

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

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THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KIGUMO CONSTITUENCY

FOR THE YEAR ENDED

30 JUNE 2018

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 30 JUL 2019

DAY

TUESDAY

TABLED
BY:

MAJORITY LEADER

CLERK-AT
THE-TABLE:

A handwritten signature in blue ink, likely belonging to the Majority Leader, is written over the signature line.

Revised Template 30th June 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KIGUMO
CONSTITUENCY**

AMMENDED 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)
KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Reports and Financial Statements

For the year ended June 30, 2018

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 NGCD Kigumo 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	Ezekiel K. Mwangangi
3.	Sub-County Accountant	Jacob Muthami
4.	Chairman NGCDFC	Benson Njogu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 10
CDF Building/House/Plaza
Next to Police Station
KIGUMO

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF KIGUMO Constituency Contacts

Telephone: (254) 0723636367

E-mail: kigumo@ngcf.go.ke

Website: www.go.ke

(g) NGCDF KIGUMO Constituency Bankers

1. Equity Bank Kangari Branch
A/c Number 0070296246702

(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)
KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

I.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

INTRODUCTION

Kigumo Constituency is an electoral Constituency in Kenya. it is one of the seven districts of Muranga County. it was previously one of the three constituencies in the former Maragua District, Central province. The Constituency was established for the 1963 elections. population density is influenced by land productivity and water availability with Agriculture as the main economic activity, farmers plant tea and coffee as well as maize they also do dairy farming where milk is sold in various market centres.

The NG-CDF Kigumo has always dedicated time to ensure prudent management of resources received from the the NG-CDF Board within the five wards of the Constituency. Since inception the committee has completed several development projects that are geared towards infrastructural development, wealth creation and fight against poverty within the constituency

During the financial year 2017/18 Kigumo NG-CDF was able to utilise 53% of the allocated resources. At the closure of the financial year the constituency had unutilised funds amounting to Ksh 19,972,088 and a further Ksh 61, 864, 484 not yet received from the Board out of the Budget allocation, the implementation has been satisfactory despite a few challenges

KEY ACHIEVEMENTS

During the Financial year 2017/18 Kigumo NG-CDF was able to put new facilities like classrooms and laboratories, we have renovated a number of classrooms and this has helped to create a conducive environment for learners, security has also improved to a great extent by renovation of houses for the Administration police officers

EMERGING ISSUES

Like any other Constituency, Kigumo has also faced some emerging issues some relating to increase in bursary uptake, we attribute this to hard economic times parents are facing and also increase in school's fees. Reduced allocation of Funds has also impacted negatively on our overall performance, the Board has also introduced performance contracting which will help in improved performance of the NG-CDFC to a great extent

IMPLEMENTATION CHALLENGES

Political influence from the local leaders to some extent has become a challenge in the allocation of resources within the constituency such influence could affect the fair distribution of resources, Project Management Committees, procurement process still poses a great challenge to the committee. We shall continuously endeavour to train and Build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.

APPRECIATION

Let me recognise the CDF BOARD, KNEAO, The Area Member of parliament, all district Heads, CDFC Members and all other stake holders who have stood with us all along. Finally, I would like to appreciate the contribution and individual dedication of our members of staff towards our success.

Sign 

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

II. 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.

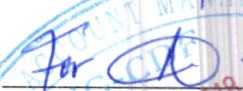
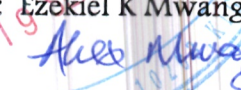
The Accounting Officer in charge of the NGCDF-kigumo Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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.

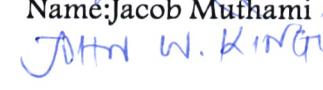
The Accounting Officer in charge of the NGCDF-kigumo Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public-Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-kigumo 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-kigumo 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-Kigumo Constituency financial statements were approved and signed by the Accounting Officer on 19/SEP/2018 2018.


Fund Account Manager
Name: Ezekiel K Mwangangi



Sub-County Accountant
Name: Jacob Muthami


REPUBLIC OF KENYA

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



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIGUMO 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 - Kigumo Constituency set out on pages 7 to 29, which comprise a statement of assets and liabilities as at 30 June 2018, and a statement of receipts and payments, statement of cash flows and a summary statement of appropriation – recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kigumo 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 and the Public Finance Management Act, 2012.

