

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 17 SEP 2019 TUESDAY

MAJORITY LEADER

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
MALAVA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018

PARLIAMENT
OF KENYA
LIBRARY



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MALAVA
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)

MALAVA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
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 MALAVA day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Collins Tasisio Obuya
3.	Sub-County Accountant	Lencer Akoth Odira
4.	Chairman NGCDFC	Festus Newton Mmasi
5.	Member NGCDFC	Sylvan Kaitori Lambala

(d) Fiduciary Oversight Arrangements

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

P.O. Box 281-50103
NGCDF House
Off Kakamega-Webuye Road next to Malava Market
Malava, KENYA

(f) NGCDF MALAVA Constituency Contacts

Telephone: (254) 721901620
E-mail: ngcdfmalava@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF MALAVA Constituency Bankers

Cooperative Bank of Kenya
Kakamega Branch
A/C No. 01141165163100

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The constituency currently has 147 Primary and 50 Secondary schools in the public sector. It is one of the third highly populated constituencies and above all, a purely rural constituency. Owing to this, there is heavy pressure on the available funds in terms of infrastructure development as well as education bursary needs. It is in fact the largest constituency in Kakamega County.

Financial report

The constituency received Ksh.43,405,172.00 out of Ksh.98,189,655.16. There was a balance brought forward of Ksh.12,062,876.00 giving us a total of Ksh.55,468,048.00 as available funds. The total payments for the financial year amounted to Ksh.51,978,101.00

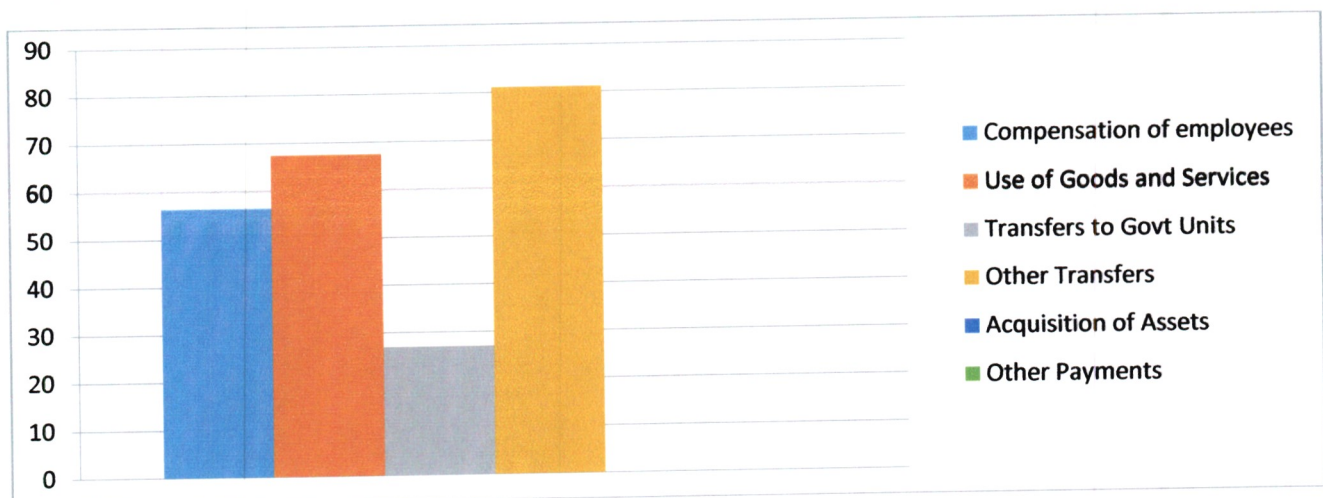
To ensure reduced risks of funds misappropriation by the project implementers, we have strictly adhered to the use of the Inspection and Acceptance certificate which is duly signed by the institution's management and CDF representative/ clerk of works. The cheques are only cleared after presentation of the bank schedule duly signed by the Fund Account Manager. Owing to some cases of non-adherence by PMCs to the set down guidelines, the NGCDF Committee approved for the Fund Account Manager to be a mandatory Signatory on all PMC accounts which has greatly borne positive results.

The committee was able to train the PMCs and contractors once more so as to ensure proper project implementation and accountability. The NGCDF committee members had a capacity building training in Kisumu in the year where they learnt a lot. All projects were implemented under full contract by use of already prequalified contractors by the Malava NG-CDFC or the National Government Sub County Procurement Units. The allocation of funds towards construction of classrooms included furnishing and electrical wiring so as to improve on the quality of the finished product.

