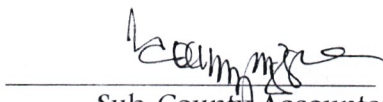
For the year ended June 30, 2018

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172	83,696,552
Other Receipts	2	<u>0</u>	<u>8,000</u>
TOTAL RECEIPTS		43,405,172	83,704,552
PAYMENTS			
Compensation of employees	3	2,000,815	2,196,290
Use of goods and services	4	5,420,114	7,633,439
Transfers to Other Government Units	5	13,800,000	64,650,550
Other grants and transfers	6	21,380,572	73,679,649
TOTAL PAYMENTS		42,601,501	148,159,928
SURPLUS/(DEFICIT)		<u>803,671</u>	<u>(64,455,37)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TONGAREN Constituency financial statements were approved on 29TH AUGUST, 2018 and signed by:


Fund Account Manager
Paul N. Adome

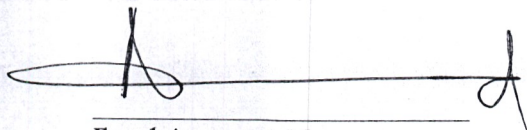

Sub-County Accountant
Kenneth Ochieng Onyango


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

VI. STATEMENT OF ASSETS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	3,037,799	2,234,128
Total Cash and Cash Equivalents		3,037,799	2,234,128
TOTAL FINANCIAL ASSETS		3,037,799	2,234,128
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS REPRESENTED BY			
Fund balance b/fwd 1st July, 2017	8	2,234,128	66,689,504
Surplus/Deficit for the year		803,671	(64,455,376)
NET LIABILITIES		3,037,799	2,234,128

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TONGAREN Constituency financial statements were approved on 29TH AUGUST, 2018 and signed by:


 Fund Account Manager
 Paul N. Adome


 Sub-County Accountant
 Kenneth Ochieng Onyango

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

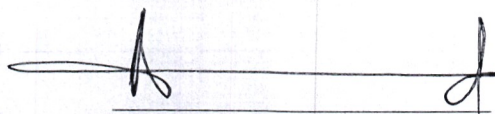
Reports and Financial Statements

For the year ended June 30, 2018

VII. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	43,405,172	83,696,552
Other Receipts	2	0	8,000
		43,405,172	83,704,552
Payments for operating expenses			
Compensation of Employees	3	2,000,815	2,196,290
Use of goods and services	4	5,420,114	7,633,439
Transfers to Other Government Units	5	13,800,000	64,650,550
Other grants and transfers	6	21,380,572	73,679,649
		42,601,501	148,159,928
CASHFLOW FROM INVESTING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENT		803,671	(64,455,376)
Cash and cash equivalent at BEGINNING of the year	8	2,234,128	66,689,504
Cash and cash equivalent at END of the year		<u>3,037,799</u>	<u>2,234,128</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TONGAREN Constituency financial statements were approved on 29TH AUGUST, 2018 and signed by:



Fund Account Manager
Paul N. Adome



Sub-County Accountant
Kenneth Ochieng Onyango



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

VIII. 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 CDF Board	86,810,345	13,605,438	100,415,783	45,631,300	54,784,483	45.4%
Proceeds from Sale of Assets			0			
Other Receipts – AIA		8,000	8,000	8,000	0	100.0%
TOTAL RECEIPTS	86,810,345	13,613,438	100,423,783	45,639,300	54,784,483	45.4%
PAYMENTS						
Compensation of Employees	2,366,536	628,877	2,995,413	2,000,815	994,598	66.8%
Use of goods and services	5,278,376	2,655,407	7,933,783	5,420,114	2,513,669	68.3%
Transfers to Other Government Units	42,900,000	6,590,215	49,490,215	13,800,000	35,690,215	27.9%
Other grants and transfers	36,265,433	3,730,940	39,996,372	21,380,572	18,615,800	53.5%
Acquisition of Assets	0	0	0	0	0	
Other Payments – AIA	0	8,000	8,000		8,000	0.0%
TOTAL	86,810,345	13,613,438	100,423,783	42,601,501	57,822,282	42.4%

- i. All votes were utilized below 90% due to delayed funding by the board. The balance of Ksh. 54,784,483 was received in July 2018.
 - ii. The compensation of Employees was below 90% as the budget was to run for 12 months from 1st January 2018 to 31st December, 2018 plus one year's gratuity.
- NB. The changes within the budget are as a result of funds balances brought forward from the previous financial year.*

The NGCDF-TONGAREN Constituency financial statements were approved on 29TH AUGUST, 2018 and signed by:

 Fund Account Manager Paul N. Adome	 Sub-County Accountant Kenneth Ochieng Onyango
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TONGAREN CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

IX. 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-**TONGAREN** 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) –
TONGAREN CONSTITUENCY**

Reports and Financial Statements for the year ended June 30, 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 (NGCDF) –
TONGAREN CONSTITUENCY**

Reports and Financial Statements for the year ended June 30, 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 (NGCDF) –
TONGAREN CONSTITUENCY**

Reports and Financial Statements for the year ended June 30, 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 (NGCDF) –
TONGAREN CONSTITUENCY**

