

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
REPORT	
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THE AUDITOR-GENERAL

ON

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

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

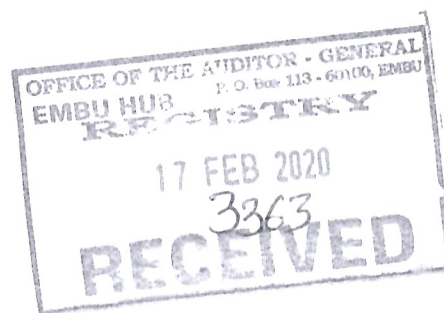


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –IGEMBE
NORTH CONSTITUENCY**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

IGEMBE NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Core Values

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

(b) Key Management

The NGCDF IGEMBE NORTH Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Yusuf Dika
2.	Sub-County Accountant	Nicholus Kariuki
3.	Chairman NGCDFC	Misheck Koome
4.	Secretary NGCDFC	Agnes Nkatha

(d) Fiduciary Oversight Arrangements

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

P.O. Box 71-60601
NG-CDF Building/House/Plaza
Laare Avenue/Road/Highway
Laare, Meru

(f) NGCDF IGEMBE NORTH Constituency Contacts

Telephone: (254) 703957387
E-mail: cdfigembenorth@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF IGEMBE NORTH Constituency Bankers

1. Co-operative Bank of Kenya
Maua Branch
Account Number:01141612208000
P. O Box 71
Maua.
Meru, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Igembe north constituency is situated along Maili Tatu-Laare road and borders Igembe South on the north, Isiolo on the west and Igembe Central on the east regions. The main economic stay of the constituency is mainly farming of food crops with a large portion with Miraa. There is a large area in the south which is dry and the community majors on livestock keeping as their main economic activities. The constituency is vast with five wards and approximately has 330,000 populations. The constituency is wholly developed by NGCDF in about 70% together with other partners, mainly national government and nongovernmental organizations.

IGEMBE NORTH NGCDF PERFORMANCE

During financial year 2018-2019, Igembe North Constituency managed to absorb Kshs 122,495,478 out of the Final budget of Kshs 187,585,134 which translates to absorption of 65%. Sectors such as Education and Security performed well compared to last financial year since most of the project were started on time.

KEY ACHIEVEMENTS OF THE FUND

NGCDF has transformed many lives of Igembe north residents. We worked as a team and ensured that standard projects were put in place without compromising quality. So far we have completed 45 Classrooms, Several toilets and Security projects. Access to education and security of the residents were greatly improved as a result of our intervention in all the five wards of Igembe North Constituency

EMERGING ISSUES

There were several complaints from contractors concerning the amount allocated by Igembe North Ng-Cdf for construction of classrooms. The amount cannot be the same across the entire constituency due to distance, geographical differences and climate conditions among other factors. It was established that a standard classroom can be constructed by a minimum of Kenya shillings nine hundred thousand and above.

IMPLEMENTATION CHALLENGES.

There were several implantation challenges but the main ones are:

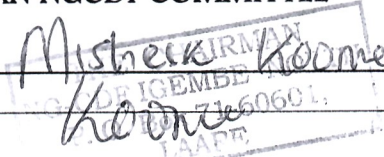
- a. political interference
- b. Lack of full time basis Igembe North Sub-County Works Officer
- c. Lack of full time basis Igembe North Sub-County Procurement Officer.
- d. Lack of Management skills by the project management committees
- e. Inadequate funding of the project

WAY FORWARD

NGCDF Igembe North to be given full time Sub-county works officer and full time sub-county procurement officer. The capacity building of PMCs will be done on regular basis in order to improve on their skills. The projects will be adequately funded.

CHAIRMAN NGCDF COMMITTEE

NAME: Misheck Koome
SIGN: Koome



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

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

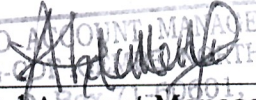
The Accounting Officer in charge of the NGCDF-Igembe North Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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 North 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 fund'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 in charge of the NGCDF-Igembe North Constituency further confirms the completeness of the accounting records maintained for the fund, 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 North 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

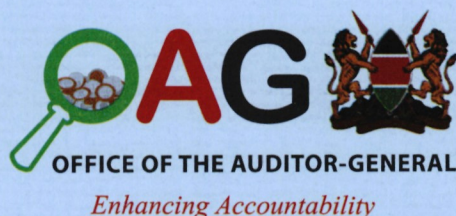
The NGCDF-Igembe North Constituency financial statements were approved and signed by the Accounting Officer on 26th September 2019.


FUND ACCOUNT MANAGER
NGCDF-Igembe North Constituency
Name: Yusuf Dika


DISTRICT ACCOUNTANT
IGEMBE NORTH SUB-COUNTY
Sub-County Accountant
P. O. Box 168 20001 LAARE
ICPAK Member Number:

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 NORTH 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 North Constituency set out on pages 6 to 39, 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 summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Igembe North 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Accuracy of Financial Statements

1.1 Variances in the Summary Statement of Appropriation; Recurrent and Development Combined

The Fund's summary statement of appropriation: recurrent and development combined for the year under review reflects balances on four (4) items that are at variance with balances in the budget execution by programmes and sub-programmes as detailed below:

Item	Summary Statement of Appropriation: Recurrent and Development Combined (Kshs.)	Budget Execution by Programmes and Sub-Programmes (Kshs.)	Variance (Kshs.)
Final Budget			
Transfer to Other Government Units	122,892,060	102,671,693	20,220,367
Other Grants and Other Transfers	37,767,776	31,805,129	5,962,647
Actual Amounts			
Transfer to Other Government Units	80,303,872	61,083,507	19,220,365
Other Grants and Other Transfers	25,515,499	20,814,910	4,700,589

In the circumstances, the accuracy of the statement of appropriation: recurrent and development combined and the budget execution by programmes and sub- programmes for the year under review could not be confirmed.

