

REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

OF

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY  
PAPERS TABLED

DATE: 10 NOV 2021

DAY.

Wed mg

ON  
TABLED  
BY:

Majority Whip  
Hon Wanjau

CLERK-AT  
THE-TABLE:

M. Mado.

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – KIMILILI CONSTITUENCY**

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

2004



2004



---

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KIMILILI  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

---

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KIMILILI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	1
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE .....	4
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES .....	6
IV. REPORT OF THE AUDITOR_GENERAL .....	7
V. STATEMENT OF RECEIPTS AND PAYMENTS .....	8
VI. STATEMENT OF ASSETS AND LIABILITIES .....	9
VI. STATEMENT OF CASHFLOW .....	10
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	11
IX. SIGNIFICANT ACCOUNTING POLICIES .....	14
X. NOTES TO THE FINANCIAL STATEMENTS .....	18



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KIMILILI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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



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

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

---

**Core Values**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	A.I.E holder	JULIUS E OKETCH
2.	Sub-County Accountant	ZAKARIA ANANGWE
3.	Chairman NGCDFC	PATRICK JUMA
4.	Member NGCDFC	HILLARY WAFULA

**(d) Fiduciary Oversight Arrangements**

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

NG-CDF Office Building,  
P.O Bo 60-20204  
KIMILILI



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

**(f) NGCDF KIMILILI Constituency Contacts**

Telephone: (254) 722574566  
E-mail: [cdfkimilili@ngcdf.go.ke](mailto:cdfkimilili@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF KIMILILI Constituency Bankers**

Co-operative Bank  
P.O Box 552  
Kimilili

**(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)  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

I am delighted to present our annual financial report for the FY 2018/2019. This year we have witnessed an improved performance in the overall management of the fund, we have equally launched some of the projects that had been earlier initiated. We continue to boost of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

**BUDGET PERFORMANCE**

We are proud to share with you that we had a 90% utilization of funds received from the NG-CDF Board. Utilization of funds helps us enhance our core focus and objectives of serving the constituents of Kimilili.

**KEY ACHIEVEMENTS DURING 2017/2018 FY**

Strong management and governance have been key components of our operational model. This has resulted into the following key achievements during the year:

1. Completion of key Flagship Projects

During our first year in office, we initiated a number of key flagship projects for implementation. I am proud to report that the following Projects have been successfully finished and handed over to the users; Allan Bradley Primary School (8 Classrooms), Luanda SA Primary School (6 Classrooms), Daraja Mungu Primary school (6 Classrooms), Namakhele Primary School (6 Classrooms) and Nasianda Primary School (8 Classrooms Storey). The photos below indicate the schools mentioned above.

2. Bursary Disbursement

Our bursary award scheme for 2018/2019 was able to benefit way more than 5000 beneficiaries with a minimum of 10,000/= per beneficiary. Besides, we set aside money that befitted special groups including Persons with Disability (PWD) and Orphans (OVCs).

3. Constituency Tree Planting Day

As a committee, we reckon that trees play an important role in enhancing quality of our environment as envisaged under the sustainable development strategies. We actively participated in our Constituency based tree planting activity where we planted more than 100,000 seedlings in institutions cutting across the constituency.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

**4. PMC AND CDFC CAPACITY BUILDING WORKSHOP**

As a way of ensuring smooth operation of the fund as stipulated in the NG-CDF Act (2015), we prioritized training of the key implementers of the fund. We thus had a successful two day training workshop of all NG-CDF Staff, all PMCs, a select PMC and key departmental heads. The training was focused on empowering the key stakeholders with knowledge on the emerging issues related to NG-CDF Fund.

**KEY IMPLIMENTATION CHALLENGES**

We experienced operational challenges in the course of the year. These included but were not limited to the following:

1. Most of the PMC members were not well acquainted to the operational nature of the fund. To this regard, the committee embarked on capacity building activities scheduled throughout the FY to empower the PMCs, NG-CDF staff as well as committee members on issues of importance in the operation of the fund.
2. Piece meal funding from the NG-CDF Board curtailed efficient implementation of projects by the committee. The committee therefore agreed to hasten the utilization of funds as received from the board as well as prevailing upon the board to fast track release of funds.