Due to the funds constraint in the year, the classrooms were to be roofed and plastered internally and then to completed in the subsequent financial year budget.

However, challenges were experienced on the projects earmarked for land purchase due to cases of succession and land valuation exercise. The process of using a government property valuer proved a big challenge as the report was not availed after three months have elapsed sighting delay from the headquarters. This made it impossible to pay the lands with some land owners withdrawing their offers to sale.

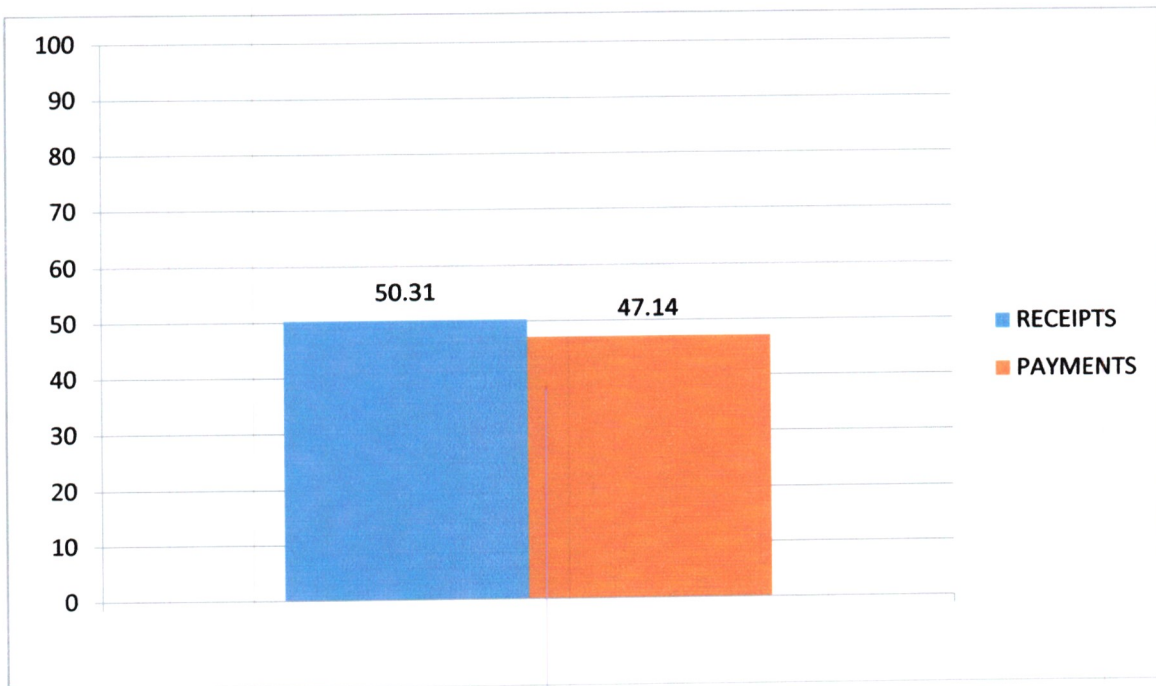
Graphical Representation of Expenditure in percentage



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

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

Graphical Representation of Receipts and Expenditure in percentage



Best projects for the Financial Year 2017/2018



Hamutua Primary School construction of Administration block funded by Malava NGCDF Financial Year 2017/2018

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



Lukume Primary School construction of 2 classrooms funded by Malava NGCDF Financial Year 2017/2018



Shihome Primary School construction of 2 classrooms funded by Malava NGCDF Financial Year 2017/2018

A handwritten signature in blue ink, appearing to read 'Festus Newton Mmasi'.

FESTUS NEWTON MMASI

CHAIRMAN NGCDF COMMITTEE

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.

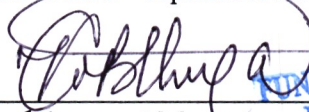
The Accounting Officer in charge of the NGCDF-MALAVA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-MALAVA 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 NGCDF-MALAVA Constituency 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-MALAVA Constituency further confirms the completeness of the accounting records maintained for the NGCDF-MALAVA Constituency, 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-MALAVA 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-MALAVA Constituency financial statements were approved and signed by the Accounting Officer on 5th September 2018.