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE No.. A839518	1	0	4,094,828
AIE No.. A839631	2	0	1,800,000
AIE No.. A855103	3	0	36,853,449
AIE No.. A855571	4	0	40,948,275
AIE No.. A892527	1	5,500,000	0
AIE No.. A896784	2	37,905,172	0
TOTAL		43,405,172	83,696,552

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. OTHER RECEIPTS

	2017- 2018	2016-2017
	Ksh.	Ksh.
Receipts from Sale of tender documents	0	8,000
Total	0	8,000

3. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Ksh.	Ksh.
Basic wages of contractual employees	1,930,095	2,150,450
Basic wages of casual labour	1,600	0
Personal allowances paid as part of salary		
Employer contribution to NSSF	69,120	45,840
TOTAL	2,000,815	2,196,290

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 - 2017
	Ksh.	Ksh.
Utilities, supplies and services	258,600	0
Electricity	11,462	0
Communication, supplies and services	296,700	0
Domestic travel and subsistence	294,500	0
Printing, advertising and information supplies & services	43,820	0
Training expenses	594,800	400,000
Hospitality supplies and services	55,477	0
Other committee expenses	2,094,495	1,072,300
Committee allowance	209,000	3,565,072
	59,828	891,548
Office and general supplies and services		
Fuel , oil & lubricants	858,040	920,550
Other operating expenses	62,300	0
Bank service commission and charges	17,825	0
Routine maintenance - vehicles and other transport equipment	563,268	783,969
TOTAL	5,420,114	7,633,439

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Ksh.	2016-2017 Ksh.
Transfers to primary schools (see attached list)	3,300,000	40,550,000
Transfers to secondary schools (see attached list)	10,500,000	21,200,000
Transfers to tertiary institutions (see attached list)	0	2,900,550
TOTAL	13,800,000	64,650,550

6. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Ksh.	2016- 2017 Ksh.
Bursary – secondary schools (see attached list)	10,476,572	15,658,250
Bursary – tertiary institutions (see attached list)	10,904,000	16,351,875
Bursary – special schools (see attached list)	0	3,500,000
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	0	8,300,000
Roads and Bridges (see attached list)	0	21,800,000
Sports projects (see attached list)	0	2,000,000
Environment projects (see attached list)	0	2,000,000
Agriculture (see attached list)	0	4,069,524
Emergency projects (see attached list)	0	0
Total	21,380,572	73,679,649

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Cooperative Bank, Kimilili branch A/C no.01141470213900</i>	3,037,799	2,234,128
TOTAL	3,037,799	2,234,128

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Ksh	Ksh
Bank accounts	2,234,128	66,689,504
Total	2,234,128	66,689,504

[Provide short appropriate explanations as necessary]

The balance of funds in 2016-17 was because the receipts were made on 29th June, 2017.

The balance of funds in 2017-18 is for the running statutory accounts. That is Salary, use of goods and services and bursary. It is important that we don't clear all funds as of 30th June since the Board process of funding takes time and funds can only be received piecemeal as from October to January yet we must run the office.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TONGAREN CONSTITUENCY**
Reports and Financial Statements for the year ended June 30, 2018
NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.0 OTHER IMPORTANT DISCLOSURES

9.1 PENDING STAFF PAYABLES (See Annex 1)

	Kshs	Kshs
Contractual employees	386,017	0
	<u>386,017</u>	<u>0</u>

9.2 UNUTILIZED FUNDS (See Annex 2)

	Kshs	Kshs
Compensation of employees	994,598	628,877
Use of goods and services	2,513,669	1,463,251
Amounts due to other Government entities (see attached list)	35,690,215	0
Amounts due to other grants and other transfers (see attached list)	18,615,800	134,000
Acquisition of assets	0	0
Others (AIA – Sale of tender documents)	8,000	8,000
	<u>57,822,282</u>	<u>2,234,128</u>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TONGAREN CONSTITUENCY**
Reports and Financial Statements for the year ended June 30, 2018
NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.3: PMC account balances (See Annex 4)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	8,953,961	2,934,024
TOTAL	8,953,961	2,934,024

