


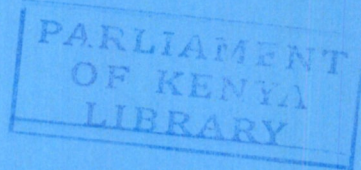
# REPORT

OF

**THE AUDITOR-GENERAL**

 THE NATIONAL ASSEMBLY	
DATE: 08 FEB 2022	DAY: Tuesday
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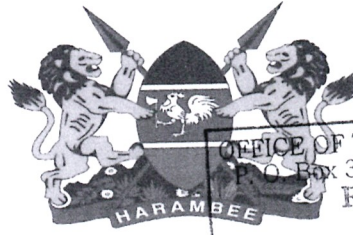
ON



## **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MASINGA CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2018**

*Revised Template 30<sup>th</sup> June 2018*



OFFICE OF THE AUDITOR GENERAL  
P.O. Box 30084 - 00100, NAIROBI  
REGISTRY

2.9 SEP 2018

**RECEIVED**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MASINGA  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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

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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MASINGA CONSTITUENCY**  
**Reports and Financial Statements**  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

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

**Reports and Financial Statements  
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**Core Values**

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

**(b) Key Management**

The NGCDF MASINGA 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.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Aurelia M.Nyika
3.	Sub-County Accountant	Muthui Mbiti Musyoka
4.	Chairman NGCDFC	Stephen Ndeto
5.	Member NGCDFC	Ruth Syombua

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 121-90141,  
CDF Office  
Masinga Market  
KENYA

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
***MASINGA CONSTITUENCY***  
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**(f) NGCDF MASINGA Constituency Contacts**

Telephone: (254) 722628554  
E-mail: [masingangcdf@ngcdf.go.ke](mailto:masingangcdf@ngcdf.go.ke)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) NGCDF MASINGA Constituency Bankers**

1. Kenya Commercial Bank  
Matuu Branch  
P.O. Box  
Matuu Town

**(h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 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)  
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**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

**INTRODUCTION**

Masinga Constituency is in Masinga District, Machakos County and was created in 2009 from the larger Yatta District. The overall population by 1999 census figures was 125,940 with the population expected to grow in the next ten years.

The NG-CDFC Masinga has always dedicated time to ensure prudent allocation of resources received from the NG-CDF board within the five wards of the constituency. During the financial year 2017/2018, NG-CDF Masinga was able to utilize 80.6 % of its allocated resources. At the closure of the financial year, the constituency had unutilised fund amounting to Kshs 14,113,584 and a further Kshs 48,084,483.15 not yet received from the board out of the budgeted allocation of Kshs 102,115,456.

The implementation of funded projects is satisfactory.

**FINANCIAL YEAR ACHIEVEMENTS**

During the financial year 2017/2018, NG-CDF Masinga was able to undertake various activities including public participation, capacity building and project implementation. Most of the projects involved construction of emergency toilets and renovation of classrooms due to the heavy rains in the area and in most parts of the country.

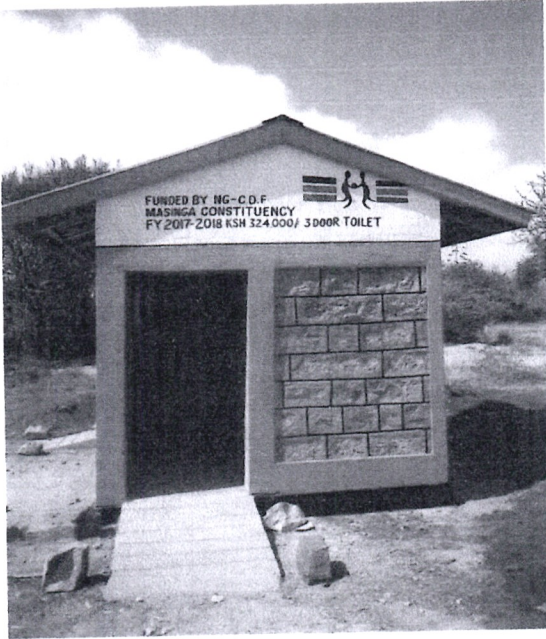
Security sector has also benefited to a great extent with completion of Deputy County commissioner residence and fencing as highlighted in the photos.