Fund Account Manager
Collins Obuya

FUND ACCOUNT MANAGER
MALAVA N.G.C.D.F



Sub-County Accountant
Lencer Akoth Odira
ICPAK Member Number:13306

SUB-COUNTY ACCOUNTANT
KAKAMEGA NORTH
P. O. Box 325 - 50103
MALAVA



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT** **CONSTITUENCIES DEVELOPMENT FUND - MALAVA CONSTITUENCY FOR THE** **YEAR ENDED 30 JUNE 2018**

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Malava Constituency set out on pages 1 to 21, 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 statement of comparison of budget and actual amounts 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Malava 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 the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Malava 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. There were no key audit matters to report in the year under review.

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

**Other Matter****1. Budgetary Control and Performance****1.1 Budget Performance**

The Fund had an approved budget of Kshs.110,252,531 for the year ended 30 June 2018. During the same period, the Fund incurred expenditure totaling Kshs.51,978,101 representing 47% of the budget resulting into budget under absorption of Kshs.58,274,430 which represents 53% of the approved budget as detailed below:

Item	Approved Budget Kshs.	Actual Expenditure Kshs.	Under Absorption Kshs.	Under Absorption %
Compensation of Employees	2,653,776	1,447,753	1,116,023	44
Use of goods and services	11,393,053	7,682,946	3,710,107	33
Transfers to Other Government Units	57,074,414	15,401,030	41,673,384	73
Other grants and transfers	33,804,160	27,446,372	6,357,788	19
Acquisition of Assets	3,997,871	0	3,997,871	100
Other Payments	1,439,257	0	1,439,257	100
Totals	110,252,531	51,978,101	58,274,430	53

Failure to utilize funds is an indication that services and approved programs were not delivered, and therefore the budget may not have achieved the intended objectives of improving service delivery to Malava Constituents.

1.2 Projects Implementation Status

According to the Project Implementation Status (PIS) report availed for audit review, the management had planned to implement three hundred and twenty-nine (329) projects since 2013/2014 out which a total of Kshs.434,562,507 had been disbursed as at 30 June 2018. According to the status report availed, the projects were at various levels of implementation as summarized below:

Financial Year	Status	No. of Projects	Value (Kshs)
2017/18	Complete	17	11,900,000
	Ongoing	39	44,150,000
	Not Started	2	3,169,257
	Sub-Total	58	59,219,257
2016/17 and Earlier	Complete	249	354,473,250
	Ongoing	18	20,870,000
	Not Started	0	0

Financial Year	Status	No. of Projects	Value (Kshs)
	Sub-Total	267	375,343,250
Grand Total		325	434,562,507

From the summary, eighteen (18) projects relating to 2016/17 and earlier years with disbursements amounting to Kshs.20,870,000 and which should have been completed by 30 June 2017 or earlier were still ongoing. Thirty-nine (39) other projects relating to the year under review with disbursements of Kshs.44,150,000 were also still ongoing although they should have been completed and handed over by December 2018 while two (2) approved projects expected to cost Kshs.3,169,257 had not started as scheduled.

Failure to complete the planned projects denies the residents of Malava Constituency the benefits that would have been derived from these projects and exposes the Fund to the effects of cost escalation due to inflation and other administrative factors.

1.3 Project Verification

During the year under review, seven (7) projects with total disbursement of Kshs.18,020,690 were inspected. The audit revealed that proper identification, monitoring and supervision was not carried out by the respective Project Implementation Committees during project implementation as highlighted below:

No	Payee	Amount (Kshs)	Remarks
1	Chimaroni Primary School	2,000,000	Construction of School Library initiated in 2014/15 with an initial allocation of Kshs.1.0 million; Kshs.2.0 million in 2015/16; no allocation in 2016/17 and Kshs.2.0 million in 2017/18. The project has been classified as practically complete but has serious finishing issues ranging from a sagging ceiling, poorly done floor works; door; roofing and general workmanship. The projects had unsupported payments lacking detailed certificates for measurements of works.
2	Friends School Kimang'eti Girls Secondary School	4,000,000	Construction and completion of Twin Laboratory for Physics and Chemistry which are now complete, handed over and in use. These had floor cracking; the ceiling was sagging; and general poor workmanship in the finishes for plumbing works. The projects had unsupported payments lacking the measurements.
3	St. Gerald Shirikhwa Primary School	700,000	Completion of 2 classrooms during the 2017/18 period having received another Kshs.1.2 million during 2016/17 for construction of 3 classes. The final certificate did not have any measurement of works certified and the contract had been varied by

