

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

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ANNE SHIBUKO

OF

THE AUDITOR-GENERAL

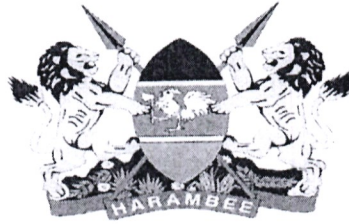
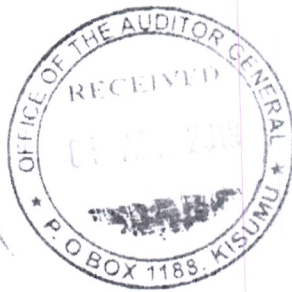
ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
VIHIGA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND

VIHIGA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE, 2018

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th JUNE, 2018

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the NG - CDF Act, 2015. The National Government Constituencies Development Fund is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the NG - Constituencies Development Fund. The objective of the fund to ensure that specific portion of the national annual budget is devoted to the constituencies for purposes of infrastructural development, wealth creation and in the fight against poverty at the constituency level.

(b) Key Management

The Vihiga Constituency day-to-day management is under the following key organs:

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

(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	Perez Anyango
3.	Accountant	Wycliffe Khamati
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG - CDF Board provide overall fiduciary oversight on the activities of Vihiga Constituency. The reports and recommendation of ARMC when adopted by the NG - CDF Board are forwarded to the NG - Constituency Development Fund Committee (NG - CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) VIHIGA CDF Headquarters

P.O. Box 198
NG-CDF Offices
Luanda – Majengo Road
Vihiga

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

(f) VIHIGA CDF Contacts

Telephone: (254) 722 612112
E-mail: vihigangcdf.go.ke
Website: www.go.ke

(g) VIHIGA CDF Bankers

1. Co-operative Bank
Mbale Branch
A/C No.01141471496600

(h) Independent Auditors

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 CONSTITUENCY DEVELOPMENT FUND

VIHIGA CONSTITUENCY

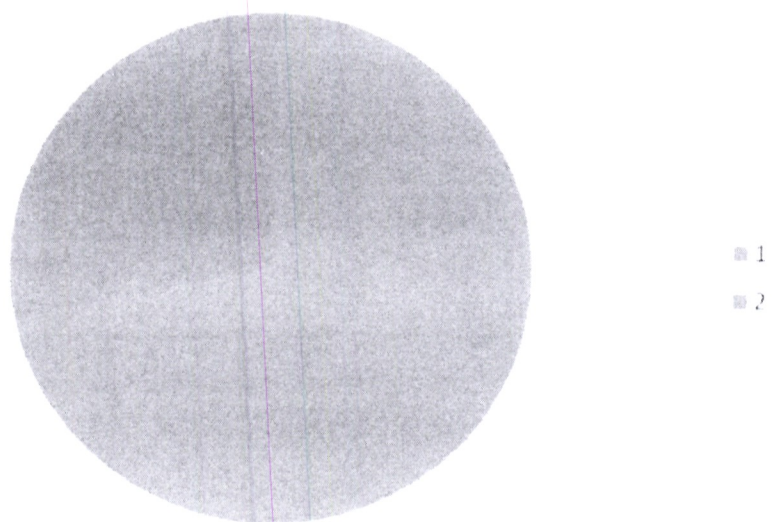
Reports and Financial Statements

For the year ended 30th June, 2018

II. FORWARD BY THE CHAIRMAN NG - CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG - CDFC)

First and foremost I want to thank God the Almighty and the people of Vihiga Constituency for giving me the privilege to serve them as the Chairman of Vihiga NG - CDFC. Together with the able team of the other NG - CDFC members, we have undertaken this noble task with humility and commitment. As we present our Financial Statements contained herein, we believe our guiding principles of transparency, accountability and commitment are the pillars against which our service to the people of Vihiga Constituency is anchored.

With the challenges experienced during implementation of the 2017/2018 Budget notwithstanding, we have managed to attain a 40% budget absorption rate, as indicated in the Appropriation Account, and the pie chart below:



1 - BUDGET

2 - FUNDING BY THE BOARD

We are still committed to attaining a 100% absorption rate within the first quarter of the 2018/2019 Financial Year.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

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The NG - CDFC has continued to tremendously impact on the lives of the people of Vihiga Constituency as indicated below:

- Improved infrastructure in schools leading to increased enrolment
- Public participation in helping solve the challenges the constituents face
- Enhanced Public – Private – Partnerships
- Fast track the achievement of Millennium Development Goals and Vision 2030 objectives.
- Improved social welfare due to the multiplier effect of enhanced purchasing power of the residents.

Despite the achievements mentioned above, we have experienced challenges that have led to emerging issues which I believe if addressed will steer NG - CDF to greater heights of success. They include:

- Budgetary constraints
- Late disbursement of Funds by the Board hence affecting timely implementation of our Budget.

**NG - CDF
VIHIGA CONSTITUENCY
P.O. BOX 198-50300
VIHIGA**



CHAIRMAN VIHIGA NG - CDFC

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

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

III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government agency shall prepare financial statements in respect of that agency. 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 Vihiga NG - Constituency Development Fund is responsible for the preparation and presentation of the Vihiga NG - CDF financial statements, which give a true and fair view of the state of affairs of the Vihiga NG - CDF 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 NG - CDF; (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 NG - CDF; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

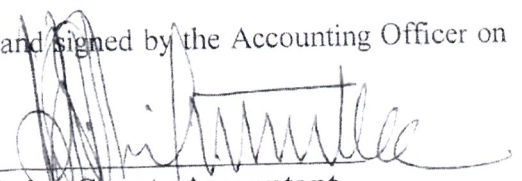
The Accounting Officer in charge of the Vihiga NG - CDF accepts responsibility for the NG - CDF's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NG - CDF's financial statements give a true and fair view of the state of NG - CDF's transactions during the financial year ended June 30, 2018, and of the NG - CDF's financial position as at that date. The Accounting Officer charge of the Vihiga NG - CDF further confirms the completeness of the accounting records maintained for the NG - CDF, which have been relied upon in the preparation of the NG - CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Vihiga NG - CDF confirms that the NG - CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NG -CDF'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 NG - CDF'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 Vihiga NG - CDF's financial statements were approved and signed by the Accounting Officer on 20/9/2018 2018.