*County Commissioner residences*



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MASINGA CONSTITUENCY  
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Emergency Toilets Mikuyuni Pri Sch

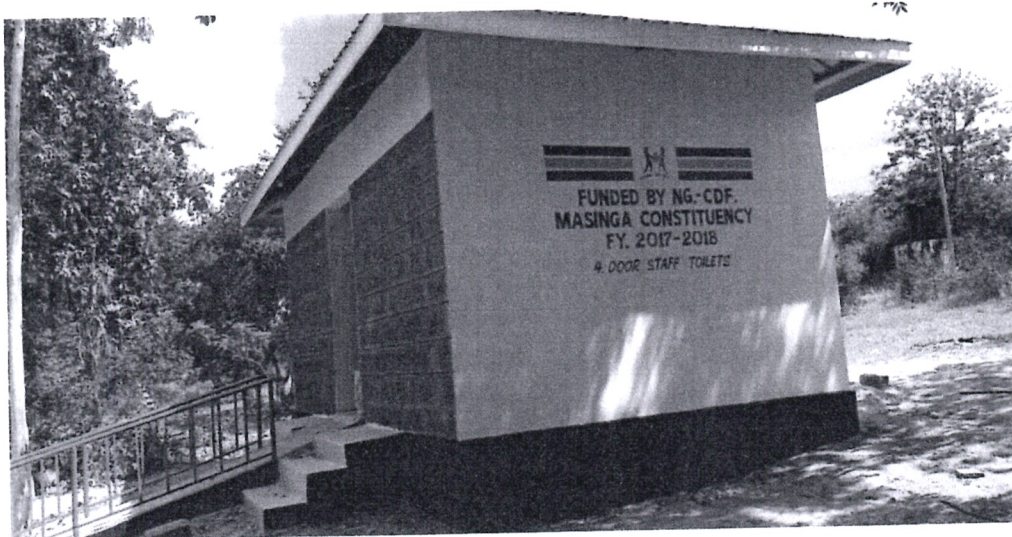
Emergency Toilets Kwakalunde Pri Sch



Renovation of 2 classes-Misewani Primary School

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MASINGA CONSTITUENCY  
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Staff Toilet – Kivaa Secondary School



Girls Toilets – Kivaa Secondary School



*Kivaa Secondary School Bathrooms – Inside View*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MASINGA CONSTITUENCY  
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Front View Bathrooms



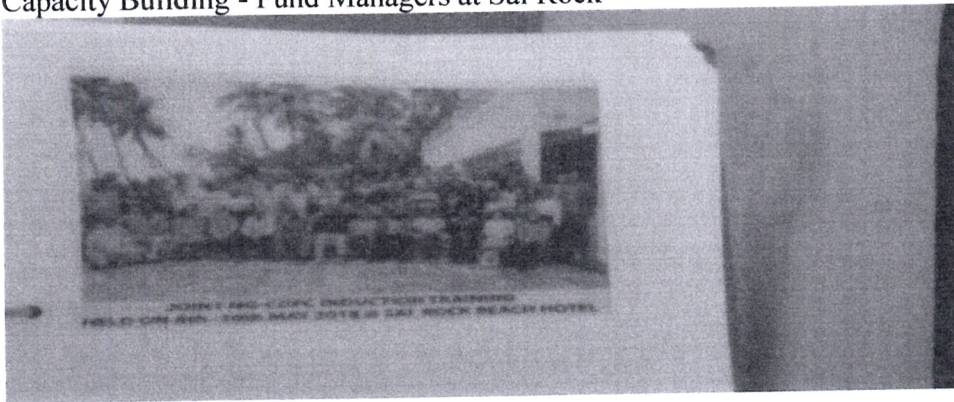
Back View Bathrooms

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**Capacity Building - Fund Managers at Sai Rock**



**Lower Eastern CD/FC Training - Sai Rock Mombasa**



**PMC Capacity building at Matuu Holiday Guest House**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**EMERGING ISSUES**

The introduction of the Big four agenda by the government of Kenya being affordable housing, health care, security and manufacturing has affected the allocation of resources in the constituencies considerably. A case in point in 2017/2018 was the ICT hubs and Ng-Cdf sponsoring students in TIVET institutions to empower them to do courses in manufacturing so that they can be self reliant.