No	Payee	Amount (Kshs)	Remarks
			Kshs.116,000 due to steeply terrain. Windows had been grazed with 3 mm glass instead of 4 mm. Verification could not be completed due to lack of measurements.
4	Machemo Primary School	1,100,000	Completion of 2 classrooms had been done but the doors were so poorly completed that one of them was already broken down and the final certificate did not have any measurement of works certified.
5	Mukavakava Dispensary	3,220,690	The Dispensary's Staff House was started during the 2014/15 period and was completed and handed over to the County Government since this is already devolved but the County Government has not operationalized the Dispensary and the house is therefore idle. This project was noted as ongoing in the CDF records.
6	Malava Girls Secondary School	2,000,000	Completion of the School Multi-purpose hall. This project was initiated at a cost of Kshs.9 million during the 2014/15 when the NGCDF disbursed Kshs.2 million and another Kshs.2 million advanced during the 2015/16. No funds were provided during 2016/17 and the current disbursement of Kshs.2 million which brought the total cumulative disbursements to Kshs.6 million leaving the school with a gap of about Kshs.3 million during the 5 th year of the project. The project was noted to be behind schedule and had unsupported payments.
7	Namagara Secondary School	5,000,000	The school acquired a piece of land and constructed a new School Administration Block which was practically complete, handed over and in use. It was however noted that there was poor workmanship with the doors having visible cracks and ceiling sagging. Replacement of the doors and repair works for the ceiling need to be repeated on a priority basis. Verification could not be completed due to lack of measurements. The school had an old project for Twin Laboratories for Physics and Chemistry which are now complete, handed over and in use. However, the floor was cracking; the ceiling was sagging and general poor workmanship to the finishes for plumbing works.
	Total	18,020,690	

From the physical verification undertaken, it is evident that the projects had poor workmanship and therefore, Malava Constituents may not have obtained value for money spent of the projects.

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 matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Bursary Cheques

The bank reconciliation statements for the month of June 2018 showed unrepresented cheques amounting to Kshs.1,490,571 as at 30 June 2018. Audit review of the position as at 31 December 2018 showed bursary payment cheques amounting to Kshs.256,000 related to the period 25 January 2018 to 21 June 2018 and had not been presented for payment and were stale. Further, these cheques had not been reversed to the cash book. The management has not explained why bursary cheques meant for needy students remained that long without being presented and without follow up from both the Constituency Development Fund Committee and the concerned students as analysed below:

Cheque No.	Date	Payee	Amount (Kshs)
6825	25.01.2018	Lwanda K Secondary School	25,000.00
6888	22.03.2018	E-Smart College	10,000.00
6889	22.03.2018	Flight TC	10,000.00
6995	22.03.2018	University of Nairobi	50,000.00
6997	22.03.2018	Victory College of Accountancy	10,000.00
7065	26.04.2018	Embu TTC	6,000.00
7147	26.04.2018	Lurale Hill Vocational	4,000.00
7154	26.04.2018	Machris Complex ECD	6,000.00
7175	26.04.2018	Muranga TTC	18,000.00
7202	26.04.2018	St. Augustine Eregi TTC	6,000.00
7224	26.04.2018	Thika School of Medical Sciences	24,000.00
7235	26.04.2018	Uzima University	12,000.00
7576	26.04.2018	KMTC Kapenguria	6,000.00
7333	17.05.2018	Ebwambwa Secondary	6,000.00
7392	17.05.2018	Kerongo Secondary	3,000.00
7417	17.05.2018	Mangu High	7,000.00
7458	17.05.2018	Ndivisi Boys	10,000.00
7478	17.05.2018	Shieywe Secondary	3,000.00
7545	17.05.2018	St. Patricks Naitiri Boys	3,000.00

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

Cheque No.	Date	Payee	Amount (Kshs)
7581	18.05.2018	Butere Boys	5,000.00
7730	14.06.2018	Chebwai Teachers Training College	6,000.00
7746	14.06.2018	Eldoret Technical Training Institute	14,000.00
7756	14.06.2018	Friends Secondary School Silungai Girls	6,000.00
7791	21.06.2018	Mosoriot TTC	6,000.00
Total			256,000.00

Consequently, the identification of the beneficiaries and disbursement of the bursary cheques may have not been done as per the guidelines issued by the NGCDF Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the Fund's ability 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 the Fund 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 Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

within a timely period by employees in the normal course of performing their assigned functions.

