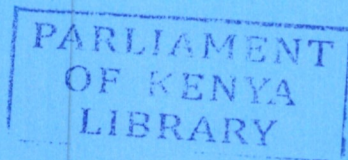


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – IGEMBE SOUTH
CONSTITUENCY**



THE NATIONAL ASSEMBLY
PAPERS LAID

FOR THE YEAR ENDED

30 JUNE, 2019

DATE: 11 NOV 2021

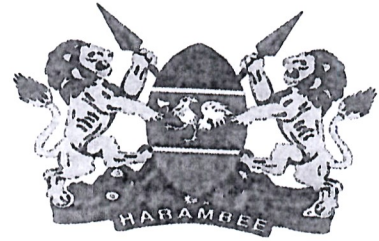
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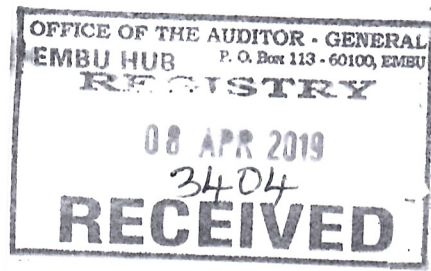


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND IGEMBE SOUTH
CONSTITUENCY

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE SOUTH CONSTITUENCY**

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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 IGEMBE SOUTH 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 | Pauline Mwangi |
| 2. | Sub-County Accountant | Joram Mutua |
| 3. | Chairman NGCDFC | Lucy Nkoroi |
| 4. | Member NGCDFC | Isaac Mugambi Ciiri |

(d) Fiduciary Oversight Arrangements

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

P.O. Box 98-60600
Maua

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF IGEMBE SOUTH Constituency Contacts

Telephone: (254)0725 506597
E-mail: Igembesouthngcdf.go.ke
Website: www.go.ke

(g) NGCDF IGEMBE SOUTH Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Family Bank-Maua Branch (specify the constituency account banker details)
Account No. 086000008930

(h) Independent Auditors

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

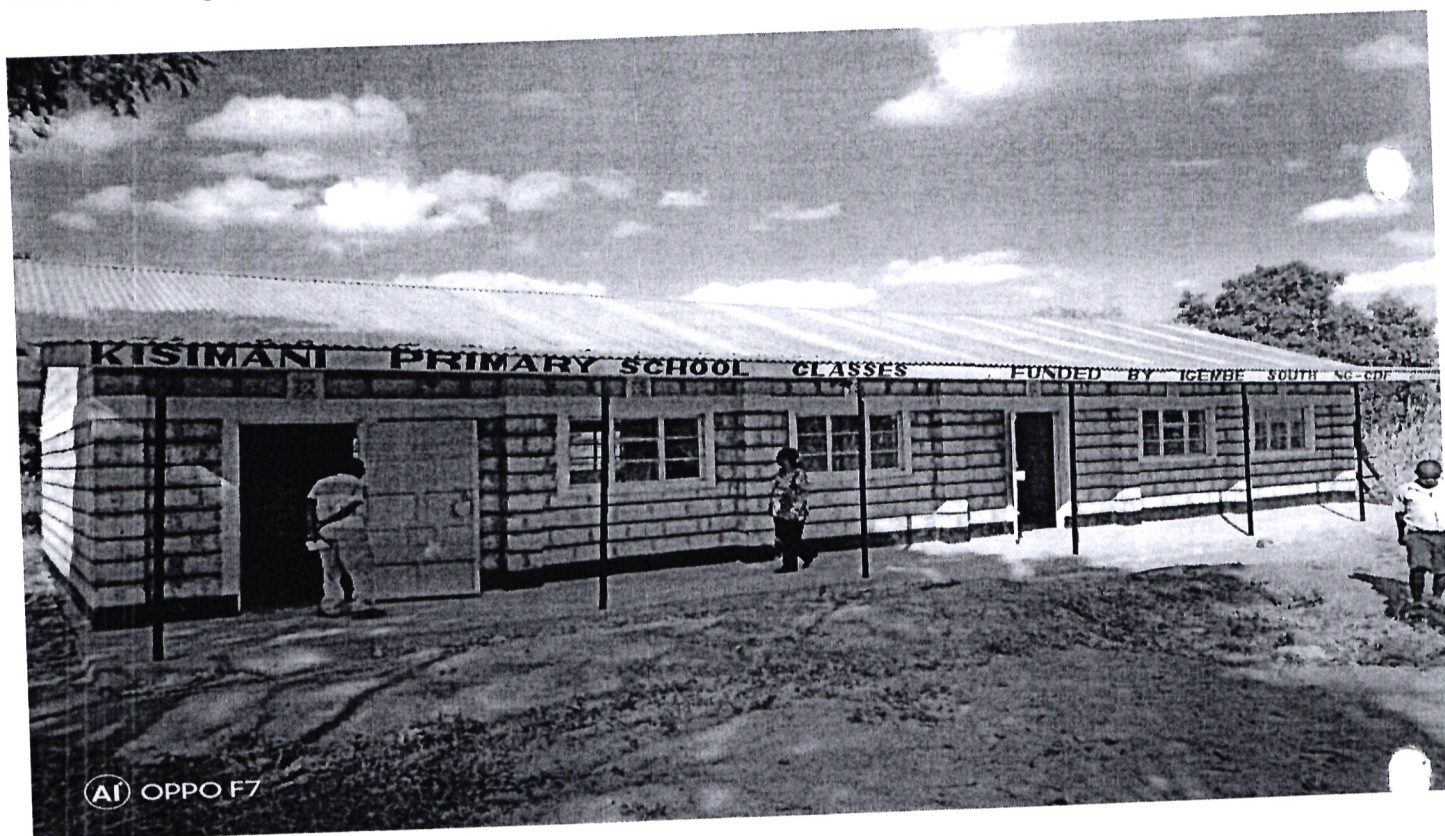
(i) Principal Legal Adviser

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

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

We were able to complete education and security projects. Needy students were retained in schools through payment of school fees from bursary and the youth were made productive through involvement in sporting activities, lastly we improved the environment by planting of trees at various learning institutions;

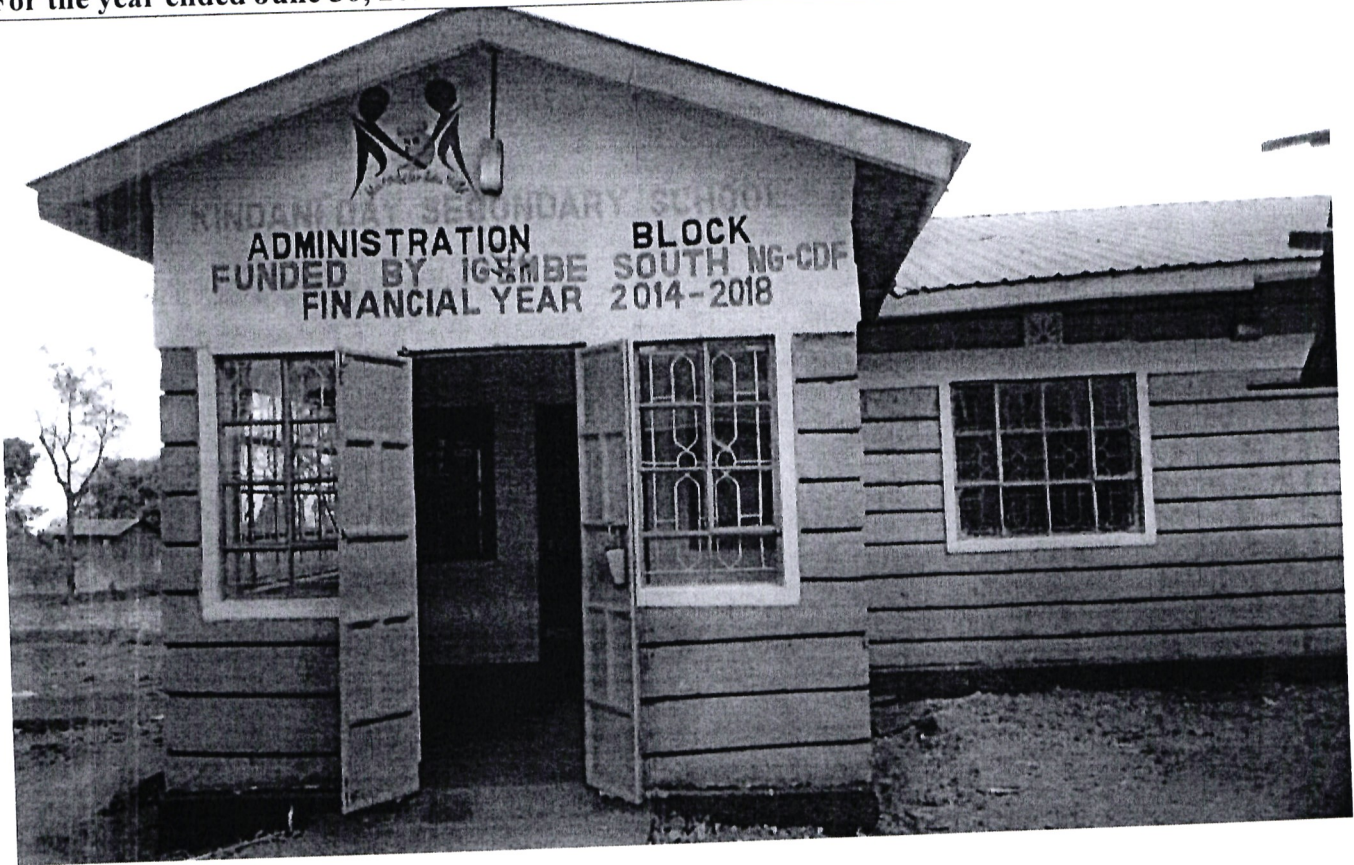


Kisimani Primary School Classrooms



Mboone Assistant Chiefs' office

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements
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Kindani Day Secondary School administration block



Kianda primary school pit latrines

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



Athi Special school administration block

List emerging issues related to the entity

There have been many challenges since some sectors were devolved and therefore could no longer be funded by NG-CDF. Due to this some projects have stalled and this has caused a lot of complaints from the community members.