**IMPLEMENTATION CHALLENGES**

During the financial year 2017/2018, NG-CDF Masinga was unable to complete some projects due to delay in transfer of the funds from the board.

The change in the leadership of the constituency with a new Member of Parliament and appointment of a new NG-CDF Committee in December 2017 and recruitment of new staff who have been in the office from March 2018 to date has also had some hiccups on office operations. The challenge has been overcome with capacity building initiatives for all teams.

Political interference from local leaders to some extent became challenges in the allocation of resources within the constituency .such influence could affect the fair distribution of resources. Failure to involve the technical department in the implementation of NG-CDF projects by the PMCs.This is however prompted by the fact that there are no enough officers in the technical departments.

It is recommended that, The National Government should consider deploying more officers working in the technical departments.

  
.....  
CHAIRMAN NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MASINGA CONSTITUENCY  
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**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


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

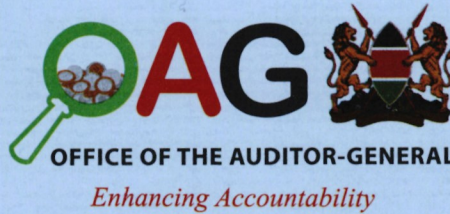
The NGCDF-MASINGA Constituency financial statements were approved and signed by the Accounting Officer on 27<sup>th</sup> September 2018.

  
\_\_\_\_\_  
Fund Account Manager  
Aurelia M. Nyika

  
\_\_\_\_\_  
Sub-County Accountant  
Name: Muthui Mbiti Musyoka

# REPUBLIC OF KENYA

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NAIROBI

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Masinga Constituency set out on pages 11 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2018, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 - Masinga Constituency as at 30 June, 2018, and of its financial performance and its cash flows for the year then ended, in accordance with the 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 Qualified Opinion**

##### **1. Inaccuracies in Comparative Balances**

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects comparative balances for compensation of employees sub-components amounting to Kshs.1,628,111 which differed with the corresponding sub-components closing balances for 2016/2017 as shown below;

Item	2017/2018 Financial Statements (Opening Balance) (Kshs.)	2016/2017 Financial Statements (Closing Balance) (Kshs.)	Variance (Kshs.)
Basic wages of contractual employees	1,415,411	1,232,000	183,411
NHIF	52,500	0	52,500
House allowance	0	308,000	308,000
Employer contribution to NSSF	160,200	88,110	72,090
<b>Total</b>	<b>1,628,111</b>	<b>1,628,110</b>	<b>616,001</b>

The variance amounting to Kshs.616,000 was not reconciled.

Consequently, the accuracy, completeness and validity of compensation of employees comparative balances totalling to Kshs.1,628,111 for the year ended 30 June, 2018 could not be confirmed.

## 2. Unsupported Contractual Employees Payments

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects compensation of employees totalling to Kshs.1,118,064. The balance includes payments to contractual employees amounting to Kshs.847,959. Review of personnel records revealed that the Fund's nine (9) employees were employed under contracts which expired in 2013. However, documents in support of the renewed contracts were not provided.

In the circumstances, the accuracy, completeness and validity of payments to contractual employees amounting to Kshs.847,959 for the year ended 30 June, 2018 could not be confirmed.

## 3. Variances between Financial Statements and Ledger

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.5,511,365. However, review of the general ledger revealed that some sub-components had variances compared to Note 5 as analyzed below;

Sub-component	Amount as per Note 5 (Kshs)	Amount as per Ledger (Kshs)	Variance (Kshs)
General supplies	450,000	398,000	52,000
Training expenses	786,000	780,000	6,000
Printing, advertising and information supplies	560,100	560,000	100
<b>Total Variance</b>	<b>1,796,100</b>	<b>1,738,000</b>	<b>58,100</b>

The variances amounting to Kshs. 58,000 were not reconciled.