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

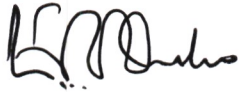
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

05 August 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MALAVA CONSTITUENCY

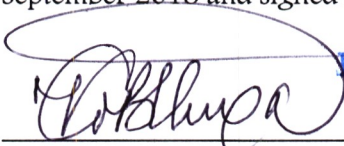
Reports and Financial Statements


For the year ended June 30, 2018

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172	82,396,552
Other Receipts	2	=	<u>261,000</u>
TOTAL RECEIPTS		43,405,172	82,657,552
PAYMENTS			
Compensation of employees	3	1,447,753	2,244,534
Use of goods and services	4	7,682,946	9,946,997
Transfers to Other Government Units	5	15,401,030	75,542,631
Other grants and transfers	6	27,446,372	55,498,879
Acquisition of Assets	7	-	244,660
TOTAL PAYMENTS		51,978,101	143,477,701
SURPLUS/(DEFICIT)		<u>(8,572,929)</u>	<u>(60,820,149)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MALAVA Constituency financial statements were approved on 5th September 2018 and signed by:


**FUND ACCOUNT MANAGER
MALAVA N.G.C.D.F**
Fund Account Manager
Collins Obuya


**SUB-COUNTY ACCOUNTANT
KAKAMEGA NORTH
P. O. Box 325 - 50103
MALAVA**
Sub-County Accountant
Lencer Akoth Odira
ICPAK Member Number:13306

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MALAVA CONSTITUENCY

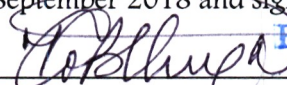
Reports and Financial Statements

For the year ended June 30, 2018


IV. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017- 2018	2016- 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	3,489,947	12,062,876
Total Cash and Cash Equivalents		3,489,947	12,062,876
TOTAL FINANCIAL ASSETS		3,489,947	12,062,876
FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		<u>3,489,947</u>	<u>12,062,876</u>
REPRESENTED BY			
Fund balance b/fwd 1st July 2017	9	12,062,876	72,883,025
Surplus/Deficit for the year		(8,572,929)	(60,820,149)
NET FINANCIAL POSITION		<u>3,489,947</u>	<u>12,062,876</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MALAVA Constituency financial statements were approved on 5th September 2018 and signed by:


Fund Account Manager
Collins Obuya

FUND ACCOUNT MANAGER
MALAVA N.G.C.D.F


Sub-County Accountant
Lencer Akoth Odira
ICPAK Member Number:13306

SUB - COUNTY ACCOUNTANT
KAKAMEGA NORTH
P.O. Box 325 - 50103
MALAVA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MALAVA CONSTITUENCY

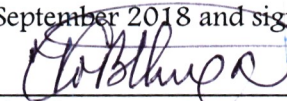
Reports and Financial Statements

For the year ended June 30, 2018


V. STATEMENT OF CASHFLOW

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from NGCDF Board	1	43,405,172	82,396,552
Other Receipts	2	=	<u>261,000</u>
		43,405,172	82,657,552
Payments for operating expenses			
Compensation of Employees	3	1,447,753	2,244,534
Use of goods and services	4	7,682,946	9,946,997
Transfers to Other Government Units	5	15,401,030	75,542,631
Other grants and transfers	6	27,446,372	55,498,879
		(51,978,101)	(143,233,041)
Net cash flow from operating activities		(8,572,929)	(60,575,489)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	-	(244,660)
Net cash flows from Investing Activities		-	(244,660)
NET INCREASE IN CASH AND CASH EQUIVALENT		(8,572,929)	(60,820,149)
Cash and cash equivalent at BEGINNING of the year	9	12,062,876	72,883,025
Cash and cash equivalent at END of the year		<u>3,489,947</u>	<u>12,062,876</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MALAVA Constituency financial statements were approved on 5th September 2018 and signed by:


Fund Account Manager
Collins Obuya

FUND ACCOUNT MANAGER
MALAVA N.G.C.D.F


Sub-County Accountant
Lencer Akoth Odira
ICPAK Member Number: 13306

SUB-COUNTY ACCOUNTANT
KAKAMEGA NORTH
P. O. Box 325 - 50103
MALAVA



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MALAYA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	23,442,186	110,252,531	55,468,048	54,784,483	50.31
TOTALS	86,810,345	23,442,186	110,252,531	55,468,048	54,784,483	50.31
PAYMENTS						
Compensation of Employees	2,000,240	563,536	2,563,776	1,447,753	1,116,023	56.47
Use of goods and services	7,812,690	3,580,363	11,393,053	7,682,946	3,710,107	67.44
Transfers to Other Government Units	45,000,000	12,074,414	57,074,414	15,401,030	41,673,384	26.98
Other grants and transfers	30,828,158	2,976,002	33,804,160	27,446,372	6,357,788	81.19
Acquisition of Assets	-	3,977,871	3,977,871	-	3,977,871	0.00
Other Payments	1,169,257	270,000	1,439,257	-	1,439,257	0.00
TOTALS	86,810,345	23,442,186	110,252,531	51,978,101	58,274,430	47.14

