

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

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ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
SUNA WEST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

THE NATIONAL ASSEMBLY PAPERS LAID	
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND SUNA WEST
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)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 24 JUL 2013	
DAY: Wednesday	
TABLED BY:	Hon. Aden Duale, MP (LOM)
CLERK OF THE TABLE:	Halima Ahmed

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
SUNA WEST CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituency Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituency Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituency Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
CONSTITUENCY**

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Core Values

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

(b) Key Management

The NGCDF SUNA WEST day-to-day management is under the following key organs:

- i. National Government Constituency 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	MR Yusuf Mbuno
2.	A.I.E holder	Mr. Moses O. Agolla
3.	Sub-County Accountant	MR. F.H. Moragori
4.	Chairman NGCDFC	MR. Evans O. Osuta
5.	Member NGCDFC	MRS. Jackline Anyango

(d) Fiduciary Oversight Arrangements

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

PINY OYIE
P.O. Box 76
MIGORI.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
CONSTITUENCY**

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For the year ended June 30, 2018

(f) NGCDF Suna West Constituency Contacts

Telephone: (254) 729930264
E-mail: cdfsunawest@cdf.go.ke

(g) NGCDF-Suna West Constituency Bankers

1. Cooperative Bank of Kenya
Migori branch
P.O. Box 76
City Square 00200
Nairobi, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

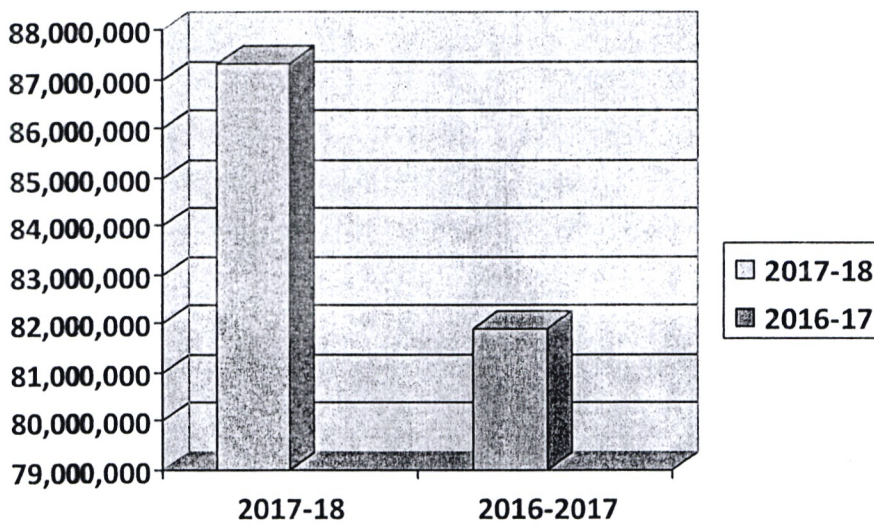
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
CONSTITUENCY**

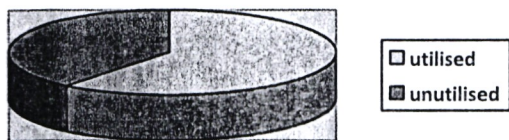
**Reports and Financial Statements
For the year ended June 30, 2018**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Comparison of transfers from NGCDF board in 2017-18 and 2016-17 years



Budget utilisation on compensation of employees.item of expenditure

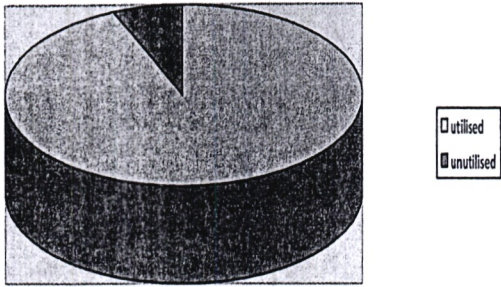


Budget utilisation on uses of goods and services item of expenditure

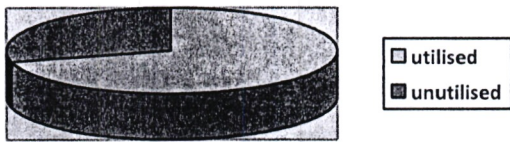
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
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Reports and Financial Statements

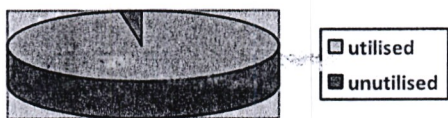
For the year ended June 30, 2018



Budget utilisation on transfers to other government units item of expenditure



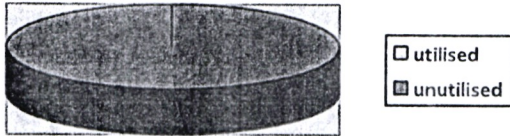
Budget utilisation on other grants and transfers item of expenditure