1.2 Unreconciled Unutilized Funds

The summary statement of appropriation: recurrent and development combined for the year under review reflects Kshs.78,544,258 in respect to adjustments for the year being the unspent funds in the previous year. However, the audited 2017/2018 financial statements reflects unspent funds totalling Kshs.76,359,259 therefore resulting to unreconciled and an unexplained variance of Kshs.2,184,999.

In the circumstances, the accuracy of the Kshs.78,544,258 in respect to budget adjustments for the year ended 30 June, 2019 could not be confirmed.

1.2.1 Unexplained Variances in Unutilized Fund

Note 15.3 reflects Kshs.76,359,259 in respect to comparative unutilized funds balance. However, re- casting of the respective figures resulted to a balance of Kshs.76,099,258 leading to unexplained and unreconciled variance of Kshs.260,001. Further, included in Kshs.76,359,259 is Kshs.38,827,348 in respect to amounts due to other Government entities. However, the audited 2017/2018 financial statements reflects Kshs.39,827,348 in respect to the same item resulting to unexplained variance of Kshs.1,000,000.

In the circumstance, the accuracy, validity and completeness of the Kshs.76,359,259 in respect to comparative unutilized funds balance reflected in the financial statements for the year under review could not be confirmed.

2.0 Unreversed Stale Cheques in Bank Reconciliation Statement

Note 10A to the financial statements for the year ended 30 June, 2019 reflects Kshs.16,048,780 in respect to cash and cash equivalents as at 30 June, 2019 which includes Kshs.7,332,455 in respect to unrepresented cheques as at 30 June, 2019. However, included in the Kshs.7,332,455 is Kshs.165,485 in respect to stale cheques

which had not been replaced or reversed in the cashbook as at 30 June, 2019 resulting to an understatement of the cash book balance by the same amount.

Further, the bank reconciliation statement for the year under review reflects Kshs.3,000 in respect to cash received in the bank but not recorded in the cashbook and therefore understating the cash and cash equivalents as at 30 June, 2019 by the same amount.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.16,048,780 as at 30 June, 2019 could not be ascertained.

3.0 Unsupported Bursary Funds

Note 7 to the financial statements for the year ended 30 June, 2019 reflects Kshs.25,515,499 in respect to other grants and other payments which includes Kshs.9,623,960, Kshs.9,908,950 and Kshs.182,000 in respect to bursaries disbursed to secondary schools, tertiary institutions and special schools respectively all totalling Kshs.19,714,910. However, out of the Kshs.19,714,910 bursaries disbursed during the year, only Kshs.13,771,513 (70%) was acknowledged by the respective beneficiary institutions while the difference amounting to Kshs.5,943,397(30%) was not acknowledged by the respective institutions.

In the circumstances, the validity and completeness of Kshs.19,714,910 bursaries disbursed secondary schools, tertiary institutions and special schools could not be confirmed.

4.0 Unsupported Project Management Committees (PMC) Bank Balances

Note 6, 7 and 8 to the financial statements for the year ended 30 June, 2019 reflects Kshs.80,303,872, Kshs.25,515,499 and Kshs.6,950,000 in respect to transfers to other Government entities, other grants and other payments and acquisition of assets respectively all totalling Kshs.112,769,371 which was disbursed to various institutions to implement projects through Project Implementation Committees (PMC). Included in the Kshs.112,769,371 is Kshs.20,541,830 reflected at annex 5 at pages 34 and 35 to the financial statements as PMC bank balances being the unspent project funds during the year under review.

However, the respective supporting documents including bank reconciliations statements, cash books and bank balance confirmation certificates were not availed for audit review.

In the circumstances, the accuracy and validity of the Kshs.20,541,830 in respect to PMC bank balances as at 30 June, 2019 could not be ascertained.

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 North 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 reflects final receipts budget and actual on comparable basis of Kshs.187,585,134 and Kshs.138,544,238 respectively resulting to an under-funding of Kshs.49,040,876 or 26% of the budget. Similarly, the Fund spent Kshs.122,495,478 against an approved budget of Kshs.187,585,134 resulting to an under-expenditure of Kshs.65,089,655 or 35% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Igembe North Constituency.

2.0 Project Implementation Status

2.1 Budgeted Projects

The Fund's project implementation status (PIS) report availed for audit reflects Kshs.152,776,836 in respect to amount budgeted for development projects. However, the statement of appropriation: recurrent and development combined reflects a development budget of Kshs.167,459,836 comprising of Kshs.122,892,060, Kshs.37,767,776 and Kshs.6,800,000 in respect to transfer to other government entities and other grants and other payments and acquisition of assets respectively resulting to unexplained and unreconciled variance of Kshs.14,683,000.