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

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

- i. Compensation of employees underutilisation is due to delayed release of funds from the NGCDF Board
- ii. Use of goods and services underutilisation is due to delayed release of funds from the NGCDF Board
- iii. Transfers to other government units underutilisation is due to delayed release of funds from the NGCDF Board
- iv. Other grants and transfers underutilisation is due to delayed release of funds from the NGCDF Board
- v. Acquisition of assets underutilisation is due to pending resolutions by the NGCDFC on exact renovations



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 (NGCDF) –
MALAVA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO	A825966		500,000
AIE NO	A829907		4,094,828
AIE NO	A855147		36,853,449
AIE NO	A855703		40,948,275
AIE NO	A855915	5,500,000	
AIE NO	A892840	37,905,172	
TOTAL		43,405,172	82,396,552

2. OTHER RECEIPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Receipts from Sale of tender documents	-	261,000
Total	-	261,000

3. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,052,184	1,553,800
Basic wages of casual labour	90,700	78,500
Personal allowances paid as part of salary		
Leave allowance	-	1,500
Gratuity	51,333	543,378
Other personnel payments	253,536	76,356
Total	1,447,753	2,253,534

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	2,194,920	5,122,879
Utilities, supplies and services	275,190	75,025
Communication, supplies and services	304,760	360,238
Domestic travel and subsistence	1,934,280	1,431,200
Printing, advertising and information supplies & services	26,399	54,667
Training expenses	526,900	843,300
Hospitality supplies and services	180,348	931,357
Office and general supplies and services	1,498,733	518,958
Refined fuel and lubricants	-	261,405
Other operating expenses	-	150,805
Routine maintenance – vehicles and other transport equipment	289,094	76,273
Routine maintenance – other assets	435,409	120,880
Bank charges	16,913	-
Total	7,682,946	9,946,997

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to primary schools (see attached list)	12,821,030	62,995,361
Transfers to secondary schools (see attached list)	2,580,000	11,998,128
Transfers to tertiary institutions (see attached list)	-	58,500
Transfers to health institutions (see attached list)	-	490,642
TOTAL	15,401,030	75,542,631

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,289,400	23,848,000
Bursary – tertiary institutions (see attached list)	14,043,500	15,215,800
Bursary – special schools (see attached list)	576,000	801,000
Mock & CAT (see attached list)	-	3,000,000
Security projects (see attached list)	237,472	5,548,650
Sports projects (see attached list)	-	1,637,931
Environment projects (see attached list)	-	1,432,761
Emergency projects (see attached list)	1,300,000	4,014,737
Total	27,446,372	55,498,879

7. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Refurbishment of Buildings	-	244,660
Total	-	244,660

8. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Cooperative Bank, A/C No. 01141165163100 (Ksh.)</i>	3,489,947	12,062,876
Total	3,489,947	12,062,876

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	12,062,876	72,883,025
Total	12,062,876	72,883,025

10. OTHER IMPORTANT DISCLOSURES

10.1. UNUTILIZED FUNDS (See Annex 1)

	Kshs	Kshs
Compensation of employees	1,116,023	563,536
Use of goods and services	3,710,107	1,056,225
Amounts due to other Government entities	41,673,384	4,388,193
Amounts due to other grants and other transfers	6,357,788	1,807,051
Acquisition of assets	3,977,871	3,977,871
Others (<i>Information Hub</i>)	1,439,257	270,000
	58,274,430	12,062,876

10.2: PMC account balances (See Annex 3)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	6,748,349	13,073,537
	6,748,349	13,073,537

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

ANNEX 1 –UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		1,116,023	563,536	
Use of goods & services		3,710,107	1,056,225	
Amounts due to other Government entities		41,673,384	4,388,193	
Sub-Total		46,499,514	6,007,954	
Amounts due to other grants and other transfers		6,357,788	1,807,051	
Sub-Total		6,357,788	1,807,051	
Sub-Total		52,857,302	7,815,005	
Acquisition of assets		3,977,871	3,977,871	
Others (<i>Information Hub</i>)		1,439,257	270,000	
Sub-Total		5,417,128	4,247,871	
Grand Total		58,274,430	12,062,876	

