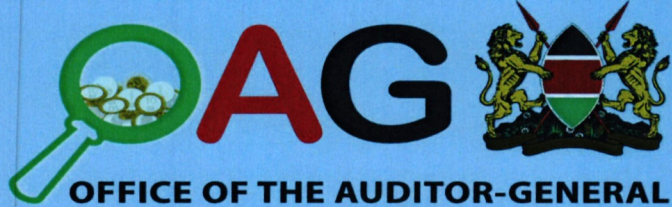


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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DATE: 09 NOV 2021	DAY: Tue
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CLERK-AT THE-TABLE:	B. Inzofu

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - KISUMU CENTRAL
CONSTITUENCY**

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



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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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 Kisumu Central 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 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Henry S. Juma Opilo
2.	Sub-County Accountant	Lee Omanje
3.	Chairman NGCDFC	Samson Oketch
4.	Member NGCDFC	Anita Nyagaya

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF –Kisumu Central Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Kisumu Central Constituency Headquarters

P.O. Box 1077-40100
Kisumu, Kenya
Tom Mboya Estate
Behind Golden elites Premier School

(f) NGCDF Kisumu Central Constituency Contacts

Telephone: (254) 721967624

E-mail: ksmucentralcdf.go.ke

Website: www.go.ke

(g) NGCDF Kisumu Central Constituency Bankers

1. Cooperative Bank of Kenya
Kisumu East Branch
Kisumu, Kenya
01141495135700

(h) Independent Auditors

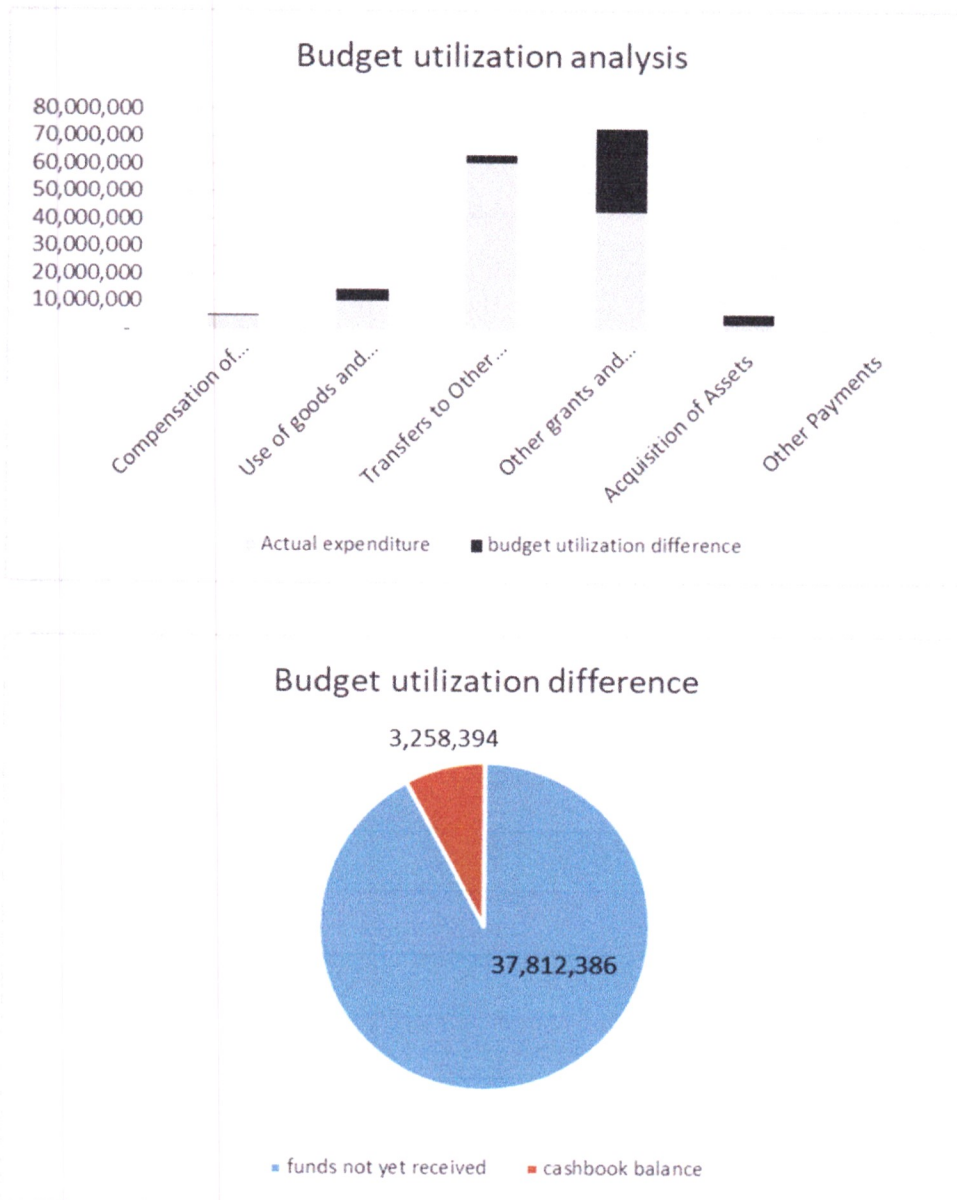
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Once again, I present our constituency Annual Report and Financial Statements for the year ended 30th June 2019. The actual receipt from the NGCDF board for the year 2018/2019 was Kshs. 84,028,490 against the annual budget (allocation) of Kshs 109,040,875.52. An additional Kshs. 8,579,310 was received in relation to the previous financial years. By the closure of the financial year, a balance of Ksh 37,812,386 of the allocated fund including balances not received from previous years had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization). Even so, the absorption rate is quite impressive with a utilization rate of over 73% overall as indicated by the appropriation analysis summary (see the graphs below). This is an increase of 30.0% from last year absorption rate despite a range of operational difficulties.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KISUMU CENTRAL CONSTITUENCY**