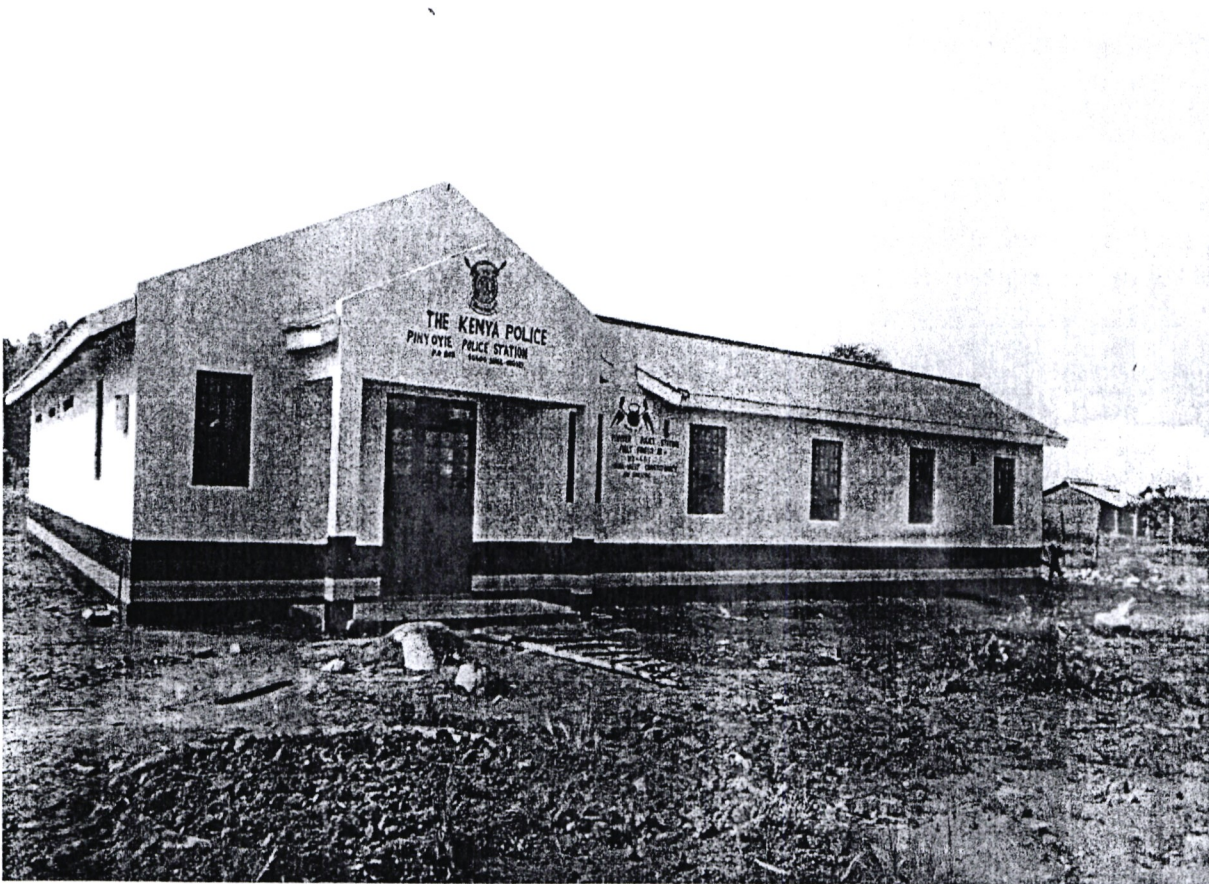
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
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**Reports and Financial Statements
For the year ended June 30, 2018**

Budget utilisation on other payments item of expenditure.



BEST PROJECT FOR FINANCIAL YEAR 2017/2018



PINY OYIE POLICE STATION CCONSTRUCTED SUNA WEST NGCDF

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
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Reports and Financial Statements

For the year ended June 30, 2018



SENIOR CHIEF BARAZA PRIMARY SCHOOL CLASSROOMS RENOVATED BY SUNA WEST NGCDF

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
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NYAMUNDA PRIMARY SCHOOL IN SUNA WEST NGCDF TWO NEW CLASSROOMS CONSTRUCTED

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST CONSTITUENCY

**Reports and Financial Statements
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ORUBA KEYO PRIMARY SCHOOL. TWO NEW CLASSROOM CONSTRUCTED BY SUNA WEST NGCDF

On average the budget performance against actual amounts is at 88% which is good since the new suna west NGCDF committee was gazetted in the middle of the year hence they had less time to implement projects. Apart from that, the original budget was adjusted towards the end of the financial year hence short time to implement projects. A schedule of detailed budget performance can be seen on the summary statement of appropriation on page 10 of this report.

Despite the limited time to implement projects, the NGCDF committee was still able to implement some project successfully and handed over to the community, which are the following projects: bursary disbursed 100% of allocated amount, DCC office Extension project completed, and project managed committee trained well. However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. To add on that other issues affecting the project implementation process is the late disbursement of funds, late approval of project proposals and projects reallocations by NGCDF board.

The NGCDF Committee wish that the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers, as this affect smooth implementation of budgets. Increasing need to reallocate funds by community at time of project are to be implemented also hinder implementation of projects

Name Evans Okinyi Oluwa Sing [Signature]

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
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**Reports and Financial Statements
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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.

