

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
SUBA SOUTH CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 03 OCT 2019
DAY: THURSDAY
Hon. Benjamin Wokhali
M. genly Party Whip
Lemwa Moses.







*NGCDF
Suba South
Office Copy*



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND
SUBA SOUTH CONSTITUENCY**

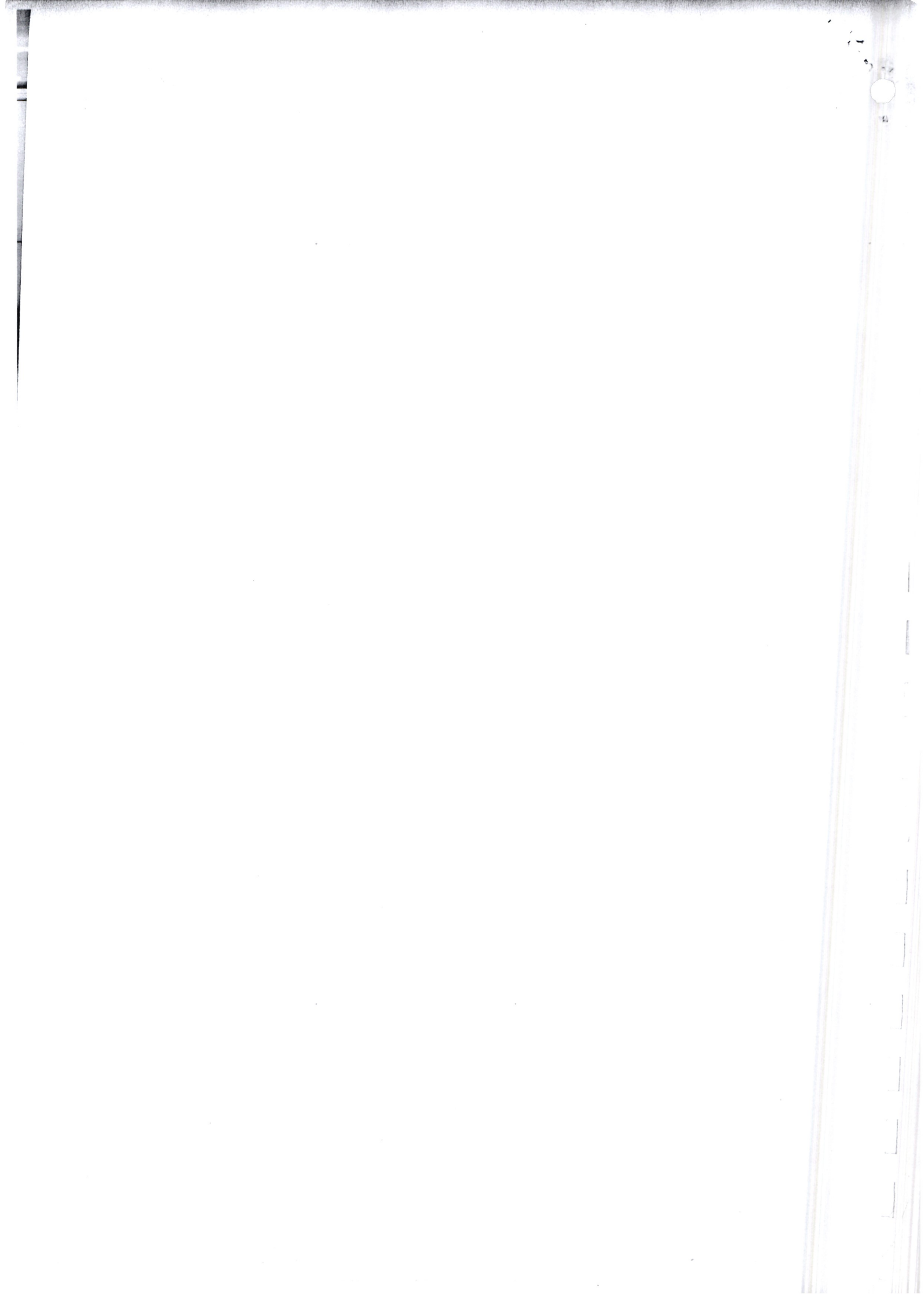
REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

*Received 28/9/2018
Beets*

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND BOARD
20 SEP 2018
RECEIVED
P. O. Box 46682-00100, NAIROBI



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
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Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

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

(b) Key Management

The NG-CDF Suba South 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.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	David Onyango Agong
3.	Sub-County Accountant	Ogola Carrylus Oyugi
4.	Chairman NGCDFC	Maurice Odicha Opinde
5.	Secretary NGCDFC	Herine Odera

(d) Fiduciary Oversight Arrangements

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

P.O. Box 24-40308
Sindo- Kaloko -Mbita Road
SINDO, KENYA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

(f) NGCDF SUBA SOUTH Constituency Contacts

Telephone: (254)729323462
E-mail: cdsubasouth@ngcdf.go.ke
Website: www.subasouth@ngcdf.go.ke

(g) NGCDF SUBA SOUTH Constituency Bankers

1. Co-operative Bank of Kenya
Mbita Branch
P.O. Box 40308
SINDO
Account Number 01141331105000

(h) Independent Auditors

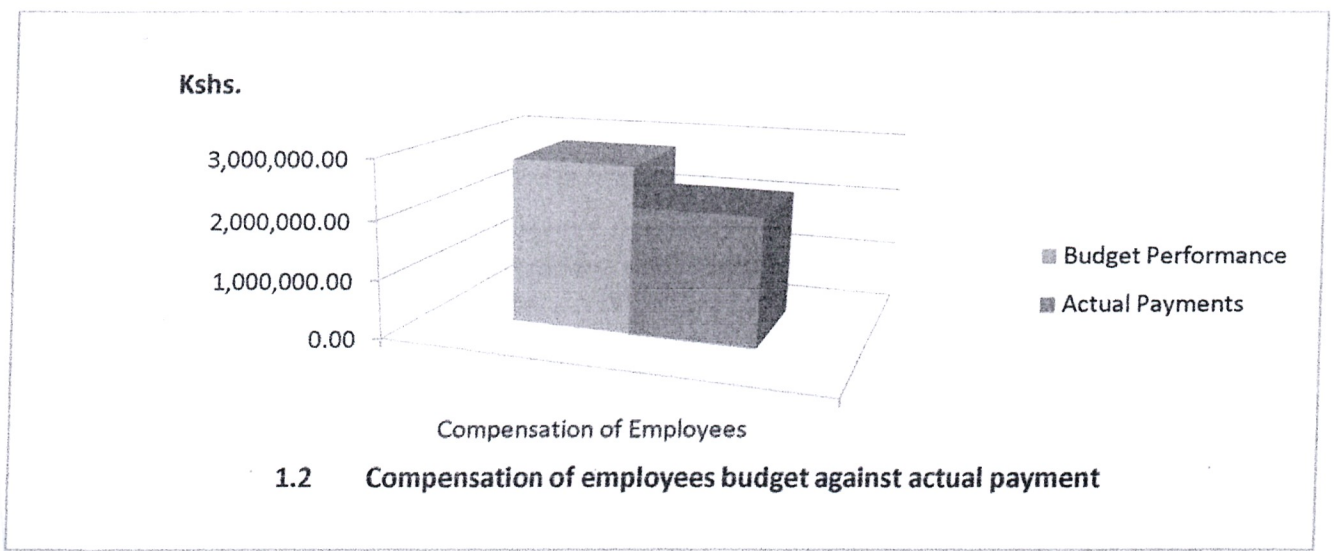
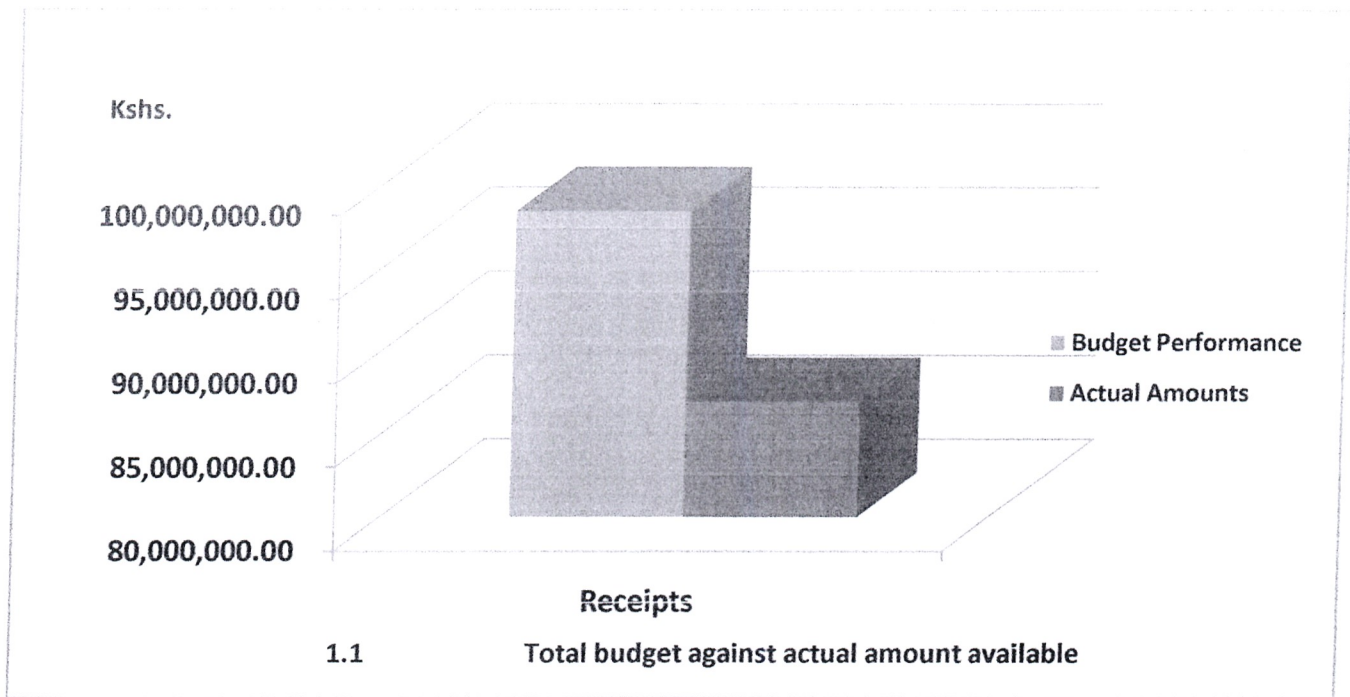
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