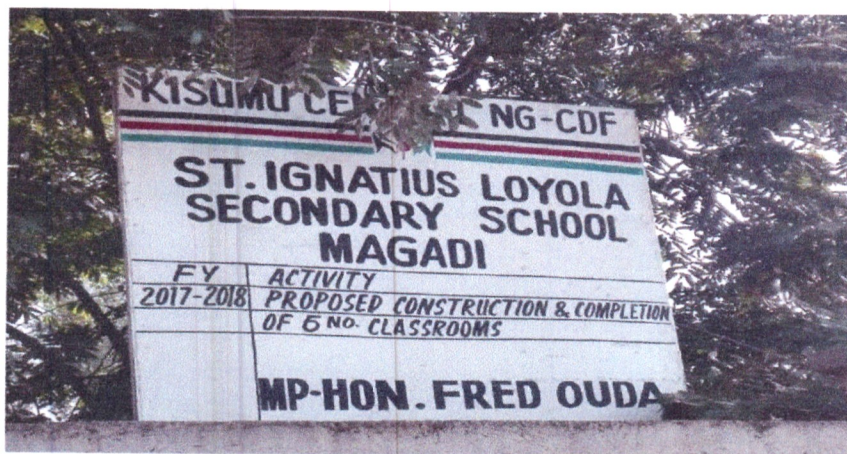
Reports and Financial Statements

For the year ended June 30, 2019

Our commitment to achieve our dream of being the model constituency in Kenya by bringing all the essential services to the people has been our main motivation for the continued good performance under the difficult operating environment.

Some of the key achievements during this financial year included disbursement of funds to different government agencies, that is, 14 primary schools (Ksh. 22, 535,000.00), 17 secondary schools (Kshs 33,360,000.00) and 1 tertiary institutions (Kshs 4,600,000.00) thus giving total transfer to other government institutions of Kshs. 60, 495, 00.00. We were also able to disburse a total of Kshs 30, 853, 332.00 to various secondary schools and tertiary institutions benefitting about 3,778 students thus indicating how education wise the NG-CDF fund is impacting on lives of the Kenyans with specific reference to Kisumu Central constituents.