In the circumstances, the accuracy, completeness and validity of use of goods and services balance amounting to Kshs.5,511,365 reflected in the statement of receipts and payments for the year ended 30 June, 2018 could not be confirmed.

#### **4. Inaccuracies in Bank Balances**

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.6,465,817. As reported in the previous year, the statement of assets and liabilities reflected bank balances totalling to Kshs.3,925,801 as at 30 June, 2017. However, examination of the bank reconciliation statement for the month of June, 2017 revealed that out of the unrepresented cheques totalling to Kshs.6,589,101, cheques amounting to Kshs.63,393 were stale. However, the cheques had not been written back to the cashbook as at 30 June, 2017.

Further, the bank reconciliation statement reflected payments in the bank statement that had not been recorded in the cashbook totalling to Kshs.829,294 whose date of payment and payee were not indicated.

In the circumstances, the completeness, accuracy and validity of bank balances totalling to Kshs.6,465,817 reflected in the statement of assets and liabilities as at 30 June, 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Masinga 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**

#### **Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.123,093,731 and Kshs.65,279,248 respectively, resulting to an under-funding amounting to Kshs.57,814,483 or 47% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to

Kshs.123,093,731 and Kshs.59,368,990 respectively, resulting to an under expenditure amounting to Kshs.63,724,741 or 52% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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

### Conclusion

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

### Basis for Conclusion

#### 1. Non-compliance with the Public Sector Accounting Standards Board Requirements

The annual reports and financial statements did not include names of key managers, their passport size photos, key professional qualifications and their main areas of responsibility. This is contrary to Public Sector Accounting Standards Board (PSASB) reporting template.

Further, the Notes to financial statements reflect xxx instead of nil balances.

In the circumstances, the presentation of the financial statements for the year under review is not in accordance with the prescribed PSASB format.

#### 2. Unsatisfactory Implementation of Projects

Review of records and physical verification of nineteen (19) sampled projects in March, 2019 indicated that contractors in six (6) projects were paid the total contract amounts as per the contract agreement including the retention fee before the defect liability period had lapsed, yet there were visible defects. Some of the projects had not been completed as at the time of payment. Details were as shown in **Appendix I**.

In the circumstances, I am unable to confirm whether the public will obtain value for money for the unsatisfactory implementation of projects for the year ended 30 June, 2018.

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 overall 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 its 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 to 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 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 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**28 December, 2021**

### Appendix I: Unsatisfactory Implementation of Projects

	<b>Project</b>	<b>Contract Sum (Kshs)</b>	<b>Amount Paid (Kshs)</b>	<b>Observation</b>
1	Renovation of DCC residence	1,500,000	1,500,000	Water harvesting mechanism had not been installed.
2	Kangonde Primary School	600,000	600,000	Some parts of the walls had not been plastered.
3	Miangueni Primary School	700,000	700,000	Sections of the wall had not been built, and there were cracks on the wall.
4	Ikatini Primary School	700,000	700,000	Doors could not close properly and there are gaps between the doors and the frame.
5	Katulye Primary School	325,000	325,000	The wall had not been completed.
6	Kitangani Primary school	700,000	700,000	The project was not branded
	<b>Total</b>	<b>4,525,000</b>	<b>4,525,000</b>	


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MASINGA CONSTITUENCY**  
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**For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017-2018	2016-2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Entities	1.	61,353,447.00	60,948,277.00
Proceeds from Sale of Assets	2.	-	-
Other Receipts	3.	-	-
<b>TOTAL RECEIPTS</b>		<b>61,353,447.00</b>	<b>60,948,277.00</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	1,118,064.00	3,016,166.16
Use of goods and services	5	5,511,365.00	5,546,834.84
Transfers to other Government Units	6	25,139,999.00	65,394,691.00
Other Grants and transfers	7	26,849,745.00	33,522,329.00
Acquisition of Assets	8	-	-
Other Payments	9	749,817	-
<b>TOTAL PAYMENTS</b>		<b>59,368,990</b>	<b>107,480,041.00</b>
<b>SURPLUS/(DEFICIT)</b>		<b>1,984,457</b>	<b>(46,531,764.00)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MASINGA NG-CDF financial statements were approved on..... 2018 and signed by:

  
 Chairman-NG-CDFC

  
 Fund Account Manager

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MASINGA CONSTITUENCY**  
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V. STATEMENT OF ASSETS AND LIABILITIES

		2017-2018	2016-2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	6,465,817	3,925,801.00
Cash Balances (cash at hand)	10B		
<b>Total Cash and Cash Equivalents</b>		<b>6,465,817</b>	<b>3,925,801.00</b>
Current Receivables - Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,465,917</b>	<b>3,925,801.00</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable – Retention			
<b>NET FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July	12	3,,925,801	50,457,565.00
Surplus/Defict for the year	13	1,984,457	(46,531,764.00)
Prior year adjustments	14	555,559	3,925,801.00
<b>NET FINANCIAL POSITION</b>		<b>6,465,817</b>	<b>3,925,801.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MASINGA Constituency financial statements were approved on 27/9/ 2018 and signed by:

Aurelia M. Nyika  
Fund Account Manager  
Name: Aurelia M.Nyika

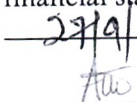
Muthui Mbiti Musyoka  
Sub-County Accountant  
Name: Muthui Mbiti Musyoka


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MASINGA CONSTITUENCY**  
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**VI STATEMENT OF CASHFLOW**

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	61,353,447.00	60,948,277.00
Other Receipts	3	-	=
<b>TOTAL RECEIPTS</b>		<b>61,353,447.00</b>	<b>60,948,277.00</b>
Payments for operating expenses			
Compensation of Employees	4	1,118,064	3,016,166.16
Use of goods and services	5	5,511,365	5,546,854.84
Transfers to Other Government Units	6	25,139,999	65,394,691.00
Other grants and transfers	7	26,849,745	33,522,329.00
Other Payments	9	749,817	-
<b>TOTAL</b>		<b>59,368,990</b>	<b>107,480,041</b>
Adjusted for:			
Adjustments during the year	14	555,559	
<b>Net cash flow from operating activities</b>		<b>2,540,016</b>	<b>(46,531,764.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>2,540,016</b>	<b>(46,531,764.00)</b>
Cash and cash equivalent at BEGINNING of the year	13	3,925,801.	50,457,565.00)
<b>Cash and cash equivalent at END of the year</b>		<b><u>6,465,817</u></b>	<b><u>3,925,801.00</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MASINGA Constituency financial statements were approved on 27/9/2018 2018 and signed by:

  
Fund Account Manager  
Name: Aurelia M.Nyika

  
Sub-County Accountant  
Name: Muthui Mbiti Musyoka

7. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

7.1. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	86,810,345	36,283,386	123,093,731	65,279,248	57,814,483	53.03%
Proceeds from Sale of Assets	-	-	-	-	-	#DIV/0!
Other Receipts	-	-	-	-	-	#DIV/0!
<b>TOTAL RECEIPTS</b>	<b>86,810,345</b>	<b>36,283,386</b>	<b>123,093,731</b>	<b>65,279,248</b>	<b>57,814,483</b>	<b>53.03%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,629,200	167,433	2,796,633	1,118,064	1,678,569	39.98%
Use of goods and services	8,603,731	1,592,451	10,196,182	5,511,365	4,684,817	54.05%
Transfers to Other Government Units	20,908,318	25,948,014	46,856,332	25,139,999	21,716,333	53.65%
Other grants and transfers	35,712,069	8,575,488	44,287,557	26,849,745	17,437,812	60.63%
Acquisition of Assets	14,280,000	-	14,280,000	-	14,280,000	0.00%
Other Payments	4,677,027	-	4,677,027	749,817	3,927,210	16.03%
<b>TOTALS</b>	<b>86,810,345</b>	<b>36,283,386</b>	<b>123,093,731</b>	<b>59,368,990</b>	<b>63,724,741</b>	<b>48.23%</b>

(a) Utilization below 90% notes

- i. Compensation of employees was below 90% due to the general elections and appointment of new CDFC committee and delayed recruitment of new staff.
- ii. Other Grants and Transfers was below 90% due to delay in disbursement of the funds.