In summary, 2018/19 was a year of great performance. We have demonstrated we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our constituents. We enter 2019/2020 in excellent shape and a positive note. We have recently signed a performance contract with the NG-CDF Board which I am convinced will improve on our performance.

Sign



CHAIRMAN-KIMILILI NGCDFC

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

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

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF-KIMILILI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-KIMILILI 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, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KIMILILI 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-KIMILILI 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**

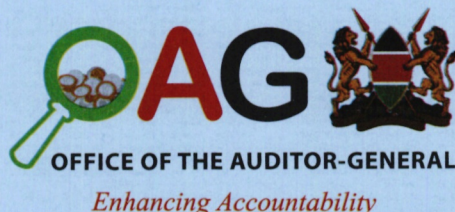
The NGCDF-KIMILILI Constituency financial statements were approved and signed by the Accounting Officer on 12<sup>th</sup> August 2020.

**Fund Account Manager**  
KIMILILI NGCDF  
P.O. Box 00-50204  
KIMILILI  
**Fund Account Manager**  
**JULIUS OKETCH**

**DISTRICT ACCOUNTANT**  
KIMILILI-BUNGOMA DISTRICT  
P.O. Box 750  
KIMILILI-50204  
**Sub-County Accountant**  
**ZAKARIA ANANGWE**  
ICPAK Member Number:

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIMILILI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

---

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kimilili Constituency set out on pages 8 to 30, which comprise the statement of assets and liabilities as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and statement of appropriation- recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kimilili Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **Un-Supported Expenditure**

The use of goods and services figure of Kshs.9,593,919 includes payments totalling Kshs.844,306 whose payment vouchers together with the supporting documents were not availed for audit review.

Consequently, the accuracy and validity of Kshs.844,306 included in use of goods and services for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kimilili Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing

audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.133,838,420 and Kshs.129,913,163 respectively resulting to an under-funding of Kshs.3,925,257 or 3% of the budget. Similarly, the Fund spent Kshs.117,074,057 against an approved budget of Kshs.133,838,420 resulting to an under-expenditure of Kshs.16,764,363 or 13% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kimilili Constituency

#### **1.1 Projects Implementation Status**

According to the project implementation status report availed for audit verification, the Fund had planned to implement 244 projects valued at Kshs.334,620,670 which were at various levels of implementation. One hundred and eighty (185) had been completed while fifty seven (57) were ongoing and two (2) projects had not started as at 30 June, 2019.

From these statistics, it was noted that forty-nine (49) projects with disbursements of Kshs.80,489,655 relating to 2017/18 and earlier years and which ought to have been completed by 30 June, 2018 were indicated as still ongoing. Two (2) projects relating to the same period with total disbursement of Kshs.1,612,870 had not been completed although funds were allocated. However, no reasons were provided for the failure to implement all the projects as planned.

Consequently, the Kimilili Constituents did not benefit from the incomplete projects as projected.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

#### **Conclusion**

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

## **Basis for Conclusion**

### **1. Unsupported Expenditure**

Included in the statement of receipts and payments under use of goods and services figure of Kshs.9,593,919 are payments totalling to Kshs.1,000,000 which were not fully supported. The payments were in respect of allowances to Fund's committee members during capacity building, but imprest surrenders were not supported with imprest warrants, minutes of the meetings held and attendance register.

Consequently, the validity of the expenditure of Kshs.1,000,000 for the year ended 30 June, 2019 could not be confirmed.