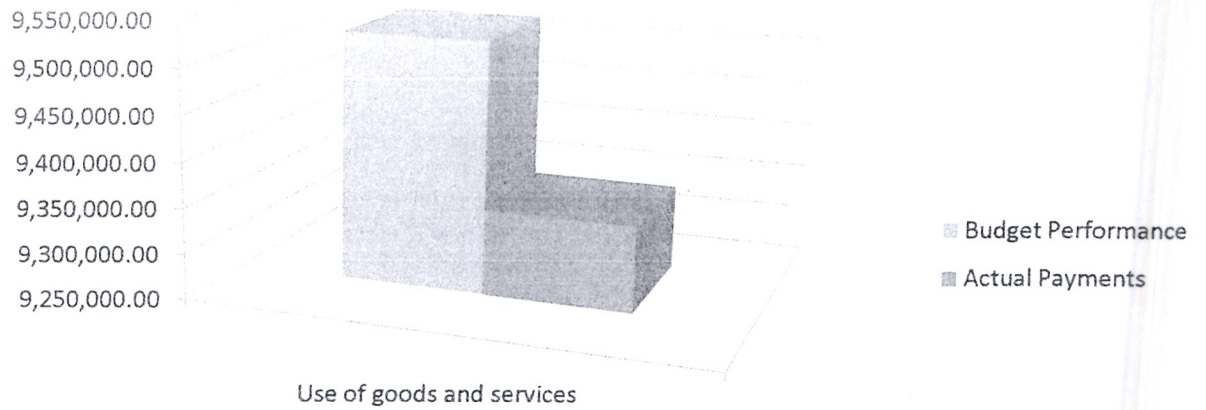
(i) Principal Legal Adviser

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

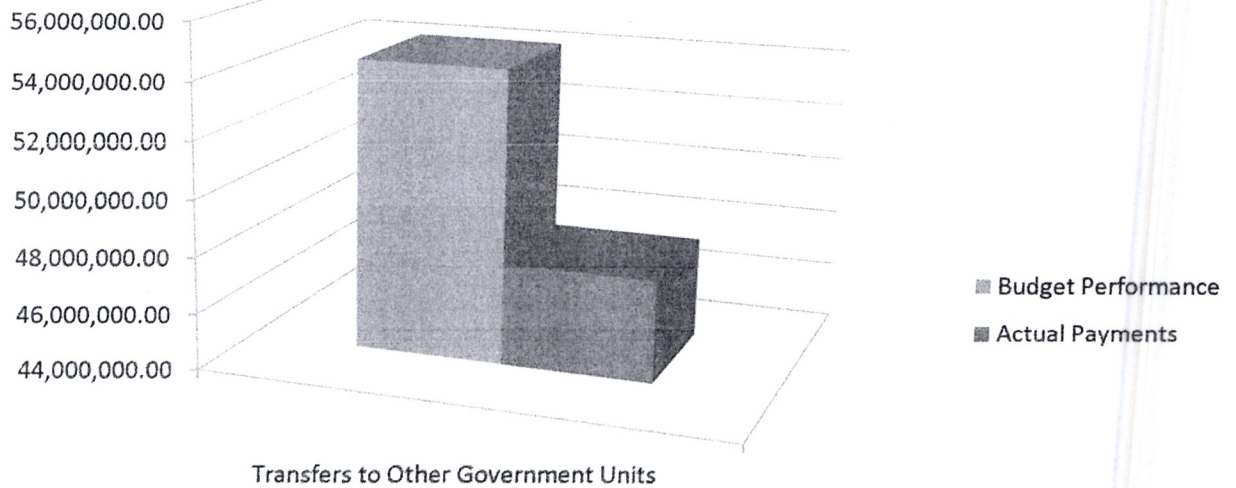
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Suba South National Government constituency Development Fund budget performance against actual amounts for compensation of employees was at 76.5%, use of goods and services 98.1% , transfer to other government units was 87.7%, Other grants and Transfers 85.8%, acquisition of assets , Other payments 0%, 18.3% , giving an average utilization of 86.5% as at 30th June 2018.

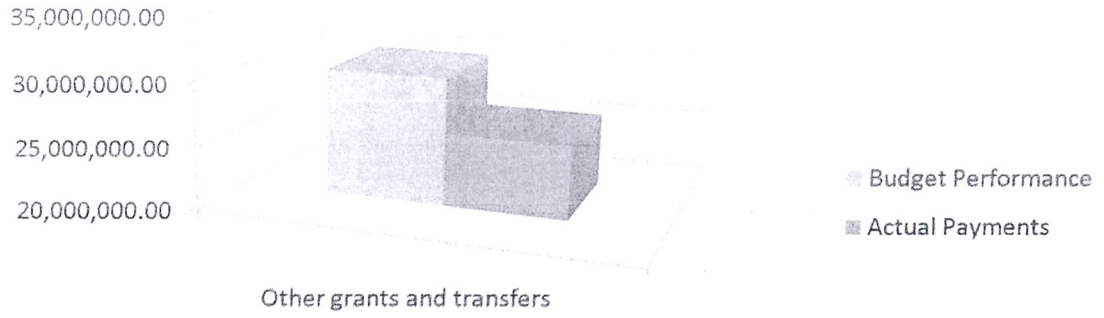




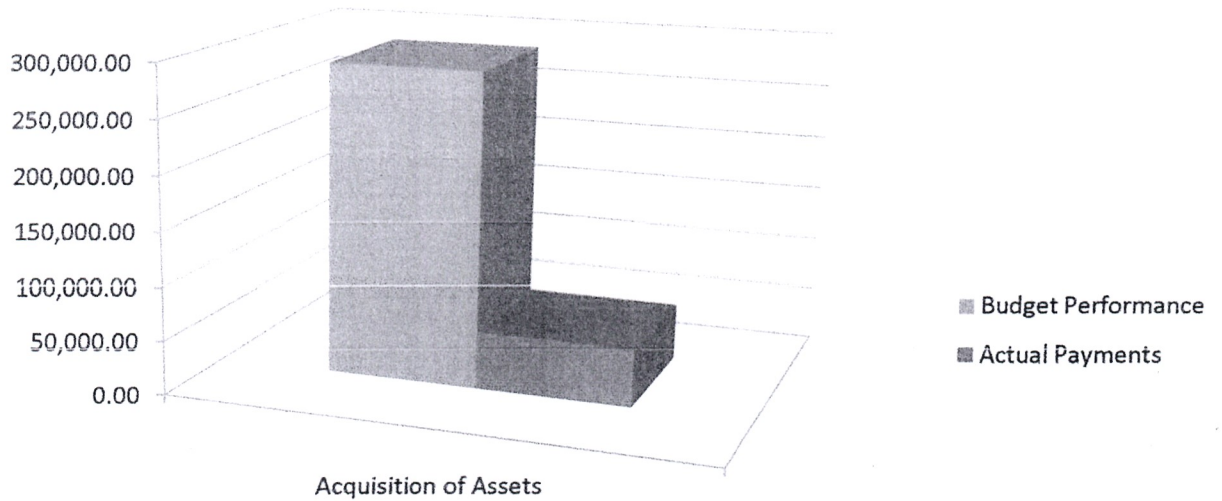
1.3 Use of goods and services budget against actual payment