The following sample photos portrays the projects that were achieved in the just ended FY 18/19;



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KISUMU CENTRAL CONSTITUENCY**

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



KMTVC Lake Victoria Campus



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

Sign



Samson Oketch Nyawanda

CHAIRMAN NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KISUMU CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

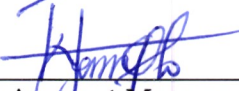
The Accounting Officer in charge of the NGCDF-Kisumu Central Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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 the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the NGCDF-Kisumu Central Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kisumu Central Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Kisumu Central Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

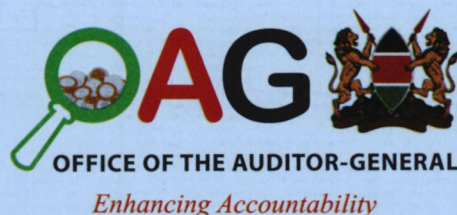
The NGCDF-Kisumu Central Constituency financial statements were approved and signed by the Accounting Officer on 30/09/2019 2019.


Fund Account Manager
Name: Henry Samson Juma Opilo


Sub-County Accountant
Name: Lee Omanje
ICPAK Member Number: 9066

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KISUMU CENTRAL 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 - Kisumu Central Constituency set out on pages 9 to 34, which comprise of the statement of 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kisumu Central Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the 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

Inaccuracies in Cash and Cash Equivalents

As disclosed in Note 10 to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents bank balance of Kshs.3,698,914. However, the bank reconciliation statement reflected payments in the cash book not recorded in the bank statement (unpresented cheques) amounting to Kshs.6,271,287 out of which cheques totalling to Kshs.378,808 were stale as at 30 June, 2019. However, the cheques had not been reversed in the cash book or replaced with other cheques.

Further, the bank reconciliation statement reflected payments in bank statement not recorded in the cash book of Kshs.56,720. No reasons were provided for not recording payments in bank statement in the cash book

Consequently, the accuracy, completeness and validity of the cash and cash equivalents balance of Kshs.3,698,914 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Kisumu Central 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

1. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.161,360,253 and Kshs.123,547,867 respectively, resulting to an under-funding of Kshs.37,812,386 or 23% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.161,800,573 and Kshs.120,289,273 respectively, resulting to an under expenditure of Kshs.41,511,300 or 26% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has indicated the issues as resolved yet Parliament has not discussed the report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

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

Basis for Conclusion

1. Delay in Project Implementation

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to primary schools totalling to Kshs.22,535,000. The following unsatisfactory matters were noted:

1.1. Delay in Construction of Classes

The balance includes an amount of Kshs.2,500,000 transferred to Xaverian Primary School for completion of a storey building made up of four (4) classrooms. However, the project had not been implemented as at the time of this audit in January, 2020. Although the tender for the works for construction of the building had been awarded to a contractor vide tender number KSM/CTY/CTRL/NGCDF/4/2018/2019, no works had been started at the site and the contractor was not at the site.

Information available indicated the contract was terminated on 7 January, 2020 due to breach of contract and no further information has been provided by Management on the implementation of the project. This is contrary to Section 25.(1) of the National Government Constituencies Development Fund Act, 2015 which requires that any funding under this Act shall be for a complete project or a defined phase of a project and may include the acquisition of land and buildings.

1.2. Delay in Supply of White Boards

Included in the balance is an amount of Kshs.1,000,000 spent on the purchase of 20 white boards which were to be distributed to five (5) primary schools. However, physical verification revealed that although the white boards had been procured by the Project Management Committee, the boards were yet to be distributed to the beneficiaries and were stored at the NGCDF office store. No reason was provided by Management for the delay in distribution of the white boards to the beneficiaries contrary to Section 25.(1) of the National Government Constituencies Development Fund Act, 2015 which requires that any funding under this Act shall be for a complete project or a defined phase of a project and may include the acquisition of land and buildings.