Another challenge is delay in release of funds from the National Government Constituency Development Fund Board causing delay in implementation of the projects.

All in all, the fund has been a success and many community members have benefited from it especially the education sector which has greatly been transformed through construction of classes, laboratories, dining halls and educating needy students through the bursary kitty.

The youths have also not been left since they have been motivated through the sports kitty through buying them sports uniforms, boots and balls for various football leagues in the constituency.

List the implementation challenges and recommended way forward. *(Ensure that you include what the entity is doing to overcome the challenges noted).*

CHALLENGES AND ACHIEVEMENTS.

1. Records of work could not be accessed in some projects because the secretary was not in school.
2. Low capacity of some project management committees who were not able to prepare good record of work.
3. The constituency is so extensive and projects are many hence all of them could not be visited.
4. The exercise has instilled financial discipline to project management committees
5. The issue of filing project returns has been embraced by all project management committees
6. Some of the project management committees have not complied with the branding and labelling of NG-CDF projects
7. Distance and poor roads led to incompleteness of projects due to high cost of transporting materials

CONCLUSION AND RECOMMENDATION.

1. Proper utilization of funds by the project management committees
2. The NGCDFC internal control system need to do vigorous monitoring and evaluation to ensure good progress of all funded projects and quality work is done.
3. There is need to train PMC members on pertinent information relating to project implementation to acquire relevant skills for effective participatory monitoring and evaluation to ensure effective implementation of projects.
4. All project management committees have complied with labelling NGCDF funded projects.

Sign 

LUCY NKOROI: CHAIRPERSON NG-CDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE SOUTH CONSTITUENCY
Reports and Financial Statements
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III. REPORT OF THE INDEPENDENT AUDITORS ON THE ENTITY.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

IV. 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.

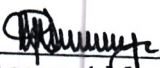
The Accounting Officer in charge of the NGCDF-IGEMBE SOUTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

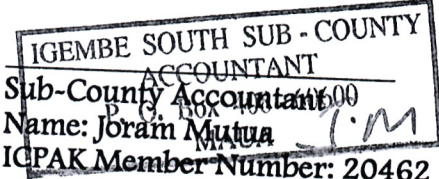
The Accounting Officer in charge of the NGCDF-IGEMBE SOUTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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-IGEMBE SOUTH 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-IGEMBE SOUTH 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

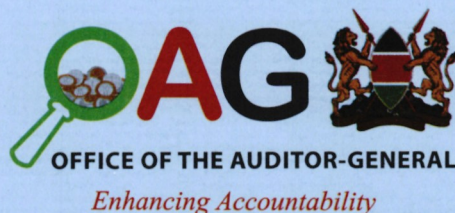
The NGCDF-IGEMBE SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 7/4/20 2020.


Fund Account Manager
Name: Pauline Mwangi


IGEMBE SOUTH SUB - COUNTY
ACCOUNTANT
Sub-County Accountant
Name: Joram Mutua
ICPAK Member Number: 20462

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 - IGEMBE SOUTH 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 - Igembe South Constituency set out on pages 12 to 40, which comprise the statement of assets and liabilities as at 30 June, 2019, and the 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 National Government Constituencies Development Fund - Igembe South 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 Inaccuracies in the Financial Statements

1.1 Unsupported Budgetary Adjustments and Unreconciled Variances in Unutilized Funds

The summary statement of appropriation - recurrent and development combined reflects Kshs.74,658,488 in respect of budgetary adjustments for the year being the unspent funds in the previous year. However, the audited 2017/2018 financial statements reflect an unspent funds balance of Kshs.51,008,489 resulting into an unreconciled and unexplained variance of Kshs.23,649,999.

In the circumstances, the accuracy of the Kshs.74,658,488 in respect to the budgetary adjustments could not be confirmed.

In addition, the statement reflects Kshs.59,244,045 with respect to unutilized funds for the financial year 2018/2019 which differs with the balance of Kshs.55,040,875 reflected under Note 15.3 to the financial statements and Annex 3 by an unreconciled and unexplained variance of Kshs.4,203,170.

In the circumstances, the accuracy of the budgetary adjustments and the unutilized funds reflected in the summary statement of appropriation - recurrent and development combined, could not be confirmed.

1.2 Overstated Expenditure on Use of Goods and Services

The statement of receipts and payments and Note 5 to the financial statements, reflect use of goods and services expenditure of Kshs.14,051,767. However, the recomputed total under Note 5 to the financial statements, is Kshs.14,029,317 resulting to an unexplained and unreconciled variance of Kshs.22,450.

In the circumstances, the accuracy of the Kshs.14,051,767 with respect to use of goods and services, could not be ascertained.

2.0 Stale Cheques and Undisclosed Bank Balances

The statement of assets and liabilities and Note 10A to the financial statements reflect cash and cash equivalents balance of Kshs.4,316,169. However, the June 2019 bank reconciliation statement reflected un-presented cheques totaling to Kshs.3,421,120 of which cheques totaling to Kshs.1,055,847 were stale.

Further, records available indicated that the Fund operated another bank account at a local bank which had a credit balance of Kshs.62,310 as at 30 June, 2019. However, the balance was not disclosed in the financial statements.

In the circumstances, the accuracy of the reported cash and cash equivalents balance of Kshs.4,316,169 as at 30 June, 2019, could not be ascertained.

3.0 Unsupported Project Management Committees (PMC) Bank Balances

Note 15.4 to the financial statements and Annex 5 reflect Kshs.10,196,779 being the balances held in PMC bank accounts as at 30 June, 2019. However, the recomputed total of the balances under Annex 5 is Kshs.10,195,708 resulting to unexplained and unreconciled variance of Kshs.1,071. Further, the supporting documents including bank reconciliation statements, cash books and bank confirmation certificates were not provided for audit.

In the circumstances, the accuracy and existence of Kshs.10,196,779 in respect to PMC bank balances as at 30 June, 2019, could not be ascertained.

4.0 Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers of Kshs.56,846,528 which as disclosed at Note 7 to the financial statements, includes Kshs.8,229,231 and Kshs.28,791,750 in respect to bursary disbursements to secondary schools and tertiary institutions respectively, both totaling to Kshs.37,020,981. However, acknowledgements by the recipient schools and institutions for bursaries totaling to Kshs.15,337,646 were not provided.

In addition, Kshs.3,925,000 was paid in respect to mobilization, registration, training and examination of 1,726 motor cycle riders in a driving school. However, documentary evidence including bursary award criteria, identification of the beneficiaries and minutes of the vetting committee were not availed for audit review. Further, the Fund Management used the request for quotations procurement method to identify the driving school even though the amount involved was above the Kshs.500,000 threshold provided for in the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013.

In the circumstances, the accuracy and propriety of the payments could not be confirmed.

5.0 Unsupported Expenditure on Purchase of Seedlings

The other grants and transfers balance of Kshs.56,846,528 reflected in the statement of receipts and payments and Note 7 to the financial statements, includes Kshs.4,308,403 in respect to environment projects of which Kshs.517,586 was for purchase and planting of tree seedlings. However, procurement records including quotations, purchase orders, delivery notes and distribution schedules were not provided for audit.

In addition, the Fund Management procured more tree seedlings worth Kshs.900,000 from a firm through request for quotations procurement method contrary to the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 which limits the amount for procurement using request for quotations to Kshs.500,000 for class C procuring entities.

In the circumstances, the accuracy, regularity and value for money for the expenditure of Kshs.1,417,586 in respect to tree seedlings procured during the year could not be ascertained.

6.0 Unreconciled Unutilized Funds Balance

The summary statement of appropriation - recurrent and development combined reflects a budget under-utilization of Kshs.59,244,045 which differs with the balance of Kshs.55,040,876 reflected under Note 15.3 to the financial statements and Annex 3 by Kshs.4,203,169. The difference has not been reconciled or explained.

Consequently, the accuracy of the unutilized funds balance 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 - Igembe South 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

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.183,699,363 and Kshs.128,771,488 respectively, resulting into an under-funding of Kshs.54,927,876 or 30% of the budget. Similarly, the Fund expended Kshs.124,455,319 against an approved budget of Kshs.183,699,364 resulting to an under-expenditure of Kshs.59,244,045 or 32% of the budget.