Fund Account Manager


Sub-County Accountant
Mr. Wycliffe Khamati
ICPAK Member No. R4205

NG - CDF
VIHIGA CONSTITUENCY
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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Constituencies Development Fund - Vihiga Constituency set out on pages 6 to 31, which comprise the statement of assets as at 30 June 2018, and 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, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Vihiga NG- CDF as at June 30, 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/ Accrual Basis) and do not comply with the enabling Act, Cap and any other Law(s) of Kenya.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1 Ledger Balances of Four Accounts do not Agree with the Financial Statement Balances

The expenditure of returns figure did not agree with the financial statement figures as at 30 June 2018 in respect to the following items as detailed below:

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

Description	Financial Statements Figure (Kshs)	Ledger Figure (Kshs)	Variance (Kshs)
Transfer to Primary schools	9,689,496	12,639,496	(2,950,000)
Bursary Tertiary Institutions	7,680,500	7,520,500	160,000
Capacity building(training)	698,200	472,200	226,000
Bursary to Secondary Schools	15,193,400	15,189,400	4,000
Total	33,261,596	35,821,596	(2,560,000)

Further, examination of Notes 5 and 6 under transfer to other government entities and other grant and other payments respectively indicated that the management had attached a list of the analysis. However, this was not disclosed in the financial statements.

1.2 Misstatements in the Trial Balance

Examination of the trial balance revealed that balances disclosed under transfers to other government units and other grants and transfers of Kshs.11,639,496 and Kshs.25,915,201 respectively were not in agreement with the figures disclosed in the expenditure returns of Kshs.13,139,496 and Kshs.27,524,601 respectively as detailed below;

Details	Trial balance Figure Kshs.	Expenditure Returns Figure Kshs.	Variance Kshs.
Transfers to Other Government units	10,189,496	13,139,496	(2,950,000)
Other Grants and Transfers	28,268,183	27,524,601	743,582

In view of the foregoing, the accuracy and completeness of the financial statements could not be ascertained.

2. Cash and Cash Equivalents

2.1 Stale Cheques

Included in the financial statements under Note 9A is cash and cash equivalents of Kshs.9,526,260 as at 30 June 2018. However, the combined bank reconciliation

statement for the months of May and June 2018 made available for audit revealed unrepresented cheques amounting to Kshs.4,499,956 out of which stale cheques amounting to Kshs.339,703 had not been reversed in the cash book.

2.2 Anomalies in the Bank Reconciliation Statement

Further, the following anomalies were observed:

- (i) The bank reconciliation statement revealed adjustments to correct under casts in the cash book amounting to Kshs.2,556,538 which have not been explained.
- (ii) Unaccounted for cash withdrawals amounting to Kshs.1,236,000 by the Fund Account Manager were not supported by payment vouchers and support schedules to show how the monies were spent.
- (iii) In addition, the reconciling cash book balance of Kshs.9,526,260 differs from the balance of Kshs.10,477,798 reflected in the financial statements, board of survey and the cash book as at 30 June 2018 thus resulting to an unexplained variance of Kshs.951,538.

Consequently, the validity and accuracy of the cash and cash equivalents balance of Kshs.9,526,260 as at 30 June 2018 could not be confirmed.

3. Training Expenses

Included in the statement of receipts and payments is use of goods and services figure of Kshs.4,661,706 which includes an amount of Kshs.698,200 being training expenses which in turn includes Kshs.201,000 paid to CDFC, PMC and Victoria Hotel before a committee resolution to go for the capacity building training was made.

Consequently, the propriety of the training expenses of Kshs.201,000 for the year ended 30 June 2018 could not be ascertained.

4. Other Grants and Transfers

Included in the statement of receipts and payments is other grants and transfer expenditure of Kshs.28,268,183 which includes Kshs.15,193,400 as transfers of bursaries to secondary schools which in turn includes Kshs.426,000 paid to Chango Secondary School. However even though the cheque register had a record of this amount, the same was not reflected in the availed bank statements and therefore it was not clear on which account the cheque was deposited. Returns by the School were not made available for audit verification.

In consequence, the propriety and validity of the transfers of bursaries to Chango Secondary school of Kshs.426,000 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 Vihiga NGCDF 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 adverse opinion.

Emphasis of Matter

1. Budget as a Control Tool

1.1 Under Absorption

During the year under review Vihiga NG -CDF fund disclosed actual receipts of Kshs.50,805,116 in the summary statement of appropriation: recurrent and development combined out of which only Kshs.54,784,482 was utilized, out of a total budget of Kshs.96,247,703 thus an under absorption of 50%.