2.2 Delay in Project Implementation

A review of the project implementation status report reflected that, one hundred and thirty (130) projects with a total budget of Kshs.152,776,836 were budgeted to be implemented during the year. Out of the one hundred and thirty (130) projects, seventy-seven (77) projects worth Kshs.90,366,436 were completed, thirty-six (36) projects worth Kshs.30,689,859 were ongoing while seventeen (17) projects worth Kshs.31,720,541 were not started as at 30 June, 2019.

In view of the foregoing, the residents of Igembe North Constituency did not obtain the expected services equivalent to the Kshs.30,689,859 ongoing projects and the Kshs.31,720,541 being projects not started all totalling Kshs.62,410,400 for the year ended 30 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Conclusion on Report on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis of Conclusion

1. Presentation of the Financial Statements

The financial statements provided for audit review reflects the following presentation anomalies.

- i) The Fund's financial statements for the year ended 30 June, 2019 did not include separate summary statements of appropriation for recurrent and development as required by the Public Sector Accounting Standards Board (PSASB).
- ii) The statement of receipts and payments, statement of cash flows and the statement of comparison of budget: recurrent and development combined and actual amounts do not indicate that the same is for the 'year ended 30 June 2019', while the statement of assets and liabilities does not indicate that it is 'as at 30 June 2019'.
- iii) Note 15.4 and annex 5 to the financial statements reflects balances in respect to Project Management Committee PMC accounts that reflects decimals contrary to the best accounting practices which requires financial statements be rounded off to the nearest integer (whole number).
- iv) The Fund accountant did not include his Institute of Certified Public Accountants of Kenya (ICPAK) membership number in the financial statements contrary to the PSASB reporting template issued in June 2019.
- v) Pages 1 and 14 to 17 to the financial statements are repeated contrary to the PSASB requirements.
- vi) The Funds financial statements have not reserved any space where the report of the Auditor-General will be affixed PSASB reporting template issued in June 2019.
- vii) Progress on follow up of auditor recommendations report in pages 36 to 39 of the financial statements indicates that all issues raised by the Auditor-General in year 2017/2018 were resolved. However, no documentary evidence was availed for audit review to show how and when the issues were resolved.

In the circumstances, the presentation of the financial statements for the year ended 30 June, 2019 is not in accordance with the PSASB prescribed format.

2. Irregular Procurement of Motor Vehicle

Note 8 to the financial statements for the year under review reflect Kshs.6,950,000 in respect to acquisition of assets which relates to purchase of a motor vehicle. However, the motor vehicle was procured using request for quotation contrary to the first schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 which limits the maximum amount at Kshs.500,000 for procurement using request for quotation.

Further, the approved budget for procurement of the motor vehicle was Kshs.6,800,000. However, the actual cost of the motor vehicle was Kshs.6,950,000 resulting to an over expenditure of Kshs.150,000 without approval contrary to Section 44(2) of the Public Finance Management (National Government) Regulations, 2015 which states that National Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the Contingencies Fund, or supplementary estimates. In addition, the log book for the vehicle procured was not availed for audit .

In the circumstances, the Fund Management is in breach of the law and the ownership of the motor vehicle worth Kshs.6,950,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, , I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the National Government Constituencies Development Fund – Igembe North Constituency’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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

21 December, 2021

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

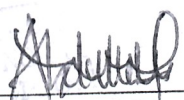
Reports and Financial Statements


For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	114,784,483	48,105,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	<u>2,185,000</u>	-
TOTAL RECEIPTS		116,969,483	48,105,172
PAYMENTS			
Compensation of employees	4	2,844,993	1,676,320
Use of goods and services	5	6,881,114	5,578,700
Transfers to Other Government Units	6	80,303,872	-
Other grants and transfers	7	25,515,499	19,124,665
Acquisition of Assets	8	6,950,000	4,000,000
Other Payments	9	-	-
TOTAL PAYMENTS		122,495,478	30,379,685
SURPLUS/ (DEFICIT)		<u>(5,525,995)</u>	<u>17,725,487</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Igembe North Constituency financial statements were approved on 26th September 2019 and signed by:


Fund Account Manager
Name: Yusuf Dika


DISTRICT ACCOUNTANT
Sub-County Accountant
IGEMBE NORTH SUB-COUNTY
Name: Nicholas Kariuki
CPAK Member Number
P. O. BOX 100 - 00001, LAKE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

IGEMBE NORTH CONSTITUENCY

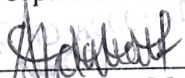
Reports and Financial Statements


For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	16,048,780	21,574,775
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		16,048,780	21,574,775
Current Receivables			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		16,048,780	21,574,775
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Gratuity	12B	0	0
TOTAL FINANCIAL LIABILITES		0	0
NET FINANCIAL ASSETS		16,048,780	21,574,775
REPRESENTED BY			
Fund balance b/fwd 1 st July....	13	21,574,775	3,849,288
Surplus/Defict for the year		(5,525,995)	17,725,487
Prior year adjustments	14		
NET FINANCIAL POSITION		16,048,780	21,574,775

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Igembe North Constituency financial statements were approved on 26th September 2019 and signed by:


Fund Account Manager
 Name: Yusuf Dika


DISTRICT ACCOUNTANT
 Sub-County Accountant
 Name: Nicholas Kariuki
 ICPAK Member Number:
 P. O. Box 168 - 60601, LAARE

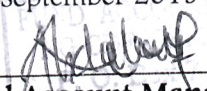
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
IGEMBE NORTH CONSTITUENCY**