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

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The NGCDF-MASINGA Constituency financial statements were approved on 22/5/ 2018 and signed by:

*AB*

Fund Account Manager  
Name: Aurelia M. Nyika

*Muthui Mbiti Musyoka*

Sub-County Accountant  
Name; Muthui Mbiti Musyoka

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

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**I. 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-MASINGA 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) –  
MASINGA CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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

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**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 1<sup>st</sup> July 2017 to 30<sup>th</sup> 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 30<sup>th</sup> 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) –  
MASINGA CONSTITUENCY  
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For the year ended June 30, 2018**

**II. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO A855925	1	5,500,000	4,094,828.00
AIE NO A892599	2	17,648,275	36,853,449.00
AIE NO A892599	3	300,000.00	20,000,000.00
AIE NO A892628	1	37,905,172.00	
AIE NO	2	xx	
AIE NO	3	xx	
<b>TOTAL</b>		<b>61,353,447.10</b>	<b>60,948,277.00</b>

**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	xxx	xxx
Receipts from sale of office and general equipment	xxx	xxx
Receipts from the Sale Plant Machinery and Equipment	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEPTS**

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	xxx	xxx
Rents	xxx	xxx
Receipts from Sale of tender documents	xxx	xxx
Other Receipts Not Classified Elsewhere	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**4. COMPENSATION OF EMPLOYEES**

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	847,959	1,415,411
Basic wages of casual labour		
NHIF	19,250	52,500.00
<b>Personal allowances paid as part of salary</b>		
House allowance	xxx	xxx
Transport allowance	xxx	xxx
Employer contribution to NSSF	250,855	160,200.00
Staff Gratuity	xx0	544,050.00
Other personnel payments	xxx	844,006
<b>Total</b>	<b>1,118,064</b>	<b>3,016,166</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	2,623,731	3,007,953.84
Utilities, supplies and services	250,000	267,980.00
Communication, supplies and services	50,000	78,000.00
Domestic travel and subsistence	200,000	130,910.00
Printing, advertising and information supplies & services	560,100	211,000.00
Rentals of produced assets	xxx	xxx
Training expenses	786,000	781,000.00
Hospitality supplies and services	120,000	70,000.00
Insurance costs	xxx	xxx
Fuel oil and lubricants	312,000	450,000.00
Office and general supplies and services	450,000	159,000.00
Bank Charges	130,365	xxx
Routine maintenance – vehicles and other transport equipment	29,169	391,011.00
Routine maintenance – other assets	xxx	xxx
<b>Total</b>	<b>5,511,365</b>	<b>5,546,854.84</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MASINGA CONSTITUENCY  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

1. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	xx	xx
Transfers to primary schools (see attached list)	10,762,068	12,087,675.00
Transfers to secondary schools (see attached list)	10,937,931	21,071,016.00
Transfers to tertiary institutions (see attached list)	3,440,000	32,236,000.00
Transfers to health institutions (see attached list)	xx	xx
<b>TOTAL</b>	<b>25,139,999.00</b>	<b>65,394,691.00</b>

2. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	5,198,445	4,000,000.00
Bursary – tertiary institutions (see attached list)	15,962,000	13,088,500.00
Bursary – special schools (see attached list)	xx	xx
Electricity project (see attached list)	xx	8,000,000.00
Security projects (see attached list)	1,600,000	1,100,000.00
Sports projects (see attached list)	89,300	1,637,931.00
Environment projects (see attached list)	0	1,584,030.00
Emergency projects (see attached list)	4,000,000	4,111,868.00
<b>Total</b>	<b>26,849,745.00</b>	<b>33,522,329.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MASINGA CONSTITUENCY  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. ACQUISITION OF ASSETS**