1.2 Non-Implemented Projects

During the year under review analysis of the availed AIEs and project code lists revealed that projects amounting to Kshs.10,653,027 were not implemented yet the NG CDF Vihiga constituency received funding for the same as detailed below:

No	Project Name	Project Activity	Amount (Kshs)
1	Constituency Strategic Plan	Developing a five year strategic plan for the Constituency	2,500,000
2	ICT Hub	Procuring of systems, services comprising of satellite antenna, router, digital ruggedized tablets, wifi, with outdoor wireless device with 12 U cabinet complete with installation accessories at 4 sites in partnership with the ministry of ICT Through Telkom Kenya	4,677,027
3	Mbithi Girls Secondary school	Completion of tuition block, walling, plastering, roofing, wiring and painting	300,000
4	Gavalagi secondary school	Purchase of Laboratory equipment pipets, microscopes, burets and burners.	500,000
5	Inyanza secondary school	Construction of One Class room to Completion	1,000,000
6	Idavage Muslim sec school	Additional Funds for School Bus	604,000
7	Masana Secondary School	Construction of One Class room to Completion	100,000

No	Project Name	Project Activity	Amount (Kshs)
8	Gilwadzi Secondary school	Renovation of two class Rooms Roofing, wiring, plastering, painting, and fitting.	972,000
	Total		10,653,027

Furthermore environment projects (installation of 10,000L water tanks, gutters, soak pit, plumbing works, and installation of 4 out lets/ water taps for secondary schools amounting to Kshs.736,207 were also not implemented despite having been budgeted for as detailed below:

School	Amount (Kshs)
Mbihi Girls High school	184,051
Gavalagi Sec School	184,051
Masana Sec school	184,051
Ikumba Sec school	184,051
Total	736,204

The constituency residents did not benefit from the non-implemented projects.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, a description of how the audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

Key audit matters are those matters that, in our professional judgment, are of most significance in the audit of the financial statements of the current year. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON COMPLIANCE WITH 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 Adverse Opinion 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. Stalled Project

Examination of tender documents, revealed that an open tender was advertised in respect of construction of the proposed completion of 6 No. classroom (Contract No: VHG/CDF/VGN/001), for contract price of Kshs.7,018,046. The following was noted:

The four (4) firms bided, as follows:

Company's Name	Amount Quoted (Kshs)
Tasco Enterprises Limited	7,986,078
Lango Glass Mart and Hardware Ltd	7,901,398
Golden Crest Agencies	8,344,170
Nyakwesi Enterprises Limited	7,018,046

Nyakwesi Enterprises Limited was awarded the contract being the lowest bidder through award letter dated 11 October 2017 and contract agreement signed on 13 October 2017.

The contractor had been paid to date Kshs.4.4 Million. However, no expenditure returns were brought by the project management committee(PMC) to the NG-CDF office Vihiga for audit verification. In addition, the project physical verification on 20 December 2018 revealed the following:

- i. The construction works had stalled, and the contractor was not on site at the time of verification and some columns are wearing off, further no sign post was erected to show the contractor and funding agency of the project.

- ii. The payment certificates raised by the works officer was not as per the valuation of works done or completed derived from the bill of quantities. Instead a block figure is paid net of taxes only, this was irregular.

Consequently, the value for money and the propriety of the expenditure could not be determined.

2. Poor Workmanship

Examination of tender documents, revealed that an open tender was advertised in respect of construction of the proposed completion of 1No classroom for contract price of Kshs.1,032,440. The following was noted:

The three (3) firms bided, as follows:

Company's Name	Amount Quoted (Kshs.)
Luhadada Contractors Limited	1,044,244
Tricon Technologies Kenya Limited	1,032,440
Limpid Suppliers and Contractors	1,101,791

However, Tricon Technologies Kenya Limited was awarded the contract being the lowest bidder through an award letter dated 27 July 2017, contract agreement and acceptance letter were all signed on 28 July 2017.

The following anomalies were observed:

- i. No tender notice inviting interested bidders to collect the BQ from the PMC clearly marked tender number was availed for audit review.
- ii. No expenditure returns from the project management committee to the NG-CDF of Vihiga were availed for audit review.
- iii. Further payment certificates are not detailed as per the works done from the BQ instead a block figure is reflected in the payment certificate thus difficult to ascertain the works being certified for payment

Upon Project Physical Verification on 21 December 2018 and the following was noted:

The roof was poorly done as a result of poor workmanship while the contractor used 30 gauge iron sheet instead of Gauge 28 "GCI" as per the BQ

We also verified 50 gauge 30 iron sheets instead of 72 Gauge 28 "GCI" as specified in the BQ. There were cracks on the floor of the classroom and the project was not labelled or marked indicating the financial year done and the financing agency thus

difficult to ascertain the funding Agency. Therefore, resulting to the public receipt of no value for money.

3. Construction of a Classroom at Ikumba Secondary School

Included in the financial statements under other transfers to other government entities balance of Kshs.11,639,496 (note 5) was a transfer of Kshs.500,000 to Ikumba secondary schools for construction of 1 No. classroom. At the time of audit Kshs.814,999 had been paid via three certificates of payment.

Examination of the payment voucher and physical verification of the project on 19/12/2018 revealed the following observations:

- i. No returns were made available by the constituency committee to confirm as to how the transfers were utilized.
- ii. there was no evidence of competitive bidding as the availed quotations were not dated, the tender register was not availed, no letters of notification acceptance and award were availed for verification.
- iii. The Local purchase order was not also availed for audit verification.
- iv. The certificate No.1 percentage of completion was not quantified although upon physical verification it was observed that the classroom had been Labeled.

Therefore, raising doubt on the propriety of the expenditure

4. CDFC Allowances and Other Expenses

It was noted that the amount spent on committee allowances and other committee expenses was Kshs.3,460,000 as per the records (cashbook) and not Kshs. 2,626,000 as reported the CDF management was unable to make available all the surrender vouchers for the payments of committee allowances and expenses amounting to Kshs.608,000 and the CDF Management spent Kshs.922,000 above the 2017/18 approved budget of Kshs.1,704,000 on committee expenses. In additional, the schedules provided to support the expense were not reliable as they did not include all payments.

Consequently, the accuracy of the expenditure could not be determined.