### **2. Lack of Project Management Committee in Procurement of Environment Projects**

Included in the statement of receipts and payments under other grants and transfers is an expenditure on environment projects of Kshs.1.850,000 out of which Kshs.1,700,000 was spent on purchase of 24,660 seedlings. However, there was no evidence that a Project Management Committee (PMC) was put in place to help in the procurement, inspection and recording of seedlings received and issued. This is contrary to National Government Constituency Development Fund Regulations, 2016 section 15 that states that 'there shall be appointed a project management committee for each project in a Constituency in accordance with Section 36 of the Act. There was also no evidence of any follow up on the progress of the plants to ensure that the intended purpose of improving the environment was achieved.

Consequently the validity and value for money of Kshs.1,700,000 expenditure for the year ended 30 June, 2019 could not be confirmed.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**07 October, 2021**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	120,420,185	85,347,717
<b>TOTAL RECEIPTS</b>		<b>120,420,185</b>	<b>85,347,717</b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,680,844	2,681,458
Use of goods and services	3	9,593,919	8,276,259
Transfers to Other Government Units	4	67,500,000	33,700,341
Other grants and transfers	5	35,799,294	32,450,371
Acquisition of Assets	6	-	2,510,000
Other Payments	7	1,500,000	2,000,000
<b>TOTAL PAYMENTS</b>		<b>117,074,057</b>	<b>81,618,429</b>
<b>SURPLUS/DEFICIT</b>		<b>3,346,128</b>	<b>3,729,289</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIMILILI Constituency financial statements were approved on 12<sup>th</sup> August 2020 and signed by:

**Fund Account Manager**  
KIMILILI NGCDF  
P. O. Box 60-50204  
**Fund Account Manager**  
**JULIUS OKETCH**

**DISTRICT ACCOUNTANT**  
KIMILILI-BUNGOMA DISTRICT  
P. O. Box 750  
KIMILILI 50204  
**Sub-County Accountant**  
**ZAKARIA ANANGWE**  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIMILILI CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2019

**VI. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	8	12,839,106	9,492,978
Total Cash and Cash Equivalents		12,839,106	9,492,978
<b>TOTAL FINANCIAL ASSETS</b>			
		12,839,106	9,492,978
<b>NET FINANCIAL ASSETS</b>			
		<u>12,839,106</u>	<u>9,492,978</u>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	9	9,492,978	5,763,689
Surplus/Deficit for the year		3,346,128	3,729,289
<b>NET LIABILITIES</b>			
		12,839,106	9,492,978

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIMILILI Constituency financial statements were approved on 12<sup>th</sup> August 2020 and signed by:

**Fund Account Manager**  
KIMILILI NG-CDF  
P. O. Box 750  
KIMILILI -50204  
*[Signature]*  
Fund Account Manager  
JULIUS OKETCH

**DISTRICT ACCOUNTANT**  
KIMILILI-BUNGOMA DISTRICT  
P. O. Box 750  
KIMILILI -50204  
*[Signature]*  
Sub-County Accountant  
ZAKARIA ANANGWE  
ICPAK Member Number:



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**VI. STATEMENT OF CASHFLOW**

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
<b>Receipts</b>			
Transfers from CDF Board	1	120,420,185	85,347,717
<b>Total Receipts</b>		<b>120,420,185</b>	<b>85,347,717</b>
<b>Payments</b>			
Compensation of Employees	2	2,680,844	2,681,458
Use of goods and services	3	9,593,919	8,276,259
Transfers to Other Government Units	4	67,500,000	33,700,341
Other grants and transfers	5	35,799,294	32,450,371
Other Payments	6	1,500,000	2,000,000
<b>Total Payments</b>		<b>117,074,057</b>	<b>79,108,428</b>
<b>Total Receipts Less Total Payments</b>		<b>3,346,128</b>	<b>6,239,289</b>
<b>Net cash flow from operating activities</b>		<b>3,346,128</b>	<b>6,239,289</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	7		2,510,000
<b>Net cash flows from Investing Activities</b>			<b>2,510,000</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>3,346,128</b>	<b>3,729,289</b>
Cash and cash equivalent at BEGINNING of the year	9	9,492,978	5,763,689
Cash and cash equivalent at END of the year	8	12,839,106	9,492,978