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

VI. STATEMENT OF CASHFLOW

		2018 - 2019	2017 - 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Transfers from NGCDF Board	1	114,784,483	48,105,172
Other Receipts	3	2,185,000	
Total receipts		116,969,483	48,105,172
Payments			
Compensation of Employees	4	2,844,993	1,676,320
Use of goods and services	5	6,881,114	5,578,700
Transfers to Other Government Units	6	80,303,872	0
Other grants and transfers	7	25,515,499	19,124,665
Other Payments	9	0	0
Total payments		115,545,478	(26,379,685)
Total Receipts Less Total Payments			
Adjusted for:			
Outstanding imprest	11	(0)	(0)
Retention Payable	12A	0	0
Gratuity Payable	12B	0	0
Prior year adjustments	14	0	0
Net Adjustments		0	0
Net cash flow from operating activities		1,424,005	21,725,487
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(6,950,000)	(4,000,000)
Net cash flows from Investing Activities		(6,950,000)	(4,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,525,995)	17,725,487
Cash and cash equivalent at BEGINNING of the year	13	21,574,775	3,849,288
Cash and cash equivalent at END of the year		<u>16,048,780</u>	<u>21,574,775</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Igembe North Constituency financial statements were approved on 26th September 2019 and signed by:


Fund Account Manager
Name: Yusuf Dika


DISTRICT ACCOUNTANT
Sub-County Accountant
IGEMBE NORTH SUB-COUNTY
Name: Nicholas Nyaga
ICPAK Member Number:
P. O. Box 168 - 60601, LAARE

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	78,544,258	187,585,134	138,544,258	49,040,876	73.9%
Proceeds from Sale of Assets						
Other Receipts	109,040,876	78,544,258	187,585,134	138,544,258	49,040,876	73.9%
PAYMENTS						
Compensation of Employees	4,104,069	1,642,993	5,747,462	2,844,993	2,902,469	49.5%
Use of goods and services	5,709,210	1,869,202	7,578,412	6,881,114	697,298	90.8%
Transfers to Other Government Units	70,387,614	50,504,466	122,892,060	80,303,872	42,588,187	65.3%
Other grants and transfers	28,839,582	8,928,194	37,767,776	25,515,499	12,252,277	67.6%
Acquisition of Assets		6,800,000	6,800,000	6,950,000	(150,000)	102.2%
Other Payments		6,799,424	6,799,424		6,799,424	0.0%
TOTALS	109,040,876	78,544,258	187,585,134	122,495,478	65,089,655	65.3%

(a) For the revenue items, indicate whether they form part of the ALA by inserting the "ALA" alongside the revenue category.

(b) Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

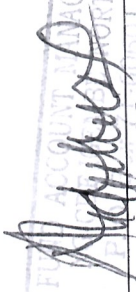
- i. Budget utilisation difference of Kshs 49,040,876 in the receipt row for Transfer from Ng-Cdf Board is the final amount for f/y 2018-2019 expected by Igembe North Ng-cdf from Ng-cdf Board as at 30th June 2019
- ii. Underutilization of 49.5% of Compensation of Employees was caused by employee's gratuity of kshs 1,183,108.8 f/y 2018/2019 and the balance relates to Gratuity for 2017/2018 which was not paid thus waiting for the contract of employees to expire next year for the payment to be made.
- iii. Underutilization of 65.3% fund for projects not yet received from Ng-cdf Board
- iv. Underutilization of 67.6% for other grants and transfers was caused by fund not yet received from Ng-cdf board
- v. Over utilization of budget differences under Acquisition of Asset of 102.2% was caused by additional fund of Kshs 150,000 added for purchase of Igembe North Ng-cdf Motor Vehicle

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT
Reports and Financial Statements
For the year ended June 30, 2019**

vi. *Other payments 0.0% Budget utilization was caused by funds for office Extension, Cabros, CHH, Office website and other balances in the vote book not yet utilized as at 30th June 2019. Some of which requires additional fund and Re-allocations.*

(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 North Constituency financial statements were approved on 26th September 2019 and signed by:


Fund Account Manager
Name: Yusuf Dika

DISTRICT ACCOUNTANT
IGEMBE NORTH SUB-COUNTY
Sub-County Accountant
P. O. Box 1, Nicholus Nyaga
ICPAK Member Number:

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
6.0 Environment	0				
6.1					
6.2					
6.3					
7.0 Primary Schools Projects (List all the Projects)					
7.1 Kiolo Primary School	800,000	0	800,000	0	800,000
7.2 Meria Primary School	1,600,000	0	1,600,000	1,600,000	0
7.3 Ithata Primary School	800,000	0	800,000	0	800,000
7.4 Kachiuru Primary School	800,000	0	800,000	0	800,000
7.5 Mburanjiru Primary School	707,750	0	707,750	707,750	0
7.6 Nginyo Primary School	800,000	0	800,000	800,000	0
7.7 Murweti Primary School	800,000	0	800,000	800,000	0
7.8 Kathanga Primary School	1,500,000	0	1,500,000	0	1,500,000
7.9 Kathanga Primary School	500,000	0	500,000	500,000	0
8.0 Ngitana Primary School	800,000	0	800,000	0	800,000
8.1 Murara Primary School	800,000	0	800,000	800,000	0
8.2 Nkamathi Special School	1,000,000	0	1,000,000	0	1,000,000
8.3 Nkamathi Primary School	800,000	0	800,000	0	800,000
8.4 Aithu Primary School	1,600,000	0	1,600,000	0	1,600,000
8.5 Mbiriata Primary School	1,600,000	0	1,600,000	1,600,000	0
8.6 Leeta Primary School	1,600,000	0	1,600,000	0	1,600,000
8.7 Nac Kaumone Primary School	800,000	0	800,000	0	800,000
8.8 Murungene Primary School	1,600,000	0	1,600,000	1,600,000	0
8.9 Murungene Primary School	1,000,000	0	1,000,000	1,000,000	0
9.0 Kilera Primary School	800,000	0	800,000	0	800,000
10.0 Linjoka Primary School	800,000	0	800,000	0	800,000