5. Emergency Project

- i. It was noted in all emergency project payments that the CDF management paid the contractors directly instead of transferring the funds to the PMCs which requested for emergency assistance. A physical verification revealed that a Chiefs office costing Kshs.498,000 at was renovated with 16 iron sheets but the contractor (Embargo Contractors) was paid for 37 iron sheets, only 10 boards were needed to complete the ceiling but the contractor was paid for 25 boards. As per BQ the renovation of the Chiefs camp was costing Kshs.333,540.

- ii. A renovation of a pit latrine costing Kshs.422,205 at Emanda primary school was quoted as a new construction but the pit was already done, some materials like breaks and timber were reused.
- iii. All emergency project contractors were paid without inspection of works certificates and certificates of completion.
- iv. A payment of Kshs.404,010 made to CMC HOLDING for the repair of the CDF vehicle. However, this amount wrongly charged on emergency project.

Therefore, the propriety of the expenditures could not be confirmed.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the NG-CDF ability to sustain services, disclosing, as applicable, matters related to sustainability of services.

Those charged with governance are responsible for overseeing the Entities financial reporting process.

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.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's/ Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's/ Department's ability to continue offering 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 consolidated/ 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 Ministry/Department to cease to continue offering services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.

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.

From the matters communicated with management, I determine those matters that were of most significance in the audit of the consolidated /financial statements of the current period and are therefore the key audit matters. These matters are described in my auditor's report unless law or regulation precludes public disclosure about the

matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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

Nairobi

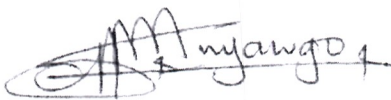
23 August 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
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For the year ended 30th June, 2018

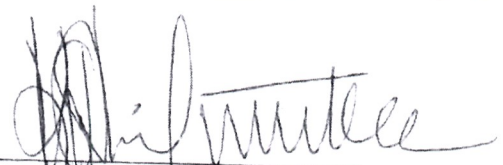
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	50,805,116.00	78,434,392.00
TOTAL RECEIPTS		50,805,116.00	78,434,392.00
PAYMENTS			
Compensation of employees	2	1,148,330.00	2,638,710.00
Use of goods and services	3	4,710,262.00	9,146,850.00
Transfers to Other Government Units	4	10,189,496.00	65,962,721.00
Other grants and transfers	5	28,268,183.00	45,619,860.00
Other Payments	6	-	1,972,490.00
TOTAL PAYMENTS		44,316,271.00	125,340,631.00
SURPLUS/DEFICIT		6,488,845.00	(46,906,239.00)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Vihiga CDF financial statements were approved on 2019 2018 and signed by:



Fund Account Manager



Sub-County Accountant
 Mr. Wycliffe Khamati
 ICPAK Member No. R4205

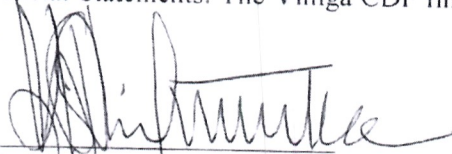
NG - CDF
 VIHIGA CONSTITUENCY
 P.O. BOX 198-50300
 VIHIGA

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

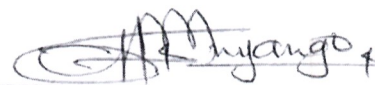
V. STATEMENT OF ASSETS

	Note	2017 - 2018 2017	2016 -
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	9,526,260.00	3,037,415.00
TOTAL FINANCIAL ASSETS		9,562,260.00	3,037,415.00
REPRESENTED BY			
Fund balance b/fwd 1st July, 2017	8	3,037,415.00	49,943,654.00
Surplus/ Deficit for the year		6,488,845.00	(46,906,239.00)
NET LIABILITIES		9,526,260.00	3,037,415.00

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial Statements. The Vihiga CDF financial statements were approved on 20/01 2018 and signed by:



Sub-County Accountant
Mr. Wycliffe Khamati
ICPAK Member No. R4205



Fund Account Manager

NG - CDF
VIHIGA CONSTITUENCY
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

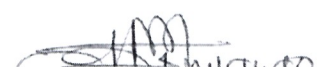
Reports and Financial Statements

For the year ended 30th June, 2018

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from CDF Board	1	50,805,116.00	99,225,473.00
Other Receipts		-	24,000.00
		50,805,116.00	99,249,473.00
Payments for operating expenses			
Compensation of Employees	2	1,148,330.00	1,949,900.00
Use of goods and services	3	4,710,262.00	10,224,392.00
Transfers to Other Government Units	4	10,189,496.00	40,053,930.20
Other grants and transfers	5	28,268,183.00	43,785,393.50
Total Payments		44,316,271.00	96,274,615.70
Adjusted for:			
Net cash flow from operating activities		6,488,845.00	3,235,857.30
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-	(261,000.00)
Net cash flows from Investing Activities			(261,000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,488,845.00	2,974,857.30
Cash and cash equivalent at BEGINNING of the year	8	3,037,415.00	46,968,796.30
Cash and cash equivalent at END of the year		9,526,260.00	49,943,653.60

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Vihiga CDF financial statements were approved on 20/9/2018 2018 and signed by:

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY

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VII. 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	86,810,344.00	10,437,359.00	96,247,703.00	50,805,116.00	54,784,482.00	50%
PAYMENTS						
Compensation of Employees	1,208,621.00	311,119.00	1,519,740.00	1,148,330.00	554,169.00	67.4%
Use of goods and services	6,604,310.00	726,296.00	7,330,606.00	4,710,262.00	3,461,344.00	58.0%
Transfers to Other Government Units	42,076,000.00	7,399,944.00	49,475,944.00	10,189,496.00	47,072,448.00	18%
Other grants and transfers	32,685,206.00		32,685,206.00	28,268,183.00	5,986,574.00	83%
Other Payments	4,236,207.00	2,000,000.00	6,236,207.00	-	7,236,207.00	0.0%
TOTALS	86,310,344.00	10,437,359.00	96,247,703.00	44,316,271.00	64,310,760.00	