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIMILILI Constituency financial statements were approved on 12<sup>th</sup> August 2020 and signed by:

**Fund Account Manager**  
KIMILILI-NG-CDF  
P.O. Box 50-50204,  
KIMILILI  
Fund Account Manager  
**JULIUS OKETCH**

**DISTRICT ACCOUNTANT**  
KIMILILI-BUNGOMA DISTRICT  
P.O. Box 750  
KIMILILI -50204  
Sub-County Accountant  
**ZAKARIA ANANGWE**  
ICPAK Member Number:



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

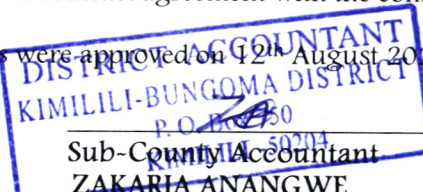
**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

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 %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	24,797,544	133,838,420	129,913,163	3,925,257	97%
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>24,797,544</b>	<b>133,838,420</b>	<b>129,913,163</b>	<b>3,925,257</b>	<b>97%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,860,000	434,394	2,294,394	2,680,844	(386,450)	117%
Use of goods and services	7,953,679	5,071,300	13,024,979	9,593,919	3,431,060	74%
Transfers to Other Government Units	63,600,000	6,000,000	69,600,000	67,500,000	2,100,000	97%
Other grants and transfers	34,127,197	12,783,025	46,910,222	35,799,294	11,110,928	76%
Acquisition of Assets	-	1,985	1,985	-	1,985	0%
Other Payments	1,500,000	506,840	2,006,840	1,500,000	506,840	75%
<b>TOTAL</b>	<b>109,040,876</b>	<b>24,797,544</b>	<b>133,838,420</b>	<b>117,074,057</b>	<b>16,764,363</b>	<b>87%</b>

1. The overutilization under compensation to employees was as a result of the NG-CDFC engaging interns to comply with the guidelines under the performance contract signed with the NG-CDF Board. The committee engaged 5 interns whom they paid a monthly stipend.
2. The 74% underutilization under Use of goods and services is due to pending Capacity building trainings and benchmarking tours that were rescheduled. These activities have been planned in the subsequent year.
3. The under expenditure on other grants and transfers was as a result of delay by the NGCDFC to disburse bursary to local schools.
4. The Underutilization on other payments has been occasioned by money held for review on the progress of strategic plan implementation. This will be paid once the exercise has been done as agreed in the contract agreement with the consultant.

The NGCDF-KIMILILI Constituency financial statements were approved on 12<sup>th</sup> August 2020 and signed by:

  
 Fund Account Manager  
**JULIUS OKETCH**

  
 Sub-County Accountant  
**ZAKARIA ANANGWE**  
 ICPAK Member Number:



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	1,860,000	434,394	2,294,394	2,680,844	117%
1.2 Committee allowances	2,182,453	(711,000)	1,471,453	1,137,350	77%
1.3 Use of goods and services	2,500,000	5,014,300	7,514,299	6,593,919	88%
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	2,000,000	419,000	2,419,000	942,650	39%
2.2 Committee allowances	1,271,227	349,000	1,620,227	920,000	57%
<b>3.0 Emergency</b>	5,738,993	715,586	6,454,579	6,416,914	99%
<b>4.0 Bursary and Social Security</b>					
4.2 Secondary Schools	10,000,000	8,800,000	18,800,000	9,891,500	99%
4.3 Tertiary Institutions	15,000,000	2,812,286	17,812,286	15,970,880	106%
<b>5.0 Sports</b>					
5.1 Sports Activities	1,258,203	413,978	1,672,181	1,670,000	133%
<b>6.0 Environment</b>					
6.1 environmental Activities	2,130,000	41,175	2,171,175	1,850,000	87%
<b>7.0 Primary Schools Projects</b>					
(List all the Projects)					
Misikhu Main SDA Primary school	4,000,000		4,000,000	4,000,000	100%
Makhonge FYM Primary school	4,000,000		4,000,000	4,000,000	100%
Allan Bradley Primary School	4,000,000		4,000,000	4,000,000	100%
Namakhele Primary School	5,000,000	-	5,000,000	5,000,000	100%
Matisi Primary School	4,000,000		4,000,000	4,000,000	100%
DarajaMungu Primary School	4,000,000		4,000,000	4,000,000	100%
Khamulati Primary School	3,000,000		3,000,000	3,000,000	100%
Lwanda S.A Primary School	9,000,000		9,000,000	9,000,000	100%