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the constituents.

2.0 Unresolved Prior Year Audit Matters

Various prior year audit issues remained unresolved as at 30 June, 2019. Management has not provided adequate reasons for the delay in resolving the prior year audit issues.

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

1.0 Unreconciled Variance on Development Budget and Delayed Completion of Projects

The Fund's Project Implementation Status (PIS) report provided for audit reflected a budget of Kshs.164,753,441 for development projects. However, the summary statement of appropriation - recurrent and development combined reflects a development budget of

Kshs.167,528,717 comprising of Kshs.99,698,276, Kshs.58,953,414 and Kshs.8,877,027 in respect to transfers to other government entities, other grants and transfers and other payments respectively, resulting into an unexplained and unreconciled variance of Kshs.2,775,276.

In addition, according to the PIS report, nineteen (19) projects with a combined budget of Kshs.104,342,664 were still ongoing while eight (8) projects with a combined budget of Kshs.15,986,986 had not been started as at 30 June, 2019.

Delayed completion of projects may have impacted negatively on service delivery to the residents of Igembe South Constituency.

2.0 Irregular Expenditure on Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers of Kshs.56,846,528 which as disclosed at Note 7 to the financial statements, includes Kshs.4,396,000 spent on Mocks and Continuous Assessment Tests (CATS) of which Kshs.3,884,138 was spent on purchase of metallic boxes, mathematical sets, scientific calculators, and large cotton towels. However, the method of procurement used was request for quotations contrary to the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013, which limits use of the method to procurements involving a maximum of Kshs.500,000 for class C procuring entities. Further, the goods procured were given as a reward to public primary school students in the Constituency who scored above 300 marks in the Kenya Certificate of Primary Education (KCPE) in 2018 contrary to Section 47 of the National Government Constituencies Development Fund Act, 2015 which provides that a project or any part thereof which involves personal awards to any person whether in cash or in kind, shall be excluded from the list of projects submitted in accordance with Section 27 of the Act.

Expenditure on other grants and transfers also includes Kshs.6,673,144 in respect to sports projects which further includes Kshs.890,602 paid for the supply of thirty-three (33) goal keeper boots, seventy-five (75) Mikasa foot-balls and seventy-five (75) referee uniforms all procured through request for quotations method of procurement even though the amount involved exceeded the threshold for use of the method provided under the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013.

In the circumstances, the Fund Management was in breach of the Law

3.0 Unauthorized Airtime

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.14,051,767 which as disclosed in Note 5 to the financial statements, includes expenditure of Kshs.629,355 with respect to communication, supplies and services of which Kshs.180,000 was paid as airtime allowances to the Fund Committee members. However, no records were provided for audit including the guidelines on allowances to the Committee members as required under Regulation 33 of the National Government Constituencies Development Fund Regulations, 2016 which provides that the Cabinet Secretary shall, with the approval of the National Assembly Select Committee on National

Government Constituencies Development Fund, issue guidelines on allowances payable to members of a constituency committee and other Government officers involved in the management of the Fund.

In the circumstances, the Fund Management was in breach of the Law.

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 so as to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the Management is aware of the intention to terminate the Fund or 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 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu,
AUDITOR-GENERAL

Nairobi

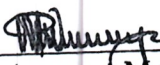
15 October, 2021

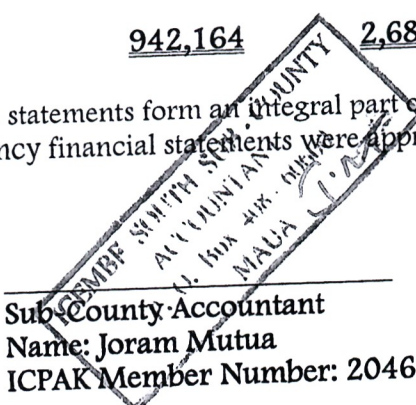
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE SOUTH CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2019

| | Note | 2018 - 2019 Kshs | 2017 - 2018 Kshs |
|-------------------------------------|------|-----------------------|-------------------------|
| RECEIPTS | | | |
| Transfers from NGCDF board | 1 | 125,284,483 | 64,415,516 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | <u>113,000</u> | - |
| TOTAL RECEIPTS | | 125,397,483 | 64,415,516 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 1,658,748 | 1,813,291 |
| Use of goods and services | 5 | 14,051,767 | 5,395,369 |
| Transfers to Other Government Units | 6 | 51,198,276 | 21,500,000 |
| Other grants and transfers | 7 | 56,846,528 | 31,220,394 |
| Acquisition of Assets | 8 | - | 500,000 |
| Other Payments | 9 | <u>700,000</u> | <u>1,300,000</u> |
| TOTAL PAYMENTS | | 124,455,319 | 61,729,054 |
| SURPLUS/(DEFICIT) | | <u>942,164</u> | <u>2,686,462</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-IGEMBE SOUTH Constituency financial statements were approved on 7/4/2020 and signed by:


Fund Account Manager
Name: Pauline Mwangi


Sub-County Accountant
Name: Joram Mutua
ICPAK Member Number: 20462

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE SOUTH CONSTITUENCY**

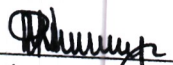
Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2019

| | Note | 2018-2019 Kshs | 2017-2018 Kshs |
|--|------|-------------------|-------------------|
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 4,316,169 | 3,374,005 |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 4,316,169 | 3,374,005 |
| Current Receivables | | | |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 4,316,169 | 3,374,005 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable | | | |
| Retention | 12A | - | - |
| Gratuity | 12B | - | - |
| TOTAL FINANCIAL LIABILITES | | - | - |
| NET FINANCIAL ASSETS | | 4,316,169 | 3,374,005 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | | | |
| Surplus/Deficit for the year | 13 | 3,374,005 | 687,543 |
| | | 942,164 | 2,686,462 |
| Prior year adjustments | | | |
| NET FINANCIAL POSITION | 14 | 4,316,169 | 3,374,005 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-IGEMBE SOUTH Constituency financial statements were approved on 7/4/2020 and signed by:


Fund Account Manager
Name: Pauline Mwangi

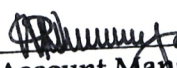
IGEMBE SOUTH SUB - COUNTY
ACCOUNTANT
Sub-County Accountant
Name: Joram Mutha
ICPAK Member Number: 20462

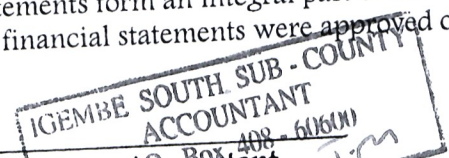
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VII. STATEMENT OF CASHFLOW

| | | 2018 - 2019 | 2017 - 2018 |
|--|-----|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Transfers from NGCDF Board | 1 | 125,284,483 | 64,415,516 |
| Other Receipts | 3 | <u>113,000</u> | = |
| Total receipts | | 125,397,483 | 64,415,516 |
| Payments | | | |
| Compensation of Employees | 4 | 1,658,748 | 1,813,291 |
| Use of goods and services | 5 | 14,051,767 | 5,395,369 |
| Transfers to Other Government Units | 6 | 51,198,276 | 21,500,000 |
| Other grants and transfers | 7 | 56,846,528 | 31,220,394 |
| Other Payments | 9 | 700,000 | 1,300,000 |
| Total payments | | 124,455,319 | 61,229,054 |
| Total Receipts Less Total Payments | | 942,164 | 3,186,462 |
| Adjusted for: | | | |
| Outstanding imprest | 11 | - | - |
| Retention Payable | 12A | - | - |
| Gratuity Payable | 12B | - | - |
| Prior year adjustments | 14 | - | - |
| Net Adjustments | | - | - |
| Net cash flow from operating activities | | 942,164 | 3,186,462 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets (AIA) | 2 | - | - |
| Acquisition of Assets | 9 | - | (500,000) |
| Net cash flows from Investing Activities | | - | (500,000) |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 942,164 | 2,686,462 |
| Cash and cash equivalent at BEGINNING of the year | 13 | 3,374,005 | 687,543 |
| Cash and cash equivalent at END of the year | | <u>4,316,169</u> | <u>3,374,005</u> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-IGEMBE SOUTH Constituency financial statements were approved on 21/4/2020 and signed by:


Fund Account Manager
Name: Pauline Mwangi


Sub-County Accountant
Name: Joram Mutua
ICPAK Member Number: 20462

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

LOCAL GOVERNMENTS DEVELOPMENT FUND (NGCDF) – IGEMBE SOUTH CONSTITUENCY


VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2019

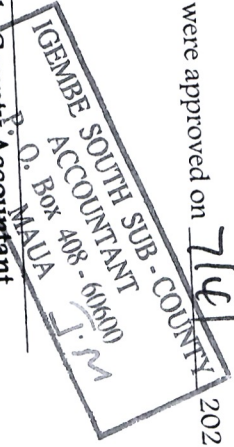
| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation |
|-------------------------------------|-----------------------|----------------------|-----------------------|----------------------------|-------------------------------|------------------|
| | a | b | c=a+b | d | e=c-d | f=d/c % |
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 109,040,876.00 | | | | | |
| Proceeds from Sale of Assets | | 74,658,488.00 | 183,699,364.00 | 128,658,488.00 | 55,040,876.00 | 70.0% |
| Other Receipts | | | - | | | |
| TOTAL RECEIPTS | 109,040,876.00 | 74,658,488.00 | 183,699,364.00 | 113,000.00 | (113,000.00) | |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,355,000.00 | | | | | |
| Use of goods and services | 7,458,679.00 | 1,622,991.00 | 3,977,991.00 | 1,658,748.00 | 2,319,243.00 | 41.0% |
| Transfers to Other Government Units | 59,300,000.00 | 4,733,977.00 | 12,192,656.00 | 14,051,767.00 | (1,859,111.00) | 115.2% |
| Other grants and transfers | | 40,398,276.00 | 99,698,276.00 | 51,198,276.00 | 48,500,000.00 | 51.0% |
| Acquisition of Assets | 39,227,197.00 | 19,726,217.00 | 58,953,414.00 | 56,846,528.00 | 2,106,886.00 | 94.0% |
| Other Payments | 700,000.00 | 8,177,027.00 | 8,877,027.00 | | | |
| TOTAL | 109,040,876.00 | 74,658,488.00 | 183,699,364.00 | 124,455,319.00 | 59,244,045.00 | 67.0% |

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) - IGEMBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. Transfers from the NG-CDF Board have delayed since by close of the year only 50% of the allocation had been released.
 - ii. Compensation of employees' underutilization is due to the staff gratuity which has not been paid to the employees. This will be done after expiry of their job contract.
 - iii. Transfers to other Government units underutilization is due to delays in release of funds from NG-CDF Board
 - iv. Other Grants and other transfers over utilization are due to delay in release of funds in previous years. The funds for previous years were spent in the current year.
 - v. Other payments underutilization is due to delays in the approval of reallocation of funds from ICT Hubs to other projects
- (Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-IGEMBE SOUTH Constituency financial statements were approved on 7/4/20 and signed by:



Fund Account Manager
Name: Pauline Mwangi

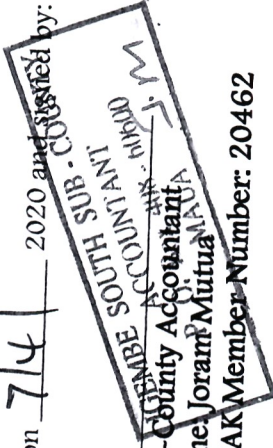

Sub-County Accountant
Name: Joram Mutua
ICPAK Member Number: 20462

I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2019

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Budget Utilisation Difference | % of Utilisation |
|---------------------------|----------------------|----------------------|----------------------|----------------------------|-------------------------------|------------------|
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 10,513,679.00 | 14,533,995.00 | 25,047,674.00 | 23,445,792.00 | 1,601,882.200 | -6 |
| Other receipts | 0 | 0 | 0 | 113,000.00 | 113,000.00 | |
| Total RECEIPTS | 10,513,679.00 | 14,533,995.00 | 25,047,674.00 | 23,558,792.00 | - 1,488,882.00 | -6 |
| PAYMENTS | | | | | | |
| Compensation of Employees | 2,355,000.00 | 1,622,991.00 | 3,977,991.00 | 1,658,748.00 | - 2,319,243.00 | -58 |
| Use of goods and services | 7,458,679.00 | 4,733,977.00 | 12,192,656.00 | 14,051,767.00 | 1,859,111.00 | 15 |
| Other Payments | 700,000.00 | 8,177,027.00 | 8,877,027.00 | 700,000.00 | - 8,177,027.00 | -92 |
| TOTAL PAYMENTS | 10,513,679.00 | 14,533,995.00 | 25,047,674.00 | 16,410,515.00 | - 8,637,159.00 | -34 |

The NGCDF-IGEMBE SOUTH Constituency financial statements were approved on 7/4 2020 and signed by:


Fund Account Manager
Name: Pauline Mwangi


Sub-County Accountant
Name: Joram Mutua
ICPAK Member Number: 20462

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) - IGEMBE SOUTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2019

IX. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2019

| 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 | 98,527,197.00 | 60,124,493.00 | 158,651,690.00 | 105,212,696.00 | 53,438,994.00 | 66.3% |
| TOTAL RECEIPTS | 98,527,197.00 | 60,124,493.00 | 158,651,690.00 | 105,212,696.00 | 53,438,994.00 | 66.3% |
| PAYMENTS | | | | | | |
| Transfers to Other Government Units | 59,300,000.00 | 40,398,276.00 | 99,698,276.00 | 51,198,276.00 | 48,500,000.00 | 51.4% |
| Other grants and transfers | 39,227,197.00 | 19,726,217.00 | 58,953,414.00 | 56,846,528.00 | 2,106,886.00 | 96.4% |
| TOTAL | 98,527,197.00 | 60,124,493.00 | 158,651,690.00 | 108,044,804.00 | 50,606,886.00 | 68.1% |

The NGCDF-IGEMBE SOUTH Constituency financial statements were approved on 7/4/2020 and signed by:


 Fund Account Manager
 Name: Pauline Mwangi


 Sub-County Accountant
 Name: Jorani Nyitia
 ICPAK Member Number: 20462

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) – KEMBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

II. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

| Programme/Sub-programme | Original Budget 2018/2019 Kshs | Adjustments Kshs | Final Budget 2018/2019 Kshs | Actual on comparable basis 30/06/2019 Kshs | Budget utilization difference Kshs |
|---|--------------------------------------|---------------------|-----------------------------------|---|---|
| 1.0 Administration and Recurrent | 6,542,453.00 | 3,290,867.00 | 9,833,319.00 | | |
| 1.1 Compensation of employees | 2,279,400.00 | 1,648,269.00 | 3,927,669.00 | 1,579,398.00 | 2,291,471.00 |
| 1.2 Committee allowances | 2,500,000.00 | 1,280,819.00 | 3,780,819.00 | 4,000,000.00 | 316,979.00 |
| 1.3 Use of goods and services | 1,687,453.00 | 361,779.00 | 2,049,231.00 | 2,093,267.00 | 15,435.00 |
| 1.4 NSSF | 24,000.00 | | 24,000.00 | 26,000.00 | 24,000.00 |
| 1.5 NHIF | 51,600.00 | | 51,600.00 | 53,350.00 | 51,600.00 |
| 1.6 Strategic plan | | | | 3,500,000.00 | |
| 2.0 Monitoring and evaluation | 3,290,866.00 | | | | |
| 2.1 Capacity building | 1,500,000.00 | | 1,500,000.00 | 362,000.00 | 1,500,000.00 |
| 2.2 Committee allowances | 1,200,000.00 | 1,700,000 | 2,900,000.00 | 3,063,500.00 | (1,008,300) |
| 2.3 Use of goods and services | 571,226.00 | 641,379.00 | 1,212,606.00 | 1,000,000.00 | 77,224.00 |
| 3.0 Emergency | 5,738,993.00 | 868,966.00 | 6,607,959.00 | 1,298,000.00 | 5,309,959.00 |
| 3.1 Primary Schools | | 350,000.00 | | 350,000.00 | 0 |
| 3.2 Secondary schools | | | | | |
| 3.3 Tertiary institutions | | | | | |
| 3.4 Security projects | | 48,000.00 | | | |
| 3.5 Igembe south Cdf office | | 200,000.00 | | 48,000.00 | 0 |
| 3.6 Roads & Bridges | | 700,000.00 | | 200,000.00 | 0 |
| | | | | 700,000.00 | 0 |
| 4.0 Bursary and Social Security | 27,726,568.00 | | 27,726,568.00 | | |
| 4.1 Primary Schools | | | | | |
| 4.2 Secondary Schools | 5,364,306.00 | 3,944,829.00 | 9,309,135.00 | 8,229,231.00 | 1,079,904.00 |
| 4.3 Tertiary Institutions | 22,362,262.00 | 4,000,000.00 | 26,362,262.00 | 28,711,750.00 | (2,349,488.00) |
| 4.4 Universities | | | | | |