Consequently, the public have not got value for money in respect to an amount of Kshs.3,500,000 transferred to the Schools 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 overall 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 its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 financial reporting process, reviewing the effectiveness of how the Fund 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KISUMU CENTRAL CONSTITUENCY

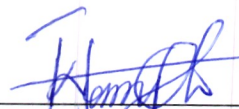
Reports and Financial Statements


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	92,607,800	75,574,138
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	206,000
TOTAL RECEIPTS		92,607,800	75,780,138
PAYMENTS			
Compensation of employees	4	4,553,990	1,767,748
Use of goods and services	5	10,284,316	5,795,001
Transfers to Other Government Units	6	60,495,000	2,000,000
Other grants and transfers	7	42,955,967	34,087,932
Acquisition of Assets	8	2,000,000	1,254,960
Other Payments	9	-	151,400
TOTAL PAYMENTS		120,289,273	45,057,041
SURPLUS/DEFICIT		(27,681,473)	30,723,097

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu Central Constituency financial statements were approved on 30/09/2019 2019 and signed by:


 Fund Account Manager
 Name: Henry Samson Juma Opilo

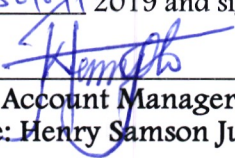

 Sub-County Accountant
 Name: Lee Omanje
 ICPAK Member Number: 9066

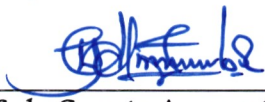
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KISUMU CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,698,914	30,939,667
Cash Balances (cash at hand)	10B	-	400
Total Cash and Cash Equivalents		3,698,914	30,940,067
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,698,914	30,940,067
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>3,698,914</u>	<u>30,940,067</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	30,940,067	216,970
Surplus/Deficit for the year		(27,681,473)	30,723,097
Prior year adjustments	14	440,320	-
NET FINANCIAL POSITION		3,698,914	30,940,067

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu Central Constituency financial statements were approved on 30/09/2019 2019 and signed by:


Fund Account Manager
Name: Henry Samson Juma Opilo


Sub-County Accountant
Name: Lee Omanje
ICPAK Member Number: 9066

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KISUMU CENTRAL CONSTITUENCY

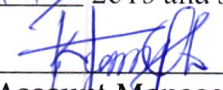
Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2018 - 2019	2017 - 2018
Receipts		Kshs	Kshs
Transfers from CDF Board	1	92,607,800	75,574,138
Other Receipts	3	-	206,000
Total Receipts		92,607,800	75,780,138
Payments			
Compensation of Employees	4	4,553,990	1,767,748
Use of goods and services	5	10,284,316	5,795,001
Transfers to Other Government Units	6	60,495,000	2,000,000
Other grants and transfers	7	42,955,967	34,087,932
Other Payments	9	-	151,400
Total Payments		118,289,273	43,802,081
Total Receipts Less Total Payments		(25,681,473)	31,978,057
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	440,320	-
Net Adjustments		440,320	-
Net cash flow from operating activities		(25,241,153)	31,978,057
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	2,000,000	1,254,960
Net cash flows from Investing Activities		(2,000,000)	(1,254,960)
NET INCREASE IN CASH AND CASH EQUIVALENT		(27,241,153)	30,723,097
Cash and cash equivalent at BEGINNING of the year	13	30,940,067	216,970
Cash and cash equivalent at END of the year		3,698,914	30,940,067

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu Central Constituency financial statements were approved on 30/07 2019 and signed by:


 Fund Account Manager
 Name: Henry Samson Juma Opilo


 Sub-County Accountant
 Name: Lee Omanje
 ICPAK Member Number: 9066

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU CENTRAL CONSTITUENCY

Reports and Financial Statements

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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	52,319,377	161,360,253	123,547,867	37,812,386	76.6%
Proceeds from Sale of Assets			-		-	
Other Receipts	0	0	-	-	-	
TOTAL RECEIPTS	109,040,876	52,319,377	161,360,253	123,547,867	37,812,386	76.6%
PAYMENTS						
Compensation of Employees	4,399,006	1,830,994	6,230,000	4,553,990	1,676,010	73.1%
Use of goods and services	5,414,673	5,807,566	11,222,239	10,284,316	937,923	91.6%
Transfers to Other Government Units	30,795,000	32,500,000	63,295,000	60,495,000	2,800,000	95.6%
Other grants and transfers	62,932,197	12,621,138	75,553,334	42,955,967	32,597,367	56.9%
Acquisition of Assets	5,500,000		5,500,000	2,000,000	3,500,000	36.4%
Other Payments			-		-	
TOTAL	109,040,876	52,759,698	161,800,573	120,289,273	41,511,300	74.3%


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU CENTRAL CONSTITUENCY
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(a) During the year, we were only able to receive part of the funding which was fully utilized. If the funds could have been received as budgeted, the utilization could have exceeded the current 74.5% thus the low absorption rate is as a result of late receipt of funds from the NG-CDF board.