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
10.1K.K Etema Primary School	1,600,000	0	1,600,000	0	1,600,000
10.2K.K Baitwiri Primary School	1,000,000	0	1,000,000	1,000,000	0
10.3Lukununu Primary School	1,600,000	0	1,600,000	0	1,600,000
10.4St. Martin Primary School	800,000	0	800,000	800,000	0
10.5K. K Kiula Primary School	800,000	0	800,000	0	800,000
10.6Mwangathia Primary School	800,000	0	800,000	800,000	0
10.7Kibutu Primary School	1,600,000	0	1,600,000	0	1,600,000
10.8Kiani Primary School	1,600,000	0	1,600,000	0	1,600,000
10.9Theera Primary School	1,796,000	0	1,796,000	1,796,000	0
11.0Miriki Primary School	1,600,000	0	1,600,000	1,600,000	0
11.1 St. Johns Malaene Primary School	800,000	0	800,000	0	800,000
11.2 Naikuriu Primary School	1,000,000	0	1,000,000	0	1,000,000
11.3 Kariati Primary School	800,000	0	800,000	800,000	0
11.4Nac Inono Primary School	800,000	0	800,000	800,000	0
11.5Kambia SDA Primary	800,000	0	800,000	800,000	0
11.6Nac Nkandone Primary School	800,000	0	800,000	0	800,000
11.7Mek Naathu Junior Primary School	800,000	0	800,000	800,000	0
11.8Thirua Primary School	1,600,000	0	1,600,000	0	1,600,000
11.9 Mutuati Primary School	1,600,000	0	1,600,000	0	1,600,000
12.0 Liundu Primary School	800,000	0	800,000	0	800,000
12.1 Naathu Primary School	1,000,000	0	1,000,000	0	1,000,000
12.2 Mweromutua Primary school	800,000	0	800,000	0	800,000
12.3Thirua primary school		650,000	650,000	650,000	0
12.4Mutuati primary school		650,000	650,000	650,000	0
12.5Kanthali primary school		1,300,000	1,300,000	1,300,000	0
12.6Naathu primary school		650,000	650,000	650,000	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 utilization difference
12.7Naikuriu primary school		650,000	650,000	650,000	0
12.8Kang'enyone primary school		1,300,000	1,300,000	1,300,000	0
12.9KK Kiula primary school		650,000	650,000	650,000	0
13.0Nkiriana primary school		250,800	250,800	250,800	0
13.1Lubua primary school		650,000	650,000	650,000	0
13.2Miune primary school		650,000	650,000	650,000	0
13.3Mea primary school		650,000	650,000	650,000	0
13.4Kamue primary school		1,300,000	1,300,000	1,300,000	0
13.5CCM Marere primary school		1,300,000	1,300,000	1,300,000	0
13.6Anjalu primary school		650,000	650,000	650,000	0
13.7Luciuti primary school		650,000	650,000	650,000	0
13.8Karichu primary school		650,000	650,000	650,000	0
13.9Kamueline primary school		1,300,000	1,300,000	1,300,000	0
14.0Leeta primary school		1,300,000	1,300,000	1,300,000	0
14.1Ambaru primary school		711,079	711,079	711,079	0
14.2Ngukuine primary school		1,300,000	1,300,000	1,300,000	0
14.3Kambo primary school		650,000	650,000	650,000	0
14.4Barenta primary school		1,300,000	1,300,000	1,300,000	0
14.5Aithu primary school		650,000	650,000	650,000	0
14.6Murungene primary school		1,300,000	1,300,000	1,300,000	0
14.7Kirindara Primary School		1,622,200	1,622,200	1,622,200	0
14.8Mariri Primary School		650,000	650,000	650,000	0
14.9St. Anthony Ngingyo primary school		650,000	650,000	650,000	0
15.0 Mwerongundu Primary School		2,000,000	2,000,000	2,000,000	0
15.1Ngitana primary school		350,000	350,000	350,000	0
15.2Kiolo primary school		350,000	350,000	350,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – IGEMBE NORTH 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
15.3Kamweline primary school		350,000	350,000	350,000	0
15.4Mutuati primary school		350,000	350,000	350,000	0
15.5Thirua primary school		350,000	350,000	350,000	0
15.6KK Etama primary school		350,000	350,000	350,000	0
15.7Lubua primary school		350,000	350,000	350,000	0
15.8Kangenyone primary school		350,000	350,000	350,000	0
15.9Murungene primary school		200,000	200,000	200,000	0
16.0Theera primary school		700,000	700,000	700,000	0
16.1Miriki primary school		350,000	350,000	350,000	0
16.2MCK Ithata primary school		350,000	350,000	350,000	0
16.3Kitera primary school		200,000	200,000	200,000	0
8.0 Secondary Schools Projects (List all the Projects)					
8.1Ambaru Secondary School	1,000,000	0	1,000,000	0	1,000,000
8.2Leeta Secondary School	1,500,000	0	1,500,000	1,500,000	0
8.3Ngukuine Secondary School	1,000,000	0	1,000,000	0	1,000,000
8.4Kambo Secondary School	1,370,000	0	1,370,000	0	1,370,000
8.5Nitunene Secondary School	2,000,000	0	2,000,000	0	2,000,000
8.6Kirindara Secondary School	2,077,315	0	2,077,315	0	2,077,315
8.7Lukunu Secondary School	350,000	0	350,000	350,000	0
8.8Mwerongundu Day Secondary School	1,500,000	0	1,500,000	1,500,000	0
8.9A/Kiongo Secondary School	1,000,000		0	0	1,000,000
9.0 Nairuru Secondary School	1,600,000	0	1,600,000	1,600,000	0
9.1Karichu Secondary School	800,000	0	800,000	0	800,000
9.2Kathatene Secondary School	800,000	0	800,000	0	800,000
9.3Ndoleli Secondary School	800,000	0	800,000	0	800,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – IGEMBE NORTH 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
9.4Anjalu Secondary School	800,000	0	800,000	0	800,000
9.5Antuambui Secondary School	1,640,871	0	1,640,871	0	1,640,871
9.6Naikuriu Secondary School	2,000,000	0	2,000,000	2,000,000	0
9.7K.k Baithai Secondary School	2,000,000	0	2,000,000	2,000,000	0
9.8Kithetu Secondary School	1,600,000	0	1,600,000	0	1,600,000
9.9 Mbayo Secondary School		1,300,000	1,300,000	1,300,000	0
10.0Kithetu Day Secondary School		650,000	650,000	650,000	0
10.1Inono secondary school		350,000	350,000	350,000	0
10.2Kathatene day secondary school		350,000	350,000	350,000	0
9.0 Tertiary institutions Projects (List all the Projects)					
9.1 Area Education Office Mutuati Office	245,678	0	245,678	245,678	0
9.2					
9.3					
9.4					
10.0 Security Projects					
10.1Kabachi Chiefs Office	1,000,000	0	1,000,000	1,000,000	0
10.2Kabachi Police Post	700,000	0	700,000	700,000	0
10.3Kinisa General Service	600,000	0	600,000	600,000	0
10.4Laare Administration Police	200,000	0	200,000	200,000	0
10.5Malaene Administration Police Camp	300,589	0	300,589	300,589	0
10.6Laare Chiefs Office	300,000				
10.7 Linjoka Sub Chiefs Office		1,000,000	1,000,000	1,000,000	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 utilization difference
10.8Kamunji Ap Camp		150,000.00	150,000.00	150,000.00	0
10.9Laare police station		300,000.00	300,000.00	300,000.00	0
11.0Antuamuo chiefs camp		150,000.00	150,000.00	150,000.00	0
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)		6,800,000	6,800,000	6,950,000	(150,000)
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub		1,338,514	1,338,514	0	1,338,514
12.2 Ng-cdf Office Extension		2,600,000	2,600,000	0	2,600,000
12.3Ng-cdf office Cabro Paving		1,200,000	1,200,000	0	1,200,000
12.4Ng-cdf office website		260,000	260,000	0	260,000
12.5 Water Project		1,250,000	1,250,000	0	1,250,000
12.6Electricity Project		150,910	150,910	0	150,910