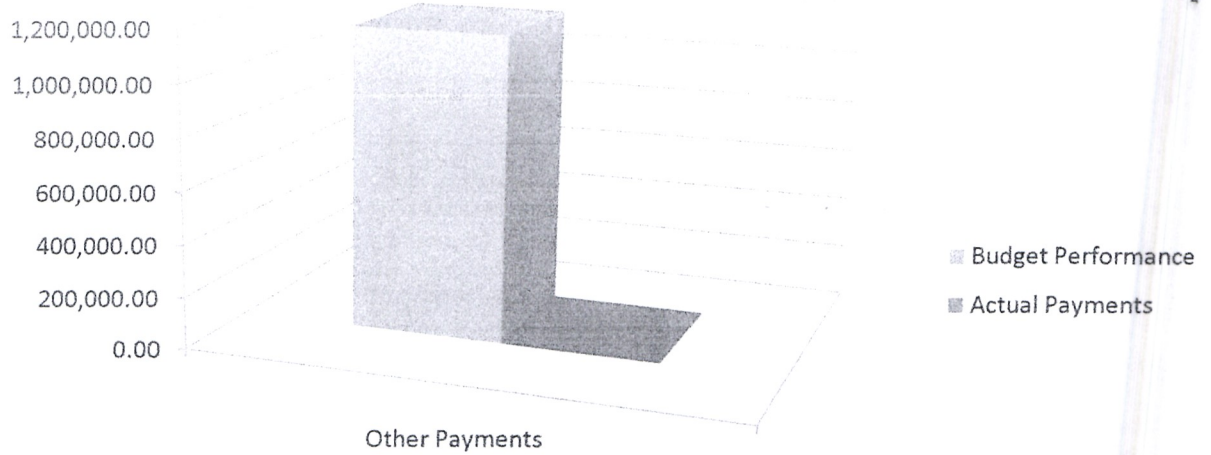
1.4 Transfers to Other Governments Units budget against actual payment



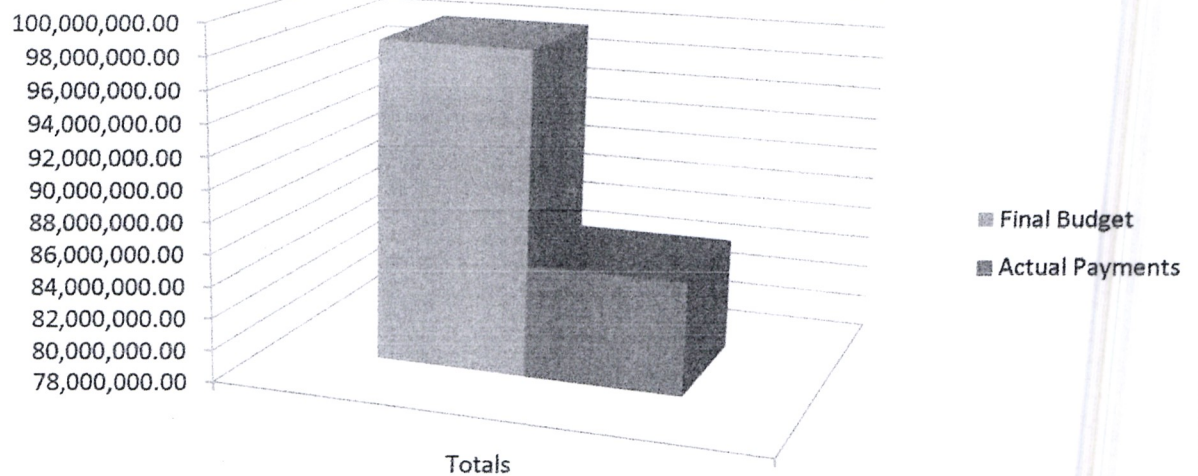
1.5 Other grants and transfers budget against actual payment



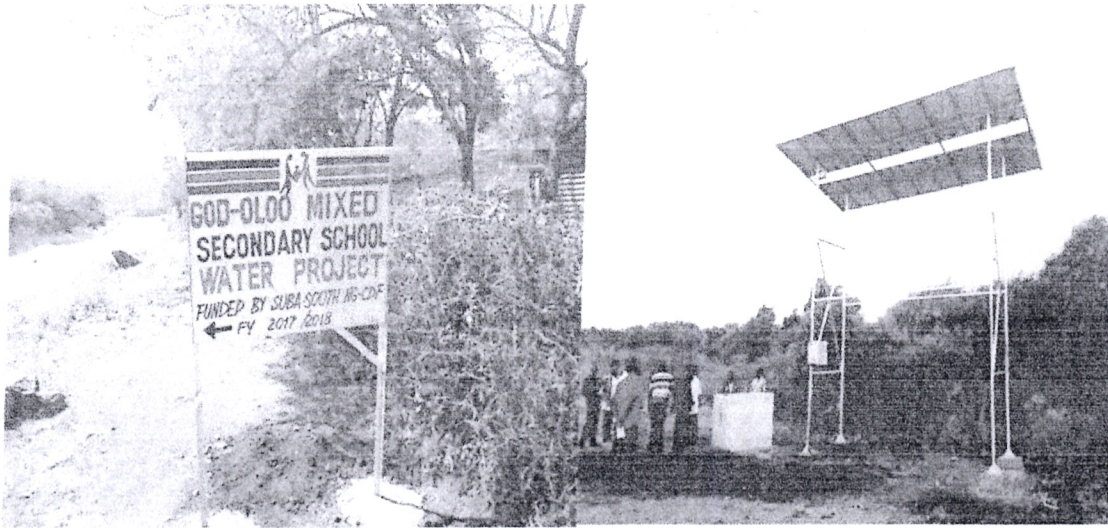
1.6 Acquisition of Assets budget against actual payment



1.7 Other Payments budget against actual payment



Key achievements for Suba South NG-CDF included the following; absorption of funds as required, increased pupil/student enrolment due to availability of school infrastructure and retention of the needy learners due to bursaries awarded to them; the fund also made deliberate efforts to promote democracy and self-governance to the citizens while participating in projects identification and prioritization. Sample projects undertaken during the year as displayed below:



GOD OLOO SECONDARY SCHOOL WATER PROJECT Kshs. 5,000,000/=

Access to clean water improves education in many ways. First, the number of hours students are able to spend in school is inversely proportional to the number of hours needed to gather water for essential daily needs. Less time walking for water = more time for school! Availability of water in school yields an additional school attendance days per year.

Second, the health benefits associated with clean water minimize sick days for students and teachers, contributing invaluable to their ability to participate in the classroom.

Third, proper sanitation facilities eliminate the need for girls to drop out of school the operations of the NGCDF.

Finally, the benefits of sanitation and hygiene are not limited to students, but extend to entire communities; the community understands the importance of safe hygiene practices, clean water, and effective sanitation to prevent water-related diseases.



