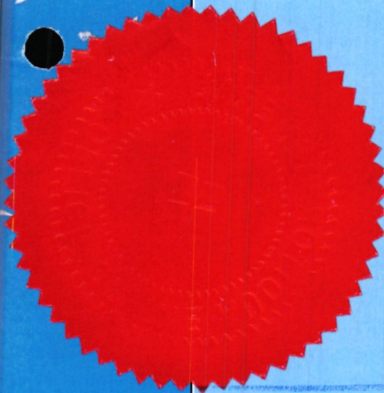


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 24 JUL 2019

Day: Wednesday

TABLED BY: Hon. Aden Duale (LOM)

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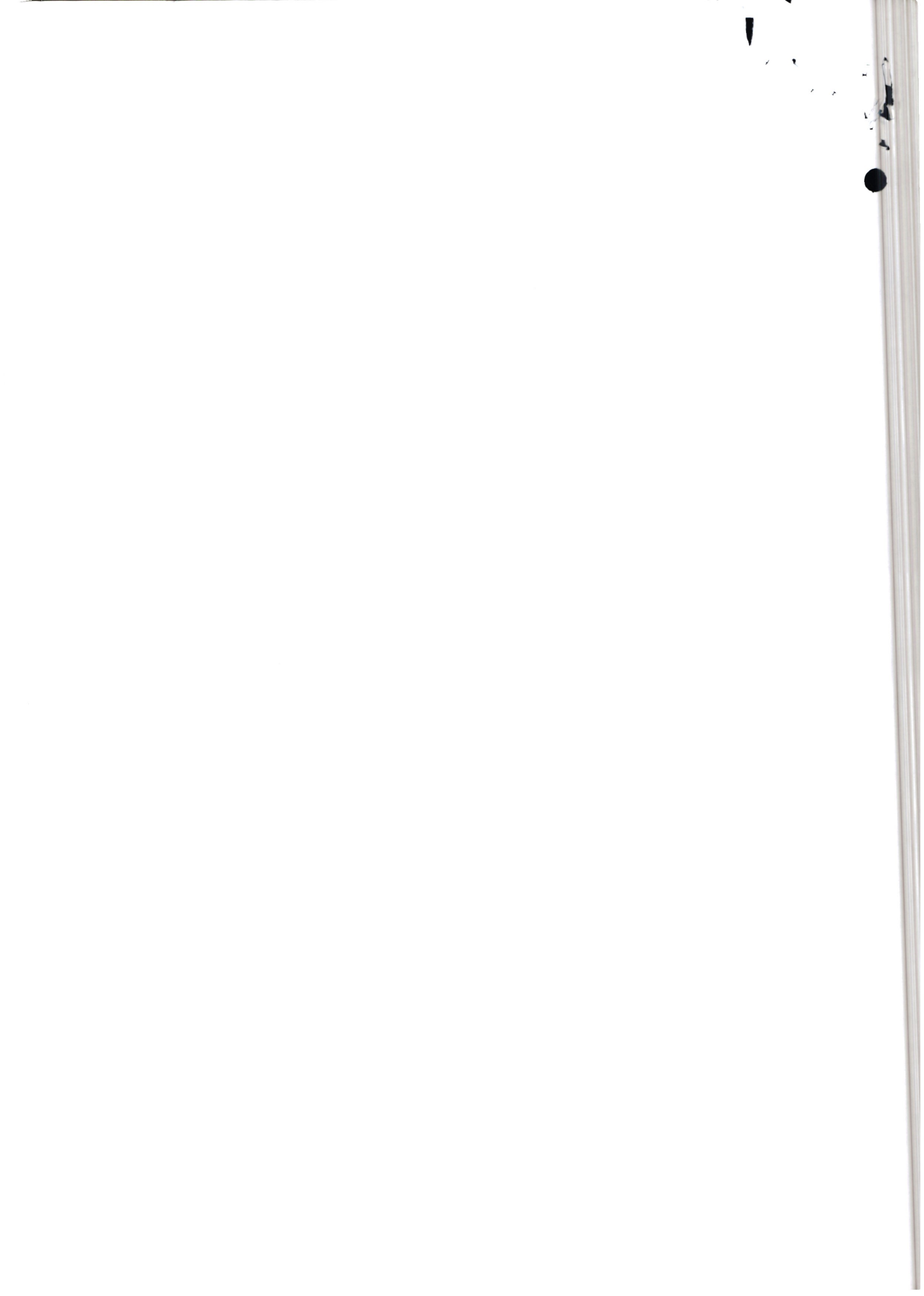
REPORT

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KINANGO CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**





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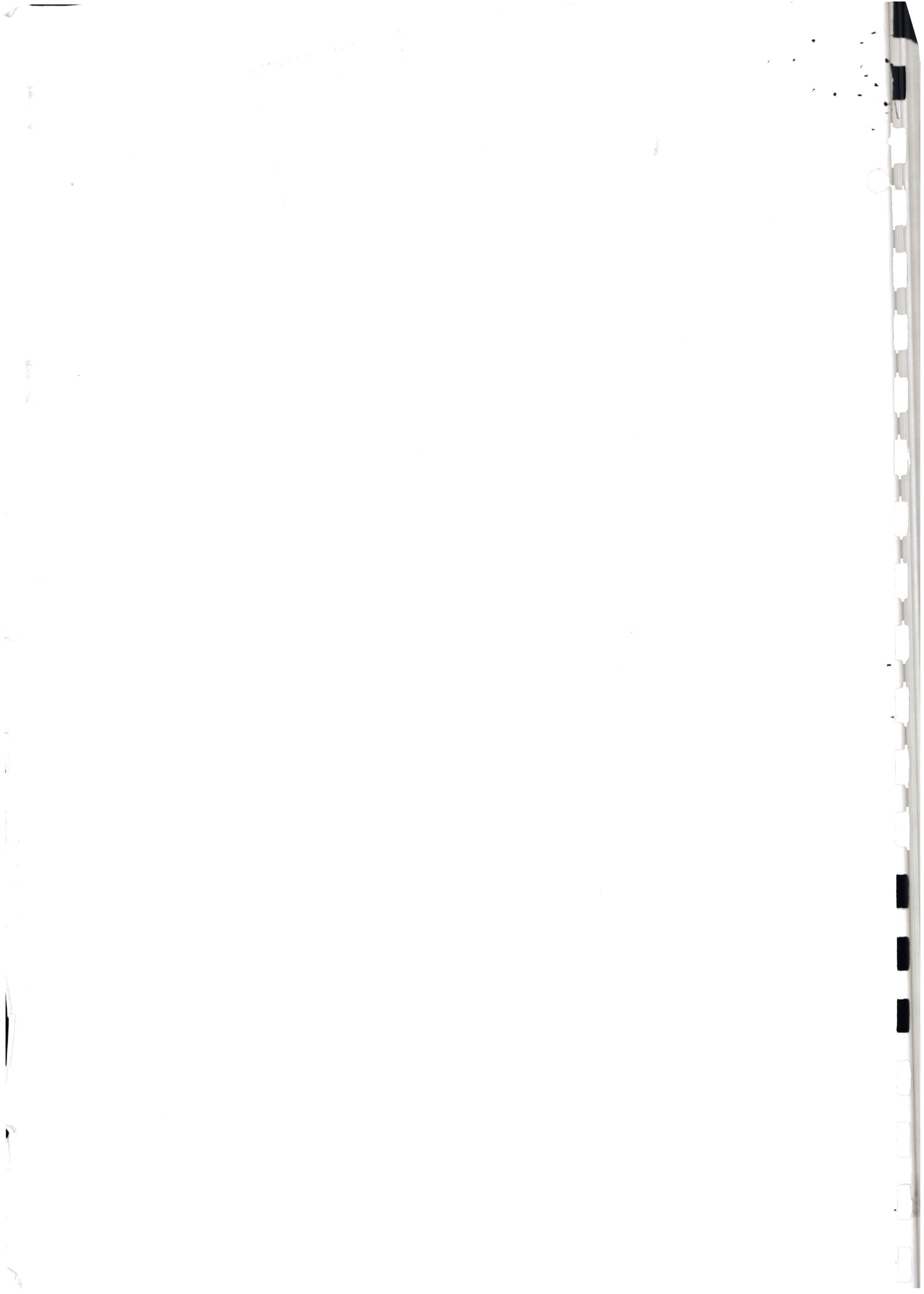


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KINANGO
CONSTITUENCY**

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)**



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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KINANGO 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The *National Government-Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2015. The *National Government-Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *National Government-Constituencies Development Fund*.

(b) Key Management

The *Kinango Constituency's* day-to-day management is under the following key organs:

- i. National Government-Constituencies Development Fund Board (NG-CDFB)
- ii. National Government-Constituency Development Fund Committee (NG-CDFC)

(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.	Chief Executive Officer	Yusuf Mbuno
2.	Fund Account Manager	Beatrice Kulaphira Tembe
3.	District Accountant	Franklin Munene

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Kinango Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the National Government-Constituency Development Fund Committee (NG-CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

Kinango NG-CDF Committee Members as Gazetted

No.	Name	Designation	Position
1.	Beatrice Kulaphira Tembe	Fund Account Manager	Ex-officio
2.	Rashid Kurera Bvu	Male Representative	Chairman
3.	Beatrice Mbeyu Joto	Female Youth Representative	Secretary
4.	Vivian Mbaya	Assistant County Commissioner	Member
5.	Ngome Chitaphi	NG-CDF Board Representative	Member
6.	Rabecca Dunyo	Persons with Disabilities Representative	Member
7.	Kimani Lemna	Constituency Office Nominee	Member
8.	Abdhiban Mgandi Mnyika	Male Youth Representative	Member
9.	Lilan Nyanje	Women Representative	Member
10.	Amina Bulle	Constituency Office Nominee	Member



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

**Reports and Financial Statements
For the year ended June 30, 2018**

- (a) **Entity Headquarters**
Kinango NG-CDF Offices
Kinango NG-CDF Building
Kinango Sub-County Head Quarters
Kwale County
P.O.Box 41 - 80405
KINANGO
- (b) **Entity Contacts**
Telephone: +254 (25) 281 889
E-mail: cdfkinango@cdf.go.ke
Website: www.go.ke
- (c) **Entity Bankers**
Kinango Constituency Development Fund
Account no.1108631142
Kenya Commercial Bank
Kwale Branch
P.O.Box 43 - 80403
KWALE
- (d) **Independent Auditors**
The Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
NAIROBI
- (e) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI



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

**Reports and Financial Statements
For the year ended June 30, 2018**

**II. FORWARD BY THE CHAIRMAN KINANGO NATIONAL GOVERNMENT-CONSTITUENCY
DEVELOPMENT FUND COMMITTEE (CDFC)**

I am pleased to forward the Financial Statements and Reports for Kinango Constituency Development Fund for the period ended 30th June, 2018 as the expended Budget for the Financial Year 2017/2018. The actual receipts from the CDF Board of the referred period was kshs. 86,810,345 against an Annual Budget of kshs. 99,792,493 for the FY 2017/2018. The actual expenditure for the referred period was kshs 46,735,827 backed up by cashbook opening balances of kshs. 1,602,838 in the financial year 2016/2017 as elaborated in the Annual Receipts & Expenditure Ledgers.

The absorption rate is almost 46.8% with a commanding utilisation rate of below 99 per cent overall as indicated by the Appropriation analysis summary.

Major achievements have been realised in the disbursement of funds in all the sectors. The coordination role of bringing all stakeholders on board in the identification, prioritization, implementation, monitoring and usage of output has boosted the overall performance of the fund.

Despite a few challenges here and there, CDF continues to be the most preferred devolved fund at the grassroots by the society due to its broadened and inclusive management style and the visible tangible results that have brought hope to many villages that not so long ago were leaving in despair and ravaging poverty.

We hope that the NG-CDF Board shall improve in the disbursement speed so as to enable the NG-CDFCs utilize funds in time and also call upon all the other stakeholders with interest in the management of NG-CDF to develop a positive thinking approach towards NG-CDF issues rather than treating the fund as a political tool that lacks professionalism in its administration, a very misleading fallacy.



**CHAIRMAN,
KINANGO NG-CDF COMMITTEE**



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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF NG-CDF 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 CDF 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

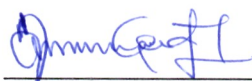
The Accounting Officer in charge of the National Government Constituencies Development Fund -Kinango Constituency is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Funds, for and as at the end of the financial year period ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that this continues 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 Fund; (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 *Fund*; (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 National Government Constituencies Development Fund -Kinango Constituency accepts responsibility for the Fund'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 *Fund's* transactions during the financial year ended June 30, 2018, and of the Fund's financial position as at that date. The Accounting Officer in-charge of the Kinango National Government - Constituency Development Fund further confirms the completeness of the accounting records maintained for the *Fund*, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in-charge of the National Government Constituencies Development Fund -Kinango Constituency confirms that the Fund has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Fund'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 Fund'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 Fund's financial statements were approved and signed by the Accounting Officer on 7th September 2018.



