

THE NATIONAL ASSEMBLY	
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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – SUBUKIA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2019**



NG-CDF

**National Government Constituencies Development Fund
Subukia Constituency**

P.O Box 86.

Subukia

Cell: 0728776506

Email: subukia@cdf.go.ke

Date: 19th MARCH 2020

To

The Auditor General,

South Rift Hub,

P.O Box 1050-20100

Nakuru.



Dear Sir,

RE: AMMENDED FINANCIAL STATEMENTS

Find the attached amended Financial statements for the year ended 30th June 2019 for your perusal and Action.

Yours faithfully;

GLORIA KEITANY

Fund Account Manager

Subukia Constituency.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND SUBUKIA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUBUKIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUBUKIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Reports and Financial Statements
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Core Values

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

(b) Key Management

The NGCDF Subukia Constituency 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.	A.I.E holder	Gloria Keitany
2.	Sub-County Accountant	John Chege Muikamba
3.	Chairman NGCDFC	Shadrack Muiruri.
4.	Member NGCDFC	Erastus Chege

(d) Fiduciary Oversight Arrangements

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

P.O. Box 86
Subukia Centre.
Nakuru- Nyahururu highway
Subukia, Kenya.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUBUKIA CONSTITUENCY
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For the year ended June 30, 2019

(f) Subukia Constituency Contacts

Telephone: (254) 728776506
E-mail: Gkeitany@cdf.gp.ke
Keitanygloria@yahoo.com

(g) Subukia Constituency Bankers

1. Equity Bank
Nakuru Gatehouse branch
P.O Box 12568-20100
Nakuru.

(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)
SUBUKIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

SUBUKIA constituency is one of the constituencies in Nakuru County. The development committee development fund committee comprises of very young and energetic men and women who are dedicated to developing their constituency through NG-CDF. The constituency is expansive and have very poor road networks with no tarmac. The committee endures rough rides which worsen during rainy season.

The constituency has 27 registered public secondary schools and 49 registered primary schools. The constituency disbursed Ksh. 54,790,932,40 being transfers to other government units reflecting a 45% of total expenditure. The Adjustments were of Ksh. 54,784,483.15 were monies which were meant for financial year 2017/2018 which we received in 2018/2019 financial year, and Ksh. 31,961,601.15 which were opening balances for 2018/2019 financial year.

The constituency disbursed Ksh. 37,825,946 as bursaries which sponsored several students who transited to secondary and tertiary levels, others on full scholarship. The bursary from NG-CDF although not enough, has benefited many needy students in Subukia Constituency.

Some of the Success Factors

- Smooth implementation of projects
- Quality of projects implemented
- Smooth Disbursement of bursaries

Some of the challenges that we face as a committee are;

- Insufficient funding against the needs of Subukia Constituency
- Delay disbursement of funds from the NG-CDFB
- Low allowances especially to the officials yet they spend much of their time in the NG-CDF offices serving wananchi.

The following are the committee members;

- | | | |
|-----|-------------------|-----------|
| 1. | Shadrack Muiruri | Chairman |
| 2. | Ann Rugaita | Secretary |
| 3. | Erastus Mwangi | Member |
| 4. | Justine Chebochok | Member |
| 5. | Winnie muthoni | Member |
| 6. | Caroline kiplagat | Member |
| 7. | Josephine Kamau | Member |
| 8. | Nkadude hiribae | Member |
| 9. | Caroline Kiplagat | Member |
| 10. | Gloria Keitany | Member |

Sign. 
NG-CDFC Chairman
Shadrack Muiruri

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

**Reports and Financial Statements
For the year ended June 30, 2019**

III. STATEMENT OF SUBUKIA 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 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 Subukia Constituency is responsible for the preparation and presentation of NGCDF Subukia financial statements, which give a true and fair view of the state of affairs of NGCDF Subukia for and as at the end of the financial year (period) ended on June 30, 2019. 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 NGCDF Subukia; (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 NGCDF Subukia; (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 Subukia Constituency accepts responsibility for the NGCDF-Subukia Constituency'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 *Subukia NGCDF* financial statements give a true and fair view of the state of NGCDF-Subukia Constituency's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Subukia Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Subukia Constituency which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

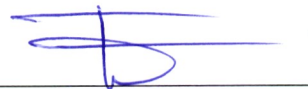
The Accounting Officer in charge of the Subukia Constituency confirms that NGCDF Subukia has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that NGCDF Subukia funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms NGCDF Subukia 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-Subukia Constituency financial statements were approved and signed by the Accounting Officer on 19/03 2020.