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 - Kigumo Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources

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

section, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Bursary for Needy Students

During the year under review, bursaries amounting to Kshs.17,586,250 were awarded and disbursed in favour of beneficiaries in both secondary schools and tertiary institutions. The disbursements were supported by Bursary Committee minutes dated 10 February 2018 and 27 April 2018. A review of a sample of bursary application forms revealed lack of evidence that the forms were evaluated. In addition, there was no record in the minutes showing the criteria used to vet, identify and categorize needy students.

2. Delayed Project at Gacatha-ini Primary School

During the year under review, the Fund disbursed an amount of Kshs.1,000,000, vide cheque number 6328 of 20 June 2018, to Gacatha-ini Primary School for construction of two classrooms. However, a physical verification exercise conducted on 27 February 2019 revealed the project had just started, over seven months after the funds were disbursed. No plausible explanation was provided for the delay in implementing the project.

3. Budget Performance

During the financial year under review, the Fund received a total of Kshs.68,907,344 from the National Government Constituencies Development Fund Board against a budget of Kshs.130,771,827 resulting in a shortfall of Kshs.61,864,483, or 47% of the budgeted amount. Further, the total actual expenditure for the year was Kshs.49,180,256 representing an absorption rate of 71% of the actual receipts. Failure to implement projects fully and to absorb in full the funds disbursed denied the residents the benefits accruing from the planned projects, programmes and activities.

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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and Those Charged with Governance

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

In preparing the financial statements, management is responsible for assessing the ability of the National Government Constituencies Development Fund - Kigumo Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

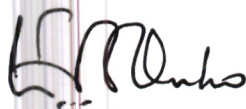
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund - Kigumo Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

09 May 2019

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

Reports and Financial Statements

For the year ended June 30, 2018

III. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	67,273,447.00	105,581,342.00
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		67,273,447.00	105,581,342.00
PAYMENTS			
Compensation of employees	4	1,764,120.00	1,141,747.00
Use of goods and services	5	7,300,140.00	10,582,773.00
Transfers to Other Government Units	6	19,131,420.00	57,245,568.00
Other grants and transfers	7	20,984,576.00	39,971,044.00
Acquisition of Assets	8		
Other Payments	9		
TOTAL PAYMENTS		49,180,256.00	108,941,132.00
SURPLUS/(DEFICIT)		<u>18,093,191.00</u>	<u>(3,359,790.00)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kigumo Constituency financial statements were approved on 19/sep/2018 and signed by:

Fund Account Manager
Name: Ezekiel K Mwangangi

Alex Mwangi

Sub-County Accountant
Name: Jacob Muthami

Jotham W. King'ori

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIGUMO 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)	10A	19,727,088.00	1,633,897.00
Cash Balances (cash at hand)	10B		
Total Cash and Cash equivalents		19,727,088.00	1,633,897.00
Current Receivables-Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		19,727,088.00	1,633,897.00
FINANCIAL LIABILITIES			
Accounts payable-Retention	12		
NET FINANCIAL ASSETS		19,727,088.00	1,633,897.00
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	1,633,897.00	4,993,687.00
Surplus/Deficit for the year		18,093,191.00	(3,359,790.00)
Prior year adjustments	14		
NET FINANCIAL POSITION		19,727,088.00	1,633,897.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kigumo Constituency financial statements were approved on 19/sep/2018 and signed by:

Fund Account Manager
Name: Ezekiel K. Mwangangi

Sub-County Accountant
Name: Jacob Muthami

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**KIGUMO 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	67,273,447	105,581,342
Other Receipts	3		
		67,273,447	105,581,342
Payments for operating expenses			
Compensation of Employees	4	1,764,120	1,141,747
Use of goods and services	5	7,300,140	10,582,773
Transfers to Other Government Units	6	19,131,420	57,245,568
Other grants and transfers	7	20,984,576	39,971,044
Other Payments	9		
		49,180,256	108,941,132
Adjusted for:			
Adjustments during the year	14		
Net cash flow from operating activities		18,093,191	(3,359,790)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8		
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		18,093,191	(3,359,790)
Cash and cash equivalent at BEGINNING of the year	13	1,633,897	4,993,687
Cash and cash equivalent at END of the year		<u>19,727,088</u>	<u>1,633,897</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kigumo Constituency financial statements were approved on 19/sep/2018 and signed by:

Fund Account Manager
Name: Ezekiel K. Mwangangi

Sub-County Accountant
Name: Jacob Muthami

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO 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	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	43,961,482	130,771,827	68,907,344	61,864,483	53
Proceeds from Sale of Assets						
Other Receipts						
	86,810,345	43,961,482	130,771,827	68,907,344	61,864,483	53
PAYMENTS						
Compensation of Employees	1,611,000	654,600	2,265,600	1,764,120	501,480	78
Use of goods and services	6,201,931	2,306,393	8,508,324	7,300,140	1,208,184	86
Transfers to Other Government Units	33,117,027	31,711,920	64,828,947	19,131,420	45,697,527	30
Other grants and transfers	45,880,387	9,288,569	55,168,956	20,984,576	34,184,380	38
Acquisition of Assets						
Other Payments						
TOTALS	86,810,345	43,961,482	130,771,827	49,180,256	81,591,571	37

(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. On Receipts, the total receipts are 53% as a result of funds not released from the Board at the close of the financial year
- ii. On Compensation for the Employees 78%, the committee anticipated to employ and additional staff but had not been employed at the close of financial year
- iii. On Use of Goods and services 86% as a result of additional funds in the supplementary Budget
- iv. On Transfers to government units 30% as a result of funds not yet released from the board at the close of financial year and also supplementary budget resulting to adjustments of the original budget
- v. On transfers to other Government units 38% as a result of additional funds in the supplementary budget and also funds not yet received at the close of financial year.

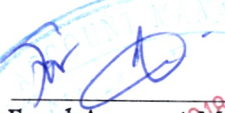
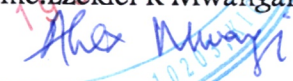


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIGUMO CONSTITUENCY

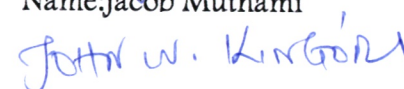
Reports and Financial Statements

For the year ended June 30, 2018

The NGCDF-Kigumo Constituency financial statements were approved on 19/sep/ 2018 and signed by:


Fund Account Manager
Name: Ezekiel K Mwangangi




Sub-County Accountant
Name: Jacob Muthami


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

Reports and Financial Statements

For the year ended June 30, 2018

VII. 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-Kigumo 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) –
KIGUMO CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2018

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.

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

Reports and Financial Statements

For the year ended June 30, 2018

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) –
KIGUMO 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 A825861	1		54,633,065.00
AIE NO A829601	2		4,094,827.00
AIE NO A855034	3		36,853,449.00
AIE NO A839674	4		10,000,000.00
AIE NO A855,859	1	5,500,000.00	
AIE NO A892584	2	23,868,275.00	
AIE NO A896754	3	37,905,172.00	
TOTAL		67,273,447.00	105,581,342.00

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	564,120	978,547
Basic wages of casual labour	0	0
Personal allowances paid as part of salary	0	0
House allowance	0	144,000
NSSF	0	19,200
Leave allowance	0	0
Gratuity	0	0
Other personnel payments	1,200,000	0
Total	1764120	1,141,747

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	4,551,280	5,243,000
Utilities, supplies and services	475,011	518,184
Communication, supplies and services	460,000	487,868
Domestic travel and subsistence	300,000	512,021
Printing, advertising and information supplies & services	230,000	383,355
Rentals of produced assets	0	0
Training expenses	1,065,000	1,690,000
Hospitality supplies and services	0	421,419
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	218,829	368,430
Other operating expenses	0	578,147
Routine maintenance – vehicles and other transport equipment	0	0
Routine maintenance – other assets	00	380,349
Total	7,300,140	10,582,773

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	16,431,420	39,705,568
Transfers to secondary schools (see attached list)	2,700,000	17,540,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	19,131,420	57,245,568