Chairman – Kinango NG-CDF



FAM – Kinango Constituency



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kinango Constituency set out on pages 5 to 31, which comprise the statement of assets and liabilities as at 30 June 2018, 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 National Government Constituencies Development Fund – Kinango Constituency 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 National Government Constituency Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Bank Balances

The statement of assets and liabilities as at 30 June 2018 reflects Kshs.41,677,356 in respect of bank balance. The bank reconciliation statement as at 30 June 2018 reflects unrepresented cheques amounting to Kshs.2,388,838. However, audit verifications revealed that included in the unrepresented cheques of Kshs.2,388,838 were eighteen (18) stale cheques totaling Kshs.157,036. The cheques had not been reversed in the cash book as at the time of audit, in March 2019. In addition, the bank reconciliation statement reflected unrecorded payment of Kshs.2,000 in the bank statements which related to bank charges. It was not clearly explained why the cashbook had not been updated with the bank charges.

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

Consequently, the accuracy and completeness of bank balance of Kshs.41,677,356 as at 30 June 2018 could not be confirmed.

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

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. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matters

1.0 Budgetary Controls and Performance

1.1 Revenue Budget Analysis

During the year under review, National Government Constituencies Development Fund – Kinango Constituency had a revenue budget of Kshs.99,792,493 against actual receipts of Kshs.86,810,345 or 87%, resulting to an under disbursement of budget of Kshs.12,982,148 or 13% from the Constituency Development Fund Board.

The Fund received the last installment of Kshs.43,405,172 on 28/06/2019 which is contrary to budget mechanism of releasing funds on quarterly basis. Failure by the Board to disburse funds as per the budget, may adversely affect delivery of goods and services to the residents of Kinango Constituency contrary to values and principles of public service as provided for under Article 232 (1 - c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.

1.2 Expenditure Budget Analysis

According National Government Constituencies Development Fund Board's appropriation, Kinango Constituency had a final budget of Kshs.99,792,493 where Kshs.68,824,730 being 69% of the total budget was allocated to projects being; transfers to other government units of Kshs.33,615,938 and other grants and transfers of Kshs.35,208,792.

The overall budget for the year under review was Kshs.99,792,493 against total actual expenditure of Kshs.46,831,840 resulting to under absorption of Kshs.52,960,654 or 53% as summarized below:

Budget line	Final Budget Kshs.	Actual Expenditure Kshs.	Unspent Balance Kshs.	% of Utilization
Compensation of Employees	2,029,638	1,619,012	410,626	80%
Use of Goods and Services	10,992,133	10,013,406	978,727	91%
Transfers to Other Government Units	33,615,938	9,551,422	24,064,516	28%
Other Grants and Transfers	35,208,792	25,648,000	9,560,792	73%
Acquisition of Assets	6,200,000	0	6,200,000	80%
Other Payments	11,745,993	0	11,745,993	
Totals	99,792,494	46,831,840	52,960,654	47%

The Fund had a total under-expenditure of Kshs.52,960,654 representing 53% of the budget. This implies that public funds were lying idle at the expense of other deserving areas. Although the management has attributed the situation to delays in receiving funds from the National Government Constituencies Development Fund Board, this may affect delivery of goods and services to the residents of Kinango Constituency contrary to values and principles of public service as provided for under Article 232 (1– c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.

1.3 Project Implementation Status

According to the project implementation status report as at 30 June 2018, the following four (18) projects with a total budget of Kshs.40,928,449 were not implemented during the period under review:

No.	Financial Year	Project name	Approved Activities	Amount Disbursed (Kshs.)	Implementation Status/Level
1	2017/2018	Mwangani Primary school	Construction of 3 No. Classrooms	3,051,422	Not started
2	2017/2018	Mwandimu Primary School	Construction of 2 No. Classrooms	2,000,000	Not started
3	2017/2018	Mulunguni Primary School	Construction of 2 No. Classrooms	2,000,000	Not started
4	2017/2018	Gandini Central Primary School	Construction of 2No. Classrooms	2,000,000	Not started
5	2017/2018	AIC Gangani Primary School	Construction of 2No. Classrooms	2,000,000	Not started
6	2017/2018	Lutsangani North Primary School	Construction of 2No. Classrooms	2,000,000	Not started
7	2017/2018	Kazamoyo Primary School	Construction of 2No. Classrooms	2,000,000	Not started

No.	Financial Year	Project name	Approved Activities	Amount Disbursed (Kshs.)	Implementation Status/Level
8	2017/2018	Muongano Primary School	Construction of 2No. Classrooms	2,000,000	Not started
9	2017/2018	Dumbule Primary School	Renovation of 3No. Classrooms	2,000,000	Not started
10	2017/2018	Maji ya chumvi Primary School	Renovation of 4No. Classrooms	2,000,000	Not started
11	2017/2018	Kumbulu Primary School	Renovation of 4No. Classrooms	2,000,000	Not started
12	2017/2018	Mwache Primary School	Renovation of 4No. Classrooms	2,000,000	Not started
13	2017/2018	Kinango Police Station	Construction of 4No. Bedsitters	5,000,000	Not started
14	2017/2018	NG-CDF Office	Buying of a new office vehicle	6,200,000	Not started
15	2017/18	Kinango Youth Empowerment Centre	Installation of necessary ICT equipment.	1,169,257	Not started
16	2017/18	Kasemeni Youth Empowerment Centre	Installation of necessary ICT equipment	1,169,257	Not started
17	2017/18	Ndavaya Youth Empowerment Centre	Installation of necessary ICT equipment	1,169,257	Not started
18	2017/18	Samburu Youth Empowerment Centre	Installation of necessary ICT equipment	1,169,257	Not started
		Total		40,928,450	

Although eight (8) of the projects had been implemented by the time of audit (January, 2019), delayed implementation of other projects denies residents intended benefits. In addition, non-implementation of development projects affects goods and service delivery to the public and the intended purpose of the projects may not to be realized.

1.4 Project Inspection

Audit inspection of three (3) projects with a total allocation of Kshs.7,051,422 during the month of February 2019 indicated the following state of affairs of the following specific projects: -

No	Project Verified	Project Activity	Amount Kshs.	Observations
1	Bumani Primary School	Construction of class rooms	2,000,000	-Piers not constructed -Details of expenditure on provisional sum of Kshs.250,000 not availed
2	Mwangani Primary School	Construction of class rooms	3,051,422	-Types of windows installed vary with approved bills of quantities - Roofing sheets vary with approved bills of quantities -Details of expenditure on provisional sum of Kshs.250,000 not availed
3	Karyaka Primary School	Construction of class rooms	2,000,000	-Piers not constructed -Details of expenditure on provisional sum of Kshs.250,000 not availed
	Total		7,051,422	

The above observations casts doubt on project supervision and value for money for public funds.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Bank Balances for Closed Projects

Annex 4 to the financial statements reflects bank balances in forty five (45) project management committees' bank accounts totaling Kshs.2,800,759. The annex includes balances for nine (9) closed projects totaling of Kshs.673,021 and which had not been refunded to the Fund's main account as detailed below:

No.	Project Management Committee	Account number	Bank Balance 2017/2018
1	Chidzaya Primary School	1205178872	36,245.00
2	Mtulu Primary School	1157473830	11,949.50
3	Nyari Primary School	1205634789	38,694.50
4	Nyango Primary School	1159081441	126,695.00
5	Mwabila Secondary School	1120799996	91,338.00
6	Mazeras High School	1126413976	13,576.90
7	Mackinnon Road Sec School	1107818370	196,612.65
8	Kinango Secondary School	1125632984	122,443.10
9	Salim Mvurya Secondary School	1150968303	35,466.08
	Total		673,020.73

This was contrary to Section 12 (8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account. Therefore, the management was in breach of the laws.

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, except for the matters described in the Basis for Qualified Opinion section of my report, 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.

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 such 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 of the Fund to continue 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 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 Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the Fund 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 Fund 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.

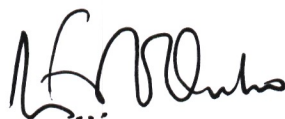
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 National Government Constituencies Development Fund – Kinango Constituency 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 National Government Constituencies Development Fund – Kinango Constituency 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 National Government Constituencies Development Fund – Kinango Constituency 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

29 April 2019

16

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

Reports and Financial Statements

For the year ended June 30, 2018

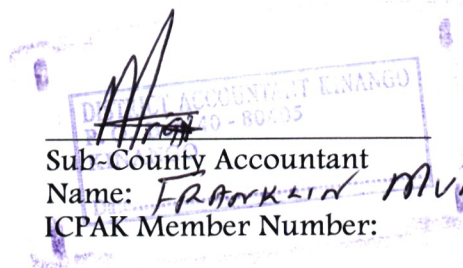
IV. STATEMENT OF RECEIPTS AND PAYMENTS			
	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	86,810,345.00	81,896,552.00
Proceeds from Sale of Assets	2	-	
Other Receipts	3	-	<u>78,000.00</u>
TOTAL RECEIPTS		86,810,345.00	81,974,552.00
PAYMENTS			
Compensation of employees	4	1,619,012.00	3,556,286.00
Use of goods and services	5	10,013,406.00	8,615,088.00
Transfers to Other Government Units	6	9,551,422.00	90,264,127.00
Other grants and transfers	7	25,648,000.00	59,974,846.00
Acquisition of Assets	8	-	1,193,525.00
Other Payments	9		<u>1,401,583.00</u>
TOTAL PAYMENTS		46,831,840.00	165,005,454.0
SURPLUS/(DEFICIT)		<u>39,978,505.00</u>	<u>(83,030,903.0)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KINANGO Constituency financial statements were approved on 7th September 2018 and signed by:



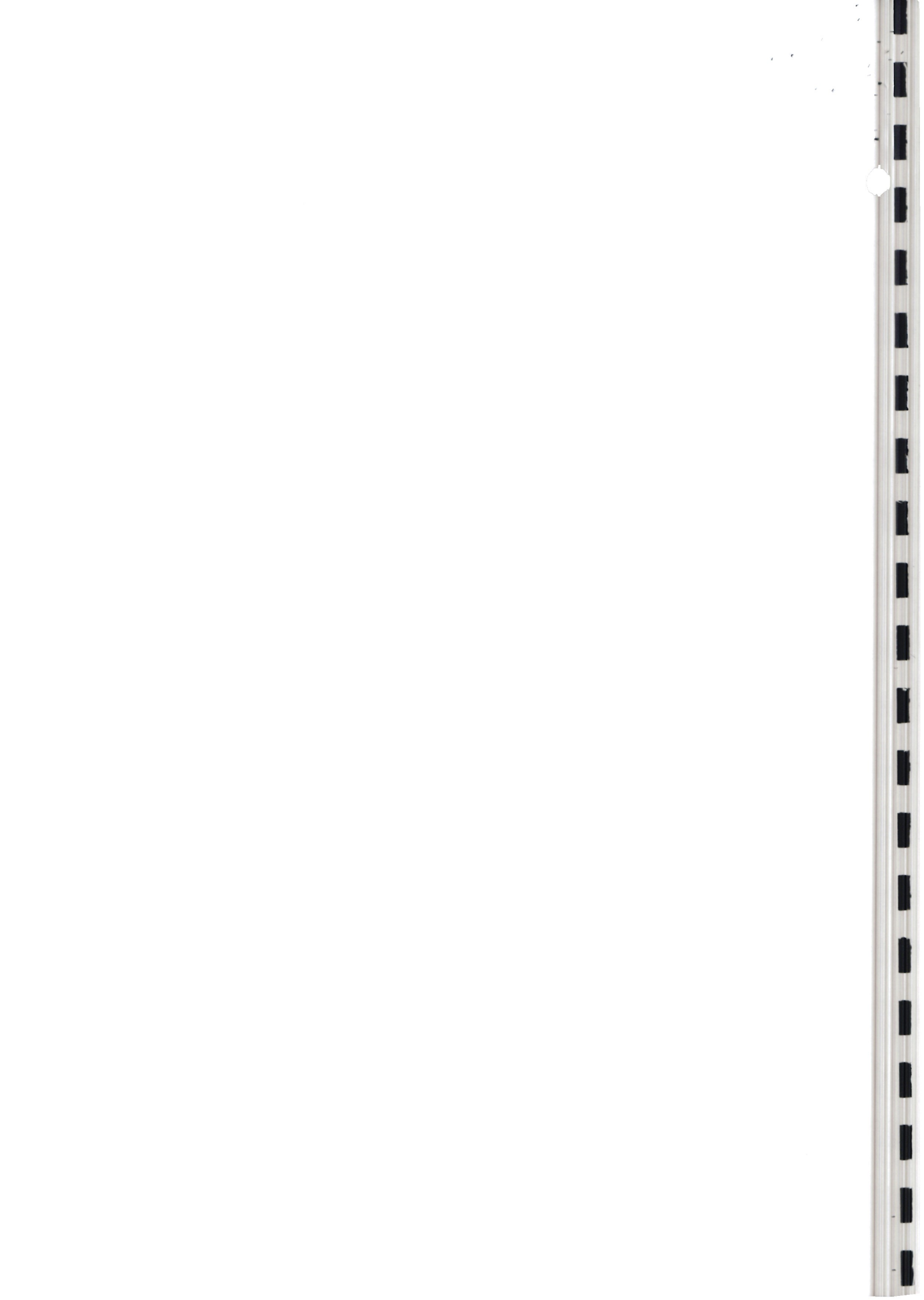
Fund Account Manager

Name: Beahrice K. Tembe



Sub-County Accountant

Name: FRANKLIN MURINE
ICPAK Member Number:




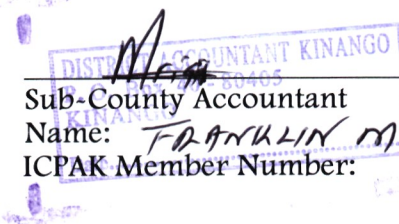
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KINANGO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

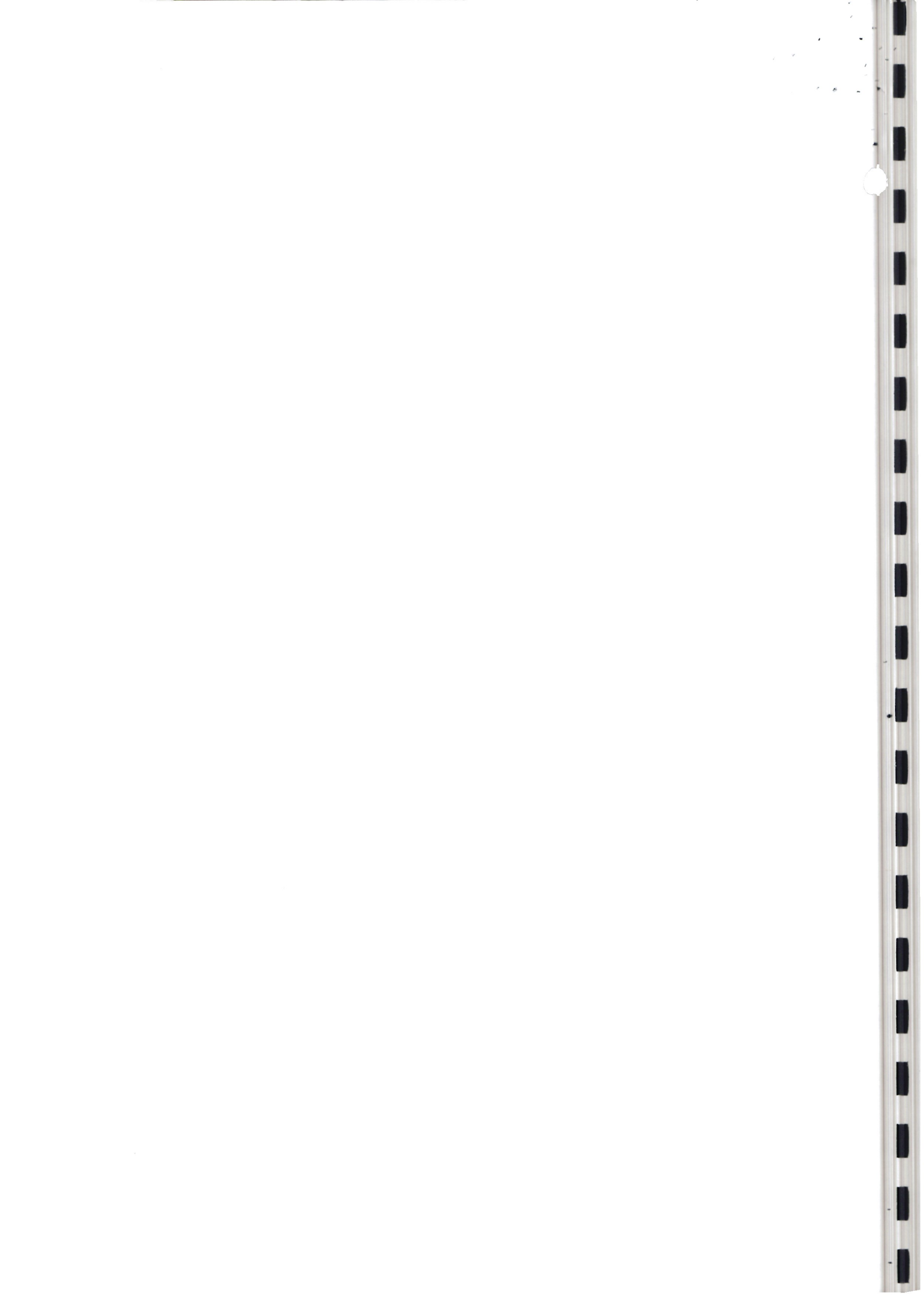
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	41,677,356.00	1,602,838.00
Cash Balances (cash at hand)	10B	=	=
Current receivables - Outstanding Imprests	11	=	=
TOTAL FINANCIAL ASSETS		<u>41,677,356.00</u>	<u>1,602,838.00</u>
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	-	-
NET FINANCIAL ASSETS		41,677,356.00	1,602,838.00
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	1,602,838.00	84,633,741.00
Surplus/Deficit for the year		39,978,505.00	(83,030,903.00)
Prior year adjustments	14	<u>96,013.00</u>	=
NET LIABILITIES		<u>41,677,356.00</u>	<u>1,602,839.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KINANGO Constituency financial statements were approved on 7th September 2018 and signed by:


 Fund Account Manager
 Name: Beahie K. Tendbe


 Sub-County Accountant
 Name: FRANKLIN MUNENE
 ICPAK Member Number:



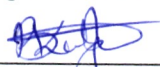
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KINANGO CONSTITUENCY**

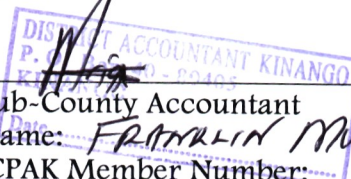
**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016- 2017
Transfers from NGCDF Board	1	86,810,345.00	81,896,552.00
Other Receipts	3	-	<u>78,000</u>
		86,810,345.00	81,974,552.00
Payments for operating expenses			
Compensation of Employees	4	1,619,012.00	3,556,286.00
Use of goods and services	5	10,013,406.00	8,615,088.00
Transfers to Other Government Units	6	25,648,000.00	90,264,127.00
Other grants and transfers	7	9,551,422.00	59,974,846.00
Other Payments	9	-	1,401,583.00
		46,831,840.00	(163,811,929.00)
Adjusted for:			
Adjustments during the year	14	96,013.00	-
Net cash flow from operating activities		40,074,518.00	(81,837,377.00)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	1,193,525.00
Net cash flows from Investing Activities		-	(1,193,525.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		40,074,518.00	(83,030,903.00)
Cash and cash equivalent at BEGINNING of the year	13	1,602,838.00	84,633,740.00
Cash and cash equivalent at END of the year		<u>41,677,356.00</u>	<u>1,602,838.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KINANGO Constituency financial statements were approved on 7th September 2018 and signed by:


Fund Account Manager
Name: Beatrice K. Tembe

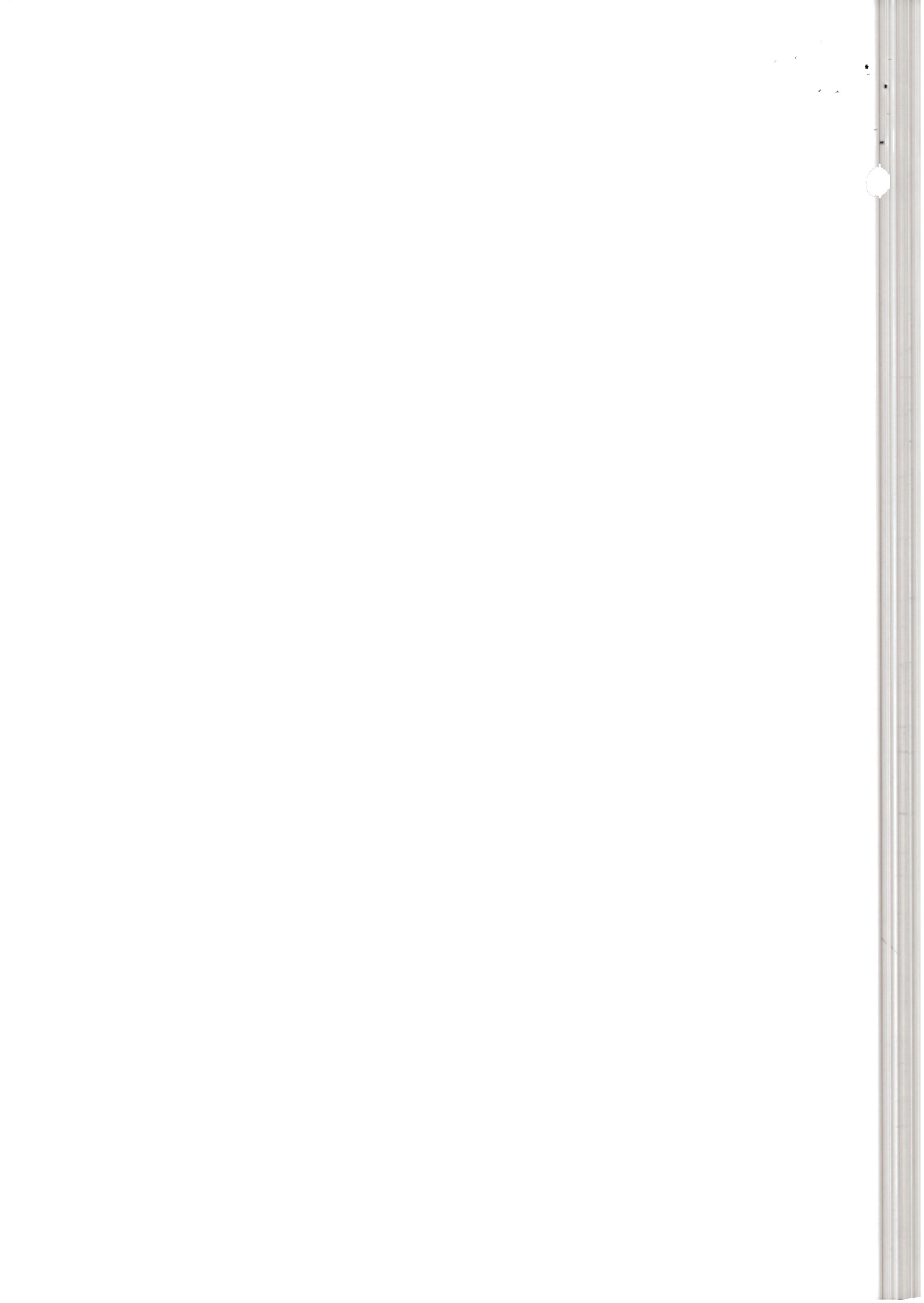

Sub-County Accountant
Name: FRANKLIN MWINJE
ICPAK Member Number: _____



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KINANGO CONSTITUENCY
Reports and Financial Statements
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget		Adjustments		Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
	a	b						
RECEIPTS								
Transfers from CDF Board	86,810,345	12,982,148			99,792,493	86,810,345	12,982,148	86.9%
Proceeds from Sale of Assets								
Other Receipts								
TOTAL RECEIPTS	86,810,345	12,982,148			99,792,493	86,810,345	12,982,148	86.9%
PAYMENTS								
Compensation of Employees	1,888,560	141,078			2,029,638	1,619,012	410,626	79.8%
Use of goods and services	9,924,370	1,067,763			10,992,133	10,013,406	978,727	91.1%
Transfers to Other Government Units	31,051,422	2,564,515			33,615,938	9,551,422	24,064,516	28.4%
Other grants and transfers	26,568,966	8,639,826			35,208,792	25,648,000	9,560,792	72.8%
Acquisition of Assets	6,200,000	0			6,200,000	-	6,200,000	0.0%
Other Payments	11,177,027.20	568,966			11,745,993	-	11,745,993	0.0%
TOTAL	86,810,345	12,982,148			99,792,493	46,831,840	52,960,662	46.9%




Reports and Financial Statements
For the year ended June 30, 2018

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

- i. The 86.5% of transfers from the board shows the difference in the funds allocated and the funds disbursed at the end of the financial year.
- ii. the 28.4% underutilisation of the transfers to other government institutions is as a result of delayed release of funds to the constituency in addition to delayed receipt of the AIE to allow the transfer of the same to the PMC accounts.
- iii. the 72.8% utilisation is as a result of delayed funds release to the constituency by the board.
- iv. 0% utilisation is due to the delayed disbursement of funds to the constituency as well as the AIE.
- v. 0% utilisation is as a result of delayed funds disbursement to the constituency thereby leading to underutilization or no utilisation of the same.