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
Ng'oli primary school	4,000,000		4,000,000	4,000,000	100%
Nasianda Primary School	10,000,000	5000000	15,000,000	15,000,000	100%
<b>8.0 Secondary Schools Projects (List all the Projects)</b>					
Chelekei Bahai Secondary School	2,000,000		2,000,000	2,000,000	100%
St Lukes Kimilili Boys	1,000,000		1,000,000		0%
St Mary's Sosio Secondary School	1,100,000		1,100,000		0%
St James Mapera	3,500,000		3,500,000	3,500,000	100%
Nasianda Secondary School	5,000,000	1,000,000	6,000,000	6,000,000	120%
<b>9 Others</b>					
9.1 Strategic Plan	1,500,000	506,840	2,006,840	1,500,000	100%
9.2 Acquisition of assets		1,985	1,985		
<b>TOTAL</b>	<b>109,040,876</b>	<b>24,797,544</b>	<b>133,838,420</b>	<b>117,074,057</b>	



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

**IX. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the NGCDF-KIMILILI 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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

**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 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

**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 Fund**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	AIE	2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	B005048	11,379,310	5,500,000
	B030254	10,000,000	500,000
	B006387	8,000,000	37,905,172
	B030444	12,000,000	41,442,545
	B047011	24,000,000	
	B047557	55,040,875	
		<b>120,420,185</b>	<b>85,347,717</b>

**2. COMPENSATION OF EMPLOYEES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees		1,708,983
Basic wages of casual labour	2,477,332	-
Employer contribution to NSSF	203,512	114,954
Gratuity-Paid		857,520
<b>TOTAL</b>	<b>2,680,844</b>	<b>2,681,458</b>

**3. Goods and Services**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	9,450	32,438
Water & sewerage charges	31,450	
Communication, supplies and services	1,347,483	160,139
Training expenses	942,650	2,181,000
Other committee expenses	3,233,650	2,952,000
Committee allowance	2,057,350	2,051,000
Office and general supplies and services	683,600	
Fuel , oil & lubricants	700,000	741,837
Bank service commission and charges	30,091	18,800
Routine maintenance - vehicles and other transport equipment	421,097	139,045
Routine maintenance- other assets	137,098	
<b>TOTAL</b>	<b>9,593,919</b>	<b>8,276,259</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**4. TRANSFERS TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	56,000,000	14,400,000
Transfers to Secondary schools	11,500,000	17,337,714
Transfers to Tertiary institutions		1,962,627
<b>TOTAL</b>	<b>67,500,000</b>	<b>33,700,341</b>

**5. OTHER GRANTS AND TRANSFERS**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	9,891,500	14,140,151
Bursary -Tertiary	15,970,880	10,401,000
Bursary-Special schools		
Mocks & CAT		
Security		
Sports	1,670,000	1,959,000
Environment	1,850,000	450,000
Emergency Projects	6,416,914	4,546,090
Agriculture		350,000
Roads		604,130
<b>TOTAL</b>	<b>35,799,294</b>	<b>32,450,371</b>

**6.0 ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2018-2019	2017 - 2018
	Kshs	Kshs
Refurbishment of Buildings		2,400,000
Purchase of computers ,printers and other IT equipments		110,000
<b>TOTAL</b>	<b>-</b>	<b>2,510,000</b>