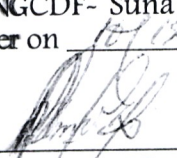
The Accounting Officer in charge of the NGCDF- Suna west Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

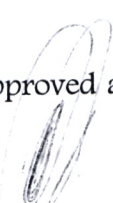
The Accounting Officer in charge of the NGCDF- Suna west Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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- Suna west Constituency financial statements were approved and signed by the Accounting Officer on 10/12 2018.



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Suna West Constituency set out on pages 11 to 29, which comprise the statement of financial assets as at 30 June 2018, 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 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Suna West 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 Reporting Standards (cash Basis) and do not comply with the enabling National Government Constituencies Development Fund Act, 2015.

Basis for Adverse Opinion

1. Inaccurate Comparative Information and Figures

The comparative information and figures for 2016/2017 shown in the financial statements for the year ended 30 June 2018 differs with the audited figures in the financial statements for 2016/2017 as detailed below:

	2016/2017 Comparative Figures - Kshs	Amounts & Balances as per Audited Financial Statements for 2016/2017 - Kshs
Statement of Receipts and Payments		
Receipts	84,896,552	81,896,552
Transfer to other government units	35,373,240	35,448,980
Other grants and transfers	48,959,623	48,801,037
Totals Payments	107,499,311	107,416,465
Surplus/Deficit	(22,602,759)	(25,519,913)
Statement of Financial Assets		
Accounts payable-Retention	0	2,917,154

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

	2016/2017 Comparative Figures - Kshs	Amounts & Balances as per Audited Financial Statements for 2016/2017 - Kshs
Statement of Receipts and Payments		
Statement of Cash Flows		
Net cash flows from operating activities	(3,819,922)	(8,119,913)
Net increase in cash and cash equivalents	(21,219,922)	(25,519,913)

Consequently, the completeness and accuracy of the comparative figures for 2016/2017 and the opening balances of assets and liabilities for the year ended 30 June 2018 could not be ascertained.

2. Differences Between the Financial Statements and the Ledgers

The amounts reported in the statements of receipts and payments differs with the ledgers as shown below:

Item	Amount as per the Financial Statements - Kshs.	Amount as per the Ledger – Kshs.
Use of goods and services	7,926,624	5,926,624
Transfer to other government units	26,200,000	27,200,000
Other grants and transfers	46,620,309	45,620,309
Other payments	0	2,000,000

Consequently, the completeness and accuracy of the expenditure reflected in the statement of receipts and payments for the year ended 30 June 2018 could not be ascertained.

3. Cash and Bank Balances

The statement of financial assets reflects bank balances of Kshs.8,569,603 as at 30 June 2018. A review of the bank reconciliation statements for an account held at Co-operative Bank and the cash books revealed that stale cheques amounting to Kshs. 60,000 were included as part of unrepresented cheques. The stale cheques were not reversed in the cash books as at 30 June 2018. Further, bank charges/penalties amounting to Kshs.23,034 had not been posted to the cash books as of the same date. Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.8,569,603 could not be ascertained.

4. Project Implementation Committee Bank Balances

Note 15.4 to the financial statements reflects bank balances totalling Kshs.19,370,911 in respect of Project Management Committees (PMCs) as at 30 June 2018. Although a balance of Kshs.1,398,075 was reported for Piny Oyie Police Station PMC bank account as at 30 June 2018, the bank statement for the account provided for audit revealed a balance of Kshs.2,399,525. Further, bank reconciliation statements, bank balances confirmation certificates, cash books and payment vouchers for the PMCs bank accounts were not provided for audit review. Consequently, the accuracy and completeness of the PMCs bank balances reported could not be confirmed.

5. Account Payable – Retention and Prior Year Adjustments

The statement of financial assets reflects balances of Kshs.670,000 and Kshs.299,410 in respect of accounts payables – retention and prior year adjustments. However, no adequate documentation and/or adjusting entries were provided for audit review in support of these balances. Consequently, the validity, accuracy and completeness of the balances could not be confirmed.

6. Transfers to Other Governments Units

A review of sampled disbursements amounting to Kshs.12,500,000 which were made to various PMCs accounts for implementation of projects revealed that the payments were not adequately supported with complete expenditure returns including cashbooks, payment schedules, stores records, minutes of tender proceedings and report of inspection and acceptance committee approving payments. Consequently, the validity, completeness and accuracy of payments totalling Kshs.12,500,000 made for various activities during the year ended 30 June 2018 could not be ascertained.

7. Payment to Field Officers

A review of expenditure records revealed that an amount of Kshs.500,000 was paid to twelve field officers employed by the management on casual terms during the year under review. However, these casuals were engaged un-procedurally and the recruitment records and documents supporting the wages paid for these officers were not provided for audit review. Consequently, the validity and completeness of the expenditure incurred could not be ascertained.

8. The Summary Statement of Appropriation

A review of the summary statement of appropriation for recurrent and development combined revealed the following anomalies:

- i. The summary statement of appropriation reflects the original budget figure of Kshs.86,810,345. However, the original budget as per the National Government Constituencies Development Fund Board document provided for audit review reflects an amount of Kshs.64,495,467, translating to an unexplained and unreconciled difference of Kshs.22,314,878.
- ii. The summary statement of appropriation reflects actual receipts of Kshs.90,451,169 which varies from the amount of Kshs.87,310,345 as reported in the statement of receipts and payments by Kshs.3,140,824.
- iii. Adjustments amounting to Kshs.15,020,134 in respect of unspent funds reflected in the summary statement of appropriation were not supported with the approved code list.