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

IGEMBE SOUTH CONSTITUENCY

| Program/Sub-program | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable base 30/06/19 | Budget utilization differs |
|---------------------------------|------------------------------|--------------|---------------------------|--|----------------------------------|
| 4.5 Social Security | | | | | |
| 4.6 Mocks & CATs | | 4,400,000 | 4,400,000 | 4,396,000.00 | 4,000.00 |
| 5.0 Sports | 2,180,818.00 | | 2,180,81.00 | 2,180,818.00 | 0 |
| 5.1 sports (2017/2018) | | 3,601,724.00 | 3,601,724.00 | 3,601,724.00 | 0 |
| 5.2 | | | | | |
| 5.3 | | | | | |
| 6.0 Environment | 2,180,818.00 | | 2,180,818.00 | 2,180,818.00 | |
| 6.1 Athi Special School | 100,000.00 | 45,517 | 145,517.00 | 145,517.00 | 0 |
| 6.2 Antubochoiu Primary School | 100,000.00 | 45,517 | 145,517.00 | 145,517.00 | 0 |
| 6.3 Kilalai Primary School | 100,000.00 | 45,517 | 145,517.00 | 145,517.00 | 0 |
| 6.4 Athimba Primary School | 100,000.00 | 45,517 | 145,517.00 | 145,517.00 | 0 |
| 6.5 Athiru Gaiti Primary School | 100,000.00 | 45,517 | 145,517.00 | 145,517.00 | 0 |
| 6.6 Maua Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 6.7 Kithetu Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 6.8 Gitura Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 6.9 Ankurani Primary School | 100,000.00 | 18,181 | 118,181.00 | 118,181.00 | 0 |
| 7.0 Kathima Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.1 Auki Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.2 Ura Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.3 Kiegoi Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.4 Itumi Primary School | 100,000.00 | 18,181 | 118,181.00 | 118,181.00 | 0 |
| 7.5 Itumbi Primary School | 100,000.00 | 18,181 | 118,181.00 | 118,181.00 | 0 |
| 7.6 Kibilaku Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.7 Nting'irai Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.8 Mpurine Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 7.9 Luluma Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.0 Kinyanka Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) – ICHIMBE SOUTH CONSTITUENCY
Report on and Financial Statements
For the year ended June 30, 2019

| Programme/Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 | Budget utilization difference |
|---------------------------------|------------------------------|-------------|---------------------------|---|-------------------------------------|
| 8.1 Antubankui Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.2 Nkaria Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.3 Kiguma Ciiri Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.4 Akui Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.5 Karurune Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.6 Ikingo Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.7 Karemwine Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.8 Lakathi Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 8.9 Kilili Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.0 Thubai Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.1 Kithanga Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.2 Iria Rui Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.3 Amungenti Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.4 Murua Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.5 Abuuri Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.6 Karumaru Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.7 Antuambui Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.8 Nkiene Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 9.9 Kianda Primary School | 590,405.00 | 18,181 | 608,586.00 | 608,586.00 | 0 |
| 10.0haicu Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.1 Kathambi Primary School. | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.2 Kiguru Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.3 Kisimani Primary School. | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.4 Ntherone Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.5 Riaki Primary School | 100,000.00 | 18,181 | 118,181.00 | 118,181.00 | 0 |
| 10.6 Kambene Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.7 Amwanba Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |

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

| Programme Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 | Budget difference |
|---|------------------------------|-------------|---------------------------|---|----------------------|
| 10.8 Nceeme Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 10.9 Kamburu Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.0 Rhenya Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.1 Athi Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.2 Muthiru Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.3 Tiira Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.4 Amunju Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.5 Giika Primary School | 100,000.00 | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.6 Ugoti Primary School | | 18,181 | 118,181.00 | 118,181.00 | 0 |
| 11.7 Riigi Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.8 Nkinja Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 11.9 Murumune Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 12.0 Munyariki Primary School | | 18,181 | 18,181.00 | 18,181.00 | 0 |
| 12.1 Igembe Boys Secondary School | 590,413.00 | 18,226 | 18,226.00 | 18,226.00 | 0 |
| 7.0 Primary Schools Projects (List all the Projects) | | | 590,413.00 | 590,413.00 | 0 |
| 7.1 Kilalai Primary School | | | | | |
| 7.2 Abuuri Primary School | | 650,000 | 650,000 | 650,000.00 | 0 |
| 7.3 Athimba Primary School | | 650,000 | 650,000 | 650,000.00 | 0 |
| 7.4 Amwamba Primary School | | 650,000 | 650,000 | 650,000.00 | 0 |
| 7.5 Athi Special School | | 650,000 | 650,000 | 650,000.00 | 0 |
| 7.6 Muthiru Primary School | 1,400,000.00 | 1,000,000 | 2,400,000.00 | 2,400,000.00 | 0 |
| 7.7 Murumune Primary School | | 650,000 | 650,000 | 650,000.00 | 0 |
| 7.8 Kiguma Ciiri Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| 7.9 Lakathi Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| 8.0 Nting'irai Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| 8.1 Kibilaku Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| | | | 650,000 | 650,000.000 | 0 |

NATIONAL GOVERNMENT CONSTITUENT'S DEVELOPMENT FUND (NGCDF) – IOTMBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

| Programme/Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 | Budget utilization difference |
|--------------------------------|------------------------------|--------------|---------------------------|---|-------------------------------------|
| 8.2 Antubochoiu Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| 8.3 Kathima Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| 8.4 Luluma Primary School | | 650,000 | 650,000 | 650,000.000 | 0 |
| 8.5 Kilalai primary school | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.6 Kithetu primary school | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.7 Kathima Primary School | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.8 Amungenti Primary School | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.9 Athimba primary school | 500,000.00 | 500,000.00 | 1,000,000.00 | 500,000.00 | 500,000.00 |
| 8.10 Amunju Primary School | | 1,200,000.00 | 1,200,000.00 | 1,200,000.00 | 0 |
| 8.11 Kianda Primary School | 1,500,000.00 | | 1,500,000.00 | 1,500,000.00 | 0 |
| 8.12 Ikingo primary school | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.13 Riaki Primary School | | 300,000.00 | 300,000.00 | 300,000.00 | 0 |
| 8.14 Tiira Primary School | 500,000.00 | 200,000.00 | 700,000.00 | 200,000.00 | 500,000.00 |
| 8.15 Amwanba primary school | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.16 Muthiru Primary School | | 500,000.00 | 500,000.00 | 500,000.00 | 0 |
| 8.17 Gitika Primary School | | 300,000.00 | 300,000.00 | 300,000.00 | 0 |
| 8.18 Itumbi primary school | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.19 Nkaria Primary School | | 500,000.00 | 500,000.00 | 500,000.00 | 0 |
| 8.20 Lakathi Primary School | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |

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

| | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 |
|--------------------------------|------------------------------|--------------|---------------------------|---|
| 8.21 Karembwine Primary School | 1,800,000.00 | 200,000.00 | 2,000,000.00 | 200,000.00 |
| 8.22 Murumune Primary School | | 200,000.00 | 200,000.00 | 0 |
| 8.23 Kithanga Primary School | | 200,000.00 | 200,000.00 | 0 |
| 8.24 Thubai Primary School | | 200,000.00 | 200,000.00 | 0 |
| 8.25 Karurune Primary School | | 200,000.00 | 200,000.00 | 0 |
| 8.26 Kathambi primary school | | 600,000.00 | 600,000.00 | 0 |
| 8.27 Tiira Primary School | 1,600,000.00 | 1,000,000.00 | 2,600,000.00 | 1,000,000.00 |
| 8.28 Kianda Primary School | | 1,000,000.00 | 1,000,000.00 | 0 |
| 8.29 Karurune primary school | | 1,500,000.00 | 1,500,000.00 | 0 |
| 8.30 Karumaru primary school | 1,000,000.00 | 1,500,000.00 | 2,500,000.00 | 1,500,000.00 |
| 8.31 Kambene Primary School | | 500,000.00 | 500,000.00 | 0 |
| 8.32 Munyariki Primary School | 600,000.00 | | 600,000.00 | 600,000.00 |
| 8.33 Ura River Primary School | 1,500,000.00 | | 1,500,000.00 | 1,500,000.00 |
| 8.34 Kiguru Primary School | 200,000.00 | | 200,000.00 | 200,000.00 |
| 8.35 Rhenya Primary School | 3,300,000.00 | | 3,300,000.00 | 3,300,000.00 |
| 8.36 Kisimani Primary School | 1,200,000.00 | | 1,200,000.00 | 1,200,000.00 |
| 8.37 Kithanga Primary School | 1,200,000.00 | | 1,200,000.00 | 1,200,000.00 |
| 8.38 Nkinja Primary School | 1,200,000.00 | | 1,200,000.00 | 1,200,000.00 |
| 8.39 Iria Ruui Primary School | 1,200,000.00 | | 1,200,000.00 | 1,200,000.00 |
| 8.40 Kamburu Primary School | 500,000.00 | | 500,000.00 | 500,000.00 |
| 8.41 Ntherone Primary School | 1,000,000.00 | | 1,000,000.00 | 0 |

NATIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) – IRTIMBE SOUTH CONSTITUENCY
Report on Income and Financial Statements
For the year ended June 30, 2019

| Programme/Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 | Budget utilization difference |
|---|------------------------------|--------------|---------------------------|---|-------------------------------------|
| 8.42 Kinyanka Primary School | 900,000.00 | | 900,000.00 | 900,000.00 | 0 |
| 8.43 Riigi Primary School | 500,000.00 | | 500,000.00 | 500,000.00 | 0 |
| 8.44 Nkaaria Primary School | 500,000.00 | | 500,000.00 | 500,000.00 | 0 |
| 8.45 Ura River Primary School | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 | 0 |
| 8.46 Maua Primary School | 1,200,000.00 | | 1,200,000.00 | 1,200,000.00 | 0 |
| 8.47 Kianda Primary School | | 1,200,000.00 | 1,200,000.00 | 1,200,000.00 | 0 |
| 8.0 Secondary Schools Projects (List all the Projects) | | | | | |
| 8.1 Maua Mixed Day Secondary School | 4,000,000.00 | 650,000.00 | 4,650,000.00 | 650,000.00 | 4,000,000.00 |
| 8.2 Gitura Day Secondary School | | 400,000.00 | 400,000.00 | 400,000.00 | 0 |
| 8.3 Kithetu Kirimene Mixed Day Secondary School | 2,000,000.00 | 2,000,000.00 | 4,000,000.00 | 2,000,000.00 | 2,000,000.00 |
| 8.4 Karumaru Day Secondary School | | 800,000.00 | 800,000.00 | 800,000.00 | 0 |
| 8.5 Nceme Day Secondary School | | 650,000.00 | 650,000.00 | 650,000.00 | 0 |
| 8.6 Riaki Day Secondary School | 2,500,000.00 | 1,500,000.00 | 4,000,000.00 | 1,500,000.00 | 2,500,000.00 |
| 8.7 Kindani Day Secondary School | | 800,000.00 | 800,000.00 | 800,000.00 | 0 |
| 8.8 Mboone Day Secondary School | | 500,000.00 | 500,000.00 | 500,000.00 | 0 |
| 8.9 Ituni Day Secondary School | 2,500,000.00 | 1,500,000.00 | 4,000,000.00 | 1,500,000.00 | 2,500,000.00 |
| 8.10 Tiira Day Secondary School | | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 0 |
| 8.11 Tiira Day Secondary School | 2,500,000.00 | 1,548,275.80 | 4,048,275.80 | 1,548,275.80 | 2,500,000.00 |
| 8.12 Tiira Day Secondary School | | 800,000.00 | 800,000.00 | 800,000.00 | 0 |
| 8.13 Ugoti Day Secondary school | 1,000,000.00 | 1,000,000.00 | 2,000,000.00 | 1,000,000.00 | 1,000,000.00 |
| 8.14 Kirindine day sec school | | 400,000.00 | 400,000.00 | 400,000.00 | 0 |
| 8.15 Karumaru Day Secondary School | | 200,000.00 | 200,000.00 | 200,000.00 | 0 |
| 8.16 Igembe Boys Secondary School | 3,300,000.00 | 1,500,000.00 | 4,800,000.00 | 4,800,000.00 | 0 |
| 8.17 Kilalai Day Secondary School | 10,000,000.00 | | 10,000,000.00 | | 10,000,000.00 |

IGEMBE SOUTH CONSTITUENCY DEVELOPMENT FUND (INGCDF) – IGEMBE SOUTH CONSTITUENCY

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

| Programme/Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 |
|---|------------------------------|-------------|---------------------------|---|
| 8.18 Akui Day Secondary School | 1,200,000.00 | | 1,200,000.00 | 1,200,000.00 |
| 8.19 Mboone Day Secondary School | 1,500,000.00 | | 1,500,000.00 | 1,500,000.00 |
| 8.20 Kindani Day Secondary School | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 |
| 8.21 Auki Day Secondary School | 3,500,000.00 | | 3,500,000.00 | 3,500,000.00 |
| 9.0 Tertiary institutions Projects (List all the Projects) | | | | |
| 9.1 Akachiu Education office | | 300,000 | 300,000 | 300,000.00 |
| 10.0 Security Projects | | | | |
| 10.1 Riigi AP Camp | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.2 Kiegoi AP Camp | | 50,000.00 | 50,000.00 | 50,000.00 |
| 10.3 Maua Division HQTs | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.4 Akachiu Division ACCs office & residence | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.5 Athi chiefs office | | 50,000.00 | 50,000.00 | 50,000.00 |
| 10.6 Kindani chiefs office | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.7 Kirimampio chiefs office | | 50,000.00 | 50,000.00 | 50,000.00 |
| 10.8 Athiru Gaiti chiefs office | | 50,000.00 | 50,000.00 | 50,000.00 |
| 10.9 Maua AP sub county Headquarters | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.10 Maua Police Station | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.11 Akachiu AP Unit Divisional HQTs | | 150,000.00 | 150,000.00 | 150,000.00 |
| 10.12 Kiraone AP Post | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.13 Kilili AP Post | | 200,000.00 | 200,000.00 | 200,000.00 |
| 10.14 Kisimani AP Camp | | 100,000.00 | 100,000.00 | 100,000.00 |
| 10.15 Kiguru Chiefs' Camp | 200,000.00 | 800,000.00 | 1,000,000.00 | 800,000.00 |
| 10.16 Mboone Asst. Chiefs' Office | 200,000.00 | | 200,000.00 | 200,000.00 |
| 10.17 Giika Chiefs' Office | 1,000,000.00 | | 1,000,000.00 | 1,000,000.00 |

NATI 141 GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) – IGEMBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

| Programme/Sub-programme | Original Budget 2018/2019 | Adjustments | Final Budget 2018/2019 | Actual on comparable basis 30/06/2019 | Budget utilization difference |
|--|------------------------------|--------------|---------------------------|---|-------------------------------------|
| 10.18 Igembe South DCC Office Renovation | | 300,000.00 | 300,000.00 | 300,000.00 | 0 |
| 10.19 Nthanjenge AP Camp | | 100,000.00 | 100,000.00 | 100,000.00 | 0 |
| 10.20 Ikuu AP Camp | | 500,000.00 | 500,000.00 | 500,000.00 | 0 |
| 10.21 Kanuni DO's Office | | 100,000.00 | 100,000.00 | 100,000.00 | 0 |
| 11.0 Acquisition of assets | | | | | |
| 11.1 Motor Vehicles (including motorbikes) | | | | | |
| 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 | | 3,500,000.00 | 3,500,000.00 | 3,500,000.00 | 0 |
| 12.2 Innovation Hub | | 2,677,027.00 | 2,677,027.00 | | 2,677,027.00 |
| 12.2 Igembe South Disability Centre | 700,000.00 | | 700,000.00 | 700,000.00 | 0 |

(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)

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-IGEMBE SOUTH 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.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
IGEMBE SOUTH 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 Family Bank 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.

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.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
IGEMBE SOUTH 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 |
| NGCDF Board | | | |
| AIE NO | 1 | 8,000,000 | 5,500,000 |
| AIE NO | 2 | 11,000,000 | 21,010,344 |
| AIE NO | 3 | 13,000,000 | 37,905,172 |
| AIE NO | 1 | 12,000,000 | |
| AIE NO | 2 | 10,000,000 | |
| AIE NO | 3 | 16,500,000 | |
| AIE NO | | 53,784,483 | |
| AIE NO | | 1,000,000 | |
| TOTAL | | 125,284,483 | 64,415,516 |

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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
IGEMBE SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2018-2019 | 2017-2018 |
|---|----------------|-----------|
| | Kshs | Kshs |
| Interest Received | - | - |
| Rents | - | - |
| Receipts from Sale of tender documents | 113,000 | - |
| Other Receipts Not Classified Elsewhere | - | - |
| Total | 113,000 | - |

4. COMPENSATION OF EMPLOYEES

| | 2018-2019 | 2017-2018 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 1,577,348 | 1,359,476 |
| Basic wages of casual labour | 81,400 | 31,800 |
| Personal allowances paid as part of salary | | |
| House allowance | - | - |
| Transport allowance | - | - |
| Leave allowance | - | - |
| Gratuity – paid | - | 395,315 |
| - accrued | - | - |
| Other personnel payments | - | - |
| Employers contribution to NSSF | | 26,700 |
| Total | 1,658,748 | 1,813,291 |

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| | 2018-2019 | 2017-2018 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Other Committee Expenses | | 224,000 |
| Committee Allowances | 7,041,500 | 2,706,000 |
| Utilities, supplies and services | 149,555 | 22,905 |
| Communication, supplies and services | 629,355 | 214,280 |
| Domestic travel and subsistence | 220,000 | 27,000 |
| Printing, advertising and information supplies & services | 120,000 | - |
| Rentals of produced assets | - | - |
| Training expenses | 362,000 | 495,000 |
| Hospitality supplies and services | 663,192 | 259,070 |
| Insurance costs | - | - |
| Specialized materials and services | - | - |
| Office and general supplies and services | 213,283 | 169,581 |
| Fuel, Oil & Lubricants | 700,000 | 552,204 |
| Other operating expenses | | - |
| Routine maintenance – other assets | 37,400 | 14,000 |
| Bank Service Commission and Charges | 65,382 | 23,129 |
| Routine maintenance – vehicles and other transport equipment | 327,650 | 688,200 |
| Strategic plan | 3,500,000 | |
| Total | 14,051,767 | 5,395,369 |