The NGCDF-Kisumu Central Constituency financial statements were approved on 30/09/ 2019 and signed by:



Fund Account Manager
Name: Henry Samson Juma Opilo



Sub-County Accountant
Name: Lee Omanje
ICPAK Member Number: 9066

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU CENTRAL CONSTITUENCY

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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on	Budget
	2018/2019 Kshs	Kshs	2018/2019 Kshs	comparable basis 30/06/2019 Kshs	utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,399,006.20	500,000	4,899,006	4,553,990	345,015.82
1.2 Committee allowances	1,248,000.00		1,248,000	1,144,000	104,000.00
1.3 Use of goods and services	895,446.33	6,586,496	7,481,942	6,362,716	1,119,226.33
1.4 Acquisition of assets	-	-	-	-	0.00
2.0 Monitoring and evaluation					
2.1 Capacity building	1,271,226.27	758,276	2,029,502	1,435,200	594,302.27
2.2 Committee allowances	1,000,000.00	455,320	1,455,320	-	1,455,320.00
2.3 Use of goods and services	1,000,000.00	567,301	1,567,301	692,399	874,902.00
3.0 Emergency					
3.1 Primary Schools					
Ezra Gumbe Primary school	836,000.00		836,000	836,000	0.00
Victoria primary school	805,000.00		805,000	805,000	0.00
Joel omino primary school	1,100,000.00		1,100,000	1,100,000	0.00
3.2 Secondary schools					
3.3 Desiltation of Auji river	2,997,993.45		2,997,993	2,500,000	497,993.45
3.4 Security projects					
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	20,000,000.00		20,000,000	17,406,020	3,034,299.94
4.3 Tertiary Institutions	10,000,000.00	601,984	10,601,984	13,447,312	2,845,327.55
4.4 Universities					0.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU CENTRAL CONSTITUENCY

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4.5 Social Security				-		0.00
5.0 Sports				-		0.00
5.1	2,180,817.51		2,180,818		2,180,818	0.00
6.0 Environment				-		0.00
6.1	2,180,817.51		2,180,818		2,180,818	0.00
7.0 Primary Schools Projects				-		0.00
Pand pieri Primary		1,680,000		1,680,000		0.00
Kibuye mixed primary		1,680,000		1,680,000		0.00
St Pauls Kanyakwar Primary		1,680,000		1,680,000		0.00
Joel Omino primary		1,680,000		1,680,000		0.00
Manyatta Primary		1,680,000		1,680,000		0.00
Shaurimoyo Primary		1,680,000		1,680,000		0.00
Kaloleni-muslim primary		1,680,000		1,680,000		0.00
Kondele primary		800,000		800,000		0.00
Kondele primary		1,200,000		1,200,000		0.00
Ondiek Primary school	495,000.00		495,000		495,000	0.00
White boards provision	1,000,000.00		1,000,000		1,000,000	0.00
Kisumu Union Primary		1,680,000		1,680,000		0.00
Central primary school	1,600,000.00		1,600,000		1,600,000	0.00
Victoria primary school	1,500,000.00		1,500,000		1,500,000	0.00
Xaverian primary school	2,500,000.00		2,500,000		2,500,000	0.00
8.0 Secondary Schools Projects				-		0.00
Kisumu Day		1,680,000		1,680,000		0.00
Nanga sec		1,680,000		1,680,000		0.00
Kisumu girls		1,680,000		1,680,000		0.00
St John Chrisostom Kudho sec		1,680,000		1,680,000		0.00
Bishop Abiero sec		1,680,000		1,680,000		0.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU CENTRAL CONSTITUENCY