Fund Account Manager
Name: Gladys Kaitany



Sub-County Accountant
Name: John Choge
ICPAK Member Number: 7376

REPUBLIC OF KENYA

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Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SUBUKIA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund (NGCDF) - Subukia Constituency set out on pages 6 to 37, which comprise of the statement of financial assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the NGCDF - Subukia Constituency as at 30 June, 2019, 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 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Errors in the Annual Report and the Financial Statements

The annual report prepared and presented for audit had the following errors: -

- 1.1** Note 15.4 to the financial statements indicates that annex to PMC accounts balances is at Annex 4 instead of Annex 5; and
- 1.2** Blank page for the insertion of the Auditor General's report at page 6 has been omitted.

This is contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1) (d) of the Public Finance Management Act, 2012.

Consequently, the annual report and the financial statements for the year ended 30 June, 2019 as prepared and presented are not International Public Sector Accounting Standards (IPSAS) and PSASB compliant.

2.0 Inaccuracies in the Financial Statements

The financial statements prepared and presented for audit, had the following inconsistencies: -

- 2.1 The statement of receipts and payments reflects other receipts of Kshs.140,000 which was not supported by way of a detailed schedule;
- 2.2 The statement also reflects transfers from CDF-Board of Kshs.108,784,483 which differs from the receipts in the summary statement of appropriation: recurrent and development combined of Kshs.140,746,084 resulting to a variance of Kshs.31,961,601 which was not reconciled.
- 2.3 The statement of receipts and payments reflects comparative surplus of Kshs.30,424,874 which differs from the audited figure of Kshs.30,354,875 resulting to a variance of Kshs.69,999.

In the circumstances, the accuracy and completeness of the financial statements as prepared and presented for the year ended 30 June, 2019 could not be confirmed.

3.0 Transfers to Other Government Units

3.1 Unsupported Bursary Payments

The statement of receipts and payments reflects transfers to other government units of Kshs.54,195,405;(2018-Kshs.6,800,000) and as disclosed under Note 7 to the financial statements. However, out of bursary payments of Kshs.37,825,946, payments amounting to Kshs.4,728,018 were not supported by way of detailed beneficiary listing, indicating their respective admission numbers. The validity of the indicated beneficiaries could not be established.

Consequently, the accuracy and validity of the transfers to other government units of Kshs.54,195,405 for the year ended 30 June, 2019 could not be confirmed.

4.0 Committee Allowances Paid to Non Members

The statement of receipts and payments reflects use of goods and services amount of Kshs.9,753,742;(2018-Kshs.4,001,034) and as disclosed under Note 5 to the financial statements. Included in the committee allowance amount of Kshs.2,240,000 is Kshs.1,413,000 paid out to non-committee members as allowances. This payment was not supported or explained.

In the circumstances, the accuracy and regularity of the use of goods and services amount of Kshs.9,753,742 for the year ended 30 June, 2019 have not been confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the NGCDF - Subukia Constituency Management in accordance with ISSAI 130 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. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.195,686,958 and Kshs.140,886,084 respectively resulting to an under-funding of Kshs.54,800,874 or 28% of the budget. Similarly, the Fund spent Kshs.120,658,757 against an approved budget of Kshs.195,686,958 resulting to an under-expenditure of Kshs.75,028,201 or 38% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Subukia Constituency.

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 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. Unsupported Emergency Projects

Note 7 to the financial statements discloses payments towards emergency projects of Kshs.5,600,000. However, these payments were not supported by documentary evidence indicating the nature of the emergency and related procurement documents. The projects though completed were not in use.

Consequently, it was not possible to confirm whether the expenditure was in conformity with the provisions of NGCDF Act, 2015 Section 8 and 10.

2. Projects Implementation Status

The statement of receipts and payments reflects transfers to other government units of Kshs.54,790,932;(2018-Kshs.6,800,000) and as disclosed under Note 6 to the financial statements.

Review of the project implementation status report as of 30 June, 2019 indicated that out of sixty-four (64) projects with an allocation of Kshs.77,550,000 eight (8) were complete and in use, twelve (12) were ongoing and forty four (44) had not started.