**7.0 OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	1,500,000	2,000,000
<b>TOTAL</b>	<b>1,500,000</b>	<b>2,000,000</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

8.0 Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		<b>Kshs (30/6/2019)</b>	<b>Kshs (30/6/2018)</b>
<i>Cooperative Bank, Kimilili Branch</i>	<i>Ac1141470264700</i>	<b>12,839,106</b>	<b>9,492,978</b>

9.0 BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	(1/7/2018)	(1/7/2017)
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	9,492,978	5,763,689
<b>TOTAL</b>	<b>9,492,978</b>	<b>5,763,689</b>

10. OTHER IMPORTANT DISCLOSURES

10.1 UNUTILIZED FUNDS (See Annex 1)

	2018-2019	2017 - 2018
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	(386,450)	434,394
Use of goods and services	3,431,060	1,661,353
Amounts due to other Government entities	2,100,000	11,577,490
Amounts due to other grants and other transfers	11,110,928	11,122,322
Acquisition of assets	1,985	1,985
Others ( <i>strategic Plan Payment</i> )	506,840	
	<b>16,764,363</b>	<b>24,797,544</b>

10.2 SUMMARY OF FIXED ASSET REGISTER (See Annex 2)

	2018-2019	2017-2018
	<b>Kshs</b>	<b>Kshs</b>
Historical cost	27,197,601	27,197,601

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

10.3 PMC ACCOUNT BALANCES (See Annex 3)

	2018-2019	2017-2018
PMC	Kshs	Kshs
Sundry Institutions	6,049,255	5,050,950



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KIMILILI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**ANNEX 1: UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance
		2018/19	2017/18
Compensation of employees	Payment of staff salaries, NHIF, NSSF and Gratuity	(386,450)	434,394
Use of goods & services	Committee Expenses and allowances and purchase of general goods and services	3,431,060	1,661,353
<b>Sub-Total</b>		<b>3,044,610</b>	<b>2,095,747</b>
<b>Amounts due to other Government entities</b>			11,577,490
St Lukes Kimilili Boys	Additional co-funding for construction of Multi-Purpose Hall	1,000,000	
St Mary's Sosio Secondary school	Additional funding for completion of Dining Hall	1,100,000	
<b>Sub-Total</b>		<b>2,100,000</b>	<b>11,577,490</b>
<b>Amounts due to other grants and other transfers</b>			11,122,322
Emergency	Payment for unforeseen occurrences.	42,028	
Sports	Purchase of equipment for Constituency Sports Activities	(2,181)	
Bursary	Payment of bursary for needy students in secondary, univesities and other tertiary institutions	10,749,906	
Environment	Payment for purchase of tree seedlings and other environmental activities.	321,175	
<b>Sub-Total</b>		<b>11,110,928</b>	<b>11,122,322</b>
<b>Acquisition of assets</b>		1,985	1,985
		1,985	
<b>Others (specify)</b>			
Strategic Plan		506,840	
<b>Sub-Total</b>			
	<b>Grand Total</b>	<b>16,764,363</b>	<b>24,797,544</b>



**NATIONAL GOVERNMENT CDF-KIMILILI)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost	Historical Cost
	(Kshs)	(Kshs)
	2018/19	2017/18
Land	2,000,000	2,000,000
Buildings and structures	14,492,057	14,492,057
Transport equipment	7,835,145	7,835,145
Office equipment, furniture and fittings	2,760,398	2,760,398
ICT Equipment, Software and Other ICT Assets	110,000	110,000
<b>Total</b>	<b>27,197,601</b>	<b>27,197,601</b>