MWIRENDIA PRIMARY SCHOOL- Fencing of school compound Kshs. 400,000/= has improved security and discipline in the school



PUNDO PRIMARY SCHOOL-Renovation of 2 classrooms Kshs. 500,000/=



KUMBATHA PRIMARY SCHOOL- Completion of 2 class rooms Kshs. 400,000/=

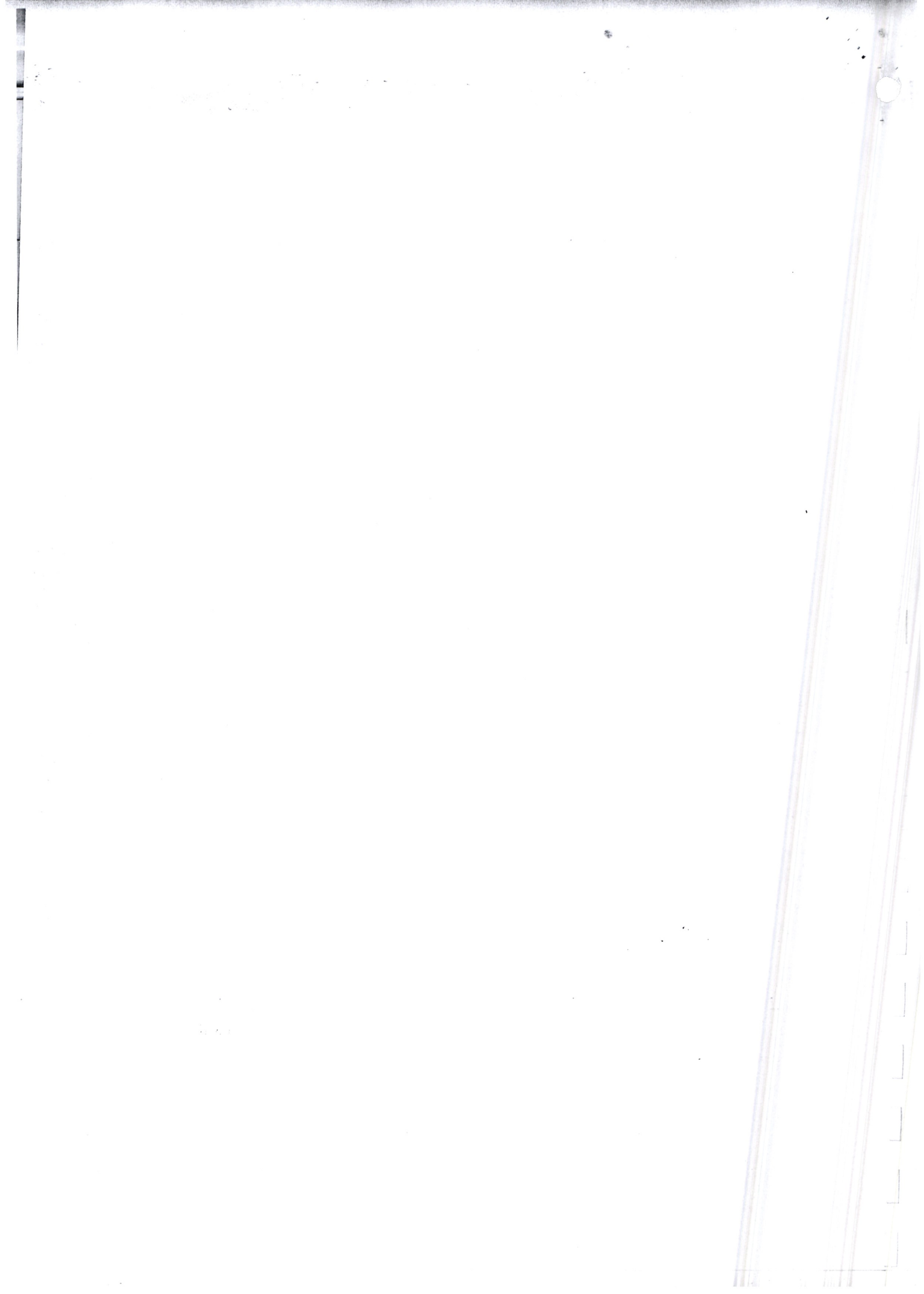
Some of the emerging issues related to Suba South NG-CDF were; high rate of HIV infections leading to orphans and vulnerable children causing high demand for bursaries, high enrolment levels in schools causing high demand for additional classrooms due to increase in streams required and confusion of devolved functions to be NGCDF functions

The implementation challenges faced by the committee include; delayed disbursement of funds with initial AIE being received in February 2018 causing delay in projects implementation, low capacity of the projects management committees requiring daily consultations on one to one with the PMCs, inadequacy of government technical officers to provide timely technical advice in the process of project implementation by the PMCs; Lack of motor vehicle limiting the operations of the NGCDFC.

The entity therefore recommends that disbursement from the board to the constituency be done on a timely basis, regular capacity building of the PMCs, recruitment of more technical officers at Sub count and finally, intensifying the engagement of the PMCs with relevant Government ministries and request for disposal of the grounded land rover be approved by the board to allow the constituency budget and procure a new motor vehicle.

CHAIRMAN NG-CDFC

SUBA SOUTH NATIONAL
GOVERNMENT CDF
P. O. Box 24-40308.
SINDO



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-Suba 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, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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.

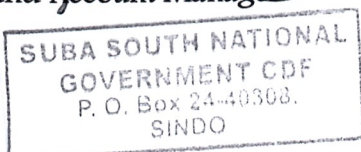
The Accounting Officer in charge of the NGCDF-Suba South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-SUBA 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.

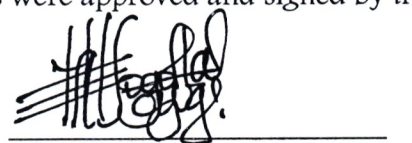
The Accounting Officer in charge of the NGCDF-Suba South Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-Suba South Constituency financial statements were approved and signed by the Accounting Officer on 17-09- 2018.


David O. Agong
Fund Account Manager




Ogola Carrylus Oyugi
Sub-County Accountant
THE NATIONAL SUB-COUNTY ACCOUNTANT
SUBA SOUTH
P. O. Box 1, MAGUNGA

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

SUBA SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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The Accounting Officer in charge of the NGCDF-Suba 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-Suba South Constituency financial statements were approved and signed by the Accounting Officer on 17-09-2018.


David O. Agong
Fund Account Manager
SUBA COUNTY NATIONAL
GOVERNMENT OFFICE
P. O. Box 24-40308.
SINDO


Ogola Carrylus Oyugi
Sub-County Accountant
THE NATIONAL SUB-COUNTY ACCOUNTANT
SUBA SOUTH
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OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Suba South National Government Constituency Development Fund set out on pages 14 to 51, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flow 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, 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 Suba South National Government Constituency Development Fund as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015.

Basis for Qualified Opinion

1. Transfers to Other Government Units

The statement of receipts and payments indicates that transfers to other government units as Kshs.47,600,000. Included in this amount were transfers to primary and secondary schools of Kshs.24,400,000 and Kshs.23,200,000 respectively. Transfers of Kshs.2,500,000 were made for the construction of one class room in each of the following schools:

Item	Amount (Kshs)
Malongo Primary School	600,000
Nyawacha Primary School	700,000
Ongoro Primary School	600,000
Sawanka Primary School	600,000
Total	2,500,000

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

However, no specifications for the works to be undertaken complete with quantities, lengths and amounts had been prepared before the works were undertaken. It was therefore not possible to confirm that what was intended was done.

Consequently, the accuracy and validity of the Kshs.2,500,000 transfers to other government units could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Suba South National Government Constituencies Development Fund in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budget Performance

The comparison of budget against actual amounts is shown below:

Receipt/Expense	Final Budget (Kshs)	Actual (Kshs)	Difference (Kshs)	% Utilization
Receipts				
Transfers from NG CDF Board	98,248,700	86,869,390	11,379,310	88
Total	98,248,700	86,869,390	11,379,310	88
Payments				
Compensation of Employees	2,817,232	2,154,613	662,619	76
Use of goods and services	9,525,874	9,344,024	181,850	98
Transfers to other Government Units	54,300,000	47,600,000	6,700,000	88
Other grants and transfers	30,147,130	25,859,200	4,287,930	86
Acquisition of Assets	289,207	53,000	236,207	18
Other payments	1,169,257	-	1,169,257	0
Total	98,248,700	85,010,837	13,237,863	87

Management explained that the variances noted above were as a result of delays in the disbursement of funds to the constituency on time. The delay has the effect of denying the constituents the benefits accruing from the proposed projects.

Key Audit Matters

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

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

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

REPORT ON COMPLIANCE, 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. Procurement of Contractors and Suppliers

1.1 Water Projects

Included in transfer to other government units amount of Kshs.47,600,000 is Kshs.10,000,000 transferred to two schools for the drilling and equipping of two water projects at a cost of Kshs.5,000,000 each. There is no evidence that the tender was advertised nationally as per section 96 of the Public Procurement and Asset Disposal Act 2015 for open national tenders. Further, borehole drilling for one of the projects was done on a land parcel where neither the School nor the Government has its ownership documents. There was no documentary evidence to show that the owner had agreed to give the land for community development. Consequently, the propriety of Kshs.10,000,000 is doubtful.