2.1. Unsatisfactorily Implemented Projects

Fifteen (15) projects with Fund allocation of Kshs.13,900,000 were sampled for verification during the month of January, 2020. Below are the individual observations made against each of the projects: -

Beneficiary	Details	Type	Cost (Kshs.)	Observations
Patel Primary	Contraction of toilet	Emergency	600,000	Project compete but not in use despite the funding having been an emergency.
Simboyon Primary School	Construction of toilet	Emergency	700,000	Project compete but not in use despite the funding having been an emergency. Implementation not done through the PMC.
Ruiru Primary	Contraction of toilet	Emergency	600,000	Project compete but not in use despite the funding having been an emergency.
Simboyon Primary School	Construction of 1 classroom	Primary	700,000	Contractor not on site, project has stalled, windows and doors fittings, plastering, electrical fittings not done and PMC not involved in the works.
Gitura Primary	Renovation of classrooms	Primary	1,200,000	Classroom put to use before completion while the contractor has abandoned the project before its completion. School PMC was not involved in the project implementation, no project file maintained while some works are incomplete: - roof not renovated yet the classroom leaks, ceiling not done, only 2 out of the 12 windows were newly fixed, floor has cracks. The school administration confirmed the project bank account balance of Kshs.120,000 which was not commensurate with the remaining works.
Ruiru Primary	Renovation of classrooms	Primary	350,000	Funds held on awaiting additional funding and the project was yet to be implemented.

Beneficiary	Details	Type	Cost (Kshs.)	Observations
Endao Primary	Construction of 2 classrooms	Primary	1,700,000	Project has stalled, contractor not on site only the foundation, raised walls and doors and windows installed. The school administration could not confirm how much has been paid to the contractor. Pupils are using the classrooms as it is without a roof.
Forest Hill Secondary School	Construction of science laboratory	Secondary	1,000,000	The project total cost was approximated at Kshs.12,800,000 with Kshs.1,000,000 having been transferred in 2018/2019 into the bank account, however the bank account had only a balance of Kshs.500,000 at the time of audit. Procurement documents and BQs were not availed for review and validation of the works done to date. The project is being implemented by Fund office instead of the PMC.
Gitura Secondary	Finishing of science laboratory	Secondary	2,000,000	Project complete and in use, however, PMC was not involved, the school administration was not provided with BQs to facilitate supervision, the laboratory is yet to be equipped.
Gitura Secondary	Renovation of classrooms	Secondary	750,000	Contractor has abandoned the site, walls were not plastered and in bad shape, window panes were not fixed, the class black board, ceiling and electrical fittings were not done. PMC was not involved in the contract implementation; the school administration was not provided with BQs to facilitate supervision.
Ruiru Secondary	Finishing of science laboratory	Secondary	1,300,000	Laboratory construction has stalled since 2016/2017 to date. The PMC Bank account had a balance of Kshs.1,901,036.80 as at the time of audit. PMC was not involved in the implementation

Beneficiary	Details	Type	Cost (Kshs.)	Observations
Ruiru Secondary	Renovation of classrooms	Secondary	600,000	Renovation had not yet stated despite 2 years having lapsed since the funds were released.
Wiyumiririe Chief's Office	Construction of Chief's Office	Security	1,000,000	Contractor not on site, project has stalled, remaining works include; roofing, plastering, electrical fittings, plumbing, the project is not secured by fence, no prove of land ownership and there is no certificate of bank balance to confirm the bank balance.
Ruiru Chief's Office	Construction of Chief's Office	Security	500,000	Project complete but not put to use. Ownership of the parcel of land could not be confirmed.
Simboyon Police Post	Construction of Police Post		900,000	Change of activity from renovation to construction of police post, project complete but not put to use while ownership of land not confirmed.
Total			13,900,000	

No satisfactory explanations have been rendered for the deficiencies in projects implementation and non-submission of expenditure returns and non-retention of monies from the contractors contrary to Section 26 (l) of the standard tender document for procurement of works.

Consequently, it was not possible to confirm if and when the constituents of Subukia will realize value for money from the projects valued at Kshs.13,900,000 for the year ended 30 June, 2019.