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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 National Government entities | - | - |
| Transfers to primary schools (see attached list) | 30,550,000 | 13,600,000 |
| Transfers to secondary schools (see attached list) | 20,348,276 | 7,900,000 |
| Transfers to tertiary institutions (see attached list) | 300,000 | - |
| Transfers to health institutions (see attached list) | - | - |
| TOTAL | 51,198,276 | 21,500,000 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2018-2019 | 2017-2018 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 8,229,231 | 3,110,459 |
| Bursary – tertiary institutions (see attached list) | 28,791,750 | 17,465,798 |
| Bursary – special schools (see attached list) | - | - |
| Mock & CAT (see attached list) | 4,396,000 | - |
| Security projects (see attached list) | 3,150,000 | 2,400,000 |
| Sports projects (see attached list) | 6,673,144 | - |
| Environment projects (see attached list) | 4,308,403 | 2,374,137 |
| Emergency projects (see attached list) | 1,298,000 | 5,870,000 |
| Total | 56,846,528 | 31,220,394 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

| | 2018-2019 | 2017-2018 |
|--|-----------|----------------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | - | - |
| Refurbishment of Buildings | - | 500,000 |
| Purchase of Vehicles and Other Transport Equipment | - | - |
| Overhaul of Vehicles and Other Transport Equipment | - | - |
| Purchase of Household Furniture and Institutional Equipment | - | - |
| Purchase of Office Furniture and General Equipment | - | - |
| Purchase of ICT Equipment, Software and Other ICT Assets | - | - |
| Purchase of Specialized Plant, Equipment and Machinery | - | - |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | - | - |
| Acquisition of Land | - | - |
| Acquisition of Intangible Assets | - | - |
| Total | - | 500,000 |

9. OTHER PAYMENTS

| | 2018-2019 | 2017-2018 |
|--------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Igembe South Disability Centre | 700,000 | 1,000,000 |
| ICT Hub | | |
| Kilili land office | | 300,000 |
| | | |
| | | |
| | | |
| | 700,000 | 1,300,000 |

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10A: Bank Accounts (cash book bank balance)

| Name of Bank, Account No. & currency | 2018-2019 | 2017-2018 |
|--|------------------|------------------|
| | Kshs | Kshs |
| <i>Family Bank Maua Branch NG-CDF IGEMBE SOUTH A/C no.086000008930</i> | 4,316,169 | 3,374,005 |
| <i>Name of Bank, Account No.</i> | - | - |
| <i>Name of Bank, Account No.</i> | - | - |
| | | |
| Total | 4,316,169 | 3,374,005 |
| | | |
| 10B: CASH IN HAND | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations (<i>specify</i>) | - | - |
| | | |
| Total | - | - |
| <i>[Provide cash count certificates for each]</i> | | |

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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 | xxx | xxx | xxx |
| <i>Name of Officer or Institution</i> | dd/mm/yy | xxx | xxx | xxx |
| <i>Name of Officer or Institution</i> | dd/mm/yy | xxx | xxx | xxx |
| <i>Name of Officer or Institution</i> | dd/mm/yy | xxx | xxx | xxx |
| <i>Name of Officer or Institution</i> | dd/mm/yy | xxx | xxx | xxx |
| <i>Name of Officer or Institution</i> | dd/mm/yy | xxx | xxx | xxx |
| Total | | | | xxx |

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

12A. RETENTION

| | 2018 - 2019 | 2017-2018 |
|--------------|--------------------|------------------|
| | Kshs | Kshs |
| Supplier 1 | - | - |
| Supplier 2 | - | - |
| Supplier 3 | - | - |
| Total | - | - |

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

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

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

| | 2018-2019 Kshs | 2017-2018 Kshs |
|---------------|-------------------|-------------------|
| Bank accounts | 3,374,005 | 687,543 |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | 3,374,005 | 687,543 |

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2018-2019 Kshs | 2017-2018 Kshs |
|-----------------------------|-------------------|-------------------|
| Construction of buildings | - | - |
| Construction of civil works | - | - |
| Supply of goods | - | - |
| Supply of services | - | - |
| | <u>-</u> | <u>-</u> |

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | Kshs | Kshs |
|---------------------------|----------|----------|
| NGCDFC Staff | - | - |
| Others (<i>specify</i>) | - | - |
| | <u>-</u> | <u>-</u> |

15.3: UNUTILIZED FUND (See Annex 3)

| | Kshs | Kshs |
|---|-------------------|-------------------|
| Compensation of employees | 781,815 | 2,111,722 |
| Use of goods and services | 820,067.07 | 8,392,365 |
| Amounts due to other Government entities (see attached list) | 48,500,000 | 23,898,276 |
| Amounts due to other grants and other transfers (see attached list) | 4,938,993 | 11,929,099 |
| Acquisition of assets | - | - |
| Others : Igembe South ICT Hubs | - | 4,677,027 |
| | <u>55,040,875</u> | <u>51,008,485</u> |

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15.4: PMC account balances (See Annex 5)

| | 2018-2019 | 2017-2018 |
|--|----------------------|---------------------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 10,196,779.00 | 4,928,093.00 |
| | | |
| Total | 10,196,779.00 | 4,928,093.00 |

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 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 | | | | | |

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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ANNEX 3 – UNUTILIZED FUND

| ANNEX 3 - UNUTILISED FUNDS | 2018-2019 | 2017 - 2018 |
|---|------------------|--------------------|
| | Kshs | Kshs |
| Sub Total Cash book balance as at 30th June 2019 | 4,316,169 | |
| Receivable From The Board | | |
| Administration | | |
| Employee salaries | 781,815 | |
| Committee expenses | 306,000 | |
| | | |
| Monitoring and Evaluation/Capacity Building | | |
| Goods and services | 514,067 | |
| Primary Education Projects | | |
| Munyariki pry school | 600,000 | |
| Ura River Primary School | 1,500,000 | |
| Kiguru pry school | 200,000 | |
| Rhenya pry school | 3,300,000 | |
| Kisimani pry school | 1,200,000 | |
| Kithanga pry school | 1,200,000 | |
| Nkinja pry school | 1,200,000 | |
| Iria Ruui pry school | 1,200,000 | |
| Kamburu pry school | 500,000 | |
| Karembwine pry school | 1,800,000 | |
| Tiira pry school | 500,000 | |
| Riigi Primary School | 500,000 | |
| Athimba pry school | 500,000 | |
| Tiira Primary School | 1,600,000 | |

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| | |
|----------------------------------|-------------------|
| Karumaru Primary School | 1,000,000 |
| Secondary School Projects | |
| Kithetu Kirimene Day Sec School | 2,000,000 |
| Kilalai Day Sec School | 10,000,000 |
| Akui Day Sec School | 1,200,000 |
| Ugoti Day Sec School | 1,000,000 |
| Mboone Day Sec School | 1,500,000 |
| Kindani Day Sec School | 1,000,000 |
| Auki Day Sec School | 3,500,000 |
| Riaki day sec school | 2,500,000 |
| Itumi day sec school | 2,500,000 |
| Tiira Day Sec School | 2,500,000 |
| Maua Day Sec School | 4,000,000 |
| | |
| Emergency | |
| Emergency | |
| Emergency | 3,538,993 |
| | |
| Security | |
| Kiguru chief's camp | 200,000 |
| Mboone Ass. Chiefs office | 200,000 |
| Giika Chiefs office | 1,000,000 |
| UNUTILISED FUNDS | 55,040,876 |

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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 | 8,700,000 | | | 8,700,000 |
| Transport equipment | 11,265,759 | | | 11,265,759 |
| Office equipment, furniture and fittings | 3,200,000 | | | 3,200,000 |
| ICT Equipment, Software and Other ICT Assets | | | | |
| Other Machinery and Equipment | | | | |
| Heritage and cultural assets | | | | |
| Intangible assets | | | | |
| Total | 23,165,759 | | | 23,165,759 |

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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 |
|---------------------------------------|-------------|----------------|----------------------|----------------------|
| Tiira Day Secondary School | Family Bank | 086000009017 | 5,348,276 | |
| Athi Special School | Family Bank | 086000009029 | 125,307 | |
| Riaki Day Secondary School | Family Bank | 86000009057 | 273,994 | |
| Kanuni District Officers Office | Family Bank | 086000009075 | 100,000. | |
| Kathima Primary School | Family Bank | 086000009082 | 1,187 | |
| Kithetu Kirimene Day Secondary School | Family Bank | 086000009110 | 2,866 | |
| Kiguma Ciiri Primary School | Family Bank | 086000009111 | 9,756. | |
| Amwamba Primary School | Family Bank | 086000009113 | 1,134 | |
| Lakathi Primary School | Family Bank | 086000009117 | 1,512 | |
| Akachiu Education Office | Family Bank | 086000009118 | 1,171 | |
| Itumi Day Secondary School | Family Bank | 086000009123 | 430,772 | |
| Kindani Secondary School | Family Bank | 086000009152 | 4,406 | |
| Athiru Gaiti Chiefs Office | Family Bank | 086000009309 | 9,878 | |
| :Kathambi Primary School | Family Bank | 086000009636 | 5,999 | |
| :Karembwine Primary School | Family Bank | 086000009651 | 11,878 | |
| Karurune Primary School | Family Bank | 086000009885 | 194,812 | |
| Maua Primary School | Family Bank | 086000009904 | 4,634 | |
| Kianda Primary School | Family Bank | 086000009995 | 540,039 | |
| Igembe South Environment Project | Family Bank | 086000010174 | 891,656 | |