1.2 Non-availability of Prequalified Suppliers and Contractors

Included in transfer to other government units amount of Kshs.47,600,000 is Kshs.9,300,000 transferred to various schools as shown below:

School	Details	Amount (Kshs)
God Oloo Mixed Secondary School	Construction of boys dormitory from foundation to window level	500,000
St. Merceline Kigoto Mixed Secondary School	Completion of dining hall from roofing, fittings and plastering	800,000
God Bura Secondary School	Initial and final allocation towards co-funding of a school bus purchased on loan by the school	1,000,000

Hon. John Mbadi Oma Secondary School	Construction of Science Laboratory from foundation to fittings	1,500,000
Kisaku Secondary School	Completion of science laboratory, fittings, plastering and piping works	800,000
Ngeri Girls Secondary School	Construction of one classroom from foundation to painting works	800,000
Rowo Secondary School	Construction of one classroom from foundation to painting works	700,000
Ragwe Secondary School	Completion of science laboratory, slabbing, roofing, fittings and plastering	600,000
St Joseph Olando Mixed Secondary School	Completion of two classrooms; fitting, Plastering and Painting	400,000
Seka Mixed Secondary School	Completion of administration block from lintel to painting	600,000
St Antony Nyandiwa Secondary School	Completion of dormitory plastering to painting	400,000
Nyenga Mixed Secondary School	Construction of a kitchen: Roofing, fittings, plastering and painting	1,200,000
		9,300,000

None of the contractors or suppliers of the above projects were selected from the approved prequalified list of suppliers as required by the Public Procurement and Asset Disposal Act of 2015 sections 93 (1) and 106 (2). Consequently, the propriety of the expenditure could not be confirmed.

2. Use of Emergency Funds

The statement of receipts and payments indicates that other grants and transfers were Kshs.25,859,200. Included in this amount was Kshs.4,500,000 for emergency projects which was used for rehabilitation of Mumisa Primary School – Magunga access road. The fund management has not provided adequate justification for use of emergency funds for the road works in accordance with section 8(3) of the National Government Constituency Development Fund 2015. There is also no evidence that the tender was advertised nationally as per section 96 of the Public Procurement and Asset Disposal Act 2015 for open national tenders. Further, a physical visit to the above mentioned road revealed glaring poor workmanship as only a section of the road had been graveled and drainage works (gabions) were incomplete. Consequently, the propriety of the Kshs.4,500,000 is doubtful.

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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

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 1315 and ISSAI 1330. 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 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 ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate the or to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 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 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.



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

Nairobi


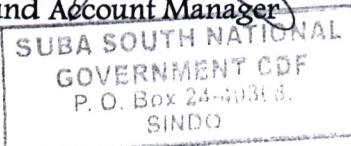
23 August 2019


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2016 - 2017	2015 - 2016
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board-AIEs' Received	1	86,810,345.00	81,896,552.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3		
TOTAL RECEIPTS		86,810,345.00	81,896,552.00
PAYMENTS			
Compensation of employees	4	2,154,613.00	3,830,255.00
Use of goods and services	5	9,344,024.00	6,164,395.00
Transfers to Other Government Units	6	47,600,000.00	67,356,897.00
Other grants and transfers	7	25,859,200.00	30,514,138.00
Acquisition of Assets	8	53,000.00	250,000.00
Other Payments	9	-	-
TOTAL PAYMENTS		85,010,837.00	108,115,685.00
SURPLUS/DEFICIT		1,799,508.00	(26,219,133.00)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Suba South Constituency financial statements were approved on 17-09-2018 and signed by:


David O. Agong
Fund Account Manager

 SUBA SOUTH NATIONAL
 GOVERNMENT CDF
 P. O. Box 24-40368.
 SINDO


Ogola Carrylus Oyugi
Sub-County Accountant

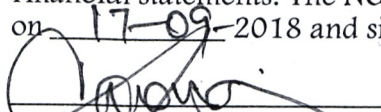
THE NATIONAL SUB-COUNTY ACCOUNTANT
SUBA SOUTH
P. O. Box 1, MAGUNGA

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
 SUBA SOUTH CONSTITUENCY
 Reports and Financial Statements
 For the year ended June 30, 2018**

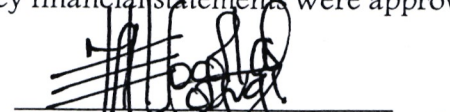
VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2017 - 2018	2016 -2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,858,553.00	59,045.00
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		1,858,553.00	59,045.00
Current receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,858,553.00	59,045.00
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	-	-
NET FINANCIAL ASSETS		1,858,553.00	59,045.00
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	59,045.00	26,278,178.00
Surplus/Defict for the year		1,799,508.00	(26,219,133.00)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		1,858,553.00	59,045.00

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial statements. The NGCDF-Suba South Constituency financial statements were approved on 17-09-2018 and signed by:


 David O. Agong
 Fund Account Manager

SUBA SOUTH NATIONAL
 GOVERNMENT CDF
 P. O. Box 24-40308.
 SINDO


 Ogola Carrylus Oyugi
 Sub-County Accountant

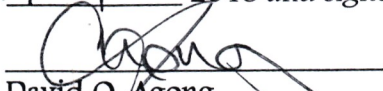
THE NATIONAL SUB-COUNTY ACCOUNTANT
 SUBA SOUTH
 P. O. Box 7

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUBA SOUTH CONSTITUENCY
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For the year ended June 30, 2018

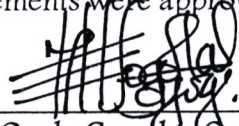
VII. STATEMENT OF CASH FLOW

Receipts for operating income		2017 - 2018	2016 - 2017
		Kshs	Kshs
Transfers from NGCDF Board	1	86,810,345.00	81,896,552.00
Other Receipts	3		
		86,810,345.00	81,896,552.00
Payments for operating expenses			
Compensation of Employees	4	2,154,613.00	3,830,255.00
Use of goods and services	5	9,344,024.00	6,164,395.00
Transfers to Other Government Units	6	47,600,000.00	67,356,897.00
Other grants and transfers	7	25,859,200.00	30,514,138.00
Other Payments	9	-	-
		84,957,837.00	107,865,685.00
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		1,852,508.00	(25,969,133.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	53,000.00	250,000.00
Net cash flows from Investing Activities		(53,000.00)	(250,000.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		1,799,508.00	(26,219,133.00)
Cash and cash equivalent at BEGINNING of the year	13	59,045.00	26,278,178.00
Cash and cash equivalent at END of the year		1,858,553.00	59,045.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Suba South Constituency financial statements were approved on 17-09-2018 and signed by:


 David O. Agong
 Fund Account Manager

SUBA SOUTH NATIONAL
 GOVERNMENT CDF
 P. O. Box 24-40308.
 SINDO


 Ogola Carrytus Oyugi
 Sub-County Accountant
 THE NATIONAL SUB-COUNTY ACCOUNTANT
 SUBA SOUTH
 P. O. Box 1, MAGUNGA



I. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

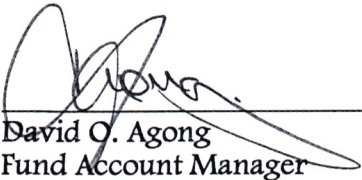
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345.00	11,438,355.00	98,248,700.00	86,869,390.00	11,379,310.00	88.4%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
TOTAL RECEIPTS	86,810,345.00	11,438,355.00	98,248,700.00	86,869,390.00	11,379,310.00	88.4%
PAYMENTS						
Compensation of Employees	2,807,232.00	10,000.00	2,817,232.00	2,154,613.00	662,619.00	76.5%
Use of goods and services	8,452,691.00	1,073,183.00	9,525,874.00	9,344,024.00	181,850.00	98.1%
Transfers to Other Government Units	47,800,000.00	6,700,000.00	54,300,000.00	47,600,000.00	6,700,000.00	87.7%
Other grants and transfers	26,728,165.00	3,418,965.00	30,147,130.00	25,859,200.00	4,287,930.00	85.3%
Acquisition of Assets	53,000.00	236,207.00	289,207.00	53,000.00	236,207.00	18.3%
Other Payments	1,169,257.00	-	1,169,257.00	-	1,169,257.00	0.0%
TOTAL	86,810,345.00	11,438,355.00	98,248,700.00	85,010,837.00	13,237,863.00	86.5%