Consequently, the accuracy and completeness of the summary statement of appropriation for the year ended 30 June 2018 could not be confirmed.

9. Net Financial Position

The statement of financial assets as at 30 June 2018 reflects net financial assets balance of Kshs.8,380,168. However, contrary to the guidelines issued by the Public Sector Accounting Standards Board, the statement of financial assets shows net liabilities instead of the net financial position of Kshs.8,380,168.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Suna West 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 adverse 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 matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections, I have determined that there are no other key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Other Grants and Transfers

1.1 Installation of Transformers

Included in the other grants and transfers expenditure of Kshs.46,620,309 reflected in the statement of receipts and payments is a payment of Kshs.1,000,000 for installation of two transformers. The management did not provide procurement documents, delivery notes, installation and inspection reports, and relevant payment voucher for the transformers to facilitate the verification of the physical existence of this project. Consequently, the validity, propriety and regularity of the expenditure of Kshs.1,000,000 could not be ascertained.

1.2 Security Projects

Included in the other grants and transfers amount of Kshs.46, 620,309 is a payment for security project of Kshs.17,700,000. For the sampled security projects namely;

Piny Oye police station, Piny Oye police staff houses and Deputy County Commissioner's office, the management did not produce tender evaluation reports as required under Section 80(4) of the Public Procurement and Assets Disposal Act, 2015. Further, the contract for the construction of Piny Oye police staff houses was awarded to a contractor without being advertised as required under Section 96(1) of the same Act.

Physical verification of the projects carried out on 16 January 2019 revealed that Piny Oye police station and Piny Oye police staff houses projects were not executed as per the terms of the contracts as highlighted below:

Project	Specifications according to Bills of Quantities and Plans	Contract sum - Kshs	Project Status	Observations made during the Physical Verification Exercise
Piny Oye Police Station	Administration block, 2 ablution blocks, 10 units for regular police and 10 units for administration police	4,800,000	Complete	Administration block, 1 ablution block, 5 units for regular police.
Piny Oye Police Staff houses	10 units for regular police	2,000,000	Complete	5 units for regular police.

Consequently, the value for money and regularity of the expenditure incurred on security projects could not be ascertained.

2. Bursary Funds Disbursements

Examination of sampled bursary forms application revealed that applicants failed to attach key documentation such as a copy of the student identity card, fee statement balance, and admission letter. It was further noted that the bursary subcommittee failed to give remarks on the status of the applicant as required under Section 31(2) of National Government – Constituencies Development Fund Act, 2015.

A review of the bursary payments made to Magongo Ribe Secondary School revealed that an amount of Kshs.630,000 was disbursed. However, the acknowledgement from the school confirmed that the institution had received only Kshs.490,000 leading to a difference of Kshs.140,000, which was not accounted for.

3. Use of Goods and Services

3.1 Procurement of Strategic Plan

Included in the use of goods and services expenditure of Kshs.7,926,624 are other operating expenses of Kshs.2,000,000 relating to the development of a strategic plan. Audit review revealed that a contract for the development of the strategic plan was awarded to the highest bidder, at the cost of Kshs.2,000,000 contrary to Section 86(1) of the Public Procurement and Assets Disposal Act, 2015. It was also noted that two other bidders were unfairly disadvantaged at the preliminary stage of the evaluation on the basis of locality yet the management had sourced for quotations from these firms. The basis of disqualification based on locality was not included in the terms of reference document. Consequently, the regularity and

value for money on the expenditure incurred on the procurement of strategic plan could not be ascertained.

3.2 Purchase of Various Goods and Services

Expenditure amounting to Kshs.961,404 was incurred in relation to procurement of various goods and services that did not have requisite supporting documents such as minutes of tender proceedings as evidence of competitive bidding, stores register as proof that items bought were taken on charge for controlled issuance and inspection and acceptance committee report approving payments to be made. Consequently, the validity and regularity of the expenditure not be ascertained.

3.3 Committee Expenses

A review of the committee expenses revealed that fifty-two meetings were held during the year as opposed to the maximum number of twenty-four meetings per year stipulated in the National Government – Constituencies Development Fund Act, 2015. As a result, the Fund incurred an excess expenditure of Kshs.1,352,000 due to the excess number of meetings. Consequently, the regularity and value for money of the expenditure incurred in the committee expenses could not be confirmed.