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

**4. OTHER PAYMENTS**

	2017-2018 Kshs	2016-2017 Kshs
Adjustments of amount omitted in the cash book total as at 30th June 2017	749,817	XX
	XX	XX
	XX	XX
	<b>749,817</b>	<b>XXX</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MASINGA CONSTITUENCY  
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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
<i>Kenya Commercial Bank Matuu 1105310906</i>	6,465,817	3,925,801.00
	xxx	xxx
	xxx	xxx
<b>Total</b>	<b>6,465,817</b>	<b>3,925,801.00</b>
<b>10B: CASH IN HAND</b>		
Location 1	xxx	xxx
Location 2	xxx	xxx
Location 3	xxx	xxx
Other Locations ( <i>specify</i> )	xxx	xxx
<b>Total</b>	<b>6,465,817</b>	<b>3,925,801</b>
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MASINGA CONSTITUENCY  
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*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>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx	xxx	xxx
<b>Total</b>				<b>xxx</b>

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

**12RETENTION**

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
<b>Total</b>	<b>xx</b>	<b>xx</b>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	6,465,817	50,457,567.00
Cash in hand	xx	xx
Imprest	xx	xx
<b>Total</b>	<b>6,465,817</b>	<b>50,457,567.00</b>

*[Provide short appropriate explanations as necessary]*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MASINGA CONSTITUENCY  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	555,559	XX
Cash in hand	XX	XX
Imprest	XX	XX
<b>Total</b>	<b>555,559</b>	<b>XX</b>

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	XX	XX
Construction of civil works	XX	XX
Supply of goods	XX	XX
Supply of services	XX	XX
	<b>XX</b>	<b>XX</b>

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	Kshs	Kshs
Senior management	XX	XXX
Middle management	XX	XXX
Unionisable employees	XX	XXX
Others ( <i>specify</i> )	XX	XXX
	<b>XX</b>	<b>XXX</b>

**15.3: UNUTILIZED FUNDS (See Annex 3)**

	Kshs	Kshs
Compensation of employees	XX	XX
Use of goods and services	XX	XX
Amounts due to other Government entities (see attached list)	XX	XX
Amounts due to other grants and other transfers (see attached list)	XX	XX
Acquisition of assets	XX	XX
Others ( <i>specify</i> )	XX	XX
	<b>XX</b>	<b>XXX</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 MASINGA CONSTITUENCY  
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*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)	xxx	xxx
	xxx	xxx

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

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

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

**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		
<b>Senior Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Middle Management</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Unionisable Employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	200,000			200,000
Buildings and structures				
Transport equipment	4,500,000			4,500,000
Office equipment, furniture and fittings	4,370,000			4,370,000
ICT Equipment, Software and Other ICT Assets	1,065,465			1,065,465
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>10,135,465</b>			<b>10,135,465</b>

**NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)**  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kwakalunde Primary School	KCB	1230909753	324,050	
Misuuni Primary School	KCB	1234066831	324,890	
Kakuku Primary School	KCB	1233939580	324,890	
Mikuyuni Primary School	KCB	1233611666	324890	
Musingini Primary School	KCB	1228538328	400,000	
Mukayauni Primary School	KCB	1232564141	699,050	
Iiani Kivaa Primary School	KCB	1233769928	600,000	
Kivuthi Primary School	KCB	1229959998	700,000	
Misewani Primary School	KCB	1232684457	500,000	
Kikomba Primary School	KCB	1233528521	500,000	
Kithyoko Primary School	KCB	1234216868	600,000	
Kiambani Primary School	KCB	1234299518	1,735,256	
Eendei Primary School	KCB	1233944711	600,000	
Kyausini Primary School	KCB	1233941623	600,000	
Ndithini Primary School	KCB	1233773852	500,000	
Kivaa Secondary School	KCB	1234699761	1,765,435	
Total				