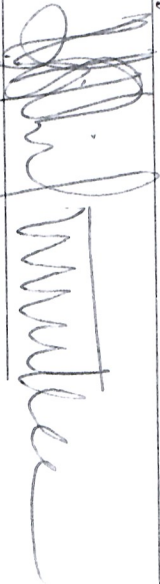
(a) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- The total Budget for 2017/2018 of Kshs 98,189,654.00 was only funded by Kshs 43,405,172.00, being 44% of the total Budget for the Year.
- During the Financial Year under review, AIE No. DEP 07/2016/2017/541 of Kshs 7,399,944.00 was received though it relates to FY 2016/2017

The Vihiga CDF financial statements were approved on 20/09/2018 2018 and signed by:


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY

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



Sub – County Accountant
Mr. Wycliffe Khamati
ICPAK Member No. R4205

NG – CDF
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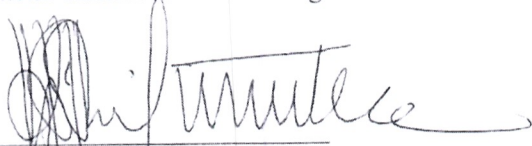


Fund Account Manager

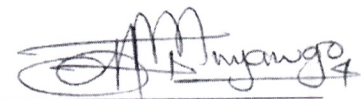
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

TRIAL BALANCE AS AT 30TH JUNE 2018			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	9,526,260 .00	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	1,148,330.00	
	Use of goods and services	4,710,262.00	
	Transfers to Other Government Units	10,189,496.00	
	Other grants and transfers	28,268,183.00	
	Acquisition of Assets	-	
	Other Payments	-	
Receipts			
	Transfers from the Board		50,805,116.00
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		-
	Fund Balance b/f		3,037,415.00
TOTAL		53,842,531.00	53,842,531.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Vihiga CDF financial statements were approved on 20th June 2018 and signed by:



Sub - County Accountant
Mr. Wycliffe Khamati
ICPAK Member No. R4205



Fund Account Manager

NG - CDF
VIHIGA CONSTITUENCY
P.O. BOX 198-50300
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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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 and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Vihiga NG - CDF and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Vihiga CDF.

2. Recognition of revenue and expenses

The Vihiga CDF recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the Vihiga CDF. In addition, the Vihiga CDF recognises all expenses when the event occurs and the related cash has actually been paid out by the Vihiga CDF.

3. In-kind contributions

In-kind contributions are donations that are made to the Vihiga CDF 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 Vihiga CDF includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

Reports and Financial Statements

For the year ended 30th June, 2018

5. 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 Vihiga CDF 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.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Vihiga CDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Vihiga CDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

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

8. 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 June 30, 2017.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

Reports and Financial Statements

For the year ended 30th June, 2018

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Vihiga CDF's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Vihiga CDF's actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

10. Comparative figures

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

11. 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 June 30, 2018.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM THE BOARD

Description		2017 - 2018	2016 - 2017
		Kshs	Kshs
CDF Board			
AIE NO			4,094,827.60
AIE NO			36,853,449.00
AIE NO			2,025,005.00
AIE NO			1,912,779.00
AIE NO			33,548,331.00
AIE NO	A892538	5,500,000.00	
AIE NO	A892750	7,399,994.00	
AIE NO	A892857	37,905,172.00	
TOTAL		50,805,116.00	78,434,392.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Basic wages of contractual employees	1,133,850.00	1,731,835.00
NSSF	14,480.00	38,000.00
Personal allowances paid as part of salary		
Gratuity	-	868,875.00
Total	1,148,330.00	2,638,710.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Other Committee Expenses	800,000.00	2,946,000.00
Utilities, supplies and services	35,000.00	20,000.00
Communication, supplies and services	21,216.00	6,960
Domestic travel and subsistence	160,000.00	110,000.00
Printing, advertising and information supplies & services		37,155.00
Rentals of produced assets		-
Training expenses	698,200.00	1,000,000.00
Hospitality supplies and services		1,535,634.00
Committee Allowances	1,826,000.00	-
Specialized materials and services		-
Office and general supplies and services	300,000.00	316,446.00
Other operating expenses	300,000.00	2,370,000.00
Routine maintenance – vehicles and other transport equipment	521,290.00	654,655.00
Bank Services Commission and Charges	48,556.00	-
Fuel and Lubricants		150,000.00
Total	4,710,262.00	9,146,850.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 - 2017
	Kshs	Kshs
Transfers to National Government entities:		
Transfers to primary schools (see attached list)	9,689,496.00	36,662,721.00
Transfers to secondary schools (see attached list)	500,000.00	22,900,000.00
Transfers to tertiary institutions (see attached list)	-	5,000,000.00
Transfers to health institutions (see attached list)	-	1,400,000.00
TOTAL	10,189,496.00	65,962,721.00

5. OTHER GRANTS AND OTHER PAYMENTS

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bursary – Secondary schools (see attached list)	15,193,400.00	17,518,295.00
Bursary – Tertiary institutions (see attached list)	7,680,500.00	9,948,000.00
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	-
Other capital grants and transfers (see attached list)	-	-
Security projects	627,582.00	10,883,873.00
Roads projects	-	703,820.00
Sports projects	-	2,065,872.00
Emergency projects	4,766,701.00	4,500,000.00
Total	28,268,183.00	45,619,860.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. OTHER PAYMENTS

	2017 – 2018	2016 - 2017
	Kshs	Kshs
NG-CDF Projects	-	1,972,490.00
		1,972,490.00

7. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017 - 2018	2016 - 2017
	Kshs	Kshs
Co-operative Bank A/C No. 01141471496600	9,526,260.00	3,037,415.00
Total	9,526,260.00	3,037,415.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8: BALANCES BROUGHT FORWARD