4. Project Verification

During the audit process twenty projects with a budget outlay of Kshs.34,350,000 were verified and observations made are detailed below:

No.	Payee	Project Activity	Budget - Kshs	Status	Remarks
1	Senior Chief Baraza Primary School	Construction of one classroom	650,000	95%	Complete and in-use. Four (4) windows fixed in one classroom as compared to 5 indicated in the BQ.
2	Oruba Keyo Primary School	completion of 2 classrooms (roofing, fixing of door, plastering and painting)	700,000	100%	Project Completed and in use
3	Barasengo Primary School	Construction of two classroom	1,300,000	100%	Completed and is in use. Steel rod 6No. @ Kshs.5,000 as indicated in the BQ not fixed
4	Kasigra Primary School	Construction of one classroom	650,000	95%	Completed and is in use. Steel rod 6No. @ Kshs.5,000 as indicated in the BQ not fixed
5	Kotuga Primary School	Construction of one classroom	650,000	95%	Completed and is in use. Steel rod 6No. @ Kshs.5,000 as indicated in the BQ not fixed
6	Nyamunda Primary School	Construction of one classroom	650,000	95%	Completed and is in use. Steel rod 6No. @ Kshs.5,000 as indicated in the BQ not fixed
7	Nyangubo Primary School	completion of 2 classrooms (roofing, fixing of door,	400,000	95%	Completed and is in use. Steel rod 6No. @

No.	Payee	Project Activity	Budget - Kshs	Status	Remarks
		plastering and painting)			Kshs.5,000 as indicated in the BQ not fixed
8	Bondo Nyironge Primary School	renovation of 5 classrooms (plastering, fixing windows, doors and painting)	500,000	100%	Completed and is in use
9	Oruba Secondary School	part payment for purchase of school bus	1,400,000	100%	Funds transferred from the PMC account to School fees account. Kshs.1.12 M utilised in settling the outstanding loan balance while Kshs.280,000 cannot be accounted for
10	Magongoribe Secondary School	drilling of borehole for water supply	2,300,000	100%	Project complete and is in use
11	Nyamome Secondary School	completion of laboratory (roofing, plastering and painting)	800,000	100%	Project complete and is in use
12	Nyangubo Secondary School	completion of two classrooms (roofing, plastering and painting)	1,000,000	100%	Project complete and is in use
13	St. Celestino Nyangubo Secondary School	construction of dormitory	1,400,000	100%	Project complete and is in use
14	St. Irine Raha Secondary School	drilling of borehole and installation of water pump	3,750,000	100%	Project complete and is in use
15	Piny Oyie Ap Station	construction of police station office	4,800,000	100%	Project complete and is in use. Minutes of tender proceedings as evidence of competitive bidding and proof that value for money was realized was not availed for audit review
16	Piny Oyie Ap Station	Construction of 4 door AP staff house	2,000,000		Project complete and is in use. Minutes of tender proceedings as evidence of competitive bidding and proof that value for money was realized was not availed for audit review

No.	Payee	Project Activity	Budget - Kshs	Status	Remarks
17	Deputy County Commissioner Office	construction of DCC office at Piny Oyie	9,400,000	100%	Project complete and is in use. Minutes of tender proceedings as evidence of competitive bidding and proof that value for money was realized were not availed for audit review. Visible cracks noted on the walls beneath the windows an indication of weak foundation,
18	Magongoribe Secondary School	completion of dining hall (roofing, plastering and painting)	1,000,000	90%	Project is complete, roofing, plastering and painting is done. Project is yet to be handed over, not in use.
19	Nyambona Primary School	renovation of 5 classrooms (plastering, fixing windows, doors and painting)	500,000	100%	Project completed and is in use
20	Migori Teachers Training College.	construction of perimeter wall of 300 meters high	500,000	0%	Project is yet to be started. Nothing found on site
	Total		34,350,000		

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and 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 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 of National Government Constituencies Development Fund - Suna West Constituency 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 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 is 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 is 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.

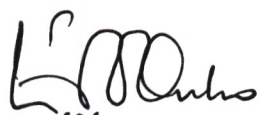
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 of the Fund 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 sustaining 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 - Suna West 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.