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. 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 overall 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 overall 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 is aware of the intention to terminate the Fund or to cease operations.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable 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 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 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi


01 October, 2021


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUBUKIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	108,784,483	76,353,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	140,000	140,000
TOTAL RECEIPTS		108,924,483	76,493,447
PAYMENTS			
Compensation of employees	4	1,918,678	1,697,414
Use of goods and services	5	9,753,742	4,001,034
Transfers to Other Government Units	6	54,790,932	6,800,000
Other grants and transfers	7	54,195,404	33,460,125
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		120,658,757	45,928,573
SURPLUS/DEFICIT		(11,734,273)	30,424,874

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Subukia Constituency financial statements were approved on 19/03 2020 and signed by:


 Fund Account Manager
 Name: Alexis Keitany


 Sub-County Accountant
 Name: John Chesge
 ICPAK Member Number: 7376


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUBUKIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	20,227,327	31,961,601
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		20,227,327	31,961,601
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		20,227,327	31,961,601
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>20,227,327</u>	<u>31,961,601</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	31,961,601	1,426,727
Surplus/Defict for the year		(11,734,273)	30,424,874
Prior year adjustments	14	-	-
NET LIABILITIES		<u>20,227,327</u>	<u>31,961,601</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Subukia Constituency financial statements were approved on 19/03 2020 and signed by:


 Fund Account Manager
 Name: Alonic Kertany



 Sub-County Accountant
 Name: John Ogege
 ICPAK Member Number: 7376

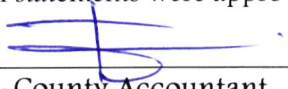
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUBUKIA CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

VI. STATEMENT OF CASHFLOW			
CASH FLOWS FROM OPERATING ACTIVITIES			
		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	108,784,483	76,353,447
Other Receipts	3		140,000
Total Receipts		108,784,483	76,353,447
Payments			
Compensation of Employees	4	1,918,678	1,667,414
Use of goods and services	5	9,753,742	4,001,034
Transfers to Other Government Units	6	54,790,932	6,800,000
Other grants and transfers	7	54,195,405	33,460,125
Other Payments	9	-	-
Total Payments		120,658,757	45,928,573
Total Receipts Less Total Payments		(11,734,274)	30,534,875
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(11,734,273)	30,534,875
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(11,734,273)	30,534,875
Cash and cash equivalent at BEGINNING of the year	13	31,961,601	1,426,727
Cash and cash equivalent at END of the year		20,227,327	31,961,601

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Subukia Constituency financial statements were approved on 19/03 2020 and signed by:


Fund Account Manager
Name: Gloria Kitemu


Sub-County Accountant
Name: John Chage

ICPAK Member Number: 7376

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	86,646,083	195,686,958	140,746,084	54,940,874	71.9%
Proceeds from Sale of Assets			-		-	
Other Receipts				140,000	-	
TOTAL RECEIPTS	109,040,876	86,646,083	195,686,958	140,886,084	54,800,874	72.0%
PAYMENTS						
Compensation of Employees	1,824,252	2,147,538	3,971,790	1,918,678	2,053,112	48.3%
Use of goods and services	7,977,630	4,914,528	12,892,158	9,753,742	3,138,416	75.7%
Transfers to Other Government Units	30,700,000	56,090,932	86,790,932	54,790,932	32,000,000	63.1%
Other grants and transfers	49,538,993	15,316,056	64,855,049	54,195,405	10,659,645	83.6%
Acquisition of Assets						
Other Payments	19,000,000	8,177,027	27,177,027	-	-	0.0%
TOTAL	109,040,875	86,646,083	195,686,958	120,658,757	75,028,200	61.7%

(a) The amount indicated as the budget adjustment in the receipt side of the appropriation statement is the amount which was for the previous financial year 2017/ 2018 and opening balances of Ksh. 31,961,601.

i. Compensation of employees has an underutilization of 48.3%. This is because the cdfc had budgeted to hire clerk of works but they had not because they had not found a competent person with the required qualifications.