	2017 - 2018	2016 - 2017
	Kshs	Kshs
Bank accounts	3,037,415.00	49,943,654.00
Cash in hand	-	-
Imprest	-	-
Total	3,037,415.00	49,943,654.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

9: OTHER IMPORTANT DISCLOSURES

9A: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to other Government entities (see attached list)	46,275,441.00	7,399,224.00
	46,275,441.00	7,399,224.00

9B: PMC account balances (See Annex 5)

	Kshs	Kshs
PMC account Balances (see attached list)	1,566,670.00	10,912,198.00
	1,566,670.00	10,912,198.00

9C: Pending disbursement from the Board

	Kshs	Kshs
	54,784,482.00	7,399,224.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
Reports and Financial Statements
For the year ended 30th June, 2018

ANNEX 3 - ANALYSIS OF UNIMPLEMENTED PROJECTS

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2018	Comments
Amounts due to other Government entities							
		a	b	C	d=a-c		
1. Vigna Primary School	Construction of Tuition Block	4,800,000.00	July, 2017	2,800,000.00	2,000,000.00	2,000,000.00	The final phase of the Project to be funded in 2017/2018
2. Madzuu Primary School	Construct one new Classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
3. Mukuli Primary School	Renovation of 2 classes	1,000,000.00	-	-	1,000,000.00	1,000,000.00	Not disbursed from the Board
4. Kitulu Primary School	Renovation of 1 class	500,000.00	-	-	500,000.00	500,000.00	Not disbursed from the Board
5. Induru Primary School	Renovation of 4 classes	2,000,000.00	-	-	2,000,000.00	2,000,000.00	Not disbursed from the Board
6. Ideleri Primary School	Construct 1 new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
7. Emanda Primary School	Construct new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
8. Lwangele Primary School	Construct 1 new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
9. Chanzuu Primary School	Construct 1 new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
10. Lusavasavi Primary School	Renovation of 4 classrooms	2,000,000.00	-	-	2,000,000.00	2,000,000.00	Not disbursed from the Board
11. Vigetse Primary School	Renovation of 4 classrooms	2,000,000.00	-	-	2,000,000.00	2,000,000.00	Not disbursed from the Board
12. Kigadahi Primary School	Construction	2,500,000.00	June	1,000,000.00	1,500,000.00	1,500,000.00	Not disbursed from

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY**

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

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2018	Comments
	of 2 classes		2018				the Board
13. Chandugunyi Primary School	Construct 1 new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
14. Kigendirova Primary School	Construct 1 new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000.00	Not disbursed from the Board
15. Busamo Primary School	Construction of tuition block	3,500,000.00	-	-	2,300,000.00	2,300,000.00	Not disbursed from the Board
16. Gilwadzi Secondary School	Renovation of 2 classrooms	500,000.00	-	-	500,000.00	500,000.00	Not disbursed from the Board
17. Mbihi Girls Secondary School	Construction of Tuition Block	12,000,000.0	2016	1,000,000.00	3,000,000.0	3,000,000	Not disbursed from the Board
18. Gavalagi Secondary School	Purchase Laboratory Equipment	972,000.00	-	-	972,000.00	972,000.00	Not disbursed from the Board
19. Inyanza Secondary School	Construct 1 new classroom	1,250,000.00	-	-	1,250,000.00	1,250,000	Not disbursed from the Board
20. Idavaga Muslim Secondary School	Purchase a 51-seater school bus	7,100,000.00	-	-	7,100,000.00	604,000.00	Kshs 604,000.00 not yet disbursed from the Board
21. Kidundu Secondary School	Construction of tuition block	8,000,000.00	-	-	-	4,000,000.00	Not yet approved by the Board
22. Masana Secondary School	Construct 1 new classroom	1,250,000.00	-	-	-	1,250,000.00	Not disbursed from the Board
23. Angoya Police Station	Construct a 6-door pit latrine	500,000.00	-	-	-	500,000.00	Not disbursed from the Board
24. Mbale Police Station	Construct a 6-door pit latrine	500,000.00	-	-	-	500,000.00	Not disbursed from the Board
25. Sports	Sports activities	1,736,207.00	-	-	-	1,736,207.00	Not disbursed from the Board

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
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Reports and Financial Statements
For the year ended 30th, June 2018

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2018	Comments	
26. Environment	Purchase water tanks	1,736,207.00	-	-	-	1,736,207.00	Not disbursed from the Board	
27. Constituency Strategic Plan	Develop Strategic Plan	3,500,000.00	-	-	-	3,500,000.00	Not disbursed from the Board	
28. CIH Projects	Establishment of ICT Hubs	4,677,027.00	-	-	-	4,677,027.00	Not disbursed from the Board	
Sub-Total							46,275,441.0	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
VIHIGA CONSTITUENCY
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For the year ended 30th, June 2018**