(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-KINANGO Constituency financial statements were approved on 7th September 2018 and signed by:


 Fund Account Manager
 Name: Beahie K. Tembo


 Sub-County Accountant
 Name: Franklin Mwendu
 ICPAK Member Number:



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

**Reports and Financial Statements
For the year ended June 30, 2018**

VIII. 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-KINANGO Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.



SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

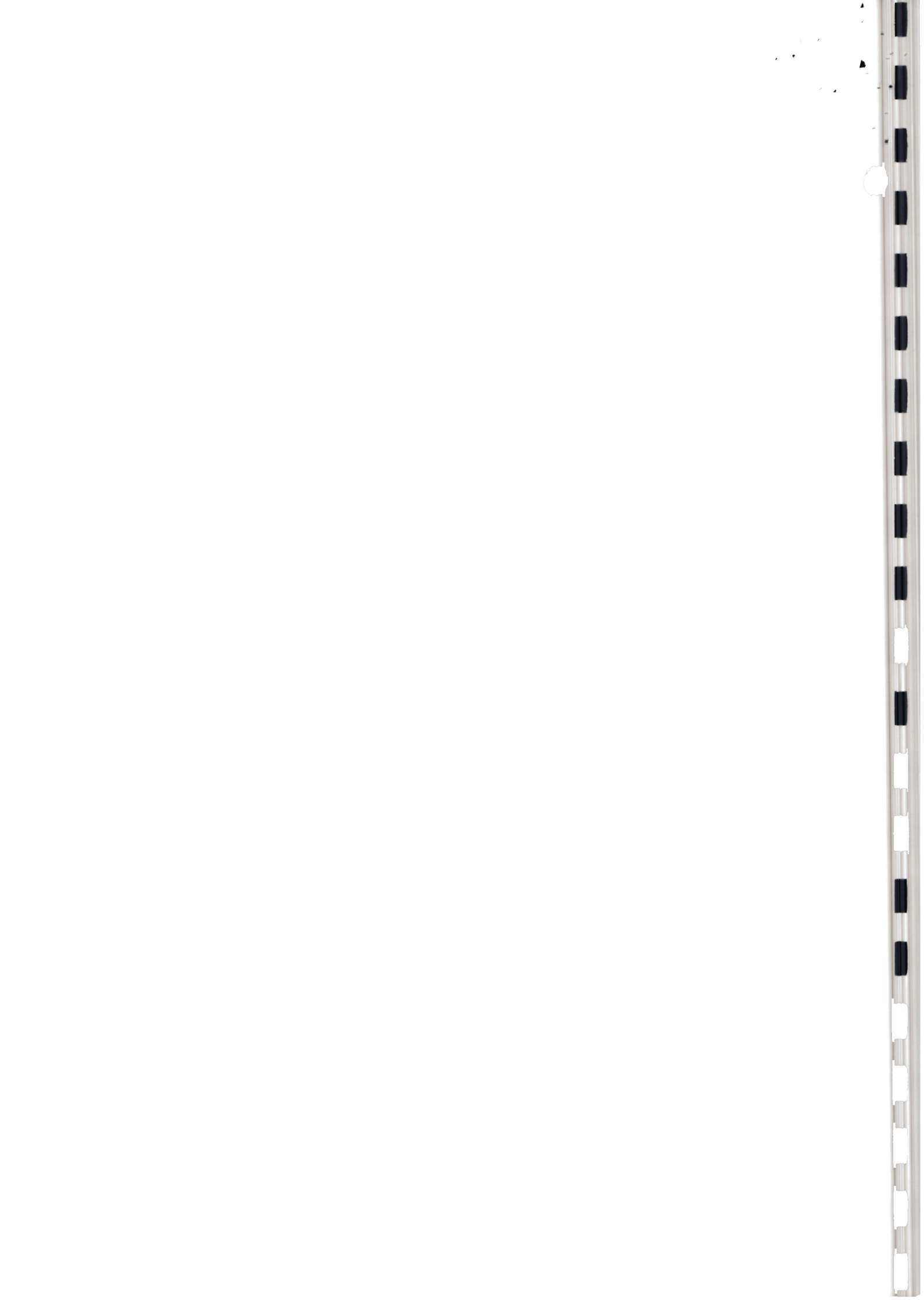
Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

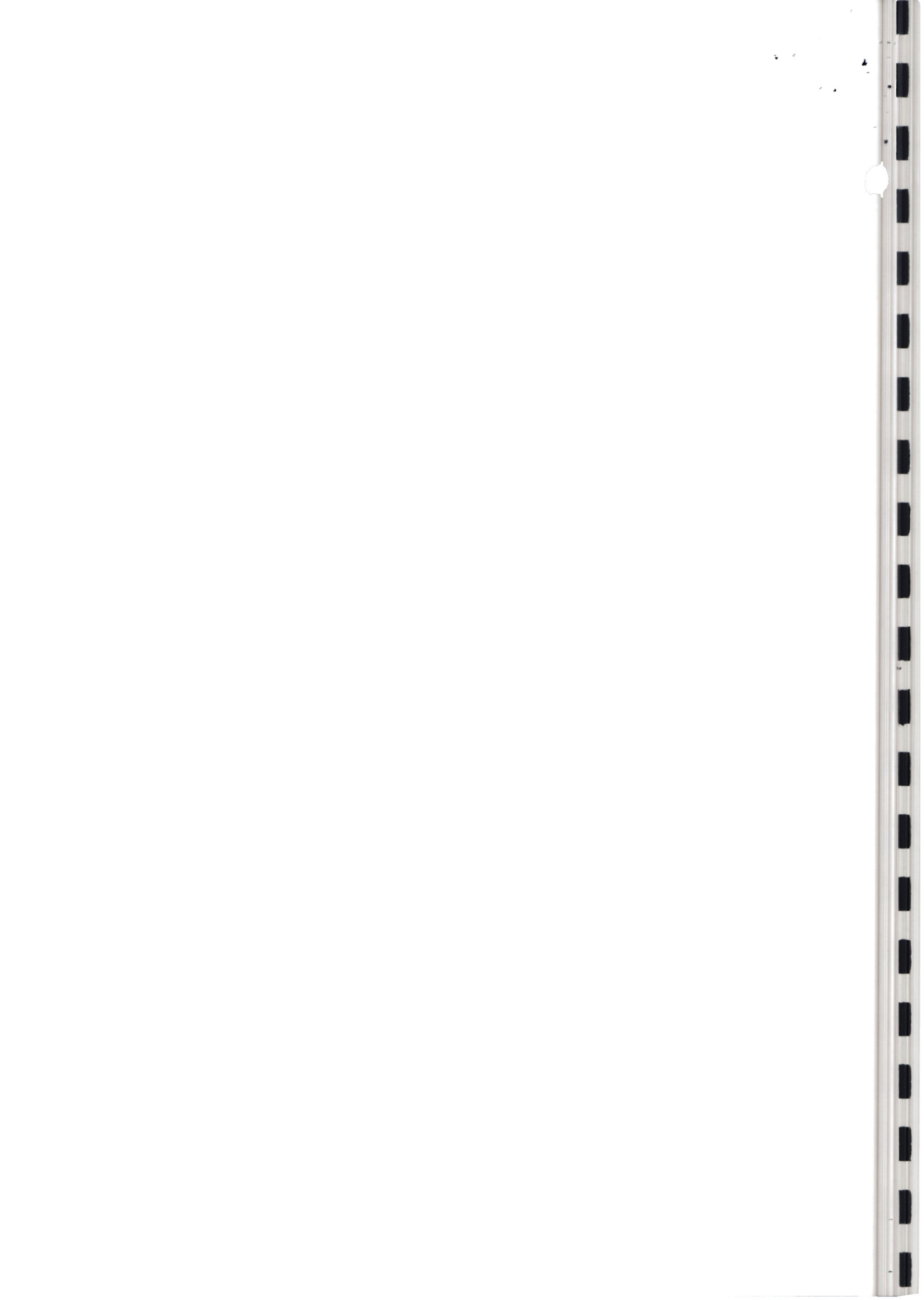
For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations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

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review 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.

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 (NG-CDF) –
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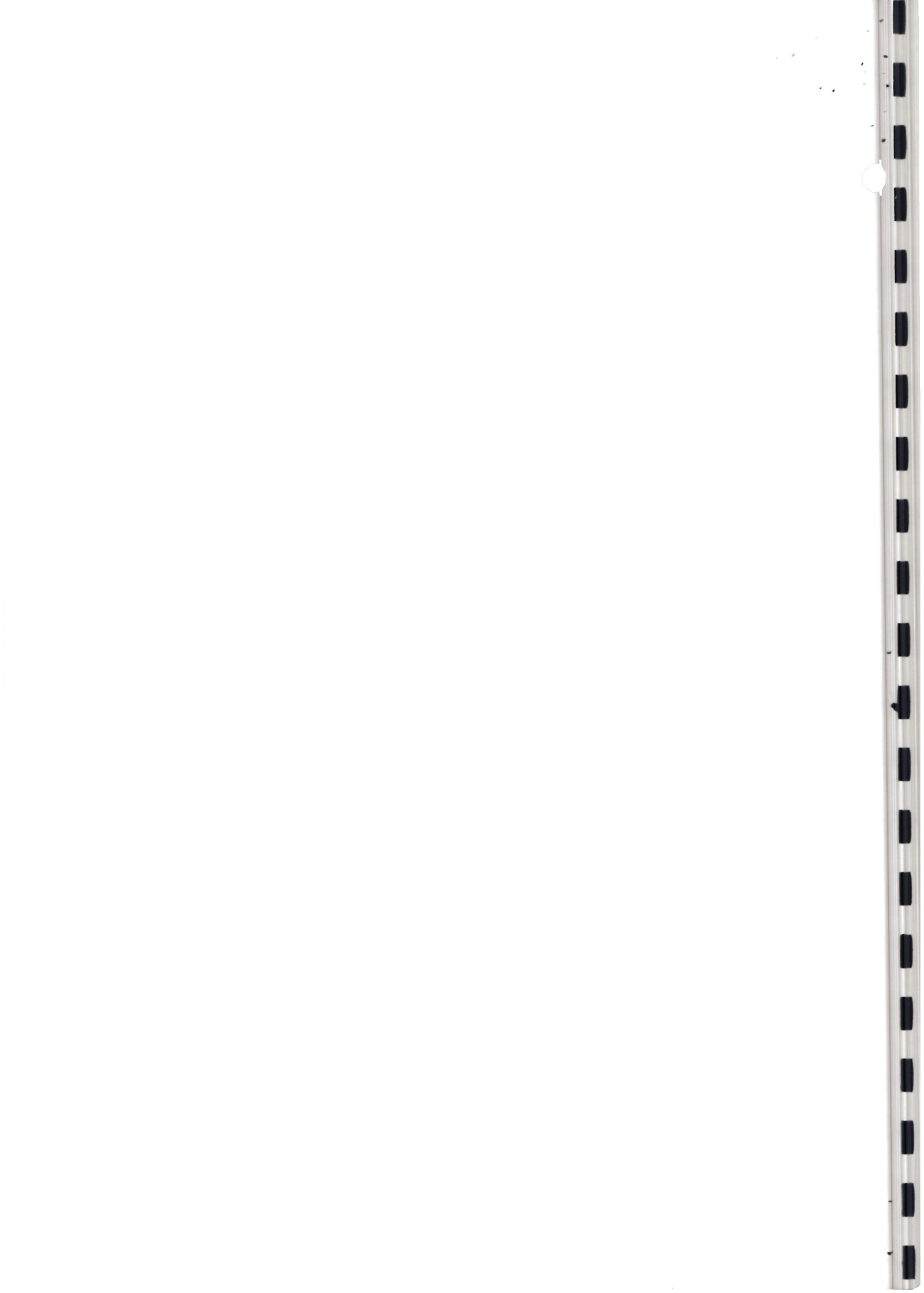
IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018 Kshs	2016-2017 Kshs
NGCDF Board			
AIE NO. A829610	1		4,094,827.00
AIE NO. A855039	2		36,853,449.00
AIE NO. A855653	3		40,948,275.00
AIE NO. A855868	1	5,500,000.00	
AIE NO. A892832	2	37,905,172.00	
AIE NO. A896940	3	43,405,172.80	
TOTAL		86,810,345.00	81,896,552.00