Reports and Financial Statements
For the year ended June 30, 2019

The NGCCDF - Subukia Constituency financial statements were approved on 19/03 2020 and signed by:



Fund Account Manager

Name: Alonic Keremay



Sub-County Accountant

Name: John Oluogbo

ICPAK Member Number: 7376

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019 Kshs	Kshs	2018/2019 Kshs	30/06/2019 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,824,252	2,147,538	3,971,790	1,918,678	2,053,112
1.2 Committee allowances	1,488,000	800,000	2,288,000	2,240,000	48,000
1.3 Use of goods and services	3,218,404	2,168,839	5,387,243	2,576,510	2,810,733
			-		-
2.0 Monitoring and evaluation					
2.1 Capacity building	800,000	1,000,000	1,800,000	1,800,000	-
2.2 Committee allowances	1,900,000	741,379	2,641,379	2,432,000	209,379
2.3 Use of goods and services	571,226	204,310	775,536	705,232	70,304
3.0 Emergency	5,738,993	568,966	6,307,959	5,600,000	707,959
3.1 Primary Schools			-		-
3.2 Secondary schools			-		-
3.3 Tertiary institutions			-		-
3.4 Security projects			-		-
4.0 Bursary and Social Security					
4.1 Primary Schools			-		-
4.2 Secondary Schools	14,700,000	11,567,632	26,267,632	26,065,946	201,686
4.3 Tertiary Institutions	18,264,306	(8,154,306)	10,110,000	8,481,000	1,629,000
4.4 Universities	4,000,000	(500,000)	3,500,000	3,279,000	221,000
4.5 Social Security	1,200,000		1,200,000		1,200,000
5.0 Sports	2,035,694	1,000,000	3,035,694	3,035,694	-
5.1			-		-

Reports and Financial Statements
For the year ended June 30, 2019

	5.2				-		-		
	5.3				-		-		
6.0 Environment		2,000,000	1,000,000	3,000,000	1,000,000		2,000,000		
	6.1				-		-		
	6.2				-		-		
	6.3				-		-		
7.0 Primary Schools Projects									
(List all the Projects)									
MUNYAKA PRIMARY		6,000,000	700,000	6,700,000			6,700,000		6,700,000
MAOMBI PRIMARY		1,000,000	850,000	1,850,000			800,000		1,050,000
KIANYORO PRIMARY		200,000		200,000			200,000		200,000
Tachasis primary			2,650,000	2,650,000			2,000,000		650,000
mibarak primary			1,100,000	1,100,000			1,100,000		-
subukia primary			1,700,000	1,700,000			1,700,000		-
mikima primary			3,000,000	3,000,000			3,000,000		-
gakingi			600,000	600,000			600,000		-
Akuisi primary school			1,600,000	1,600,000			1,600,000		-
Mikima Primary School			1,123,132	1,123,132			1,123,132		0
Rigogo Chonjo Primary School			700,000	700,000			700,000		-
Eldonio Primary School			800,000	800,000			800,000		-
Olbonata Primary School			1,500,000	1,500,000			1,500,000		-
Endao Primary			2,300,000	2,300,000			1,700,000		600,000
Mansuk Primary School			600,000	600,000			600,000		-
Akuisi Primary			1,200,000	1,200,000			-		1,200,000
Ruiru Primary School			350,000	350,000			350,000		-
Jamhuri Primary School			300,000	300,000			300,000		-
Mihango Primary			300,000	300,000			300,000		-
Chania Primary School			300,000	300,000			300,000		-
Mwireri Primary School			300,000	300,000			300,000		-

Reports and Financial Statements
For the year ended June 30, 2019

Marana Primary School		200,000	200,000	200,000	-
Mumoi Primary School		1,800,000	1,800,000	1,800,000	-
Arash Primary School		600,000	600,000	600,000	-
Sidai Primary School		600,000	600,000	600,000	-
Kamemo Primary School		500,000	500,000	500,000	-
Edgewood Primary School		450,000	450,000	450,000	-
Simboyon Primary		1,350,000	1,350,000	700,000	650,000
Kaptarakwa Primary		1,650,000	1,650,000	1,000,000	650,000
Wiyumiririe Primary		500,000	500,000	500,000	-
KAMEMO PRIMARY		850,000	850,000	850,000	-
GITURA PRIMARY		1,200,000	1,200,000	1,200,000	-
			-		-
			-		-
8.0 Secondary Schools Projects	(List all the Projects)				
FOREST HILL SECONDARY		9,000,000	9,000,000		9,000,000
MWIRERI SECONDARY		2,500,000	2,500,000	2,500,000	-
OUR LADY OF VICTORIES		2,600,000	400,000	3,000,000	2,600,000
RUIRU SECONDARY		1,300,000	2,200,000	3,500,000	1,300,000
RIGOGO SECONDARY		900,000	2,000,000	2,900,000	900,000
OLMANYATTA SECONDARY		600,000		600,000	600,000
MARYLAND SECONDARY		2,000,000		2,000,000	1,000,000
SUBUKIA DAY SECONDARY		800,000		800,000	800,000
SIDAI SECONDARY		2,500,000		2,500,000	2,500,000
PATEL DAY SECONDARY		1,300,000	600,000	1,900,000	1,300,000
Wiyumiririe Secondary School		500,000	500,000	500,000	-
MAGOMANO SECONDARY		2,000,000	2,000,000	2,000,000	-
ST. MICHAEL GATAGATI		2,000,000	2,000,000	2,000,000	-
Tachasis Secondary School		2,667,800	2,667,800	2,667,800	-