**NATIONAL GOVERNMENT CDF-KIMILILI)****Reports and Financial Statements****For the year ended June 30, 2019****ANNEX 3 –PMC ACCOUNT BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance as of 30 <sup>th</sup> June 2019	Bank Balance as of 30 <sup>th</sup> June 2018
ALLAN BRADLEY KAMUSINGA PRY SCH	COOPERATIVE	01141470733000	1587	7,612
BITUYU PRIMARY SCHOOL	COOPERATIVE	01141687446000	63,043	63,043
CHEBUKWABI AP CAMP	COOPERATIVE	01141469624000	925	350,875
CHEBUKWABI FYM PRIMARY SCHOOL	COOPERATIVE	01141050183600	2,774	125,724
CHELEKEI PRIMARY SCHOOL	COOPERATIVE	01141687279000	1462	1,462
CHESAMISI AP CAMP	KCB	1206451580		276,215
CHESAMISI BOYS HIGH SCHOOL	COOPERATIVE	01141096859500	230,885	230,885
CHESAMISI PRIMARY SCHOOL	COOPERATIVE	01141687775100	1,401	129,301
DARAJA MUNGU AP CAMP	COOPERATIVE	01141687216700	1,043	183,943
DARAJA MUNGU DISPENSARY	COOPERATIVE	01141469517300	428	583,828
DARAJA MUNGU PRIMARY SCHOOL	COOPERATIVE	01141687810500	415,579	77,350
FRIENDS' SCHOOL KIBUNDE SEC	COOPERATIVE	01139469444900	1237	1,237
KAMASIELO PRIMARY SCHOOL	COOPERATIVE	01141687465800	2557	144,187
KAMUKUYWA AC PRIMARY SCHOOL	COOPERATIVE	01141687442200	2,432	42,382
KAMUSINDE FYM PRIMARY SCHOOL	COOPERATIVE	01141050172100	46,257	243,441
KHAMULATI DEB PRIMARY SCHOOL	KCB	1206331747		3,265
KHWIRORO PRIMARY SCHOOL	COOPERATIVE	01141470689400	1290	96,190
KIBINGEI FRIENDS SEC SCHOOL	COOPERATIVE	01141470840500	705,280	11,873
KIKWECHI PRIMARY SCHOOL	COOPERATIVE	01141687371200	261	282,961
KIMILILI CHIEFS' OFFICE	COOPERATIVE	01141470522900	23,705	23,705
KIMILILI FRIENDS GIRLS' SEC SCHOOL	COOPERATIVE	01141049767600	39,189	39,189
KIMILILI RC BOYS PRIMARY SCHOOL	COOPERATIVE	01141687501600	104,793	104,793



**NATIONAL GOVERNMENT CDF KIMILILI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

PMC	Bank	Account number	Bank Balance as of 30 <sup>th</sup> June 2019	Bank Balance as of 30 <sup>th</sup> June 2018
KIMINGICHI PRIMARY SCHOOL	COOPERATIVE	01141050113900	23,010	3,157
KITAYI PRIMARY SCHOOL	COOPERATIVE	01141050116500	3,916	100,866
LUKHOM BAPTIST SEC SCHOOL	COOPERATIVE	01141470964900	91,216	91,216
LUTONYI PRIMARY SCHOOL	COOPERATIVE	01141470961400	6,153	350,953
LWANDA PRIMARY SCHOOL	COOPERATIVE	01141687850000	927	60,197
MAENI PRIMARY SCHOOL	COOPERATIVE	01141469093400	13,163	204,038
MAKHONGE PRIMARY SCHOOL	COOPERATIVE	01141470403300	1,581,852	2,847
MATILI RC PRIMARY SCHOOL	COOPERATIVE	01141687271300	1,587	85,487
MATISI PRIMARY SCHOOL	COOPERATIVE	01141687917800	1,594,347	325
MUSEMBE PRIMARY SCHOOL	COOPERATIVE	01139469235200	10,736	10,736
NAMAKHELE ACK PRIMARY SCHOOL	COOPERATIVE	01141687356700	479,051	16,703
NAMASANDA PRIMARY SCHOOL	KCB	1206456477		1,325
NAMAWANGA DEB PRIMARY SCHOOL	COOPERATIVE	01141687295800	1406	88,356
NAMBOANI PRIMARY SCHOOL	COOPERATIVE	01141470838600	74,792	74,792
NASIANDA PRIMARY SCHOOL	COOPERATIVE	01141687445600	6110	102,670
NEW HOPE MWANGALE SEC SCHOOL	COOPERATIVE	01141687911700	1850	4,125
NGO'LI PRIMARY SCHOOL	COOPERATIVE	01141470098500	209,044	209,044
SANGO BAPTIST PRIMARY SCHOOL	COOPERATIVE	01141470101700	99	130,355
SIUNA PRIMARY SCHOOL	COOPERATIVE	01141470947900	3103	113,053
SOSIO PRIMARY SCHOOL	COOPERATIVE	01141470468100	9270	9,270
ST. ELIZABETH SIBAKALA SEC SCHOOL	COOPERATIVE	01141688025100	282	76,759
ST. EMMANUELS' MIRURI SEC SCHOOL	COOPERATIVE	01141687405200	74,173	74,173
ST. JAMES ACK MAPERA SEC SCHOOL	KCB	1164407739		0