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St Ignatius Loyola Magadi Sec		2,500,000	2,500,000	2,500,000	0.00
St Ignatius Loyola Magadi Sec		1,680,000	1,680,000	1,680,000	0.00
Ken Obura Sec	1,400,000.00		1,400,000	1,400,000	0.00
Kisumu Day	1,500,000.00		1,500,000	1,500,000	0.00
Gretta Adult learning centre		1,680,000	1,680,000	1,680,000	0.00
St Ignatius Loyola Magadi Sec		2,500,000	2,500,000	2,500,000	0.00
Bishop Abiero Sec	2,500,000.00		2,500,000	2,500,000	0.00
St Ignatius magadi sec	3,000,000.00		3,000,000	3,000,000	0.00
Kisumu day High School	1,000,000.00		1,000,000	1,000,000	0.00
St Peters Nanga Sec	3,000,000.00		3,000,000	3,000,000	0.00
Lions High school	1,700,000.00		1,700,000	1,700,000	0.00
Kudho sec school	5,000,000.00		5,000,000	2,500,000	2,500,000.00
9.0 Tertiary institutions Projects			-		0.00
Lake Victoria MTC	4,600,000.00		4,600,000	4,600,000	0.00
10.0 Security Projects			-		0.00
10.1			-		0.00
11.0 Acquisition of assets			-		0.00
11.1 Motor Vehicles			-		0.00
11.2 Construction of CDF office	3,500,000.00		3,500,000	-	3,500,000.00
11.3 Purchase of furniture and equipment	2,000,000.00		2,000,000	2,000,000	0.00
11.4 Purchase of computers			-		0.00
12.0 Roads	22,831,568.26	10,000,000	32,831,568	2,500,000	30,331,568.26
12.1 Strategic Plan		650,000	650,000	650,000	0.00
12.2 Innovation Hub			-		0.00
12.2 TIVET			-		0.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU CENTRAL CONSTITUENCY

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

TOTAL	109,040,875.53	52,319,377	161,360,253	120,289,272	41,511,300.49
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
CENTRAL 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-Kisumu Central 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
CENTRAL CONSTITUENCY**

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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 Constituency's bank account and at Constituency's bank account 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
CENTRAL CONSTITUENCY**

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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. 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
CENTRAL 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	B005050	8,579,310	
	B030077	10,000,000	
	B030452	20,000,000	
	B006398	6,000,000	
	A699138	11,000,000	
	B042776	7,000,000	
	B047591	30,028,490	
	A855875		5,500,000.00
	A892624		37,905,172.00
	A896890		32,168,966.00
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		92,607,800	75,574,138

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents	-	206,000
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	206,000

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	3,356,660	1,724,578
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	67,788	43,170
Gratuity-Paid	1,129,542	
Gratuity-Accrued		
TOTAL	4,553,990	1,767,748

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
CENTRAL CONSTITUENCY
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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	5,247,244	1,245,118
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	443,110	-
Domestic travel and subsistence	349,600	-
Printing, advertising and information supplies & services	37,230	-
Rentals of produced assets	-	-
Training expenses	-	90,000
Hospitality supplies and services	455,932	-
Other committee expenses	-	4,459,883
Committee allowance	2,579,200	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	42,000	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Security operations	480,000	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	650,000	-
TOTAL	10,284,316	5,795,001

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
CENTRAL CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	22,535,000	1,000,000
Transfers to Secondary schools	33,360,000	1,000,000
Transfers to Tertiary institutions	4,600,000	-
TIVET	-	-
TOTAL	60,495,000	2,000,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 – 2018
	Kshs	Kshs
Bursary -Secondary	17,366,020	11,603,000
Bursary -Tertiary	13,447,312	8,610,100
Bursary-Special schools	40,000	-
Mocks & CAT	-	-
Security	-	-
Roads & Bridges	2,500,000	7,500,000
Sports	2,180,818	1,734,385
Environment	2,180,818	-
Emergency Projects	5,241,000	4,640,447
TOTAL	42,955,967	34,087,932

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2018-2019	2017 - 2018
	Kshs	Kshs
Renovation of Buildings	-	900,000.00
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of ICT equipment	-	354,960.00
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	2,000,000	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	2,000,000	1,254,960

9. OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
	-	151,400
TOTAL	-	151,400

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

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>Cooperative Bank of Kenya, Kisumu East Branch. Kisumu Central CDF</i>	<i>A/C no.0 1141495135700</i>	3,698,914	30,939,667