**Reports and Financial Statements
For the year ended June 30, 2019**

Gitura Secondary School		2,750,000	2,750,000	2,750,000	-
Kabazi Secondary School		500,000	500,000	500,000	-
Olbonata Secondary School		1,500,000	1,500,000	1,500,000	-
St Mark Eldonio		3,200,000	3,200,000	3,200,000	-
Ndungiri Secondary School		300,000	300,000		300,000
Arash Secondary School		300,000	300,000	300,000	-
St Ulich Lama		3,500,000	3,500,000	3,500,000	-
10.0 Security Projects			-		-
KABAZI CHIEFS OFFICE	500,000	300,000	800,000	300,000	500,000
KIRENGERO POLICE POST	100,000	1,000,000	1,100,000		1,100,000
HAJI AP POST	500,000		500,000		500,000
KAGOCII CHIEFS OFFICE	500,000		500,000		500,000
Magomano Police Post		400,000	400,000		400,000
Munanda Sub-Chief Office		500,000	500,000	500,000	-
Subukia East Chief's		500,000	500,000	500,000	-
Edge Wood Chiefs Office		450,000	450,000	450,000	-
Kianyoro Chief's Office		300,000	300,000	300,000	-
Ruiru Chief's Office		500,000	500,000	500,000	-
Lari Sub-Chief's Office		983,765	983,765	983,765	0
Simboyon Chief's Office		1,400,000	1,400,000	1,400,000	-
Wiyumirrie Sub-Chief's Office		1,500,000	1,500,000	1,000,000	500,000
Wei A.P POST		800,000	800,000		800,000
Tetu Chief's Office		1,200,000	1,200,000	800,000	400,000
					-
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)					

Reports and Financial Statements
For the year ended June 30, 2019

11.2 Construction of CDF office									
11.3 Purchase of furniture and equipment									
11.4 Purchase of computers									
11.5 Purchase of land									
12.0 Others									
12.1 Strategic Plan									
12.2 Innovation Hub									
NG-CDF OFFICE	3,000,000		3,500,000		6,500,000		6,500,000		6,500,000
NG-CDF OFFICE	10,000,000		4,677,027		14,677,027		14,677,027		14,677,027
NG-CDF OFFICE	6,000,000				6,000,000		6,000,000		6,000,000
	109,040,875		86,646,083		195,686,958		120,658,757		75,028,200

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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

**Reports and Financial Statements
For the year ended June 30, 2019**

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-Subukia 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) –SUBUKIA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

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 2019, 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) –SUBUKIA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

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 Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2)

and sec 7(2) of NGCDF Act, 2015.

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

**Reports and Financial Statements
For the year ended June 30, 2019**

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 2018 for the period 1st July 2018 to 30th June 2019 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 2019.