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| PMC | Bank | Account number | Bank Balance 2018/19 | Bank Balance 2017/18 |
|---------------------------------|-------------|----------------|----------------------|----------------------|
| Ntherone Primary School | Family Bank | 086000010175 | 1,000,000 | |
| Igembe South Sport Project | Family Bank | 086000010178 | 626,597 | |
| Igembe South Disability Offices | Family Bank | 086000010182 | 19,422 | |
| Igembe Boys Secondary School | Family Bank | 086000010368 | 590,412 | |
| Total | | | 10,196,779 | |

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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) |
|--|--|--|--|-----------------------------------|--|
| | <p>Cash and Cash Equivalent Observation</p> <p>Note 10A of the financial statements reflected Kshs3,374,005 being bank balances (as per the cash book) as at 30 June 2018, which included stale cheque totalling to Kshs283,854.40 that had not been reversed back to the cashbook or revalidated.</p> <p>Further, payments in bank not recorded in the cashbook (bank charges) amounted to Kshs2,350 as at 30th June 2018, however, these charges were not charged as an expense under the uses of goods and services in the year under review.</p> | <ul style="list-style-type: none"> ❖ The stale cheques have since been reversed and this office will ensure to refresh the stale cheques in time. ❖ All the necessary adjustments to the cashbook have since been effected to reflect a true copy of the said document. ❖ It has been noted that the bank charges were not posted in the cashbook by 30th June 2018 but have since been posted and will ensure to post the bank charges on timely basis. | Fund Account Manager | Not Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| | <p>Accuracy and Presentation of the Financial Statements</p> <p>Observations</p> <p>Review of the financial statements for the financial year ended 30 June 2018 and the underlying supporting ledgers showed variances and misstatements of the reported balances which affected the statement of receipts and payments, financial position, cash-flow statement, summary statement of appropriation and notes to the financial statements.</p> <p>Further misstatements were noted in the presentation of the financial statements as follows:</p> <p>i) The page of the report of the independent auditors was erroneously omitted from the table of contents and from the financial statement.</p> <p>ii) Page numbering in the table of content and in the body of the financial statements are erroneously repeated. Eg pages</p> | <p>❖ All the necessary amendments to the financial statements have since been made and adjusted journals hereby attached for your further action.</p> | <p>Fund Account Manager</p> | <p>Not Resolved</p> | |

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For the year ended June 30, 2019 (Kshs'000)

| 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) |
|--|--|--|--|-----------------------------------|--|
| | 11, 12, 13, and 14 are repeated leading to inconsistency in the page numbering affecting ease of reference. | | | | |
| | <p>Project Implementation Observations.</p> <p>Note 6 of the financial statements reflected Ksh21, 500,000 under transfers to other government entities which included Ksh7, 900,000 being transfer to Secondary Schools projects and Ksh13, 600,000 being transfers to Primary schools projects. However, review of project files and physical verification of the primary and secondary school projects revealed the following:</p> <p>i) Karumaru Primary School</p> <p>During the year under review Karumaru primary school project was allocated Kshs500,</p> | <p>❖ The public works officer cost estimate for the construction of ten (10) pit latrines for pupils and three (3) pit latrines for staff was Kshs. 740,805(Seven hundred and forty thousand, eight hundred and five shillings). However, this office was only able to fund the school with Kshs. 500,000 which they utilized to construct the 10 door pit latrines for the pupils. The office has allocated the school</p> | Fund Account Manager | Not Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| | <p>000 for construction of ten (10) pit latrines for pupils and three (3) pit latrines for staff as per the sub county works officer letter referenced PWD/IGS/SCIA/VOL.1/11. According to BQ, the pits were to be dug 6-8meters depth with stone wall and a roofing of gauge 30 pre-painted corrugated iron sheets. However, perusal of the project file confirmed that the project was not supervised by the technical department in line with the provisions of the NG-CDF Regulations 2016. Further, no interim or completion certificates were made available for audit review. Hence it was not possible to confirm if works were carried out as per the specifications in the bill of quantity. Site visit carried on 31.01.2019</p> | <p>more funds in order to construct the remaining pit latrines for the staff. The public works officer is yet to visit the project to issue the completion certificate for the completed works.</p> <p>❖ The funds allocated to Ura River primary school and Kiegoi Day Secondary School were fully utilized as stated in the projects proposal. All the materials for the above activities were procured but the funds were not enough to cater for labour charges. The Public works officer has</p> | | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| | <p>confirmed that 10 pit latrines were constructed for the pupils but the walling was made of corrugated iron sheets of gauge 32 with roofing sheets of the same gauge contrary to provision of the bill of quantity that required stone walling and pre-painted roofing sheets of gauge 30. Further, the three (3) pit Latrines for the Staff were not constructed.</p> <p>ii) Ura River primary school During the year under review the Ura River primary school was awarded Kshs800,000 for completion of an administration block as follows: to fix:</p> <ul style="list-style-type: none"> a) Window panes b) Floor c) Plaster d) Ceiling e) Painting <p>Scrutiny of project file, it was</p> | <p>since supervised the project and given the correct cost estimate to complete the project. Ura primary school has been allocated more funds for completion of the project in this financial year.</p> | | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---------------------|--|-----------------------------------|--|
| | <p>observed that the project started in 2014/15 but due to lack of funding it stalled. It was noted that as at the time of issuing the AIE A892888 on 23.04.2018 there was no technical report to confirm how much work had been done and the works that were yet to be performed. The technical report provided was dated 10.08.2018 vide REF: CGM/GF/VOL.1/40, hence the proposal and funding was done before technical department advice contrary to section 15(1)(a) of NG-CDF regulation 2016 that requires that projects are implemented in consultation with the relevant technical departments of government. Physical project verification and Site visit carried out on 31.01.2019 confirmed that the window panes were not fixed,</p> | | | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---------------------|--|-----------------------------------|--|
| | <p>ceiling board and wall painting was not done contrary to the approved budget and the bill of quantity leading to non-accountability of the project funds.</p> <p>iii) Kiegoi Day Secondary School</p> <p>During the year under review Kiegoi day secondary school PMC received Kshs1, 000,000 from Igembe South NG-CDF towards renovation of the science Laboratory and dining hall of which each project was allocated Kshs500, 000.</p> <p>It was observed that the works to be done for laboratory renovation as per the bill of quantities were: -</p> <p>a) Gas and water system</p> <p>b) Laboratory Benches</p> <p>As for dining hall renovations</p> | | | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|--|--|
| | <p>to be done were: -</p> <p>a) Flooring</p> <p>b) Painting</p> <p>c) Re-roofing</p> <p>Physical project verification and Site visit carried out on 31.01.2019 revealed the following: -</p> <p>Gas system was not done although they had included extra works of painting the counselling rooms and sports office leading to diversion of public funds to un-budgeted for projects and non-accountability of the project funds.</p> | | | | |
| | <p>Lack of Ownership Documents Observations</p> <p>Review of project files,</p> | <p>❖ This office has noted the above issue and will in future ensure</p> | <p>Respective principals of the institutions in question</p> | <p>Not Resolved but In the process</p> | <p>Majority of the schools in the Constituency do not have</p> |

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| | <p>payment vouchers and other support documents pertaining to transfer to other Government entities revealed that Igembe South NG-CDF transferred Kshs7, 900,000 and Ksh13, 600,000 to secondary and primary schools respectively. It was however observed that all the other funded institutions did not provide ownership document by producing confirmation letter from ministry of lands apart from one school i.e. Kithetu Kirimene day secondary school, who provided a confirmation letter reference Amwathi/Maua 15662. The school had been funded with and amount of Kshs500, 000. Igembe South NG-CDF was in breach of the section 11(1) (k) of the NG-CDF regulations 2016.</p> | <p>ownership documents are obtained first before approval of projects for funding. However, most of the learning institutions are in the process of acquiring the title deeds as the directive to obtain the said documents came just recently from the Ministry of education.</p> | | | <p>title deeds for the schools since the entire constituency does not have title deeds especially for the public lands. The schools however has documents showing that the land belong to the institution and that they are in the process of acquiring the title</p> |

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|--|--|---|--|-----------------------------------|--|
| | <p>Unauthorized Payment of Airtime.</p> <p>Observation</p> <p>During the financial year under review, records provided for audit confirmed that the NG-CDF Igembe South incurred an expenditure of Kshs105, 000 as Airtime Allowances to NG-CDFC members in the months of January to June 2018. However, no evidence was provided to show the basis for the payment.</p> | <p>The Ng-Cdfc has been paying airtime allowance of Kshs. 5,000 per Month to the executive members due to the many assignments they have in their responsibility as executive members. This has however been noted that it is contrary to the PFM Act since the chairperson and the secretary are not public officers. The mistake has been noted and will not be repeated in future.</p> | Fund Account Manager | Not Resolved | deeds |
| | <p>Non Maintenance of stores records</p> <p>Observation</p> <p>During the year under review, the NG-CDF Igembe South incurred an expenditure of Kshs151, 750 in the purchase of office stationery. However, no</p> | <p>The issue has been noted and the management will be sure to maintain all the necessary stores records.</p> | Fund Account Manager | Not Resolved | |

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|--|--|---------------------|--|-----------------------------------|--|
| | stores records were availed to confirm the receipt of the goods in the stores and issuance to the point of use | | | | |