(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 North 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 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
IGEMBE NORTH CONSTITUENCY**

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO. B005233 F/Y 2017/2018	1	41,405,173	
AIE NO. B005275 F/Y 2017/2018	2	11,379,310	
AIE NO. B030143 F/Y 2018/2019	3	10,000,000	
AIE NO. B030029 F/Y 2017/2018	4	2,000,000	
AIE NO. B005498 F/Y 2018/19	5	23,000,000	
AIE NO. B042744 F/Y 2018/19	6	10,000,000	
AIE NO. A699103 F/Y 2018/19	7	11,000,000	
AIE NO. B006342 F/Y 2018/19	8	6,000,000	
AIE NO. A855819			5,500,000
AIE NO. A892728			3,500,000
AIE NO. A892659			1,200,000
AIE NO. A892914			37,905,172
TOTAL		114,784,483	48,105,172

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	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
Total	xxx	xxx

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

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere(Transfer from Equity to Co-operative bank 18.10.2018)	2,185,000	xxx
Total	2,185,000	xxx

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	2,844,993	1,231,820
Basic wages of casual labour	xxx	196,500
Personal allowances paid as part of salary		
House allowance	xxx	248,000
Transport allowance	xxx	xxx
Leave allowance	xxx	xxx
Gratuity – paid	x	xxx
- Accrued	x	xxx
Other personnel payments	xxx	xxx
Total	2,844,993	1,676,320

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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	245,678	0
Transfers to primary schools (see attached list)	57,564,925	0
Transfers to secondary schools (see attached list)	22,493,270	0
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	80,303,872	0

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	9,623,960	8,046,865
Bursary – tertiary institutions (see attached list)	9,908,950	7,262,800
Bursary – special schools (see attached list)	182,000	315,000
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	4,700,589	0
Sports projects (see attached list)	0	0
Environment projects (see attached list)	0	0
Emergency projects (see attached list)	1,100,000	0
Strategic Plan (see attached list)	0	3,500,000
Total	25,515,499	19,124,665