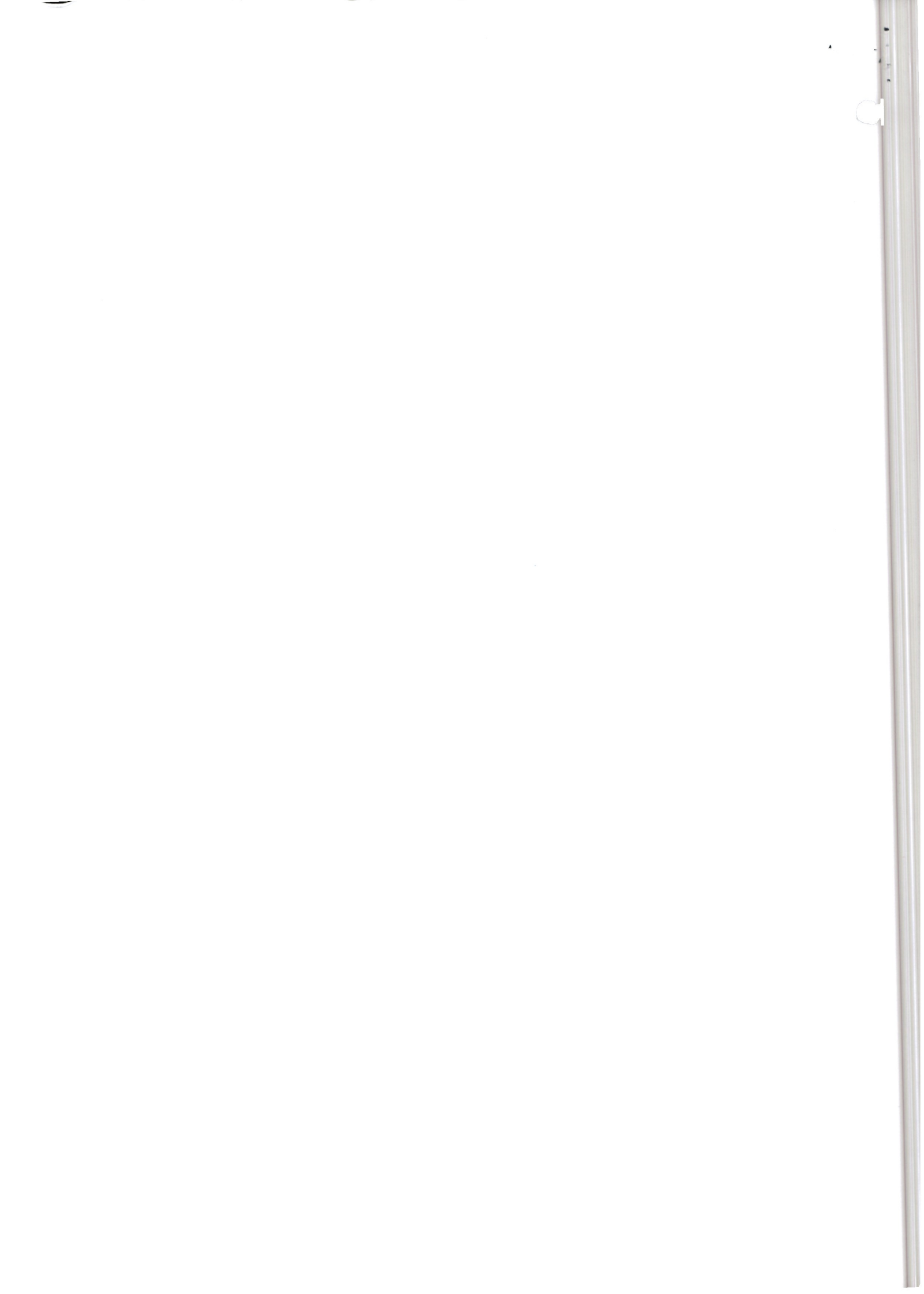
I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

17 June 2019



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
CONSTITUENCY**

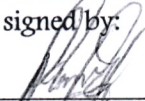
Reports and Financial Statements

For the year ended June 30, 2018

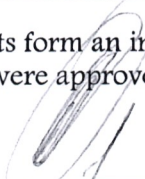
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	87,310,345	84,896,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		87,310,345	84,896,552
PAYMENTS			
Compensation of employees	4	1,324,069	1,761,568
Use of goods and services	5	7,926,624	4,004,880
Transfers to Other Government Units	6	26,200,000	35,373,240
Other grants and transfers	7	46,620,309	48,959,623
Acquisition of Assets	8	-	17,400,000
Other Payments	9	-	-
TOTAL PAYMENTS		82,071,002	107,499,311
SURPLUS/DEFICIT		5,239,343	(22,602,759)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Suna west Constituency financial statements were approved on 10/12 2018 and signed by:



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
CONSTITUENCY**

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

V. STATEMENT OF FINANCIAL ASSETS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,569,603	2,841,414
Cash Balances (cash at hand)	10B	-	-
Total cash and cash Equivalent		8,569,603	2,841,414
Accounts receivables - Outstanding Imprests	11	480,565	
TOTAL FINANCIAL ASSETS		9,050,168	2,841,414
FINANCIAL LIABILITIES			
Accounts payables-Retention	12	670,000	-
NET FINANCIAL ASSETS		8,380,168	2,841,414
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,841,415	24,061,336
Surplus/Defict for the year		5,239,343	(22,602,759)
Prior year adjustments	14	299,410	1,382,837
NET LIABILITIES		8,380,168	2,841,414

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Suna west Constituency financial statements were approved on 14/7/2018 2018 and signed by:

Fund Account Manager
Name:

Sub-County Accountant
Name:
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SUNA WEST
CONSTITUENCY**

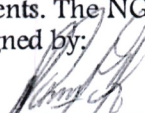
Reports and Financial Statements

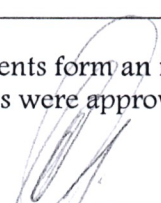
For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	87,310,345	84,896,552
Other Receipts	3	-	
		87,310,345	84,896,552
Payments for operating expenses			
Compensation of Employees	4	1,324,069	1,761,568
Use of goods and services	5	7,926,624	4,004,880
Transfers to Other Government Units	6	26,200,000	35,373,240
Other grants and transfers	7	46,620,309	48,959,623
Other Payments	9	-	-
		82,071,002	90,099,311
Adjusted for:			
retention	12	670,000	
Adjustments during the year	14	299,410	1,382,837
Net cash flow from operating activities		6,208,753	(3,819,922)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	17,400,000
Net cash flows from Investing Activities		-	(17,400,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,208,753	(21,219,922)
Cash and cash equivalent at BEGINNING of the year	13	2,841,415	24,061,336
Cash and cash equivalent at END of the year		9,050,168	2,841,415