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) –SUBUKIA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation			
B030159	1	54,784,483	
B030214	2	10,000,000	
B005478	3	10,000,000	
B047052	4	28,000,000	
AIE NO.	5	6,000,000	
A892976	1		37,905,172
A892682	2		2,000,000
A892513	3		5,500,000
A892721	4		30,948,275
	5		
Conditional grants			-
			-
Receipt from other Constituency			-
TOTAL		108,784,483	76,353,447

2. PROCEEDS FROM SALE OF ASSETS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
TOTAL	-	-

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019 Kshs	2017-2018 Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	140,000	140,000
Other Receipts Not Classified Elsewhere	0	0
Total	140,000	140,000

4. COMPENSATION OF EMPLOYEES

Basic wages of contractual employees	1,654,334	1,137,448
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	82,080
Employer contribution to NSSF	-	447,886
Gratuity-Paid	264,344	-
Gratuity-Accrued	-	-
TOTAL	1,918,678	1,697,414

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	806,205	143,530
Electricity	53,977	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	395,750	57,880
Domestic travel and subsistence	296,600	122,406
Printing, advertising and information supplies & services	515,470	447,990
Rentals of produced assets	-	-
Training expenses	1,800,000	259,167.00
Hospitality supplies and services	-	5,200
Other committee expenses	2,432,000	1,535,420
Committee allowance	2,240,000	548,000
Insurance costs	-	-
Specialised materials and services	198,020	180,000
Office and general supplies and services	270,720	393,801
Fuel , oil & lubricants	300,000	-
Other operating expenses	445,000	307,640
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	-	-
TOTAL	9,753,742	4,001,034

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	27,173,132	4,800,000
Transfers to Secondary schools	27,617,800	2,000,000
Transfers to Tertiary institutions	-	-
TIVET	-	-
Special school	-	-
TOTAL	54,790,932	6,800,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary –Secondary	26,065,946	5,721,750
Bursary –Tertiary	8,481,000	20,292,660
Bursary-Special schools	3,279,000	1,256,750
Mocks & CAT	-	-
Security	6,733,765	120,000
Sports	3,035,694	-
Environment	1,000,000	1,500,000
Emergency Projects	5,600,000	4,568,965
Water	-	-
TOTAL	54,195,405	33,460,125

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8. ACQUISITION OF ASSETS

Non Financial Assets

	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	300,000
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	300,000

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Equity Bank, Gate house Branch . NG-CDF</i>	<i>A/C no.1460262029565</i>	20,227,327	31,961,601
10B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Total</i>				<u>0</u>

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

12A. RETENTION

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
NG cdfc staff gratuity	0	0
Add as appropriate		
Total	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

		2018-2019	2017 - 2018
		(1/7/2018	(1/7/2017)
		Kshs	Kshs
Bank accounts		31,961,601	1,426,727
Cash in hand			-
Imprest			-
TOTAL		31,961,601	1,426,727

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	2,053,112	2,455,903
Use of goods and services	3,138,416	5,419,069
Amounts due to other Government entities	32,000,000	57,039,260
Amounts due to other grants and other transfers	10,659,645	14,302,730
Acquisition of assets	27,177,027	8,177,027
Others (<i>specify</i>) Un approved funds	-	-
	75,028,200	87,393,989

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 4)

	2018-2019	2017-2018
PMC	Kshs	Kshs
PMC account balances	25,219,782	7,400,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY

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For the year ended June 30, 2019 (Kshs)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	B	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (<i>specify</i>)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA CONSTITUENCY
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ANNEX 3 - ANALYSIS OF UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		2,053,112	2,455,903	
Use of goods & services		3,138,416	5,419,068	
Amounts due to other Government entities			57,039,259	
Munyaka Primary		6,700,000		
Maombi Primary		1,050,000		
Kianyoro Primary		200,000		
Tachasis Primary		650,000		
Endao Primary		600,000		
Akuisi Primary		1,200,000		
Simboyon Primary		650,000		
Kaptarakwa Primary		650,000		
Forest Hill Secondary		9,000,000		
Our Lady Of Victories		2,600,000		
Ruiru Secondary		1,300,000		
Rigogo Secondary		900,000		
Olmanyatta Secondary		600,000		
Maryland Secondary		1,000,000		
Subukia Day Secondary		800,000		
Sidai Secondary		2,500,000		

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Patel Day Secondary	1,300,000		
Ndungiri Secondary School	300,000		
Sub-Total	32,000,000		
Amounts Due To Other Grants And Other Transfers			14,302,730
Emergency	707,959		
Secondary Schools	201,686		
Tertiary Institutions	1,629,000		
Universities	221,000		
Social Security	1,200,000		
Environment	2,000,000		
Kabazi Chiefs Office	500,000		
Kirengero Police Post	1,100,000		
Haji Ap Post	500,000		
Kagocii Chiefs Office	500,000		
Magomano Police Post	400,000		
Wiyumiririe Sub-Chief's Office	500,000		
Wei A.P POST	800,000		
Tetu Chief's Office	400,000		
Sub-Total	10,659,645		14,302,730
Acquisition of assets			
Others (specify) Un approved funds			
	27,177,027		8,177,027.20
Sub-Total	27,177,027		
Grand Total	75,028,200		86,646,083