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

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Other Committee Expenses	1,646,500	0
Committee Expenses	815,000	5,082,800
Utilities, supplies and services	586,000	218,625
Electricity	66,318	0
Communication ,Supplies and Services	89,735	0
Domestic travel and subsistence	980,000	0
Rentals of produced assets	0	0
Training expenses	595,000	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,750,000	277,275
Bank Service commission and Charges	83,161	0
Security Operations	269,400	0
Routine maintenance – other assets	0	0
Total	6,881,114	5,578,700

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
Total	xx	xx

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

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

[Provide short appropriate explanations as necessary]

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Co-operative Bank Account No. 01141612208000</i>	16,048,780	21,469,340
<i>Equity Bank , Account No. 0400262495103</i>	0	105,435
	0	0
Total	16,048,780	21,574,775
10B: CASH IN HAND		
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	6,950,000	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	4,000,000
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	6,950,000	4,000,000

9. OTHER PAYMENTS

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

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

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	21,574,775	3,849,288
Cash in hand	0	0
Imprest	0	0
Total	21,574,775	3,849,288
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

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

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	xx	xxx
Others (<i>specify</i>)	xx	xxx
	xx	xxx

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	2,902,469	1,069,240
Use of goods and services	697,298	1,709,959
Amounts due to other Government entities (see attached list)	42,588,187	38,827,348
Amounts due to other grants and other transfers (see attached list)	12,252,277	8,274,886
Acquisition of assets	(150,000)	8,800,000
Additional proposal awaiting approval	0	11,379,311
Others (<i>specify</i>)	6,799,424	6,038,514
	65,089,655	76,359,259

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

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	20,541,829.80	1,889,718.00
	20,541,829.80	1,889,718.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – IGEMBE NORTH CONSTITUENCY
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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					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCD) – IGEMBE NORTH CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount a	Date Payable Contracted B	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
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						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCD) – IGEMBE NORTH CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		2,902,469		
Use of goods & services		697,298		
Amounts due to other Government entities				
Kiolo Primary School		800,000		
Kachinuru Primary School		800,000		
Kathanga Primary School		1,500,000		
Ng'itana Primary School		800,000		
Nkamathi Special School		1,000,000		
Nkamathi Primary School		800,000		
Aithu Primary School		1,600,000		
Leeta Primary School		1,600,000		
Nac Kannuone Primary School		800,000		
Kilera Primary School		800,000		
Linjoka Primary School		800,000		
K.K Etama Primary School		1,600,000		
K.K Kiula Primary School		800,000		
Lukununu Primary School		1,600,000		
Kibutu Primary School		1,600,000		
Kiani Primary School		1,600,000		
St. John's Malaene Primary School		800,000		
Naikuritu Primary School		1,000,000		
Nac Nkandone Primary School		800,000		
Thirua Primary School		1,600,000		

NATIONAL GOVERNMENT CONSTI ENCHIES DEVELOPMENT FUND (NGCD) – IGEMBE NORTH CONSTITUENCY
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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Mutuati Primary School		1,600,000		
Liundu Primary School		800,000		
Naathu Primary School		1,000,000		
Mweromutua Primary School		800,000		
Ihata Primary School		800,000		
Ambaru Secondary School		1,000,000		
Ngukuine Secondary School		1,000,000		
Kambo Secondary School		1,370,000		
Ntunene Secondary School		2,000,000		
Kirindara Secondary school		2,077,316		
A/Kiongo Secondary School		1,000,000		
Karichu Secondary School		800,000		
Kathatene Secondary School		800,000		
Ndoleli Secondary School		800,000		
Ariajalu Secondary School		800,000		
Antuambui Secondary School		1,640,871		
Kithetu Secondary School		1,600,000		
Sub-Total		42,588,187		
Amounts due to other grants and other transfers				
Emergency		8,618,923		
Bursary		3,333,354		
Laare Chiefs Office		300,000		
Sub-Total		12,252,277		
Sub-Total		12,252,277		
Acquisition of assets				
Motor Vehicle		(150,000)		
Others (specify)				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCD) – IGEMBE NORTH CONSTITUENCY
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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Ng-cdf Office Extension		2,600,000		
Ng-Cdf Office Cabro Paving		1,200,000		
Innovation Hub		1,338,514		
Office Website		260,000		
Water project		1,250,000		
Electricity and Security project vote balances		150,910		
	Sub-Total	6,799,424		
	Grand Total	65,089,655		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCD) – IGEMBE NORTH CONSTITUENCY
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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	0	0	0	
Buildings and structures	16,665,384	0	0	16,665,384
Transport equipment	4,394,264	6,950,000	0	11,344,264
Office equipment, furniture and fittings	8,627,920	0	0	8,627,920
ICT Equipment, Software and Other ICT Assets	220,000	0	0	220,000
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	29,907,568	6,950,000	0	36,857,568