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Suna west Constituency financial statements were approved on 10/12 2018 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name:
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS
 For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	86,810,345	15,020,134	101,830,479.00	90,451,169	11,379,310.00	89%
Proceeds from Sale of Assets	-	-	-	-	0.00	
Other Receipts	-	-	-	-	0.00	
TOTAL RECEIPTS	86,810,345.00	15,020,134.00	101,830,479.00	90,451,169.00	11,379,310.00	89%
PAYMENTS						
Compensation of Employees	2,189,421	-	2,189,421.00	1,324,069	865,352.00	60%
Use of goods and services	7,623,510	1,837,300	9,460,810.00	7,926,624	1,534,186.00	84%
Transfers to Other Government Units	27,200,000	11,254,114	38,454,114.00	27,200,000	11,254,114.00	71%
Other grants and transfers	45,120,387	1,928,720	47,049,107.00	45,620,309	1,428,798.00	97%
Other Payments	4,677,027	-	4,677,027.00	-	4,677,027.00	0%
TOTAL	86,810,345.00	15,020,134.00	101,830,479.00	82,071,002.00	19,759,477.00	81%

- i. *There is 89% utilisation of transfers from NGCDF Board due adjustment of the original budget toward the end of the financial year 2017/18 and therefore resulting to late disbursement of the funds.*
 - ii. *Compensation of Employees under payment component has a utilisation of 60% since the current NGCDF committee was gazetted in in the middle of the financial year 2017/18 hence ngcdf staff being employed in February 2018 leading to salaries being paid for only 5 months and the year ended.*
 - iii. *Transfer to other Government units component of payment also has a utilisation of 71% due to late adjustment of original budget and hence resulting to late disbursement of fund by Ngcdf Board*
- The NGCDF- Suna west Constituency financial statements were approved on 12/12 2018 and signed by:

 Fund Account Manager.
 Name:

 Sub-County Accountant, ICPAK Member Number:
 Name:

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – SUNA-WEST
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- Suna west Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST
CONSTITUENCY.**

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST CONSTITUENCY.

Reports and Financial Statements

For the year ended June 30, 2018.

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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST
CONSTITUENCY.**

Reports and Financial Statements

For the year ended June 30, 2018.

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 CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST
CONSTITUENCY.**

Reports and Financial Statements

For the year ended June 30, 2018.

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO 896782	1	22,838,675	
AIE NO 892688	2	500,000	
AIE NO 892636	3	15,066,497	
AIE NO 892515	4	5,500,000	
AIE NO 896950	5	43,405,173	
AIE NO A796236			4,094,828
AIE NO A 796269			39,853,449
AIE NO A 796467			40,948,275
TOTAL		87,310,345	84,896,552

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Total	00	00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST
CONSTITUENCY.**

Reports and Financial Statements

For the year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	00	00

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees (see annex 5)	1,285,189	1,679,090
Basic wages of casual labour	00	00
Personal allowances paid as part of salary		
House allowance	00	00
Transport allowance	00	00
Leave allowance	00	00
Gratuity		
Employer contribution NSSF	38,880	82,478
Other personnel payments	00	00
Total	1,324,069	1,761,568.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST
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 (see annex 5)	3,212,000	1,379,522
Utilities, supplies and services	961,404	00
Communication, supplies and services	00	00
Domestic travel and subsistence	00	00
Printing, advertising and information supplies & services	00	372,500
Rentals of produced assets	00	00
Training expenses (see annex 5)	1,753,220	00
Hospitality supplies and services	00	00
Insurance costs	00	00
Specialized materials and services	00	00
Office and general supplies and services	00	00
Other operating expenses	2,000,000	1,567,017
Routine maintenance – vehicles and other transport equipment	00	00
Routine maintenance – other assets	00	00
Fuel ,oil & lubricant	00	685,841
Total	7,926,624	4,004,880

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND- SUNA- WEST
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 National Government entities (Electricity) (see annex 5)	00	00
Transfers to primary schools (see annex 5)	8,000,000	22,074,240
Transfers to secondary schools (see annex 5)	17,700,000	11,999,000
Transfers to tertiary institutions (see annex 5)	500,000	00
Transfers to health institutions	00	1,300,000
TOTAL	26,200,000.	35,373,240

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see annex 5)	21,814,800	13,752,286
Bursary – tertiary institutions (see annex 5)	00	14,824,765
Bursary – special schools (see annex 5)	00	00
electricity (see attached list)	1,000,000	00
Security projects (see annex 5)	17,700,000	10,050,000
Sports projects (see annex 5)	1,536,543	1,637,000
Environment projects (see attached list)	00	1,637,000
Emergency projects ((see annex 5)	4,568,966	00
roads project	00	2,999,990
Total	46,620,309	48,959,623