**NATIONAL GOVERNMENT CDF KIMILILI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

PMC	Bank	Account number	Bank Balance as of 30 <sup>th</sup> June 2019	Bank Balance as of 30 <sup>th</sup> June 2018
ST. JOHNS' BUKO SEC SCHOOL	COOPERATIVE	01141469793100	192	192
ST.MARYS' SOSIO GIRLS SEC SCHOOL	COOPERATIVE	01141470654600	141,386	141,386
ST. PETERS' NAKALIRA SEC SCHOOL	COOPERATIVE	01141687379100	2,388	2,388
ST.JOSEPHS' KAMUSINDE SEC SCHOOL	COOPERATIVE	01141470111800	71,677	71,677
SULIEMAN MURUNGA PRIMARY SCH	COOPERATIVE	01141470089700	1382	1,382
<b>TOTAL</b>			<b>6,049,255</b>	<b>5,050,947</b>



**NATIONAL GOVERNMENT CDF KIMILILI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

**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)
2017-2018-1-01-0223-09	Inaccuracies in Budget Analysis and budget performance	<p><i>The Variance of 650,628 is being reviewed for adjustments and once proper documentation is reconciled we shall avail the reconciled report for your recording. Similarly, we reckon that indeed 23% budget underutilization results in failure to meet intended objectives of the Fund to the residents of Kimilili. This as you may be aware is as a result of the NG-CDF Board funding the committee in a rather piece-meal way which ultimately curtails our smooth</i></p>	Fund Account Manager and Sub-County Accountant	Resolved	



**NATIONAL GOVERNMENT CDF KIMILILI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>implementation of programs in the year under review. We have however signed a performance contract with the NG-Board which dictates that funds be disbursed sufficiently and in a timely manner.</i></p>			
	<p>Project Implimentation Status</p>	<p><i>As explained earlier in our response to the Management letter, the committee has submitted to the NG-CDF Board a schedule of completing all the pending ongoing projects within the next two years. We however take note to manage the projects as per budget, NG-CDF guidelines and PFM Act and regulations.</i></p>	<p>NG-CDF BOARD, NG-CDFC</p>	<p>Solved</p>	

**NATIONAL GOVERNMENT CDF KIMILILI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

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)
	Payments not adequately supported	<p><i>The NG-CDF Act 2015 and subsequent Regulations gives the Committee authority to engage technical personnel from different line ministries while implementing projects. We have provided supporting documents as attached in the management letter. We however note with great concern that the documents as received from the technical personal do not give enough disclosure or support to warrant payments. The management therefore has programmed to undertake capacity building of PMCs and staff (Clerk of works) to ensure that</i></p>	Fund Account Manager. PMCs, Clerk of works	Solved	

**NATIONAL GOVERNMENT CDF KIMILILI**  
**Reports and Financial Statements**  
**For the year ended June 30, 2017**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>Payment certificates quantify the works done and not just an extract from the Bills of Quantities. We hope this will help affirm the validity of expenditures.</i></p>			