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

AMOUNTS DUE TO OTHER GOVERNMENT ENTITIES

Name of Project	Activity	Amount
PRIMARY/SECONDARY SCHOOL PROJECTS		
Kamuchisu Primary School	Additional funds for purchase of 2 acres land	100,000
Chevosu Primary School	Completion of 2 classrooms – plastering, pavement slab, electrical wiring, window glazing, painting and furniture.	600,000
Hamutua Primary School	Completion of administration block.	4,020
Ingwe Primary School	Completion of 2 classrooms – plastering, pavement slab, electrical wiring, window glazing, painting and furniture.	300,000
Mache Primary School	Completion of 2 classrooms – plastering, pavement slab, electrical wiring, window glazing, painting and furniture.	600,000
Mahira Primary School	Completion of 2 classrooms – plastering, pavement slab, electrical wiring, window glazing, painting and furniture.	600,000
Makale Primary School	Completion of 2 classrooms – plastering, pavement slab, electrical wiring, window glazing, painting and furniture.	600,000
Matsakha Primary School	Completion of 2 classrooms – walling, roofing plastering, pavement slab, electrical wiring, window gazing painting & furniture	300,000
Namanja Primary School	Completion of 2 classrooms – walling, roofing plastering, pavement slab, electrical wiring, window gazing painting & furniture	600,000
St. Martin Primary school	Completion of 2 classrooms – walling, roofing plastering, pavement slab, electrical wiring, window gazing painting & furniture	600,000
Machemo Primary School	Completion of 2 classrooms – walling, roofing plastering, pavement slab, electrical wiring, window gazing painting & furniture	500,000
Mukhuyu Primary School	Completion of administration block- external plastering, verandah, pavement, slab, floor screed, fascia board and painting.	700,000
Tande Primary School	Construction of 2 classrooms	1,000,000
Chiliva Primary School	Completion of 2 classrooms – plastering	1,000,000
Mukoko Primary School	Construction of 2 classrooms	1,000,000
Muriola Primary School	Construction of 2 classrooms	1,000,000
Mwikhupo Primary School	Construction of 2 classrooms	1,000,000
Shirulo Primary School	Construction of 2 classrooms	1,000,000
Burundu Primary School	Construction of 2 classrooms	1,000,000
Indulusia Primary school	Construction of 2 classrooms	1,000,000



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

Matioli Primary School	Construction of 2 classrooms	1,000,000
Kokoyo Primary School	Construction of 2 classrooms	1,000,000
Masungutsa Primary School	Construction of 2 classrooms	1,000,000
Lokova Primary School	Completion of administration block- ring beam, roofing and fitting windows and external door.	800,000
Teresia Primary School	Construction of 2 classrooms	1,000,000
Fubuye Primary School	Construction of dormitory	1,100,000
Shikokhwe Primary School	Construction of 2 classrooms	1,000,000
Sambuli Primary School	Construction of 2 classrooms	1,000,000
Friends Primary School Vashele	Construction of 2 classrooms	1,000,000
Bwanga Primary School	Purchase of two acres land	883,143
Chimoroni Secondary School	Completion of library plastering, window glazing, flooring, fascia board and painting works.	2,000,000
Malava Girls Secondary School	Completion of Multipurpose Hall – fixtures, Plastering and flooring	2,000,000
Kimang'eti girls Secondary School	Completion of twin lab- fixtures, external plaster, flooring, plumbing and gas fittings.	2,000,000
Mukhonje Secondary School	Purchase of land	600,000
St. Monica Namatala Girls Secondary	Construction of 2 classrooms	1,000,000
St. Mary Gorreti Kalenda Secondary	Construction of 2 classrooms	1,000,000
Chevosu Secondary School	Purchase of one acre land	600,000
Shamoni Secondary School	Construction of dormitory	1,500,000
Tumbeni Secondary School	Construction of four Classrooms	2,686,221
Namagara Secondary School	Construction of Administration block	5,000,000
SUB – TOTAL		41,673,384

AMOUNTS DUE TO OTHER GRANTS AND TRANSFERS

Name of Project	Activity	Amount
Bursary	Payment of bursary to needy students.	1,669,872
Kuvasali Police Post	Purchase ¼ acre piece of lands Khs. 300,000.00 and construct office to slab level 700,000	1,000,000
Kuvasali Police Post	Construction of pit latrines.	250,000
Malava Police Post	Supply and erect gate	200,000
Chesero Location Chief's Office	Purchase of land	100,000
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	3,137,916
SUB TOTAL		6,357,788