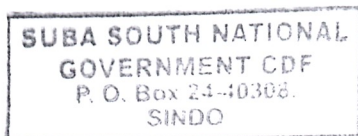



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY**
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- i. *Compensation of employees was underutilized at 76.5% due to provision for Employees service gratuity*
- ii. *Transfers to Other Government Units was underutilized at 87.7% due to supplementary budget leading to delay of disbursement of funds to the constituency*
- iii. *Other grants and transfers was underutilized at 85.8% due to supplementary budget leading to delay of disbursement of funds to the constituency*
- iv. *Acquisition of Assets was underutilized at 18.3% due to supplementary budget leading to delay of disbursement of funds to the constituency*
- v. *Other payments was underutilized at 0.0 % due to since implementation guideline was yet to be issued by the board*
- vi. *The changes between the original and final budget were as a result of opening balance of Kshs. 59,045 and supplementary budget of Kshs. 11,379,310*

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Suba South Constituency financial statements were approved on 17-09-2018 and signed by:


David O. Agong
Fund Account Manager




Ogola Carrylus Oyugi
Sub-County Accountant

THE NATIONAL SUB-COUNTY ACCOUNTANT
SUBA SOUTH
P. O. Box 1, MAGUNGA

II. 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-Suba 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)

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY
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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.

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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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 Funds

Unutilized funds consist of bank balances in the constituency account and balances 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 year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) 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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
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III. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	AIE NUMBER	2017 - 2018	2016 -2017
		Kshs	Kshs
Normal Allocation	A892616	5,500,000.00	
	A892928	37,905,172.00	
	A896866	43,405,173.00	
	A839504		4,094,828.00
	A855098		36,853,449.00
	A855189		40,148,275.00
4.3	A855748		800,000.00
Conditional grants		-	-
		-	-
Receipt from other Constituency		-	-
TOTAL		86,810,345.00	81,896,552.00

2. PROCEEDS FROM SALE OF ASSETS

Description		2017 - 2018	2016 -2017
		Kshs	Kshs
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of Office and General Equipment		-	-
TOTAL		-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2017 - 2018	2016 -2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Sale of Tender Documents		-
Other Receipts Not Classified Elsewhere (specify)		-
TOTAL		-

4. COMPENSATION OF EMPLOYEES

Description	2017 - 2018	2016 -2017
	Kshs	Kshs
Basic wages of contractual employees	2,154,613.00	2,134,441.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF		-
Gratuity-contractual employees	-	1,695,814.00
TOTAL	2,154,613.00	3,830,255.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2017 - 2018	2016 -2017
	Kshs	Kshs
Utilities, supplies and services	-	6,960.00
Electricity	4,644.00	2,263.00
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	8,960.00	-
Domestic travel and subsistence	780,000.00	100,000.00
Printing, advertising and information supplies & services	185,000.00	-
Rentals of produced assets	-	-
Training expenses	1,100,000.00	1,000,000.00
Hospitality supplies and services	-	-
Other committee expenses	1,348,000.00	2,520,000.00
Committee allowance	1,788,500.00	1,918,000.00
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	456,300.00	222,600.00
Fuel , oil & lubricants	-	274,942.00
Other operating expenses	3,500,000.00	-
Bank service commission and charges	34,620.00	24,180.00
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	138,000.00	95,450.00
TOTAL	9,344,024.00	6,164,395.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
SUBA SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017 - 2018	2016 -2017
	Kshs	Kshs
Transfers to Primary schools	24,400,000.00	29,750,172.00
Transfers to Secondary schools	23,200,000.00	37,606,725.00
Transfers to Tertiary institutions	-	-
Transfers to Health institutions	-	-
TOTAL	47,600,000.00	67,356,897.00

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2017 - 2018	2016 -2017
	Kshs	Kshs
Bursary -Secondary	10,000,000.00	10,824,138.00
Bursary -Tertiary	10,950,000.00	9,650,000.00
Bursary-Special schools	-	-
Mocks & CAT	-	-
Water	-	3,300,000.00
Food security	-	-
Electricity	-	-
Security	-	2,300,000.00
Roads and Bridges	-	-
Sports	200,000.00	-
Environment	209,200.00	200,000.00
Cultural Projects	-	150,000.00
Agriculture	-	-
Emergency Projects	4,500,000.00	4,090,000.00
TOTAL	25,859,200.00	30,514,138.00

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8. ACQUISITION OF ASSETS

Description		2017 - 2018	2016 -2017
<u>Non Financial Assets</u>		Kshs	Kshs
Purchase of Buildings		-	-
Construction of Buildings		-	-
Refurbishment of Buildings		-	-
Purchase of Vehicles		-	-
Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of office furniture and fittings		-	250,000.00
Purchase of computers ,printers and other IT equipments		53,000.00	-
Purchase of photocopier		-	-
Purchase of other office equipments		-	-
Purchase of soft ware		-	-
Acquisition of Land		-	-
TOTAL		53,000.00	250,000.00

9. OTHER PAYMENTS

Description		2017 - 2018	2016 -2017
		Kshs	Kshs
		-	-
		-	-
		-	-
TOTAL		-	-

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10. CASH AND CASH EQUIVALENTS

10A: Bank Accounts (cash book bank balance)

Description		2017 - 2018	2016 -2017
Name of Bank, Account No. & currency	Account Number	30/6/2018	30/6/2017
<i>Co-operative bank of Kenya, Mbita (KES)</i>	<i>01141331105000</i>	1,858,553.00	59,045.00
Total		1,858,553.00	59,045.00

10B: CASH IN HAND

Description		2017 - 2018	2016 -2017
		30/6/2018	30/6/2017
		Kshs.	Kshs.
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-


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11. OUTSTANDING IMPRESTS

		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2018)</i>
<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

12. RETENTION

<i>Supplier/Contractor</i>	<i>PV No.</i>	<i>2017 - 2018</i>	<i>2016 -2017</i>
		<i>Kshs</i>	<i>Kshs</i>
-	-	-	-
TOTAL		-	-

13. BALANCES BROUGHT FORWARD

<i>Description</i>		<i>2017 - 2018</i>	<i>2016 - 2017</i>
		<i>(1/7/2017)</i>	<i>(1/7/2016)</i>
		<i>Kshs.</i>	<i>Kshs.</i>
Bank accounts		59,045.00	26,278,178.00
Cash in hand			
Imprest			
TOTAL		59,045.00	26,278,178.00

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14. PRIOR YEAR ADJUSTMENTS

Description		2017 - 2018 (1/7/2017)	2016 - 2017 (1/7/2016)
		Kshs.	Kshs.
Bank accounts		-	-
Cash in hand		-	-
Imprest		-	-
TOTAL		-	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

Description		2017 - 2018 Kshs	2016 -2017 Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

Description		2017 - 2018 Kshs	2016 -2017 Kshs
Staff Salaries		626,938	-
Staff Gratuity		-	-
		-	-
TOTAL		626,938	-

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15.3: UNUTILIZED FUNDS (See Annex 3)

Description	2017 - 2018	2016 -2017
	Kshs	Kshs
Amounts due to other Government entities (see attached list)	6,700,000.00	-
Amounts due to other grants and other transfers (see attached list)	4,287,931.00	-
Compensation of Employees	662,619.00	-
Use of Goods and Services	181,849.00	59,045.00
Acquisition of Assets	236,207.00	-
Other payments	1,169,257.00	-
TOTAL	13,237,863.00	59,045.00

15.4: PMC BANK ACCOUNT BALANCES (See Annex 5)

Description	2017 - 2018	2016 -2017
	Kshs (30/6/2017)	Kshs (30/6/2016)
PMC account Balances (see attached list)	30,583,032.00	1,201,082.00
Total	30,583,032.00	1,201,082.00

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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 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017/2018	Outstanding Balance 2016/2017	Comments
		a	b	c	d=a-c		
Senior Management							
1.		0		0	0	0	
2.		0		0	0	0	
3.		0		0	0	0	
Sub-Total		0		0	0	0	
Middle Management							
4.		0		0	0	0	
5.		0		0	0	0	
6.		0		0	0	0	
Sub-Total		0		0	0	0	
Unionisable Employees							
7.		0		0	0	0	
8.		0		0	0	0	
9.		0		0	0	0	
Sub-Total		0		0	0	0	