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018 Kshs	2016-2017 Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KINANGO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

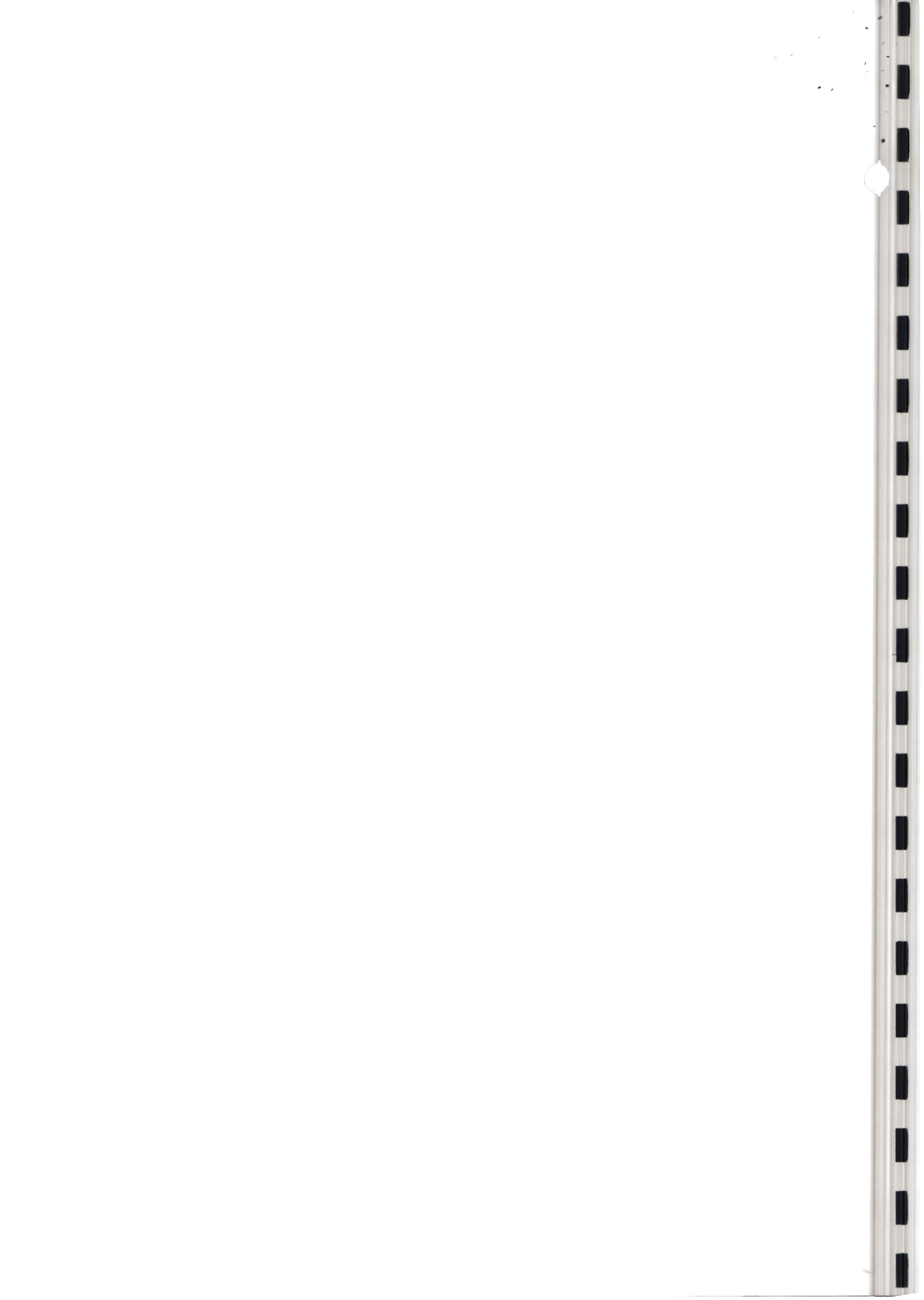
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	78,000.00
Other Receipts Not Classified Elsewhere	-	-
Total	-	78,000.00

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,619,012.00	1,794,814.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	1,016,472.00
Other personnel payments	-	745,000.00
Total	1,619,012.00	3,556,286.00

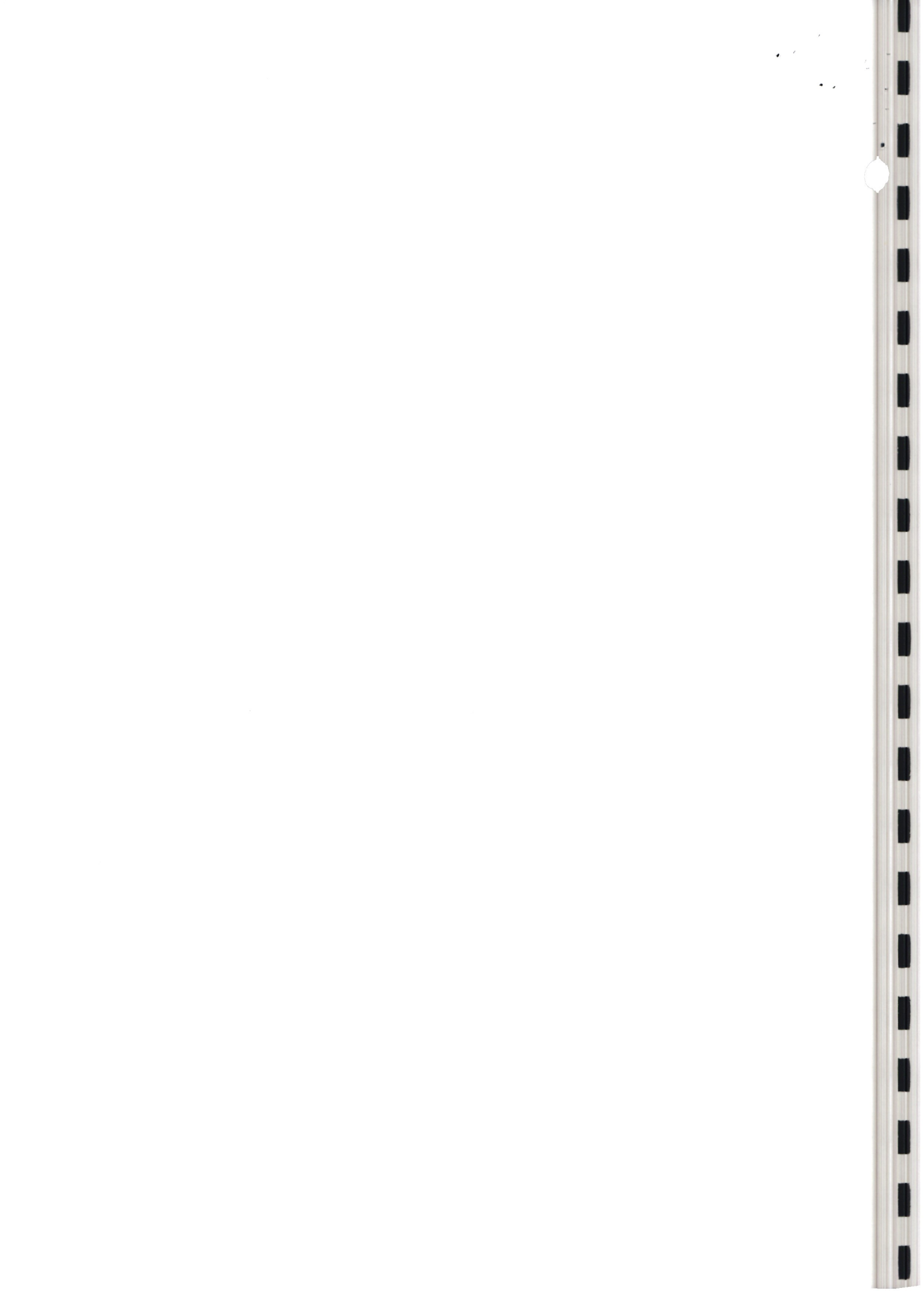


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KINANGO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	4,815,000.00	6,513,059.00
Utilities, supplies and services	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	640,000.00	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	858,406.00	2,102,029.00
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Preparation of 5 year Strategic Plan	3,700,000.00	-
Total	10,013,406.00	8,615,088.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	9,551,422.00	45,371,692.00
Transfers to secondary schools (see attached list)	-	44,127,721.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	764,714.00
TOTAL	9,551,422.00	90,264,127.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	9,999,000.00	24,687,500.00
Bursary – tertiary institutions (see attached list)	11,999,000.00	17,630,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	1,999,558.00
Security projects (see attached list)	-	10,977,961.00
Sports projects (see attached list)	-	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	3,650,000.00	4,679,827.00
Total	25,648,000.00	59,974,846.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	~	~
Construction of Buildings	~	~
Refurbishment of Buildings	~	1,193,525.00
Purchase of Vehicles and Other Transport Equipment	~	~
Overhaul of Vehicles and Other Transport Equipment	~	~
Purchase of Household Furniture and Institutional Equipment	~	~
Purchase of Office Furniture and General Equipment	~	~
Purchase of ICT Equipment, Software and Other ICT Assets	~	~
Purchase of Specialised Plant, Equipment and Machinery	~	~
Rehabilitation and Renovation of Plant, Machinery and Equip.	~	~
Acquisition of Land	~	~
Acquisition of Intangible Assets	~	~
Total	~	1,193,525.00

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	~	~
TIVET	~	~
Desks	~	901,583.00
Audit Management Fee	~	500,000.00
	~	1,401,583.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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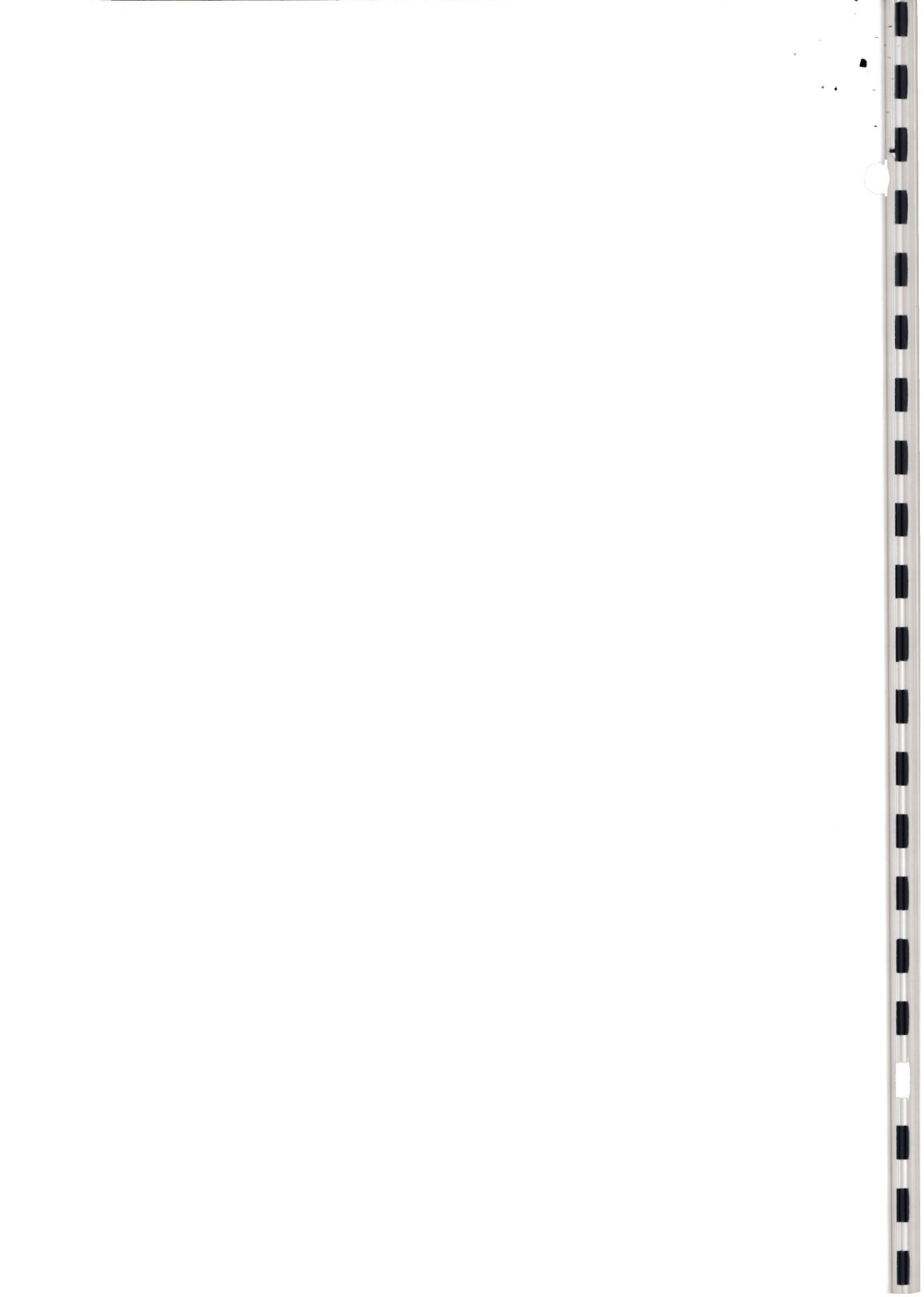
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018 Kshs	2016-2017 Kshs
<i>Name of Bank, Account No. KCB -Kwale Branch 1108631142</i>	41,677,356.00	1,602,838.00
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	41,677,356.00	1,602,838.00