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	12,656,250	20,622,362
Bursary – tertiary institutions (see attached list)	4,930,000	7,502,014
Food Security (see attached list)	0	1,955,000
MOCKS &CATS (see attached list)	0	1,316,500
Security projects (see attached list)	0	1,037,309
Social security projects(see attached list)	326,500	0
Sports projects (see attached list)	1,535,913	1,535,913
Environment projects (see attached list)	1,535,913	4,400,000
Roads projects (see attached list)	0	3,13,309
Total	20,984,576	39,971,044

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	0

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
	0	0
	0	0
	0	0
Total	0	0

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
Equity bank Kangari A/C	19,727,088	1,633,896.70
Total	19,727,088.00	1,633,896.70
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of officer or institution</i>	<i>N/A</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total				0

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

12 RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	00	00
Supplier 2	00	00
Supplier 3	00	00
Total	00	00

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	1,633,896.70	4,993,687.00
Cash in hand	0	0
Imprest0	0	0
Total	1,633,896.70	4,993,687.00

[Provide short appropriate explanations as necessary]

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	00	00
Cash in hand	00	00
Imprest	00	00
Total	00	00

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	00	00

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	00	00
Middle management	00	00
Unionisable employees	00	00
Others (<i>specify</i>)	00	00
	00	00

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	501,480.00	1,402,253.00
Use of goods and services	1,208,184.00	(217,352.00)
Amounts due to other Government entities (see attached list)	45,697,527.00	20,211,420.00
Amounts due to other grants and other transfers (see attached list)	30,684,380.00	11,185,851.00
Acquisition of assets	0	0
Others (<i>specify</i>)	3,500,000.00	0
	81,591,571.00	32,582,172

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	7,476,733.00	176,468.00
	7,476,733.00	176,468.00

NATIONAL GOVERNMENT ENTITY – KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

NATIONAL GOVERNMENT ENTITY – KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		501,480.00	1,402,253.00	
Use of goods & services		1,208,184.00	(217,352.00)	
Amounts due to other Government entities		45,697,527.00	20,211,420.00	
Sub-Total		47,407,191.00	21,396,321.00	
Amounts due to other grants and other transfers		34,184,380.00	11,185,851.00	
Sub-Total		34,184,380.00	11,185,851.00	
Sub-Total		34,184,380.00	11,185,851.00	
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Grand Total		81,591,571.00	32,582,172.00	

NATIONAL GOVERNMENT ENTITY – KIGUMO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				
Buildings and structures	2,883,710	0	0	2,883,710
Transport equipment	0	0	0	0
Office equipment, furniture and fittings	770,850	0	0	770,850
ICT Equipment, Software and Other ICT Assets	860,848	0	0	860,848
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	4,515,408			4,515,408

NATIONAL GOVERNMENT ENTITY – KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs)

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kahariro Primary School	Equity	0890266882525	200.00	475.00
Matandara Primary School	Equity	0070164175885	486,400.00	0
Gatia -ini Primary School	Equity	0070163832251	498,250.00	0
Kahuti Primary School	Equity	0070160541318	980,000.00	0
Boro Primary School	Equity	00701666208898	400,000.00	0
Wamahiga Primary School	Equity	0890297069003	990,500.00	0
Gatitu Deb Primary School	Equity	0070170062250	1,000,670.00	670.00
Turuturu Primary School	Equity	0070198202925	1,000,000.00	88,225.00
Mugomoini Primary School	Equity	0890263779758	835.00	835.00
Gikondi Primary School	Equity	0890266596024	0	0
Kigumo Bendera High School	Equity	0070293407674	2,016,500.00	16,500.00
Karinga Secondary School	Equity	0070290307488	60,598.00	59,763.00
Mariira Primary School	Equity	0070161576142	9,780.00	10,000.00
Gachathini Primary School	Equity	022193291006	32,000.00	0
Gatumbi Primary School	Equity	0070294087526	1000	0
Total			7,476,733.00	176,468

NATIONAL GOVERNMENT ENTITY – KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs)