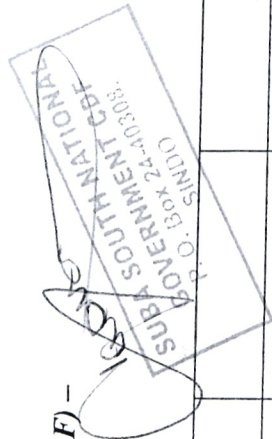
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance	Outstanding & Balance	Comments
		2017/2018	2016/2017	
Compensation of employees	Salaries and gratuity payment	662,619.00	-	Balance for gratuity
Sub- Total		662,619.00	-	
Use of goods & services				
Goods and Services Administration				
Goods and Services M&E	Office running expenses	17,660.00	59,045.00	
	Office running expenses	689.00	-	
Committee Expenses Administration	Payment of Committee admin expenses	11,500.00	-	
Committee Expenses M&E	Payment of Committee M&E expenses	52,000.00	-	
Capacity building M&E	Payment of Training expenses	100,000.00	-	
Sub- Total		181,849.00	59,045.00	
Amounts due to other Government entities				
1. Primary Schools				
Mukende Primary School	Classroom construction	1,400,000.00	-	Awaiting disbursement from the board
Kirambo Primary School	Classroom completion	500,000.00	-	Awaiting disbursement from the board


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2. Secondary Schools					
Ragwe Mixed Secondary	Laboratory completion		1,000,000.00	-	Awaiting disbursement from the board
Gingo Mixed Secondary School	Dormitory completion		700,000.00	-	Awaiting disbursement from the board
Nyenga Mixed Secondary School	Construction of a kitchen		1,200,000.00	-	Awaiting disbursement from the board
St. Marcelin Kigoto Mixed Secondary School	Completion of dormitory		800,000.00	-	Awaiting disbursement from the board
Hon. John Mbadi Oma Mixed Secondary School	Completion of Laboratory		1,100,000.00	-	Awaiting disbursement from the board
	Sub-Total		6,700,000.00	-	
Amounts due to other grants and other transfers					
3. Bursary	Payment of bursary to needy students		3,650,000.00	-	Awaiting disbursement from the board
4. Constituency Innovation Hub	Establishment of ICT centre		1,169,257.00	-	Awaiting implementation guidelines from the Board
5. Emergency	To cater for any unforeseen occurrences in the constituency during the financial year		637,931.00	-	Awaiting disbursement from the board
	Sub-Total		5,457,188.00	-	

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Acquisition of assets				
NGCDF Office	Fitting of shelves to Set up a registry		236,207.00	
	Sub-Total		236,207.00	
Others				
	Sub-Total			
	Grand Total		13,237,863.00	59,045.00


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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost B/F Kshs.		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	2016/2017	2017/2018			
Land	-	-	-	-	2017/2018
Buildings and structures	9,581,956.00	-	-	-	
Transport equipment	5,077,988.00	-	-	-	9,581,956.00
Office equipment, furniture and fittings	577,395.00	-	-	-	5,077,988.00
ICT Equipment, Software and Other ICT Assets	256,750.00	-	53,000.00	-	577,395.00
Other Machinery and Equipment	-	-	-	-	309,750.00
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Total	15,494,089.00	15,494,089.00	53,000.00	-	15,547,089.00

DONATED BY NGCDF BOARD	
DIGITAL CAMERA	COST UNKNOWN
PRINTER HP	COST UNKNOWN
DESK TOP COMPUTER	COST UNKNOWN
SCANNER	COST UNKNOWN

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ANNEX 5 – PMC BANK BALANCES

PMC	Bank	Account number	Bank Balance 2017/20 18
NGERI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048118600	238,002.50
TONGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141293512000	400,325.00
MALONGO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076816000	344,872.00
WIRA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330346100	202,505.50
MWIRENDIA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048130100	1,475.50
ONGALO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331140600	67,132.50
HON. JOHN MBADI ONGORO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330767900	588,632.50
NYALKEMBO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076815900	388,212.50
GOT ADUNDO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141434371100	511,407.50
NYABURU PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141434602900	800,582.50
GOT KOMBUTO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048066200	2,242.50
KITHEREKA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076939500	600,115.00
RAMULA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331487801	400,825.00
KUMBATHA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330044500	400,212.50
PUNDO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331572500	1,850.00
NYASOTI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076000200	504,442.50
MWIRARIA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076040300	301,082.50
NYAMADEDE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331608200	502,765.00
SAWANKA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331341100	92,262.75
LIGONGO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048344400	4,267.00
SOKO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141047146700	1,112.50
KIEMBE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048116000	694.00
NYATOTO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048119300	305.00
KISIAMBI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048125300	2,285.00
MIRAMBA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048203200	1,107.50
GENDO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048316900	282.50
KIKUBI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048344600	29.81

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PMC	Bank	Account number	Bank Balance 2017/2018
KUMUINDA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048346200	15,925.00
KITAWA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048353200	225.00
KICHARE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048363900	1,367.75
OGAKA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076002600	1,312.50
KIBUOGI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076037200	0.53
GODBURA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076038500	1,020.00
KOYOMBE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076041000	1,149.50
KASINGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076838301	5.00
MIRIYA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330030100	2,485.00
GOD BURA SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141047218300	2,212.50
LIGONGO MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331514000	776,062.50
NYANDIWA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076438000	5,418.00
MIRAMBA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331572100	300,670.00
NGERI GIRLS SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331572300	391,615.00
KOYOMBE MIXED DAY SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331246000	808,002.50
MAGUNGA TOWNSHIP MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331781500	499,325.00
SUBA CONSTITUENCY WATER PMC	COOPERATIVE BANK MBITA	01141331511700	9,999,610.50
MUMISA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076838100	153,472.50
NYAGWETHE MIXED DAY SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076373300	1,722.50
SINDO MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141330781400	1,124.00
NYABERA GIRLS SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141330814600	1,088.50
SAGARUME PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330836200	60.50
UTERERE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331572200	1,205.00
KIMANGE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331572400	325.00
KINDA BMU	COOPERATIVE BANK MBITA	01141331572600	50.00
KISIAMBI BMU	COOPERATIVE BANK MBITA	01141331572700	50.00
MAGUNGA AP HEADQUARTERS	COOPERATIVE BANK MBITA	01141331575200	5,325.00

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NYENGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331577600	9,174.00
KINCHORORIO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331608900	325.00
ASS. COUNTY COMMISSIONER CENTRAL DIV	COOPERATIVE BANK MBITA	01141331630800	325.00
MATUNGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331433700	2,162.50
NYATAMBE MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01100076387000	384.23
ROWO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076884700	1,423.25
RAGWE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048119200	48,488.50
VICTOR MUSOGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331487601	1,565.00
SUMBA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048122000	50,352.50
MWIYOYO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048348900	401,492.50
NYAKASERA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076838200	400,895.50
NYAWACHA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331424000	700,152.50
SANJWERU PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076039700	399,325.00
MUMISA PRIMARY SCHOOL ACCESS ROAD PMC	COOPERATIVE BANK MBITA	01141331781300	20.15
KIRAMBO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141076519300	19,462.50
RAGWE MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331329700	600,192.50
KISAKU MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141434258500	801,482.50
JOHN MBADI OMA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331428200	1,505,861.00
SEKA SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141330088700	601,125.00
KIANYUMBA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141330795600	6,450.00
ST. MERCELLIN KIGOTO SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076359600	801,175.00
NYADENDA SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076171200	2,612.50
ST. JOSEPH OLANDO MIXED SEC SCHOOL	COOPERATIVE BANK MBITA	01141331781400	389,325.00
MARK MATUNGA KIWA MIXED SECONDARY	COOPERATIVE BANK MBITA	01141434209600	500,162.25
YONGO MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331265200	800,672.50
ROWO MIXED DAY	COOPERATIVE BANK MBITA	01141331281800	254,747.50