10B: CASH IN HAND

Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
KINANGO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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>Name of Officer or Institution</i>	N/A	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Total</i>		0 -	-	

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

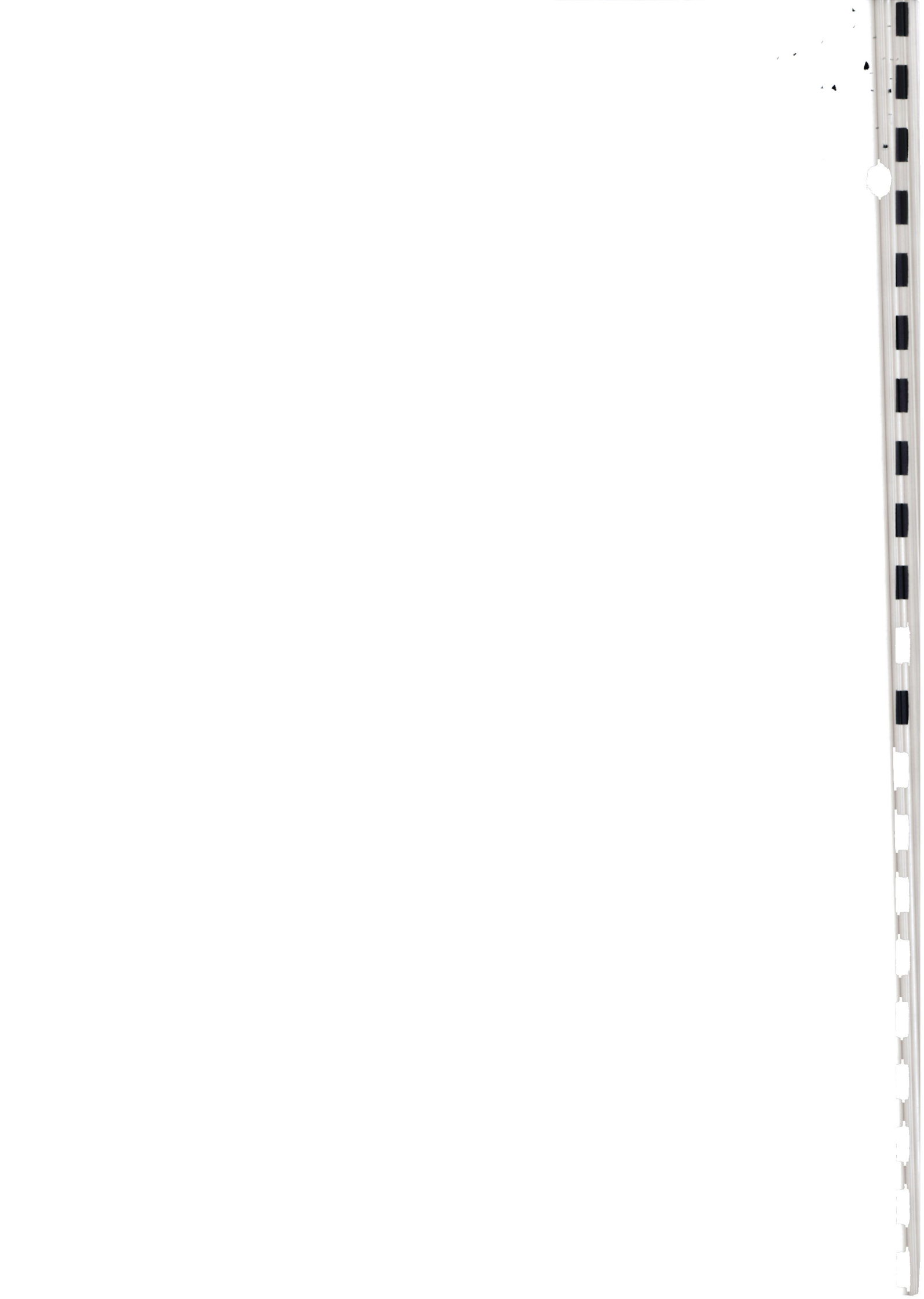
12: RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	1,602,838.00	84,233,741.00
Cash in hand	-	-
Imprest	-	-
Total	1,602,838.00	84,233,741.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	96,013	-
Cash in hand	-	-
Imprest	-	-
Total	96,013	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees Gratuity	202,408.00	-
Others (<i>specify</i>)	-	-
	202,408.00	-

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	18,626.00	25,398.00
Use of goods and services	346,589.00	159,304.00
Amounts due to other Government entities (see attached list)	22,624,322.00	501,478.00
Amounts due to other grants and other transfers (see attached list)	1,310,792.00	531,152.00
Acquisition of assets	6,200,000.00	385,507.00
Others (<i>specify</i>)	11,177,027.00	-
	41,677,356.00	1,602,838.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
 KINANGO CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

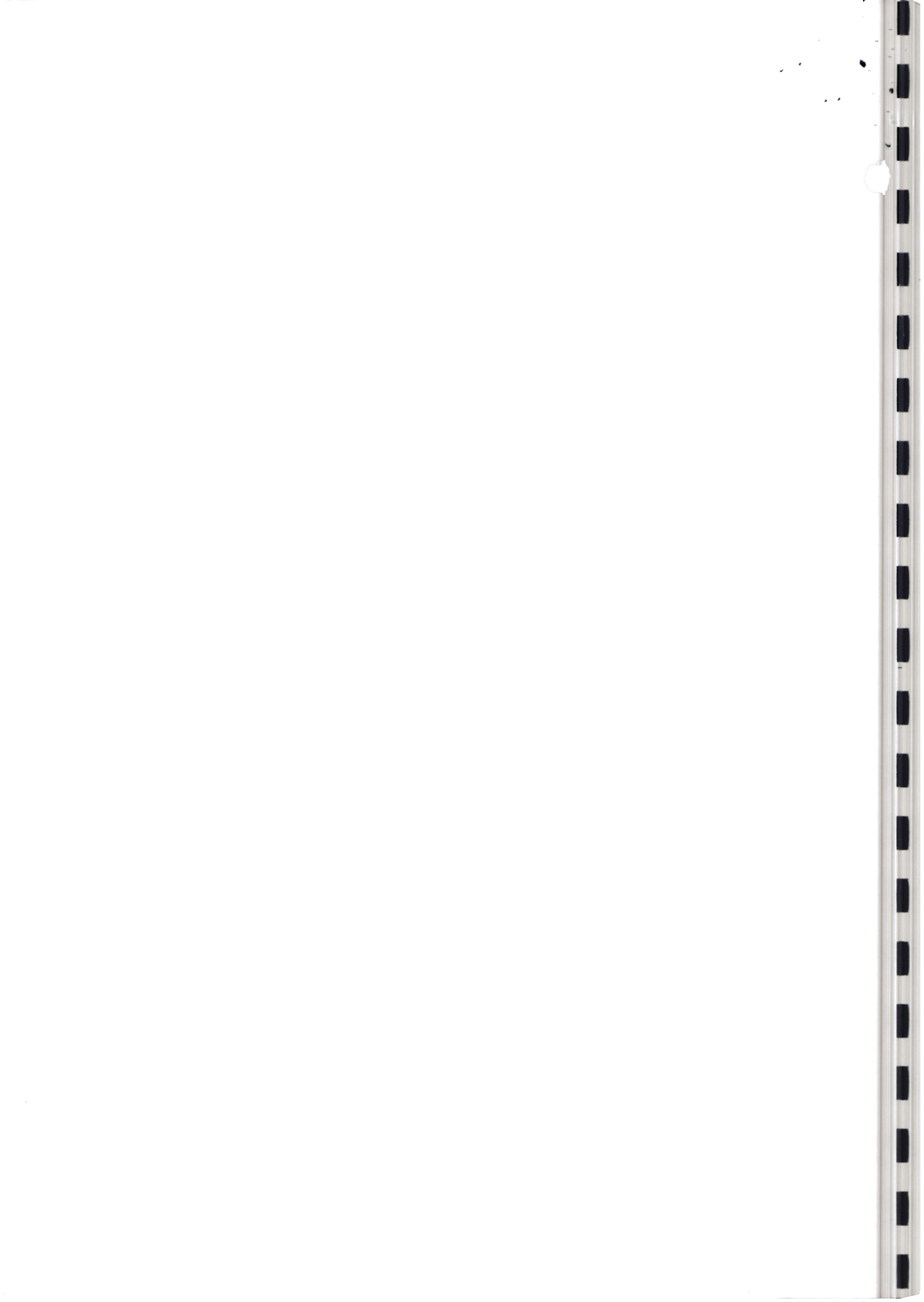
	2017- 2018 Kshs	2016-2017 Kshs
PMC account Balances (see attached list)	9,842,360.73	12,372,974.56
	9,842,360.73	12,372,974.56



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To- Date c	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

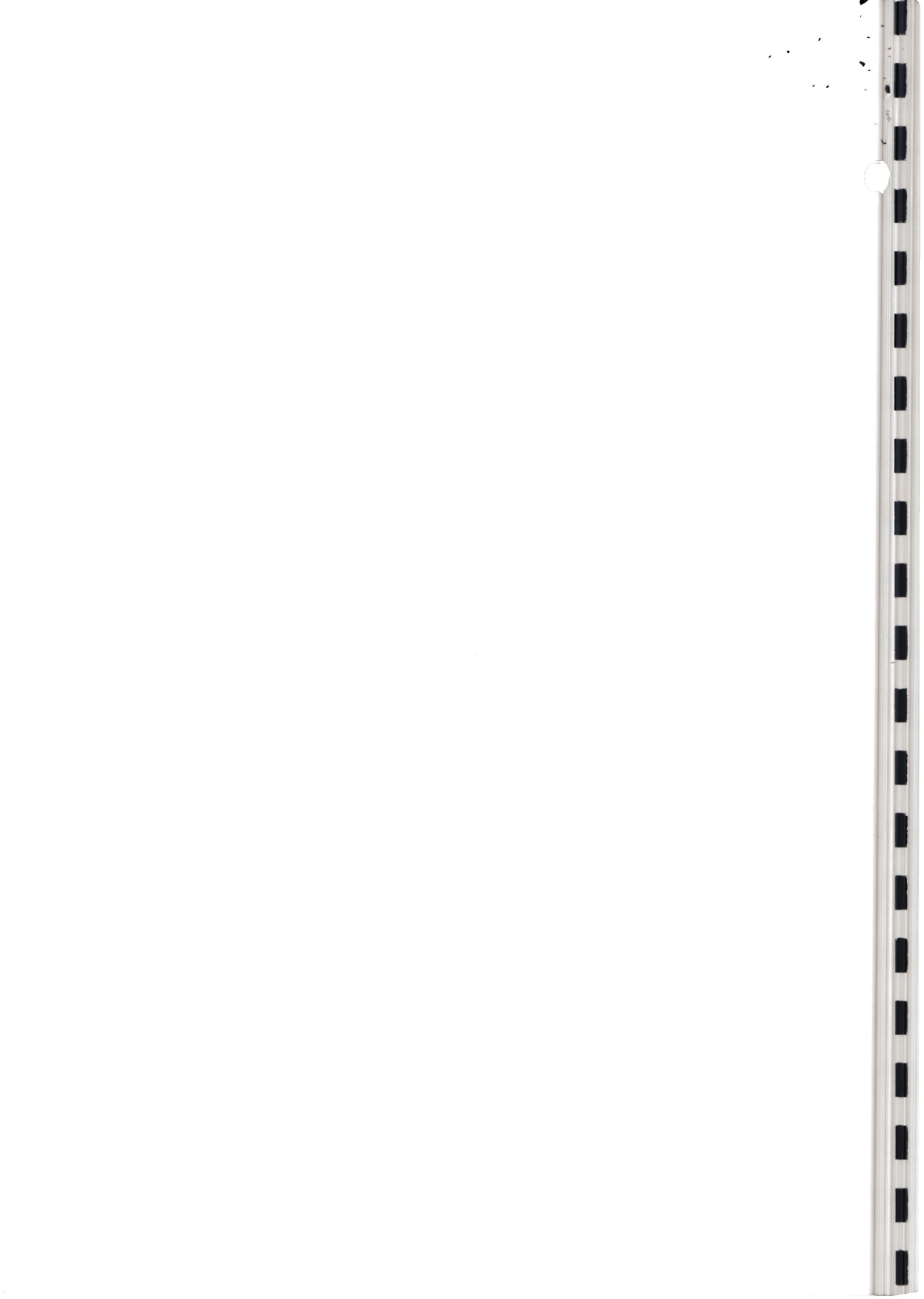
Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c	e	
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7. Jane Uchi	G	25,873.00	1/2/2018	0	25,873.00	0	
8. Tsuma Muweye	H	29,951.00	1/2/2018	0	29,951.00	0	
9. Henry Mwandary	J	38,226.00	1/2/2018	0	38,226.00	0	
10. Kilonzo Muteme	D	108,358.00	1/2/2016	0	108,358.00	0	
Sub-Total							
Others (specify)							
11.							
12.							
13.							
Sub-Total							
Grand Total							