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

ANNEX 2 – 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	400,000	-	-	400,000
Buildings and structures	19,244,660	-	-	19,244,660
Transport equipment	10,627,703	-	-	10,627,703
Office equipment, furniture and fittings	407,840	-	-	407,840
ICT Equipment, Software and Other ICT Assets	1,672,048	-	-	1,672,048
Other Machinery and Equipment	518,838	-	-	518,838
Total	32,871,089	-	-	32,871,089

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

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Lukume Secondary School	Cooperative - Kakamega	01139098227602	31,373	31,373
Makale Primary School	Cooperative - Kakamega	01109098495701	35,678	636,286
Malava Girls Secondary School	Cooperative - Kakamega	01139098138302	2,670	2,670
Samitsi Boys Secondary School	Cooperative - Kakamega	01139098254003	5,689	1,558,573
Luyeshe Primary School	Cooperative - Kakamega	01139098486801	301,276	413,573
Namanja Primary School	Cooperative - Kakamega	01139098487901	17,603	226,689
Lwanda K' Primary School	Cooperative - Kakamega	01139098489303	503,537	32,932
Malichi Primary School	Cooperative - Kakamega	01139098489602	230,244	3,832
Muting'ong'o Primary School	Cooperative - Kakamega	01139098492702	601,572	39,573
Lunyinya Primary School	Cooperative - Kakamega	01139098494501	42,926	862,497
Shihome Primary School	Cooperative - Kakamega	01139098494601	253,617	5,930
Mahira Primary School	Cooperative – Kakamega	01139098495001	453,830	453,831
Lukala Primary School	Cooperative – Kakamega	01139098495601	481,272	400,271
Chombeli Primary School	Cooperative – Kakamega	01139166704300	199,500	30,580

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Chevoso Primary School	Cooperative – Kakamega	01139167309400	4,971	399,731
Mache Primary School	Cooperative – Kakamega	01139545948400	77,514	598,021
Musidi Primary School	Cooperative – Kakamega	01139632663500	502,804	636,970
Muriola Primary School	Cooperative – Kakamega	01139632796400	292,336	1,333,142
Burundu Primary School	Cooperative – Kakamega	01139632842400	46,437	231,562
Ingwe Primary School	Cooperative - Kakamega	01141098494400	14,609	371,053
Kimang'eti Girls Secondary School	Cooperative - Kakamega	01141545713600	1,862,423	6,438
Tombo Secondary School	Cooperative - Webuye	01139165050100	22,376	1,002,150
Hamutua Primary School	Cooperative - Webuye	01139411975100	223,064	1,225,378
St. Martin Primary School	Cooperative - Webuye	01139435276000	34,208	600,896
Matsakha Primary School	Cooperative - Webuye	01139744470000	31,029	634,099
Chimoroni Secondary School	Cooperative-Webuye	01139098227403	9,810	-
Emusali Primary School	Cooperative-Kakamega	01141545858600	2,562	-
Machemo Primary School	Cooperative-Kakamega	01139098490701	285,628	-
Shanda Primary School	Cooperative-Kakamega	01139098489400	177,791	-

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

Reports and Financial Statements

For the year ended June 30, 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Shivikhwa Primary School	KCB Kakamega	1133685110	-	1,160,240
Lukume Primary School	KCB Kakamega	1204314535	-	200,202
Shirulo Primary School	KCB Kakamega	1204663912	-	200,424
Bunuku Primary School	KCB Kakamega	1208129090	-	1,000,000
Total			6,748,349	13,073,537

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

Reports and Financial Statements

For the year ended June 30, 2018

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.	Transfer to other Government units- Delay in completion of works and use of gauge 30 iron sheets pre-painted instead of gauge 28 at Shihome Dispensary	<ul style="list-style-type: none"> The Ng-CDFC resolved not to give the contractor any further work The contractor used gauge 30 iron sheets pre-painted instead of gauge 28 on consultation with the Works Engineer 	Collins Obuya-F.A.M	<ul style="list-style-type: none"> Resolved. Project completed and in use 	N/A
2.	Budget performance- Underutilisation of funds	Delay in receiving money from the NG-CDF Board	Collins Obuya-F.A.M	<ul style="list-style-type: none"> Resolved. Money already received and utilized in various projects 	N/A
3.	Project implementation performance	Delay in implementation was due to receiving the money late	Collins Obuya-F.A.M	<ul style="list-style-type: none"> Resolved. Money already received and disbursed to the projects 	N/A

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