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -

IGEMBE NORTH CONSTITUENCY

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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
		0400278852765	1,298,975.00	
		0400278836235	798,975.00	
		0400278850546	706,725.20	
		0400278868443	1,600,000.00	
		0400278843263	2,598,975.00	
		0400278856971	800,000.00	
		0400278837175	800,000.00	
		0400278862293	498,975.00	
		0400278849996	1,100.00	
		0400278982317	800,000.00	
		0400278925408	800,000.00	
		0400278854193	1,598,975.00	
		0400278889943	1,796,000.00	
		0400278838106	1,600,000.00	
		0400278937861	800,000	
		0400278839580	40,975.00	
		0400278872570	1,600,000.00	
		0400278862021	348,975.00	
		0400278956288	700,000.00	
		0400278965369	1,000,000.00	
		0400278835930	52,590.60	
		0400278884936	300,589.00	
				400,000.00
				187,515.00
				448,092.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
LINJOKA DISPENSARY	EQUITY			288,405.00
KABACHI AP CAMP	EQUITY			100,000.00
A/KIONGO CHIEF CAMP-LATRINES	EQUITY			150,706.00
NTUNENE SEC. SCHOOL	EQUITY			315,000.00
Total			20,541,829.80	1,889,718.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
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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) (Put a date when you expect the issue to be resolved)
1.1	The statement of assets and liabilities for the year under review reflects comparative 2016/2017 balance of Kshs 17,707 in respect surplus while audited 2016/2017 financial statements reflected a deficit of Kshs 17,707 for the same item resulting to unexplained variance of Kshs 35,414	It was mistakenly included as a surplus instead of deficit. The necessary amendments were made to reflect the correct balance in the financial statements.	Yusuf Dika. Account Manager	Resolved
1.2	The statement of cash flow for the year under review reflects a cash and cash equivalent balance of Kshs 3,689,113 and Kshs 3,849,288 in respect to closing balance for the financial year 2016-2017 and the opening balance for the year under review respectively resulting to unexplained variance of Kshs 160,175	We have noted the issue and necessary amendment made to reflect the correct balance.	Yusuf Dika. Account Manager	Resolved
1.3	The summary statement of appropriation : recurrent and development combined for the year under review reflects a budget utilization difference of Kshs 54,784,484 in respect of transfers from National Government Constituencies Development Fund(NGCDF) Board. However, even though there were no other receipts during the year, the statement reflects a total of Kshs 54,054,461 for the same item resulting to	The balance expected from the Ng-cdf Board as at 30 th June 2018 was Kshs 54,784,484. The figure of Kshs 54,054,461 was brought about by the typing error.	Yusuf Dika. Fund Account Manager	Resolved

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

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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)
	unexplained variance of Kshs 730,023				
1.4	Note 15.3 to the financial statement reflect Kshs 76,359,259 in respect to unutilized funds balance as at 30 June 2018. However, a recasting of the figures gave a total of Kshs 77,099,258 resulting to unexplained variance of Kshs 733,999	The error has been rectified and the correct balance included	Yusuf Dika. Fund Account Manager	Resolved	
2.0	Note 10 to the financial statements reflects Kshs 21,574,775 in respect to cash and cash equivalents balances as at 30 June 2018. However included in the Kshs 21,574,775 are unrepresented cheques totalling to Kshs 7,277,444 which further includes stale cheques totalling to Kshs 1,928,230 and which had not been replaced or reversed in the cashbook as at 30 June 2018 thereby understating the cashbook balance by the same amount. Further, the certificate of bank balance of equity bank account reflected Kshs 2,583,826 while bank reconciliation reflected kshs 2,721,826 resulting to unexplained variance of Kshs 138,000	The un presented cheques were reversed after 30 th June 2018 and replaced accordingly.	Yusuf Dika. Fund Account Manager	Resolved	
3.0	Note 7 to the financial statement reflects Kshs 19,124,665 in respect to other grants and other payments which includes Kshs 8,046,865, Kshs 7,262,800 and Kshs 315,000 all totalling to Kshs 15,624,665 in respect to	The Ng-cdf Igembe North contracted the service of postal corporation of Kenya to collect, disburse and bring the receipts or acknowledge letters from various institutions as from 2018-2019 financial year	Yusuf Dika. Fund Account Manager	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>Bursaries disbursed to secondary schools, tertiary institutions and special school respectively during the year ended 30 June 2018. However, only bursaries totalling to Kshs 7,646,740(49%) were acknowledged by respective beneficiaries through letters of acknowledgement or issue of official receipts leaving a balance of Kshs 7,977,925(51%) un-acknowledged by beneficiary schools and institutions. Further, included in the Kshs 7,977,925 are bursaries totalling to Kshs 785,503 awarded to students without admission numbers from their respective institutions.</p>	<p>in order to solve the problem of un-acknowledgement by institutions.</p>			
4.0	<p>Note 5 to the financial statements reflects Kshs 5,578,700 in respect to use of goods and services for the year ended 30 June 2018 which includes Kshs 5,082,800 for committee expenses which further includes Kshs 396,000 paid as allowances to committee members during monitoring and evaluation of projects.</p> <p>However, it has not been possible to establish which projects the members were monitoring and evaluating since no supporting evidence was availed for audit review. Further, included in Kshs 396,000 is Kshs 96,000 paid as</p>	<p>The Management conducted Monitoring & Evaluation of projects that were on going for financial year 2016-2017 in order to identify viable project to be funded in the financial year 2017-2018. Attached are the sampled photos of project that were visited.</p>	Yusuf Dika. Fund Account Manager	Resolved	

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	<p>allowances to unknown people without approval of committee members.</p> <p>In the circumstances, the propriety and value for money for the Kshs 396,000 expenditure in respect to Monitoring and evaluation for the year ended 30 June 2018 could not be confirmed.</p>				