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

ANNEX 1 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
					2018	2017	
		a	b	c	d=a-c		
Contractual Employees							
Aduvagah N.Lucy	J'	82,603	01.06.2017	0	82,603	0	
Khaemba W.Evans	H'	69,486	01.06.2017	0	69,486	0	
Waliuila.N.Karen	H'	69,486	01.06.2017	0	69,486	0	
Walumbe C.Abiud	J'	82,603	01.06.2017	0	82,603	0	
Wanjala Geoffrey	D'	44,640	01.06.2017	0	44,640	0	
Wanjala N.Susan	D'	37,200	01.06.2017	0	37,200	0	
Sub-Total		386,017			386,017	0	
Grand Total		386,017			386,017	0	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)
ANNEX 2 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance		Comments
					2018	2017	
		a	b	c	d=a-c		
Amounts due to other Government entities							
1. Primary Schools		16,600,000	0	3,300,000	13,300,000	0	
2. Secondary Schools		32,890,215	0	10,500,000	22,390,215	0	
Sub-Total		49,490,215		13,800,000	35,690,215		
Amounts due to other grants and other transfers							
Administration/Recurrent		7,091,506	0	4,520,189	2,571,318	1,200,128	
Monitoring & Evaluation		3,845,689	0	2,900,740	944,949	900,000	
Bursary Secondary		10,597,974	0	10,476,572	121,402	134,000	
Bursary Tertiary		14,083,440	0	10,904,000	3,179,440	0	
Emergency		5,137,931	0	0	5,137,931	0	
Environment		1,000,000	0	0	1,000,000	0	
Sports		1,000,000	0	0	1,000,000	0	
ICT Hubs		4,677,027	0	0	4,677,027	0	
Strategic Plan		3,500,000	0	0	3,500,000	0	
Sub-Total		50,933,568		28,801,501	22,132,067	2,234,128	
Grand Total		100,423,783		42,601,501	57,822,282	2,234,128	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs'000)
ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Ksh)	Additions during the year (Kshs)	Disposals during the year (Ksh)	Historical Cost
	2016/17			2017/18
Buildings and structures	6,500,000			6,500,000
Transport equipment	5,554,490			5,554,490
Office equipment, furniture and fittings	374,690			374,690
ICT Equipment, Software and Other ICT Assets	513,500			513,500
Other Machinery and Equipment	15,000			15,000
Total	12,957,680			12,957,680

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)

Reports and Financial Statements

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

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

INSTITUTION NAME	BANK	BRANCH	BANK A/C No.	2017/2018	2016/2017
Bilibili Secondary School	Co-operative	Kimilili	01141687645200	100,703.15	7,203.15
Birunda PAG Secondary School	KCB	Kimilili	1146128495	805,489.00	5,489.00
Dr.Reginalda Wanyonyi Primary School	Co-operative	Kimilili	01141688341700	177,055.00	-
Eluuya Friends Girls Secondary School	Co-operative	Kimilili	01141687120100	36,284.50	36,284.50
Kegode Primary School	Co-operative	Kimilili	01141687942600	5,815.00	102,995.00
Lunao Primary School	Co-operative	kitale	01139694805000	36,575.50	81,705.50
Lungai Secondary School	Co-operative	Kimilili	01139469235600	28,498.50	17,698.50
Lunyu Secondary School	KCB	Webuye	1115724193	1,584,709.00	85,039.00
Luuya DEB Primary School	Co-operative	Kimilili	01139609031300	3,661.15	3,661.15
Matisi Primary School	Co-operative	kitale	01139046926402	3,015.00	3,015.00
Mbakalo ACK Primary School	Co-operative	Kitale	01139502049000	56,460.50	593,843.50
Mbakalo Boys Secondary School	Co-operative	Kimilili	01141469026800	1,015,140.80	88,842.80
Milima Boarding Primary School	Co-operative	Kimilili	01141687969300	302,770.00	227,785.00
Milima Friends Secondary School	Co-operative	Kimilili	01141687481100	871,066.70	210,932.70
Minyali Primary School	Co-operative	kitale	01139599101300	4,579.00	4,579.00
Mitua Girls Secondary School	Co-operative	kitale	01139085301203	1,001,282.50	107,812.50
Muliro Secondary School	KCB	kitale	1236799518	1,173,937.00	-
Mwikhupo RC Primary School	Co-operative	Bungoma	01139050432101	10,050.00	84,193.00
Namawanga RGC Secondary School	Co-operative	Kimilili	01141687686000	227.50	12,942.50
Ndalumulti -Purpose hall	Co-operative	Kimilili	01141687909800	694,330.00	844,958.00
Ngoya Buyofu Primary School	Co-operative	Kimilili	01141687945400	5,325.00	5,325.00
Pwani Secondary School	KCB	Webuye	1114626570	629,511.25	29,956.75

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

Sango SA Secondary School	Co-operative	Kimilili	01141470768400	38,822.50	38,822.50
St Brigids Siumbwa Secondary School	Co-operative	Kimilili	01139469235900	1,690.00	26,490.00
St Marys Mwikhupo Secondary School	Co-operative	kitale	01139599221202	330,692.50	-
St. Peter's Makumu Primary School	Co-operative	Kimilili	01141469823700	2,620.50	2,620.50
St.Pauls Secondary School Narati	Co-operative	kitale	01139269107500	33,649.90	311,829.90
TOTAL PMC BALANCES				8,953,961.45	2,934,024.45

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

Reports and Financial Statements

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Item No. 1	Unsupported Land Acquisitions	Most of the land is under scheme land. We have met with the teachers and the Education Officers to assist in ensuring that the schools are able to get their title deeds as soon as possible. Meanwhile, no future land purchases without a true land title deed for the sale is availed	The School Head Teachers assisted by the NG CDF Office	Not Resolved	31.12.2019
	Maina PAG Primary School				
	Milele Primary School				
	Mwambu Primary School				
	Sikulu Primary School				
	Makunga Primary School				
	St. Juliana Secondary School				
	St. Kizito Secondary School				
	Kewa Secondary School				