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees	Staff salaries	18,626.00		
Use of goods & services	Payment of utilities Printing and launching of strategic plan	346,589.00		
Amounts due to other Government entities	Primary school projects	22,624,322.00		
Transfers to Primary Schools Projects		22,624,322.00		
Lutsangani North Primary School		2,000,000.00		
Gandini Central Primary School		2,000,000.00		
Maji ya Chumvi Primary School		2,000,000.00		
AIC Gangani Primary School		2,000,000.00		
Mwache Primary School		2,000,000.00		
Muangano Primary School		2,000,000.00		
Dumbule Primary School		2,000,000.00		
Mwandimu Primary School		2,000,000.00		
Mulunguni Primary School		2,000,000.00		
Kumbulu Primary School		2,000,000.00		
Kaza Moyo Primary School		2,000,000.00		
Purchase of Desks		528,309.00		
Mtaa Secondary School		96,013.00		
Sub-Total		22,989,537.00		
Amounts due to other grants and other transfers		1,310,792.00		
Sub-Total		1,310,792.00		
Sub-Total		6,200,000.00		
Acquisition of assets	motor vehicle purchase			



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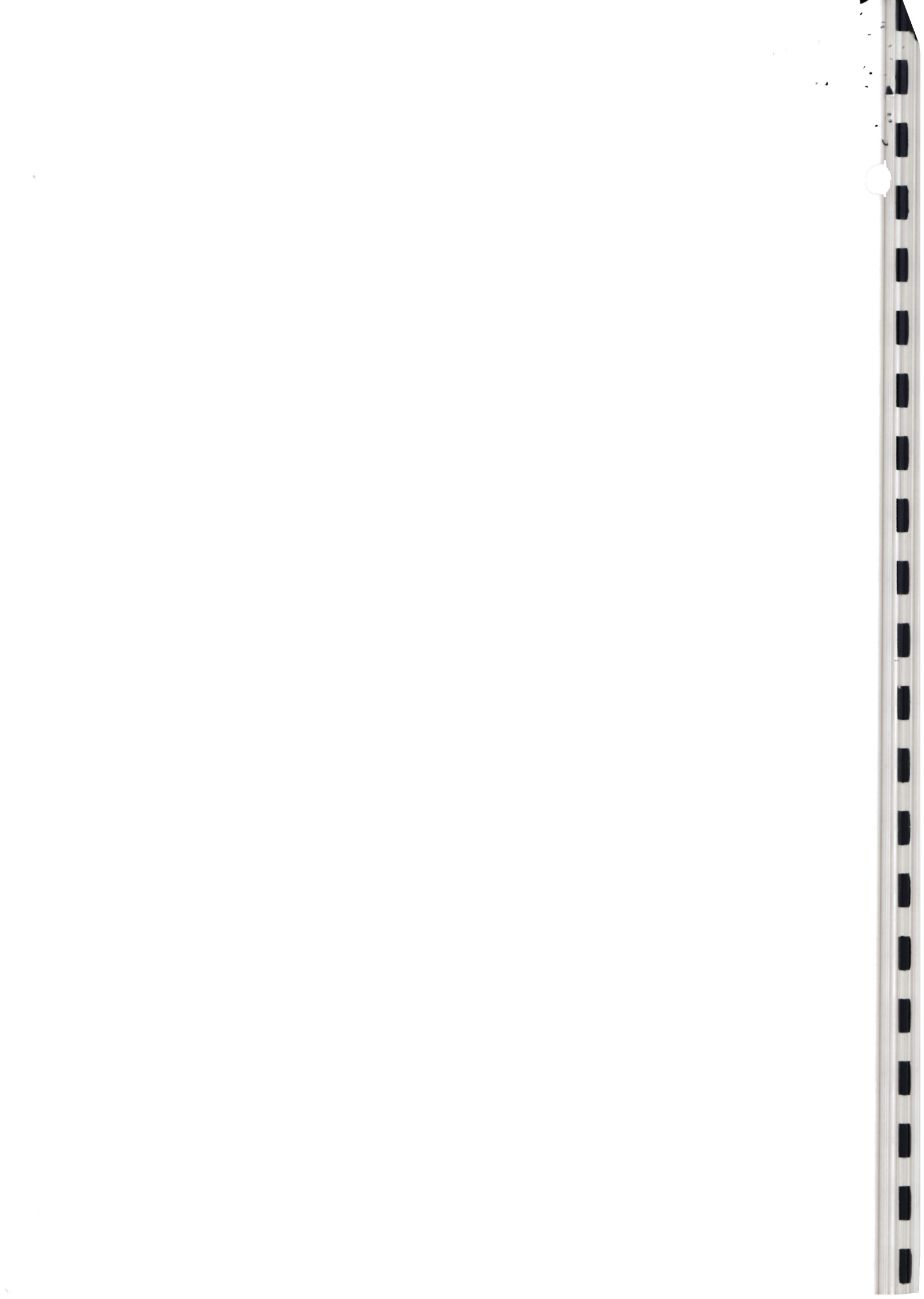
Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Others (specify)				
Constituency Innovation Hub	Innovation centres	4,677,027.00		
Security	Police bed-sitters	5,000,000.00		
Sports	Tournaments	1,500,000.00		
	Sub-Total	11,177,027		
	Grand Total	41,677,355		



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

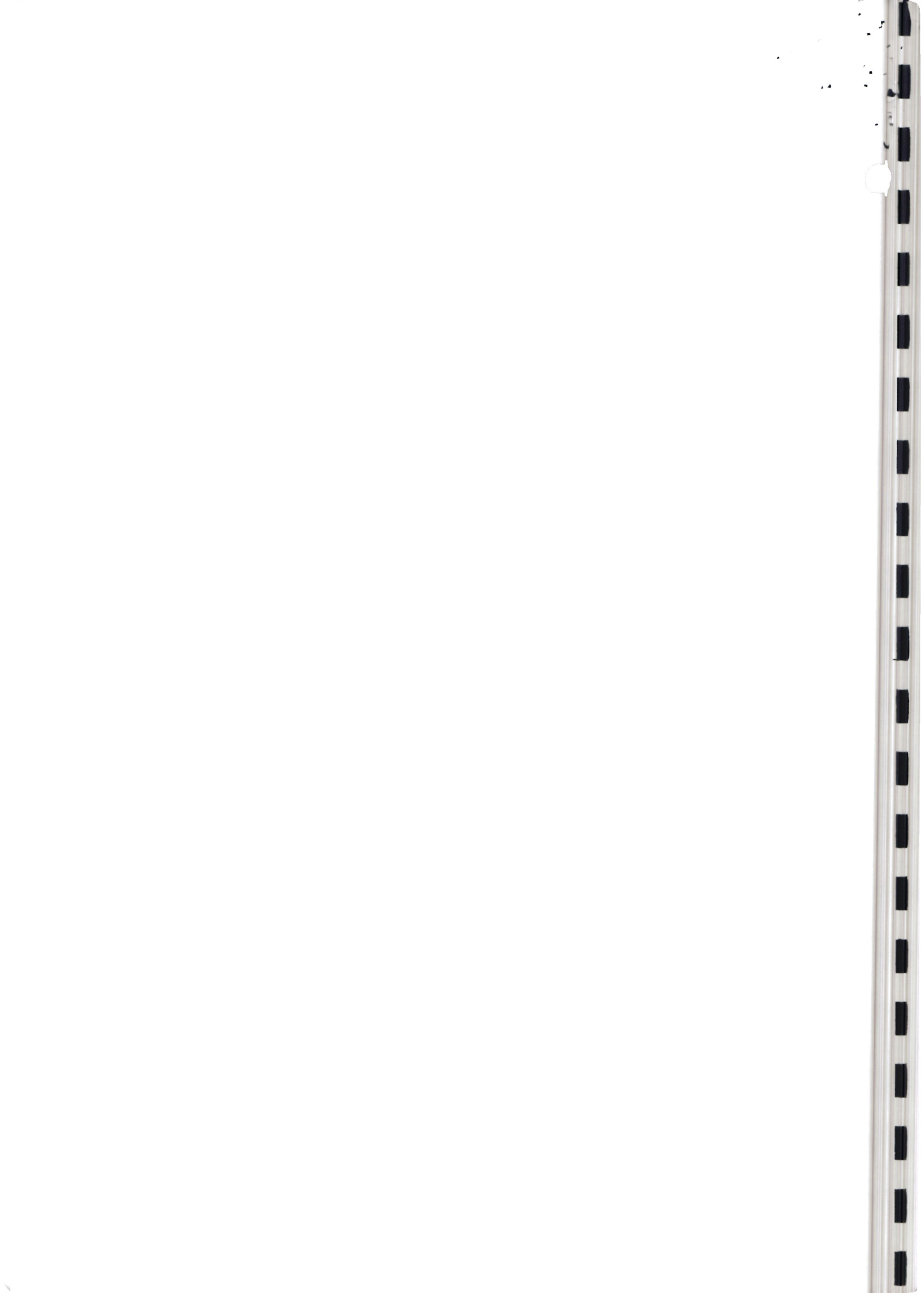
Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	0.00	0	0	0
Buildings and structures	10,647,936.00	0	0	10,647,936.00
Transport equipment	0.00	0	0	0
Office equipment, furniture and fittings	470,026.00	0	0	470,026.00
ICT Equipment, Software and Other ICT Assets	1,082,623.00	0	0	1,082,623.00
Other Machinery and Equipment	27,700,394.00	0	0	27,700,394.00
Heritage and cultural assets		0	0	0
Intangible assets		0	0	0
Total	39,900,979.00	0	0	39,900,979.00



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/2018	Bank Balance 2016/2017
Mazeras Primary School	Co-op – Nkrumah Road	01139043763603		
Chengoni Chief's Office	KCB - Mariakani	1156881722	825.00	2,890.00
Dumbule - Gandini Pipeline WP	Co-op – Nkrumah Road	01100091381900		10,000.00
Magodzoni Primary School	KCB - Kwale	1153451182	-898.00	
Vigurungani Primary School	KCB - Kwale	1205174230	0.00	1,000.00
Guro Primary School	KCB - Mariakani	1207183156	450.00	1,000.00
Mafundani Primary School	KCB - Kwale	1207293490	40.00	1,435.00
Ng'onzini Primary School	Co-op – Nkrumah	01139446740600	0.00	1,275.75
Kaphingo Primary School	KCB - Mariakani	1206236817		1,760.00
Taru Primary School	Co-op - Mariakani	01117764081100		1,000.00
Dokata Primary School	Co-op - Mariakani	01117764075700		1,000.00
Dumbule - Gandini Pipeline WP				0.00
Bonje Primary School	Co-op – Nkrumah Road	01139078542901		860.00
Magale Primary School	Co-op - Mariakani	01139254727200		860.00
Chikomani Primary School	Co-op - Mariakani	01100251277900		860.00
Kituoni Primary School	KCB - Mariakani	1183965044	235.00	1,630.00
Kilibasi Unit for Mentally	KCB - Kwale	1178409996	2,098,086.00	
Malungoni Primary School	KCB - Kwale	1205111565	1,580.00	244,975.00
Chidzaya Primary School	KCB - Kwale	1205178872	36,245.00	168,210.00
Muungano Primary School	KCB – Mwembe Tayari	1205179216	-1,045.50	245,340.00
Mkanyeni Primary School	Co-op – Nkrumah Road	01117043999001		245,340.00
Mtulu Primary School	KCB - Mariakani	1157473830	11,949.50	245,340.00
Mbita Primary School	KCB - Ukunda	1156786436	922.95	245,340.00
Ziarundo Primary School	KCB - Kwale	1204342588	479.50	238,100.00
Karyaka Primary School	KCB - Kwale	1164763722	356.00	92,164.50
Mbandi Primary School	KCB - Kwale	1151739189	-660.50	6,570.00
Maendeleo Primary School	Co-op - Mariakani	01100251031000		87,340.00
Dzimanaya Primary School	KCB - Kwale	1178415619	3,708.05	191,704.50
Gwadu Primary School	KCB - Kwale	1203953668	0.00	1,425.00
Mabamani Primary School	Equity - Kwale	1580271523260		43,010.00
Chidzipwa Primary School	KCB - Mariakani	01141764040100		245,340.00