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

10B: CASH IN HAND)		
	2018-2019	2017 - 2018
	Kshs	Kshs
Location 1	-	400
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	400

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2019)</i>
	Date Imprest taken	Kshs	Kshs	Kshs
			-	-

12A. RETENTION

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
TOTAL		-	-

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

13. BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	(1/7/2018)	(1/7/2017)
	Kshs	Kshs
Bank accounts	30,939,667	16,970
Cash in hand	400.00	200,000.00
Imprest	-	-
TOTAL	30,940,067	216,970

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14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017 - 2018
	Kshs	Kshs
Stale cheques not reversed	440,320	-
Cash in hand	-	-
Imprest	-	-
TOTAL		
	440,320	

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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2018-2019	2017 - 2018
	Kshs	Kshs
NGCDFC Staff	-	-
Others (specify)	-	-
	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	1,676,010	500,000
Use of goods and services	937,923	9,017,393
Amounts due to other Government entities	2,800,000	32,801,984
Amounts due to other grants and other transfers	32,597,367	10,000,000
Acquisition of assets	3,500,000	-
	41,511,300	52,319,377

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	29,575,279	7,424.33
	29,575,279	7,424.33

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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.	Cash and cash equivalents- stale cheques. Included in the financial statement of assets and liabilities under financial assets is cash and cash equivalents of Ksh. 30,940,067 which also includes bank balances of Ksh. 30,939,667 as at 30 th June 2018. However, the bank reconciliation statement reflects payments in the cashbook not recorded in the bank statement (unpresented cheques) of Ksh. 1,709,483. Out of this amount, cheques totalling to Ksh. 440,320 as shown in Appendix I were stale cheques. No explanation has been provided by the management for the failure to reverse or replace the stale cheques	It is true. The stale cheques have since been reversed in the cashbook and the bank reconciliation updated. Bank reconciliation is done on monthly basis and stale cheques reversed in time and no such stale cheques are there presently (as at 30/6/2019)	NG-CDF FAM	RESOLVED	January 2019

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Inaccuracy of unutilized funds Included under summary statement of appropriation is the adjustments amounting to Ksh. 11,802,280. However, no supporting documents were availed for audit verification	The balance of Kshs.11, 802,280 comprised of fund balance brought forward of Kshs.216, 970, supplementary budget of Kshs.11, 379,310 for the financial year 2017/18 and Kshs.206, 000 from the sale of tender documents	NG-CDF FAM	RESOLVED	JANUARY 2019
3	Budget performance underutilization	Under-utilization of funds in 2017/18 was as a result of late disbursements. In the FY 2018/19, the board disbursed more than 50% of the funds in time and we have since achieved over 70% utilization.	NGCDF-FAM	RESOLVED	AS AT 30/6/2019
4	Lack of Clerks of Work	The CDF currently uses the public works officer employed by the national government who therefore merits the work. Besides, CDF is not conditioned to employ a clerk's officer by the law but on a need basis and ability to pay	NG-CDF FAM	RESOLVED	DAILY PRACTISE

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Irregular allocation of funds towards construction of roads. Included in the financial statements under note 7 is other grants and payment of Ksh. 7, 500, 0000 to finance roads projects during the year under review.	<p>Roads are not an entirely a devolved function. There are bits of it at the county and bit of it at the National Government. This can be verified by the Kenya roads board.</p> <p>For NG-CDF Kisumu Central to implement a project, there are stakeholders meetings for project proposals, which we then send as proposal to the NG-CDF Board. The NGCDF Board approves projects that are aligned to NG-CDF Act. The NGCDF Board does undertake due diligence; by getting confirmation from KERRA and concerned authorities that the roads proposed aren't devolved and not in their work plans for that particular financial year.</p>	NG-CDF FAM	RESOLVED	AS AT JUNE 2019