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

REGION	COUNTY	CONSTITUENCY	CONSTITUENCY CODE	ASSET NAME/DESCRIPTION	ASSET TAG No.	SERIAL No.	ACQUISITION DATE	Purchase Cost (Kshs)	PHYSICAL LOCATION	CURRENT CONDITION	WARRANTY	REMARKS
Western	Vihiga	Vihiga	211	Office Table	CDF166FF001		2005	2,500.00	Secretary	Fair	None	
Western	Vihiga	Vihiga	211	Office Table	CDF166FF002		2005	18,500.00	Staff Room	Fair	None	
Western	Vihiga	Vihiga	211	Arm Chair(Wooden2)	CDF166FF003-004		2005	1,700.00	Coordinator's Office	Fair	None	
Western	Vihiga	Vihiga	211	Armless Chair-7-(Wooden)	CDF166FF005-023		2005	1,000.00	Store	Fair	None	
Western	Vihiga	Vihiga	211	Wall Clock	CDF166FF028		2007	450.00	Coordinator's Office	Good	None	
Western	Vihiga	Vihiga	211	Stapler	CDF OE 003		2005	150.00	Secretary	Good	None	
Western	Vihiga	Vihiga	211	Computer HPL1710	CDF OE 003		2009	35,000.00	Coordinator's Office	Good	None	
Western	Vihiga	Vihiga	211	Computer HPL1710	CDF OE004		2009	35,000.00	Secretary	Good	None	
Western	Vihiga	Vihiga	211	Printer HPI320N	CDF OE 005		2006	17,500.00	Secretary	Fair	None	
Western	Vihiga	Vihiga	211	Printer HPF4280	CDF OE 006		2009	7,000.00	Coordinator's Office	out of order	None	
Western	Vihiga	Vihiga	211	UPS-APC CS650	CDF OE 007		2009	4,000.00	Secretary	Good	None	
Western	Vihiga	Vihiga	211	UPS-APC	CDF OE 008		2009	4,000.00	Coordinator's Office	Good	None	
Western	Vihiga	Vihiga	211	Rubber Stamps	CDF OE 009		2005	7,000.00	Secretary	Good	None	
Western	Vihiga	Vihiga	211	GKA 498T	GKA 498T		2009	4,000,000.00	District Hqs (parking)	Good	None	
Western	Vihiga	Vihiga	211	CDF OFFICE BUILDING			2012	10,000,000.00	Vihiga Divisional Hqs	Good	None	
Western	Vihiga	Vihiga	211	Executive Table – 1			2011	55,000.00	Chairman's Office	Good	None	
Western	Vihiga	Vihiga	211	Executive Chair – 1			2011	29,500.00	FAM's Office	Good	None	
Western	Vihiga	Vihiga	211	Water Dispenser – 1			2011	18,000.00	FAM's Office	Good	None	

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Western	Vihiga	Vihiga	211	Metal Cabinet - 2			2011	32,500.00	FAM/Coordinator	Good	None	
Western	Vihiga	Vihiga	211	Wooden Cabinet - 1			2011	22,500.00	FAM's Office	Good	None	
Western	Vihiga	Vihiga	211	Desk Top Computer - 1			2011		FAM's Office	Good	None	From Hqs
Western	Vihiga	Vihiga	211	Printer - 1			2011		FAM's Office	Good	None	From Hqs
Western	Vihiga	Vihiga	211	UPS - 1			2011		FAM's Office	Good	None	From Hqs
Western	Vihiga	Vihiga	211	Screen			2011		FAM's Office	Good	None	From Hqs
Western	Vihiga	Vihiga	211	T.V. Stand - 1			2011	4,000.00	FAM's Office	Good	None	
Western	Vihiga	Vihiga	211	Plasma T.V. - 1			2011	57,000.00	FAM's Office	Good	None	
Western	Vihiga	Vihiga	211	Office Desks with Drawers - 2			2011	24,500.00	Coordinator's Office	Good	None	
Western	Vihiga	Vihiga	211	High Back Office Seat - 1			2011	17,500.00	Store	out of order	None	
Western	Vihiga	Vihiga	211	Office Desk with Drawers - 1			2011	24,500.00	Chairman's Office	Good	None	
Western	Vihiga	Vihiga	211	High Back Office Seat - 1			2011	17,500.00	Store	out of order	None	
Western	Vihiga	Vihiga	211	Office Desk with Drawers - 1			2011	17,500.00	Store	out of order	None	
Western	Vihiga	Vihiga	211	High Back Office Seat - 1			2011	24,500.00	Treasurer's Office	Good	None	
Western	Vihiga	Vihiga	211	Office Desk with Drawers - 1			2011	17,500.00	Secretary's Office	Good	None	
Western	Vihiga	Vihiga	211	Reception Seat - Metallic - 1			2011	24,500.00	Secretary's Office	Good	None	
Western	Vihiga	Vihiga	211	T.V - 1 (L.G Brand - Coloured)			2011	32,000.00	Secretary's Office	Good	None	
Western	Vihiga	Vihiga	211	Conference Tables - 3			2011	32,000.00	Secretary's Office	Good	None	
Western	Vihiga	Vihiga	211	Conference Chairs - 20			2011	112,500.00	Boardroom	Good	None	
Western	Vihiga	Vihiga	211	Sofa Set - 1			2011	90,000.00	Boardroom	Good	None	
Western	Vihiga	Vihiga	211	Executive Chair - 1			2011	52,000.00	Chairman's Office	Good	None	
Western	Vihiga	Vihiga	211	Executive Desk with - 1			2011	29,500.00	Chairman's Office	Good	None	
Western	Vihiga	Vihiga	211	Executive Leather Seat - 1			2012	85,062.00	FAM's Office	Good	None	
Western	Vihiga	Vihiga	211				2012	38,000.00	MP's Office	Good	None	