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8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	00	2,000,000
Construction of Buildings	00	14,400,000
Refurbishment of Buildings	00	00
Purchase of Vehicles and Other Transport Equipment	00	00
Overhaul of Vehicles and Other Transport Equipment	00	00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	00	00
Purchase of ICT Equipment, Software and Other ICT Assets	00	00
Purchase of Specialised Plant, Equipment and Machinery	00	00
Rehabilitation and Renovation of Plant, Machinery and Equip.	00	00
Acquisition of Land	00	1,000,000
Acquisition of Intangible Assets	00	00
Total	00	17,400,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan (see annex 5)	00	00
ICT Hub	00	00
TIVET	00	00
	00	00

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Cooperative bank of Kenya acc no.01120481845200</i>	8,569,603.33	2,841,414
<i>Name of Bank, Account No.</i>	00	00
<i>Name of Bank, Account No.</i>	00	00
Total	8,569,603.33	2,841,414
10B: CASH IN HAND		
Location 1	00	00
Location 2	00	00
Location 3	00	00
Other Locations (<i>specify</i>)	00	00
Total	00	00
<i>[Provide cash count certificates for each]</i>		

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11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Ngcdf office</i>	2/06/2018	480,565	00	480,565
Total				<u>480565</u>

12 RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Contractor 1	670,000	00
Supplier 2	00	00
Supplier 3	00	00
Total	<u>670,000.</u>	<u>00</u>

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
imprest	0	00
Cash in hand	0	00
Bank account	2,841,414.80	24,061,336
Total	<u>2,841,414.80</u>	<u>24,061,336</u>

[Provide short appropriate explanations as necessary]

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14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	299,410	1,382,837
Cash in hand	0	0
Imprest	0	0
Total	299,410	1,382,837.

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	600,000
Supply of services	0	432,000
	00	1,032,000

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>gratuity</i>)	0	1,599,802
	00	1,599,802

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	865,352	338,432
Use of goods and services	1,534,186	935,704
Amounts due to other Government entities (see attached list)	11,254,114	3,445,127
Amounts due to other grants and other transfers (see attached list)	1,428,798	11,063,574
Acquisition of assets	0	00
Others (<i>specify</i>)	4,677,027.	00
	19,759,477	15,782,837

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15.4: PMC account balances as at 31/6/2018(See Annex 5)

PMC balance as at 31/6/2018

project pmc 2017/18	Bank balance
Barasengo Primary School	449,835.00
Bondo Nyironge Primary School	1,095.00
Bondo Nyironge Sec.	1,045.00
Constituency sports tournament	3,502.00
Kasigra Pri. School	500,890.00
Kopanga Primary School	170,741.00
Kosege Primary School	450.00
Kotuga Pri. School	608,911.95
Magongo Ribe Mixed Sec.School	1,399,445.00
Magongo Ribe Primary	100,945.00
Malera Mixed Sec.School	4,395.00
Masara Secondary School	285.00
Maseno Giribe Primary School	100,145.00
Migori primary	50,445.00
Migori Township Sec. School	399,835.00
Migori TTC	501,000.00
Mubachi Secondary School	2,835.00
Ndonyo Primary School	1,915.00
Ngochone Police Post	799,895.00
Nyabukemo Primary School	299,835.00
Nyagubo Primary School	100,150.00
Nyambona Pri. School	335,000.00
Nyamome Secondary school	1,051.00
Nyamunda Primary Sch	550,335.00
Nyangubo Sec. School	1,500,425.00
Ore Primary	119,665.00
Oruba Keyo Primary School	701,370.00
Oruba Secondary School	1,399,450.00
Piny Oyie Police station	1,398,075.00
Raha Primary School	450.00
Ramoya secondary Sec.School	1,300,835.00
Ramoya Primary School	390.00
Senior Chief Baraza Primary school	499,415.00
Sibuoché Mixed Sec. School	898,690.00
St. Joseph Mariba Primary School	550.00
St.Irine Raha Secondary School	3,751,000.00

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Suna West REA Project	1,000,225.00
Suna West Strategic Plan	399,415.00
Suna West Sub County office (,DCC office)	1,190.00
kowiti memorial primary	699,675.00
giribe primary school	1,000.00
chambare primary school	151,000.00
TOTAL	19,370,910.95

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	0	0	0
Buildings and structures	0	0	0	0
Transport equipment	6,379,510	0	0	6,379,510
Office equipment, furniture and fittings	568,000	0	0	568,000
ICT Equipment, Software and Other ICT Assets	20,500	0	0	20,500
Other Machinery and Equipment	76,000	0	0	76,000
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	7,044,010			7,044,010.

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ANNEX 5

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.

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timefr ame: (<i>Put a date when you expect the issue to be resolv ed</i>)
07	Delayed implementation of projects	The committee has reduced time taken to form PMCs hence projects will be implement on time	Chairman	Resolved	N//A
09	Project file return by pmcs'	We conducted capacity building for PMCs and as result more Project files are being received by our office	Works officer	Resolved	N/A
10	Certificate of completion	We have informed all the contractors and Pmcs that the finally payment is pegged on the certificate of completion	Officers from Relevant ministries/dep artment	Resolved	N/A
11	Branding of projects	All BQs shall include money for Branding	Works officer	Resolved	N/A

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