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SECONDARY SCHOOL			
KIABUYA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141456529400	402,462.50
NYAKIYA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141330913400	489,050.50
GOD OLOO MIXED DAY SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076175700	506,285.00
MUKENDE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048122700	102.50
SUBA TEACHERS TRAINING COLLEGE	COOPERATIVE BANK MBITA	01141331481000	428,004.50
KIBURA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048346400	399,325.00
KWIKONGO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330748300	299,122.50
ST. JOSEPH MUKIUNDU PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048126300	-
MAGUNGA COMMUNITY POLICING	COOPERATIVE BANK MBITA	01141331515600	1,997.50
ONYWERA SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076176300	900.00
NYATOTO MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01139048112805	4,280.00
MSARE MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076501800	450.00
SOKONI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330004500	2,072.50
OSOI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141331424800	1,062.50
MWIRARIA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331495300	8,957.50
GINGO MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01120076328500	527.75
KIEMBE MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141331422200	3,862.50
OBANGA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141076454200	62.50
NYENGA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141292558300	1,027.52
OBANGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01100048145200	-
ROO D.O.H. PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048120500	29.49
KIWA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01100076037100	-
GINGO KENYA POLICE POST	COOPERATIVE BANK MBITA	01141331482900	162.50
ST. CHARLES WIGA MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01141330794700	427.00
ST. JOSEPH'S KIKUBI GIRLS	COOPERATIVE BANK MBITA	01100330376800	-

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SECONDARY SCHOOL			
MANYALA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141048123800	835.00
GINGO PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141047727800	1,562.50
OSIRI PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01100047732800	-
NYABWACHECHE PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141330071500	912.75
KOGA PRIMARY SCHOOL	COOPERATIVE BANK MBITA	01141047162300	399,325.00
KISEGI MIXED SECONDARY SCHOOL	COOPERATIVE BANK MBITA	01100330575700	-
SUBA SUB COUNTY MINI HUDUMA CENTRE	COOPERATIVE BANK MBITA	01141331481600	1,012.50
TOTAL			30,583,031.73

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>1. Construction of Dormitory at St. Marcellin Kigoto Mixed Secondary School</p> <p>Observation</p> <p>Included in the financial statements under note 4 is transfer to other government entities totaling Kshs.67, 356,897 which included transfer to secondary schools of Kshs. 37,606,725 under which St. Marcellin Kigoto Mixed Secondary School had been disbursed Kshs. 1,100,000 for the construction of new dormitory from foundation to lintel which was disbursed to the project on 1st December 2016. However, physical verification in April 2018 revealed that the project had been implemented up to the window level and not to lintel level as proposed in the budget estimates. Contrary to</p>	<p>The Bill of Quantities, copy attached shows that Kshs. 2,656,550 was required for Sub structure works, while Kshs. 784,130 was needed for walling, a total Kshs.3,440,660 was estimated by the engineer for construction of the dormitory from foundation to Lintel, it is evident that Kshs. 1,100,000 indicated in the budget estimates was far much below. We therefore assure your good office that the committee is making deliberate efforts to allocate adequate funds towards the completion of the project.</p>	David Agong (FAM)	Not Resolved	30/09/2018

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	<p>Section 44(1) of the National Government Constituencies Development Fund Act, 2015 provides that the Constituency Development Fund Committee may make appropriate consultations with the relevant Government departments to ensure that cost estimates for the projects are realistic.</p> <p>Consequently, the propriety of the expenditure of Kshs. 1,100,000 for the year ended 30th June 2017 could not be confirmed.</p>				
2	<p>Project Management Committees Returns Submission</p> <p>Observation Included in the financial statements under note 4 is transfer to other government entities Kshs. 67,356,897 which includes transfers to Primary schools of Kshs. 29,750,172 under which the constituency disbursed a sum of Kshs. 4,056,897 to seven schools for the construction of classrooms in the financial year 2016-2017. At the time of audit in April 2018, these</p>	<p>Expenditure returns from the PMCs availed and therefore Projects Management Committees expenditure of Kshs. 4,056,897 for the year ended 30th June 2017 could be confirmed.</p>	David Agong (FAM)	Not Resolved	30/09/2018

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	<p>schools had not submitted returns to the constituency office as required for accountability purposes.</p> <p>Contrary, to Section 34(1) of the National Government Constituencies Development Fund Act, 2015 provides that projects under this Act shall be implemented by the project management committee in each case, with the assistance of relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with Government regulations for the time being in force.</p> <p>Consequently, the Projects Management Committees expenditure of Kshs. 4,056,897 for the year ended 30th June 2017 could not be confirmed.</p>				
3	<p>Tender Evaluation Minutes Observation Included in the financial statements under note 5 is other grants and other</p>	Copies of tender committee members' appointment letters and Tender Evaluation committee minutes including financial evaluation, Engineer's Cost	David Agong (FAM)	Not Resolved	30/09/2018

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	<p>payments of Kshs. 30,514,138 which include water of Kshs. 3,300,000, and was paid towards the implementation of Kichare water project. However, this expenditure was not supported by bill of quantities and certificates of completion by works officers. In addition, management did not make available, tender evaluation minutes including financial evaluation to confirm how the contractor was sourced.</p> <p>Contrary, to section 46(1) of the Public Procurement and Disposal act, 2015 requires accounting officer to appoint ad hoc evaluation committees in accordance with this Act and Regulations made there under and from within the members of staff , with the relevant expertise.</p> <p>Consequently, the propriety of the expenditure of Kshs. 3,300,000 for the year ended 30th June 2017 could not be confirmed and the Fund was in breach of the law.</p>	<p>estimates Bill of Quantities and Certificate of completion from Water officer availed; the propriety of the expenditure of Kshs. 3,300,000 for the year ended 30th June 2017 could therefore be confirmed and indeed the Fund was in compliance with the law.</p>			

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4	<p>Soko Primary Water Project</p> <p>Observation Included in the statement of Receipts and Payments under note 5 is other grants and other payments which includes water project of Kshs. 3,600,000 of which Kshs. 3,600,000 was approved reallocate budget for supply and installation of solar pump , piping and installation of 5,000 litre tank by M/S Baba Bakita Enterprises at a cost of Kshs. 3,598,000. The contractor was paid after certification by the sub county water officer on 6th August 2016. However, upon physical verification in April 2018, it was noted that the project was non-operational. The bill of quantities included a sum of Kshs. 340,000 for the construction of water kiosk which was not constructed and variation on the project was not authorized contrary , to section 22 of the National Government Constituencies Development Fund Act, 2015 provides that a</p>	<p>Copy of project activities as per re-allocation approval letter dated 25th July 2016 , Bill of quantities, engineer's cost estimates, Completion Certificate, invoice and Sub County works officer assessment report before and after repair availed; Construction of water kiosk was not part of the project activities approved by the board neither was it included in the bill of quantities as works to be carried out nor demanded by the contractor for payment, the figures Kshs. 340,000 and Kshs. 640,000 are therefore strange. Moreover the project was complete and was in use at the point of payment in August 2016, otherwise the minor repair has been done by the contractor free of charge and the project is now functioning;</p> <p>Therefore, the propriety of the expenditure could be confirmed and the beneficiaries of the water project got value for the money.</p>	David Agong (FAM)	Not Resolved	30/09/2018

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	<p>project under this Act shall – (a) only be in respect of works and services falling within the functions of the national government under the constitution ; and (b) be community based in order to ensure the benefits are available to a widespread cross-section of the inhabitants of a particular area</p> <p>Consequently, the propriety of the expenditure of Kshs. 640,000 could not be confirmed and the beneficiaries of the water project have not got value for the money.</p>				
5	<p>Other Matters</p> <p>1. stalled Motor Vehicle GK A 487P</p> <p>Observation</p> <p>The constituency had requested to reallocate Kshs. 4,593,275 from the funds set aside in the 2015-2016 for the rehabilitation of Magunga –Nyadenda Road to</p>	<p>Copy of correspondences and minutes availed to show that the constituency is making a follow up with the NGCDF Board to complete the process of disposal and consequently intends to allocate funds towards purchase of a new vehicle in financial year 2018/2019 projects proposal.</p>	<p>David Agong (FAM)</p>	<p>Not Resolved</p>	<p>30/09/2018</p>

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	<p>finance the acquisition of a motor vehicle but request was deferred by the board until the process of disposal of old motor vehicle is completed. Although, the constituency had sought approval from the parent ministry to dispose the vehicle after obtaining the professional opinion of the CDF Board procurement officer, the ministry is yet to approve the disposal. The funds set aside for the road project were subsequently reallocated by the CDF Board to other school projects.</p> <p>Consequently, the Fund's operation is being hampered due to lack of vehicle as the Constituency Development Fund Committee (CDFC) is not able to monitor project Management Committees Funds disbursed to them</p>				