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs)	
	2017/18	2018/19			2018/19	2018/19
Land						
Buildings and structures						
Transport equipment	5,308,000				5,308,000	
Office equipment, furniture and fittings	446,000				446,000	
ICT Equipment, Software and Other ICT Assets						
Other Machinery and Equipment						
Heritage and cultural assets						
Intangible assets						
Total	5,754,000		0	0	5,754,000	5,754,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

School	Bank	Account No.	BANK BALANCE 2018/2019	BANK BALANCE 2017/2018
Forest Hill Secondary School	Equiy Bank	01025021853000		500,000
Subukia Day Secondary School	Equiy Bank	1460262259028		1,500,000
Gitundaga Primary School	Equiy Bank	0130262611596		3,000,000
Maryland Secondary	Equiy Bank	1460262093626		600,000
Rigogo Chonjo Primary	Equiy Bank	1460162294376		1,200,000
Gituamba Primary	Equity Bank	0130270385371		600,000
Akuisi Primary	Equity Bank	460262144314	503,646	
Edgewood Primary	Equity Bank	130278047700	100	
Mwireri Secondary	Equity Bank	130261913305	505,160	
Olbonata Primary	Equity Bank	130266636887	62,207	
St.Michael Gati Gati Secondary	Equity Bank	1460262247499	506,239	
Simboiyon Primary	Equity Bank	130262569553	11,258	
Subukia Primary	Equity Bank	130270299238	1,308,890	
Wiyumiririe Chiefs Office	Equity Bank	130278768330	273,920	
Tachasis Secondary	Equity Bank	130262571073	1,676,220	
Tachasis Primary School	Equity Bank	130264785146	2,087,285	
St.Marks Eldonio Secondary	Equity Bank	130262581962	2,402,715	
Olbonata Secondary	Equity Bank	310261966642	608,609	
Gitura Primary	Equity Bank	130277431540	120,355	
Gitura Secondary	Equity Bank	1460263634765	1,314,416	
Mansuk Patel Primary	Equity Bank	1460264414036	1,200,615	
Kianyoro Primary	Equity Bank	1460264241394	600,129	
Endao Solai Primary	Equity Bank	1460264169561	264,985	
Mikima Primary	Equity Bank	130262600907	2,124,772	
Magomano Secondary	Equity Bank	1460262224521	4,492	
Kabazi chiefs office	Equity Bank	130264793011	285	
Kamemo Primary	Equity Bank	130278047712	226,135	
Wiyumiririe Secondary	Equity Bank	1460262239083	502,500	
Lari Assistant Chiefs Office	Equity Bank	130272225653	965,272	
Ndungiri Primary	Equity Bank	310290169823	600,000	
Kianyoro Chiefs Office	Equity Bank	130278972540	300,000	
Ruiru Primary	Equity Bank	130262619048	700,692	
Arash Secondary	Equity Bank	310299481192	300,895	
Maombi Primary	Equity Bank	1460264034019	562,591	
Simboiyon Police Post	Equity Bank	130270255504	501,705	

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Arash Primary	Equity Bank	1460262170734	65	
Rigogo Secondary	Equity Bank	130278050775	2,000,000	
Marigo B primary	Equity Bank	130190137870	390,243	
Tetu Chiefs Office	Equity Bank	130264850878	286,920	
Mumoi Primary	Equity Bank	310272220509	1,806,095	
Kaptarakwa Primary	Equity Bank	160290844844	500,370	
	Total		25,219,782	7,400,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – SUBUKIA
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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.

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timefra me: (Put a date when you expect the issue to be resolved)
1	Use of Goods and Services	Unreconciled expenditures of Ksh. 548,400 and 95,773 on	FAM	Resolved	
2	Incomplete projects	The projects to be funded to completion	NG-CDFC	Resolved	
3	Projects not undertaken	CDFC to implement projects in time and to have completion Certificates	CDFC/fam	Resolved	