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)
4.7.2	According to the expenditure returns and a list provided for audit, twenty-nine (29) projects were rolled over to the financial year 2016/17 in respect of transfer to other government institutions, other grants and transfers with a total budget allocation of Kshs 34,943,638. Out of these, twenty-eight (28) were completed during the year under audit while one (1) was not yet initiated as at year end. Despite not being in the budget allocation for financial year 2015/16 or 2016/17, Kshs 500,000 was reported as expenditure on Kaharo Primary school, thus this lead to an overspending of the same amount above the budget.	• Management takes the responsibility in future to complete all the projects on time. • Expenditure of Ksh 500,000 was for kaharero primary and not kaharo primary as indicated in the management letter, we have confirmed the expenditure was charged in the correct vote. Attached copy of the code list	FAM(Ezekiel Kitungu)	Resolved on ML	5 days

NATIONAL GOVERNMENT ENTITY – KIGUMO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018 (Kshs)

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)
4.2	An amount of Kshs.1,000,000 was disbursed to Kigumo AP Line Projects in respect of renovation of 20No. Unit Huts i.e. wall repairs, ceiling boards, roof replacements, painting, compound fencing, water tank, water plumbing, being allocation for 2016/2017. The disbursement was approved by NG NGCDFC on 3 October 2016. It was noted that the project was labour based in that materials and labour were supplied by different firms. A total of Kshs.806,863 had been paid out as at 30 June 2017. Included in the payments is a total of Kshs.400,000 paid to Gazello Enterprises which was not supported by any documentation. Further, it was not explained why labour	- The committee has taken up the matter to revive the project with the help of the local administration to see to it that the project is done to completion. - We also established that there are un-spend balances in the project account and also some materials available on site and with the help of ministry of works the committee will supervise the	FAM(Ezekiel Kitungu)	Resolved on ML	5 days

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	based method was preferred instead of contracting all the works. Physical verification of the project on 20 July 2018 revealed the following: • Demolition of two huts was done in preparation of the renovations but abandoned • No other works were done on the site • Some materials such as ballast, building stones and sand were supplied but not used for the intended purpose • Some of the sand supplied had been washed away by rains while part of the ballast had been used other activities	project to completion			

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4.3	An amount of Kshs.955,500 was disbursed to KERRA Muranga vide cheque No.4932 dated 31 January 2017 in respect of Karega Suta Road murrasing. The disbursement was approved by NG CDFC during their meeting of 26 January 2017. Perusal of the minutes of CDFC meeting of 26 January 2017 did not clearly reveal where the funds were re-allocated from. Further, it was not possible to confirm how the funds were utilized since the project file was not availed for audit review. Physical verification of the project on 20 August 2018 revealed that the works were undertaken but there was no signage disclosing the financier of the project.	- The funds for the projects were balances of the previous years approved for the project - The management has also committed to put up a signage for the project	FAM(Ezekiel Kitungu)	Resolved On ML	5 Days
4.6	Statement of receipts and payments includes	An Amount of Ksh 144,000 is amount	FAM(Ezekiel Kitungu)	Resolved on ML	5Days

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	compensation of employees balance of Kshs. 1,141,747 for the year ended 30 June 2017. This balance includes transport allowance amount of Kshs. 144,000 which was not analyzed or explained. Further, an amount of Kshs. 10,145 leave allowance paid to the watchman was not reflected in the financial statements.	paid to employees as house allowance and not transport allowance, this was erroneously posted as transport allowance. • Ksh 10,145 which was paid as leave allowance was an omission and the amount will be adjusted in the Cash Book in the subsequent financial Year.			
4.7.4	According to the expenditure returns and a list provided for audit, twenty-nine (29) projects were rolled over to the financial year 2016/17 in respect of transfer to other government institutions, other grants and transfers with a total budget allocation of Kshs 34,943,638. Out of these,	• Management takes the responsibility in future to complete all the projects on time. • Expenditure of Ksh 500,000 was for kaharero primary and not kaharo primary as	FAM(Ezekiel Kitungu)	Resolved on ML	5days

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	statements were also not provided. A visit to the school on 20/07/2018 showed that no new project was implemented in the financial year 2016/17 apart from the purchase of a generator for which also there was no supporting documentation both in the school and the CDF office.	septic tank and Ksh 500,000 was a re-allocation from the previous years used to purchase a generator as attached re-allocation letter.			