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**

**Reports and Financial Statements**

**For the year ended June 30, 2018 (Kshs'000)**

**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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF /MASI NGA/2016/2017(02)	The statement of assets and liabilities reflects bank balance of Kshs.3, 925,801 as at 30 June 2017. However, examination of the bank reconciliation statement for the month of June 2017 revealed that out of the unrepresented cheques of Kshs 6,589,101.20, cheques totalling Kshs. 63,393.30 were stale since they were issued before 31 December 2016. The cheques had, however, not been written back to the cash book as at 30 June 2017. Further, the reconciliation statements reflected payments in the bank statement but not reflected in the cashbook totalling to Kshs.829,294 for which important details including date of payment and payee were not indicated. Consequently, the accuracy of bank balance of Kshs.3,925,801 as at 30 June 2017 cannot be confirmed.	The cheques totalling Kshs 63,395 were staff deductions for PAYE (commissioner of tax) for the said period which have since been written back in the cash book and a new cheque of Kshs 294,063 issued in June 2018 to KRA to clear all the pending PAYE staff deductions. The items in the reconciliation statement amounting to Kshs 829,294 have since been captured in the cash book,	Fund Manager and District Accountant	Resolved	
	2. Projects Implementation  The fund project 2 2 implementation status	Management Response  The amount of Kshs 25,174,076.00 was not funded in the financial	Fund manager	Resolved	

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (Kshs'000)**

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue <i>O</i>	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	shows that the following projects budgeted to cost Kshs.72,518,965 were not completed for reasons ranging from funds not released by the National Government Constituency Development Fund Board, late disbursements of funds by the Board, inadequate funding and approved reallocation of funds to other projects due to various reasons	year under review but has been funded in the financial year 2017/2018 and money disbursed to the various projects.			

Prepared By; Aurelia. M. Nyika



Fund Account Manager



KCB BANK KENYA LTD

Matuu

P.O.Box 147-90119,Matuu

Tel.0714972924

E-mail :matuu@kcb.co.ke

Thursday, September 27, 2018

## MASINGA CDF ACCOUNTS CERTIFICATE OF BALANCE AS AT 30.6.2018

KCB MATUU on 27.9.18 certified that the balances at the credit of Masinga CDF project accounts at the close of business on 30.6.18 were as below :

ACCOUNT NAME	ACCOUNT NO.	BALANCE (kes)
KWA KALUNDE PRIMARY SCHOOL	1230909753	324,050.00
MISUUNI PRIMARY SCHOOL	1234066831	324,890.00
KAKUKU PRIMARY SCHOOL	1233939580	324,890.00
MIKUYU PRI SCHOOL	1233611666	324,890.00
MUSINGINI PRIMARY SCHOOL	1228538328	400,000.00
MUKAYAUNI PRIMARY SCHOOL	1232564141	699,050.00
IIANI KIVAA PRI. SCHOOL	1233769928	600,000.00
KIVUTHI PRIMARY SCHOOL	1229959998	700,000.00
MISEWANI PRI SCHOOL	1232684457	500,000.00
KIKOMBA PRIMAY SCHOOL	1233528521	500,000.00
KITHYOKO PRIMARY SCHOOL	1234216869	600,000.00
KIAMBANI PRIMARY SCHOOL	1234299518	1,735,256.00
EENDEI PRIMARY SCHOOL	1233944711	600,000.00
KYUASINI PRIMARY SCHOOL	1233941623	600,000.00
NDITHINI P SCHOOL	1233773852	500,000.00
KIVAA SECONDARY SCHOOL	1234699761	1,765,435.00
DISTRICT COMMISSIONERS RESIDENCE	1233405098	1,599,215.00

**KCB BANK KENYA LTD.**

EXAMINER  
MANAGER, SERVICE QUALITY AND COMPLIANCE  
MATUU

MANAGER SERVICE QUALITY AND COMPLIANCE

**KCB BANK KENYA LTD.**  
Branch Manager  
MATUU

BRANCH MANAGER

KCB Bank Kenya Limited

Directors: A. A. Khawaja (Chairman); J. N. Oigara; T. D. Ipomai; H. K. Rotich;  
A. W. Kairu; S. K. Rono; Ms. N. Onyango; Mrs. C. Okongo; S. Makome.

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