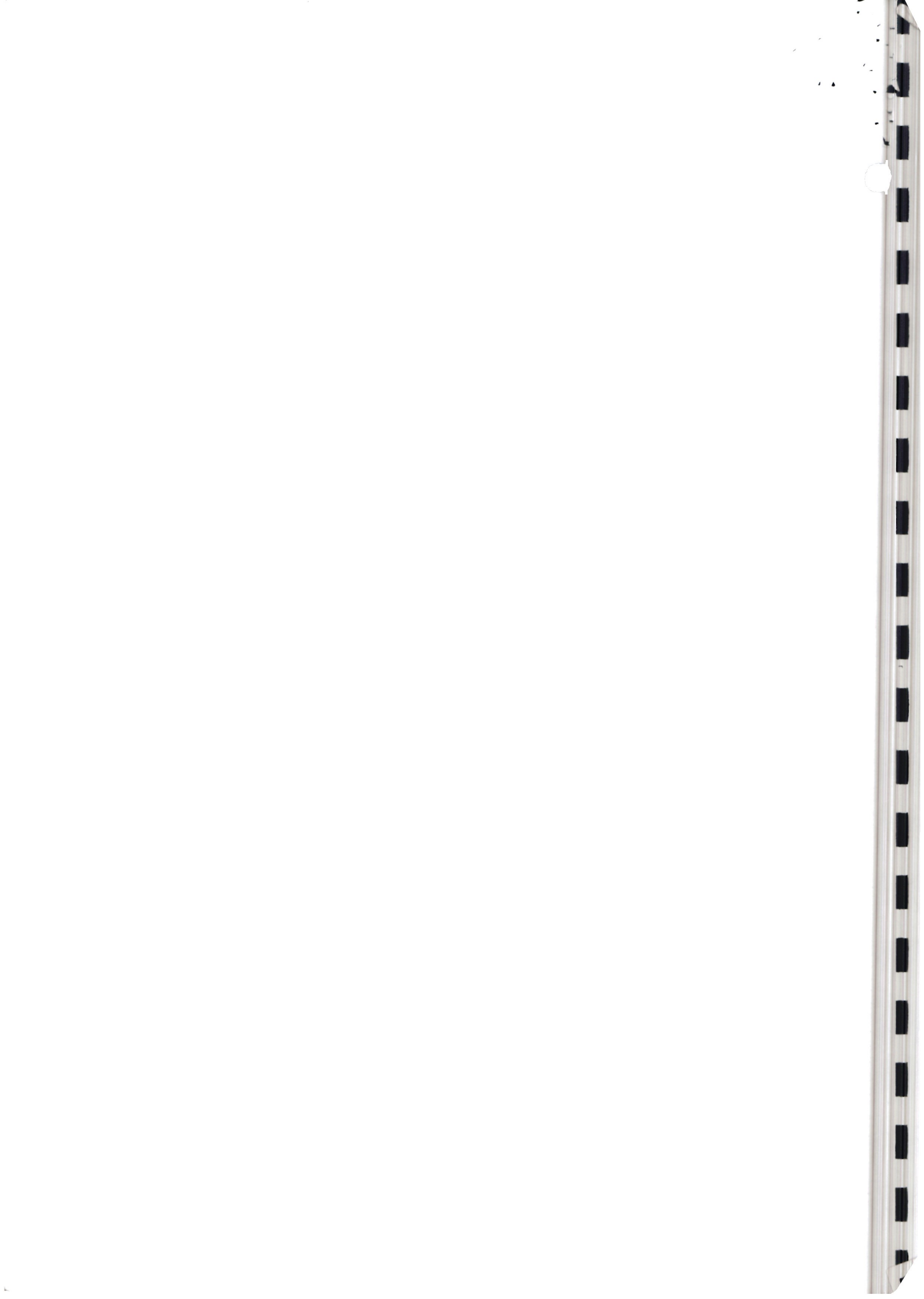


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY

Reports and Financial Statements

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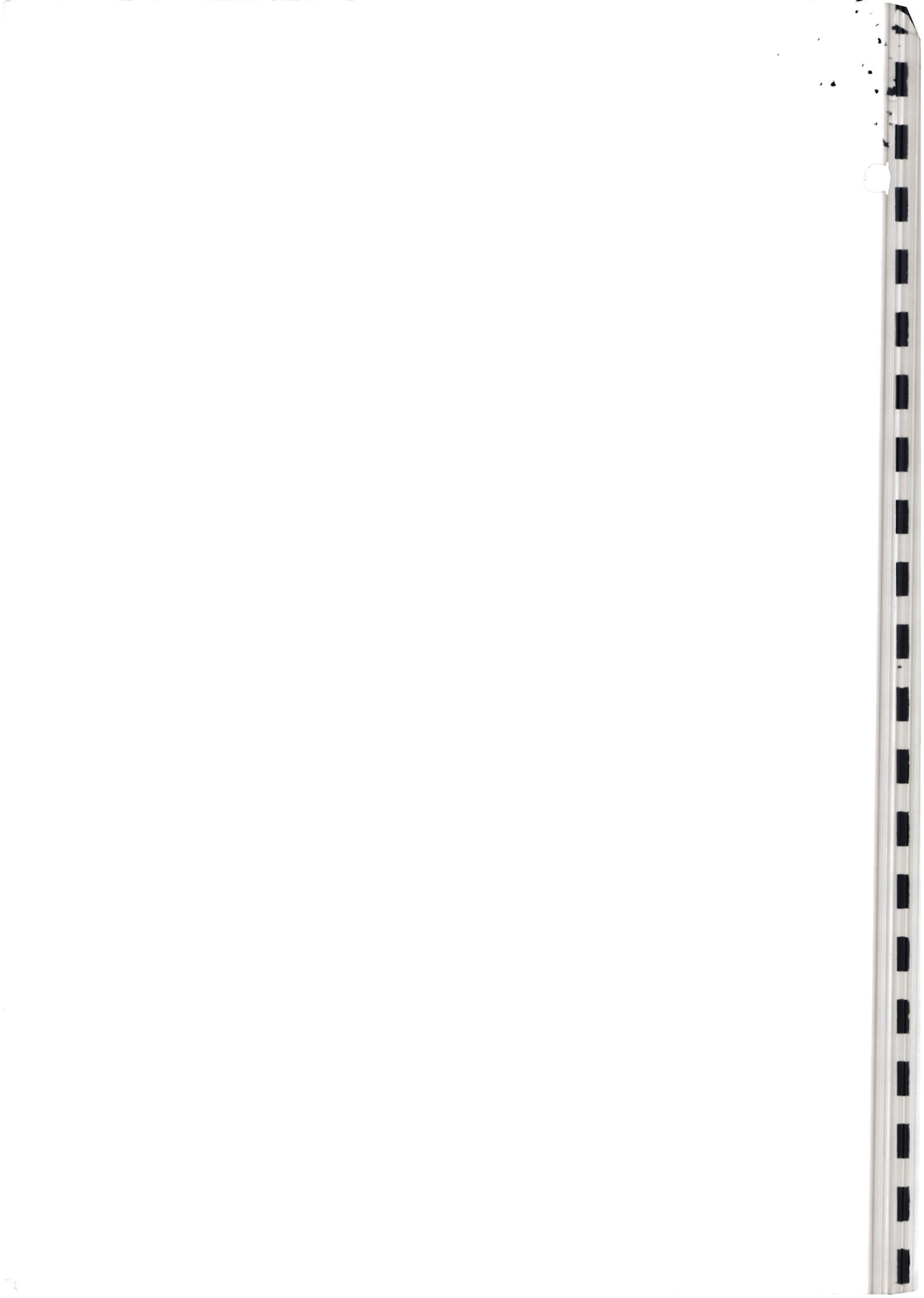
PMC	Bank	Account number	Bank Balance 2017/2018	Bank Balance 2016/2017
Kaluweni Primary School	Co-op - Mariakani	01141764031000		1,115.00
Miyani Primary School	Co-op - Mariakani	01141446433200		117,647.00
Nyari Primary School	KCB - Mariakani	1205634789	38,694.50	244,990.00
Maji ya Chumvi Primary School	KCB - Mariakani	1205630899	-1,235.50	245,340.00
Kasageni Primary School	Co-op - Nkrumah	0113943999204		245,340.00
DumbulePrimarySchool	KCB - Kwale	1206849495	164.50	245,340.00
Gandini South Primary School	KCB - Kwale	1206013664	2,819.00	194,445.00
Wamasa Primary School	KCB - Kwale	1206573643	270.00	245,340.00
Mbilini Primary School	Co-op - Mariakani	01139446740800		245,340.00
Kituu Primary School	Co-op - Mariakani	01141764036800		245,340.00
Kinango School for the Deaf	KCB - Kwale	1137131519	9,757.50	
Nyango Primary School	KCB - Kwale	1159081441	126,695.00	245,340.00
Kilibasi Primary School	KCB - Mariakani	1210455528	54.50	245,340.00
Taru Girls Secondary School	Co-op - Mariakani	01128250929300		3,258,371.26
Moyeni Secondary School	KCB - Kwale	1124985220		
Bofu Secondary School	KCB - Mvita	1128005107		
Mwalukombe Girls Sec School	KCB - Kwale	1135345880	1,026.00	
Makamini Secondary School	KCB - Kwale	1132977479	-1,156.75	160,264.25
Mwarovesa Secondary School	KCB - Kwale	1120495644	-149.00	190,192.50
Tsunza Secondary School	KCB – Mwembe Tayari	1154843262		
Mwavumbo Secondary School	KCB - Mariakani	1125113677	8,921.50	
Kinagoni Secondary School	KCB – Mwembe Tayari	3335235931	-1,114.65	780.35
Nzovuni Secondary School	KCB - Kwale	1129646009	-935.00	
Mtaa Secondary School	KCB - Mvita	1129066215	616.00	2,594,564.80
Mwabila Secondary School	KCB - Mariakani	1120799996	91,338.00	939,068.50
Matumbi Secondary School	KCB - Mariakani	11077898234		
Mazeras High School	KCB - Mariakani	1126413976	13,576.90	15,087.40
Mwakijembe Secondary School	KCB - Kwale	1126323403	6,199.75	7,710.25
Bang'a Secondary School	KCB - Kwale	1149843888	1,509.50	
Mnyenzeni Secondary School	KCB - Mariakani	1126261327	-627.45	7,493.05
Mackinnon Road Sec School	KCB - Mariakani	1107818370	196,612.65	
Kinango Secondary School	KCB - Kwale	1125632984	122,443.10	
Salim Mvurya Secondary School	KCB - Mariakani	1150968303	35,466.08	
Vigurangani Secondary School	KCB - Mariakani	1112696687	-895.00	8,786.20



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY

**Reports and Financial Statements
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PMC	Bank	Account number	Bank Balance 2017/2018	Bank Balance 2016/2017
Chanzou Dispensary	KCB - Mariakani	1127570226	-1,565.00	4,509.40
Kinagoni Dispensary	KCB - Mariakani	1114915890		639.45
Gulanze Dispensary	Co-op - Likoni	01134078901300		
Mkanyeni Dispensary	Co-op – Nkrumah Road	01136390045400		
Dumbule Dispensary	KCB - Kwale	1147133492		3,916.50
Chikomani Dispensary	KCB - Mariakani	1115946271		
Malomani AP Post	KCB - Mvita	1178518213		13,627.05
Bofu AP Post	KCB - Mariakani	1178228177		
Maviririni Police Station	KCB - Mariakani	11061325643		3,133.35
Kinagoni AP Post	Co-op - Mariakani	01134254629100		318,143.50
Bumani Primary School	KCB-Kwale	1171555504	1,989,354.50	-
Mwangani Primary School	KCB-Kwale	1210955911	3,051,593.10	-
Karyaka Primary School	KCB-Kwale	1154763722	2,000,654.00	-
			9,842,360.73	12,372,974.56



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – KINANGO CONSTITUENCY
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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)
1.0	Unremitted Taxes	The management gives grants to the PMC of the various projects who in return make payments to the contractors . The PMCs are not withholding agents.	Kinango NG CDF and KRA	Resolved.NG CDF office s now a withholding agent.	Cleared
2.0	Use of Goods	No attendance register for the CDFC members during meetings	NG CDF Office	Resolved	Attendance Register available and in use