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
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 (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Comments
Dunga beach- Dunga primary access road	1Km	2,400,000.00	
	Road opening, Grading and gravelling; 1.3Kms	2,700,000.0	New
Carwash -Migosi Police Post Road	Grading and gravelling of Migosi police post access Road 2.45Km	2,500,000.0	New
Kilo-Nyalenda Police Post Road	Grading and gravelling of Nyalenda police post access Road 2.41Km	2,500,000.0	New
Kikomi-Obunga Police Post Road	Grading and gravelling of Obunga police post access Road 2.5Km	2,500,000.0	New
Kibuye winners chapel- Shaurimoyo Police Post Road	Grading and gravelling of Shaurimoyo police post access Road 2.4Km	2,500,000.0	New
Sub-Total		32,597,368.00	
Sub-Total			
Acquisition of assets	Construction of NG-CDF office	3,500,000.00	
Others (specify)			
Grand Total		41,511,300.76	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	900,000	-	-	900,000
Transport equipment	7,730,103	-	-	7,730,103
Office equipment, furniture and fittings	-	2,000,000	-	2,000,000
ICT Equipment, Software and Other ICT Assets	1,199,168	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	9,829,271	2,000,000		11,829,271

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
KIKOMI OBUNGA POLICE POST	ECO- BANK	00 83025030999801	-	1,351.00
CAR WASH OBUNGA POLICE POST	ECO- BANK	00 8305030998401	-	1,248.00
WHITE BOARDS	ECO- BANK	00 83025030998501		1,215.61
KILO NYALENDA POLICE POST	ECO- BANK	00 83025030999201		1,256.23
DESILTATION OF AUJI	ECO- BANK	00 83025031001101		1,153.85
NG CDF OFFICE RENOVATION	ECO- BANK	00 83025031000401		1,199.64
Pand pieri Primary	KCB BANK	1 238974953	286,433	
Kibuye mixed primary	ABC BANK	00 4224001000869	175,151	
St Pauls Kanyakwar Primary	ABC BANK	00 4239001000113	49,145	
Joel Omino primary	ABC BANK	00 4224001000868	1,362,981	
Manyatta Primary	KCB BANK	1 161424598	391,214	
Shaurimoyo Primary	ABC BANK	00 4224001000870	96,850	
Kaloleni-muslim primary	ABC BANK	00 4239001000110	997,065	
Kondele primary	KCB BANK	11 45795145	65,061	
Mathew Ondiek primary school	ABC BANK	00 4224001000914	54,358	
White boards provision	ABC BANK	00 4224001000943	510	
Kisumu Union primary School	COOP BANK	0 1141739179800	314,177	
Central Primary School	ABC BANK	00 4224001000976	1,600,000	
Victoria primary school	ABC BANK	00 4224001000974	2,305,000	
Xaverian primary school	COOP BANK	0 1141870137300	2,500,000	
Kisumu girls	EQUITY BANK	0 29023043077	97,059	
St John Chrisostom Kudho sec	KCB BANK	1259628213	2,500,000	
Bishop Abiero sec	ABC BANK	00 4224001000877	3,205	
St John Chrisostom Kudho sec	ABC BANK	00 4224001000875	1,525	
St Ignatius Loyola Magadi Sec	NATIONAL BNK	0 1025025602502	3,974,457	
St Ignatius Loyola Magadi Sec	ABC BANK	00 4224001000876	1,262	
Ken Obura Sec	ABC BANK	00 4224001000912	166,706	
Gretta Adult learning centre	ABC BANK	00 4224001000872	2,060	
Bishop Abiero Sec	COOP BANK	0 1139295151000	2,500,000	
Kisumu day High School	COOP BANK	0 1141662875200	1,223,564	
St Peters Nanga Sec	KCB BANK	1 112861548	3,363,000	
Lions High school	ABC BANK	00 4224001000975	1,700,000	
Kudho sec school	ABC BANK	00 4224001000875	2,500,000	
NG-CDF Office furniture	ABC BANK	00 4224001000941	2,250	
Desiltation of Auji River	ABC BANK	00 4224001000940	100	
Ezra Gumbe Primary school	ABC BANK	00 4224001000977	836,000	
Sports Projects	ABC BANK	00 4224001000934	690	
Kibuye winners chapel road	ABC BANK	00 4215001005073	2,722	
Lake Victoria MTC	ABC BANK	00 4215001005165	502,734	
Total			29,575,279	7,424

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