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Western	Vihiga	Vihiga	211	Executive Cupboard -1				2012	39,500.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	Leather Sofa Set - 1				2012	120,517.00	MP's Office	Good	None
Western	Vihiga	Vihiga	211	Cantilever Leather Seats - 2				2012	41,000.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	Conference Chairs - 10				2012	49,000.00	Boardroom	Good	None
Western	Vihiga	Vihiga	211	Executive Conference Table - 1				2012	32,000.00	MP's Office	Good	None
Western	Vihiga	Vihiga	211	Cantilever Leather Chairs - 4				2012	87,200.00	MP's Office	Good	None
Western	Vihiga	Vihiga	211	Ashut Steel Filing Cabinets - 2				2012	58,600.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	Carpet for the MP's Office - 1				2012	98,297.00	MP's Office	Good	None
Western	Vihiga	Vihiga	211	Curtains, Sheers, Hooks, tape etc				2012	134,852.00	Entire Building Windows	Good	None
Western	Vihiga	Vihiga	211	Photocopying Machine -1- Taskalfa (Kyocera)		1102KL 3NI.2		2012	167,482.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	Calculator - 1				2012	1,470.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	Work Station - 1				2014	74,000.00	IT Room	Good	None
Western	Vihiga	Vihiga	211	Reception Desk - 1				2014	77,720.00	Reception	Good	None
Western	Vihiga	Vihiga	211	High Back Office Seat - 1				2014	16,240.00	MP's Office	Good	None
Western	Vihiga	Vihiga	211	Standard Fridge - 1				2014	28,000.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	3 Seater Fabric Link Chair				2014	52,200.00	Reception	Good	None
Western	Vihiga	Vihiga	211	Coffee Table				2014	27,840.00	FAM's Office	Good	None
Western	Vihiga	Vihiga	211	Desk Top Computers - 4				2014	203,928.00	IT Room	Good	1 yr
Western	Vihiga	Vihiga	212	CDF Office Toilet				Jul-14	500,000.00	CDF Office Compound	Good	6 Months
Western	Vihiga	Vihiga	211	Multifunction Copier (Printer)		NRG MP2501 SP		2015	261,000.00	FAM's Office	Good	1 yr

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Chandolo Primary School PMC	KCB Mbale	1209330598	1,435.00	499,435.00
Chanzeywe Primary School PMC	KCB Mbale	1205545212	3,250.00	3,250.00
Chanzoka Primary School PMC	KCB Mbale	1210884127	1,780.00	2,000,000.00
Chavavo Primary School PMC	KCB Mbale	1209361337	0.00	0.00
Gavalagi Primary School PMC	KCB Mbale	1209098806	2,325.00	2,325.00
Embaga Primary School PMC	KCB Mbale	1209635542	3,225.00	3,225.00
Gilwadzi Primary School PMC	KCB Mbale	1209579936	499,995.00	699,435.00
Iduku Primary School PMC	KCB Mbale	1210002272	819.00	499,435.00
Isaku Primary School PMC	KCB Mbale	1209532298	995.00	699,435.00
Itengi Primary School PMC	KCB Mbale	1210291614	1,319.00	499,435.00
Kedohi Primary School	KCB Mbale	1210240394	1,435.00	499,435.00
Kisingilu Primary School PMC	KCB Mbale	1210802473	995.00	249,215.00
Lusavasavi Primary School PMC	KCB Mbale	1210004399	775.00	199,215.00
Madira Primary School PMC	KCB Mbale	1205545069	6,803.00	6,083.00
Malindi Primary School PMC	KCB Mbale	1209393360	5,555.00	603,775.00
Mbihi Primary School PMC	KCB Mbale	1209468891	355.00	335.00
Mkombozi Magaka Pri. School PMC	KCB Mbale	1205545115	12,655.00	12,655.00
Mkombozi Manyatta Pri. School PMC	KCB Mbale	1210321734	1,435.00	499,435.00
Mukuli Primary School PMC	KCB Mbale	1210249162	3,335.00	3,335.00
Vigina Primary School PMC	KCB Mbale	1210011921	1,012,999.00	899,435.00
Womulalu Primary School PMC	KCB Mbale	1209386305	1,105.00	2,499,435.00
Ideleri Secondary School PMC	KCB Mbale	1209512688	855.00	885.00
Masana Secondary School PMC	KCB Mbale	1209519372	2,215.00	2,215.00
Vigulu AP Lines PMC	KCB Mbale	1208565435	1,010.00	530,770.00
Total			1,566,670.00	10,912,198.00

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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 comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	There was no report on the progress of the follow up of audit issues raised.	Issues raised in the 2014/2015 audit were adequately responded to vide letter Ref. No. NGCDF-VHG/CONF/2016-002/VOL. I . A copy of the same is attached for reference	Perez Anyango Fund Account Manager	The audit issues raised in the 2015/16 FY have now been included in this report	Issue resolved in the subsequent year's Fin. Statement
2.0	Irregularities in the purchase of School Bus – Ideleri Secondary School	Detailed response is contained in the letter Ref. No. CDF/VHG/AUD/Vo.I/003 . Issues raised were responded to adequately.	Perez Anyango Fund Account Manager	Not resolved. Awaiting response from KENAO	Awaiting & response from KENAO
3.0	Lack of contract register	Procurement and payment for goods and services is usually carried out by the PMCs from their respective institutions. It is not possible for the Contract register to be maintained by the CDFC.	Perez Anyango Fund Account Manager	PMCs advised to maintain contract registers during capacity building meetings	One year

Transfer to other Government Units

Primary Schools

1	Womulalu Primary School	Primary School Projects	700,000.00
2	Chandolo Primary School	Primary School Projects	500,000.00
3	Isaku Primary School	Primary School Projects	500,000.00
4	Malindi Primary School	Primary School Projects	500,000.00
5	Mkombozi Manyatta Primary School	Primary School Projects	500,000.00
6	Chanzoka Primary School	Primary School Projects	1,000,000.00
7	Kedohi Primary School	Primary School Projects	1,000,000.00
8	Kisingilu Primary School	Primary School Projects	500,000.00
9	Mukuli Primary School	Primary School Projects	500,000.00
10	Vigina Primary School	Primary School Projects	2,000,000.00
11	Kigadahi Primary School	Primary School Projects	1,000,000.00
12	Inavi Primary School	Primary School Projects	499,496.00
12	Kigadahi Primary School	Primary School Projects	490,000.00
			9,689,496.00

Secondary Schools			
1	Ikumba Secondary School	Secondary Schools Projects	500,000.00
			500,000.00

