

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 AUG 2019

DAY:

Wednesday

TABLED
BY:

Hon. Benjamin Wadhvani
(Majority party whip)

REPORT

Ashma Ahmed

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KHWISERO CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KHWISERO
CONSTITUENCY**

AMENDED REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30 JUNE 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)
KHWISERO CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

	Page
Table of content	
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	i
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	V
III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	X
IV. STATEMENT OF RECEIPTS AND PAYMENTS.....	1
V. STATEMENTS OF ASSETS AND LIABILITIS AS AT 30 JUNE 2018.....	2
VI. STATEMENT OF CASHFOW.....	3
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	4
VIII. SIGNIFICANT ACCOUNTING POLICIES.....	6
IX. NOTES TO THE FINANCIAL STATEMENTS.....	10



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

Reports and Financial Statements

For the year ended 30 June 2018

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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-CDFs 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



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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

(b) Key Management

The NGCDF Khwisero 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	Bernard S. Misiko
3.	Sub-County Accountant	Cynthia Leting
4.	Chairman NGCDFC	Justus MbayeAmbasu
5.	Member NGCDFC	Vivien AyumaAsiachi

(d) Fiduciary Oversight Arrangements

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



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

(e) NGCDF KHWISERO Constituency Headquarters

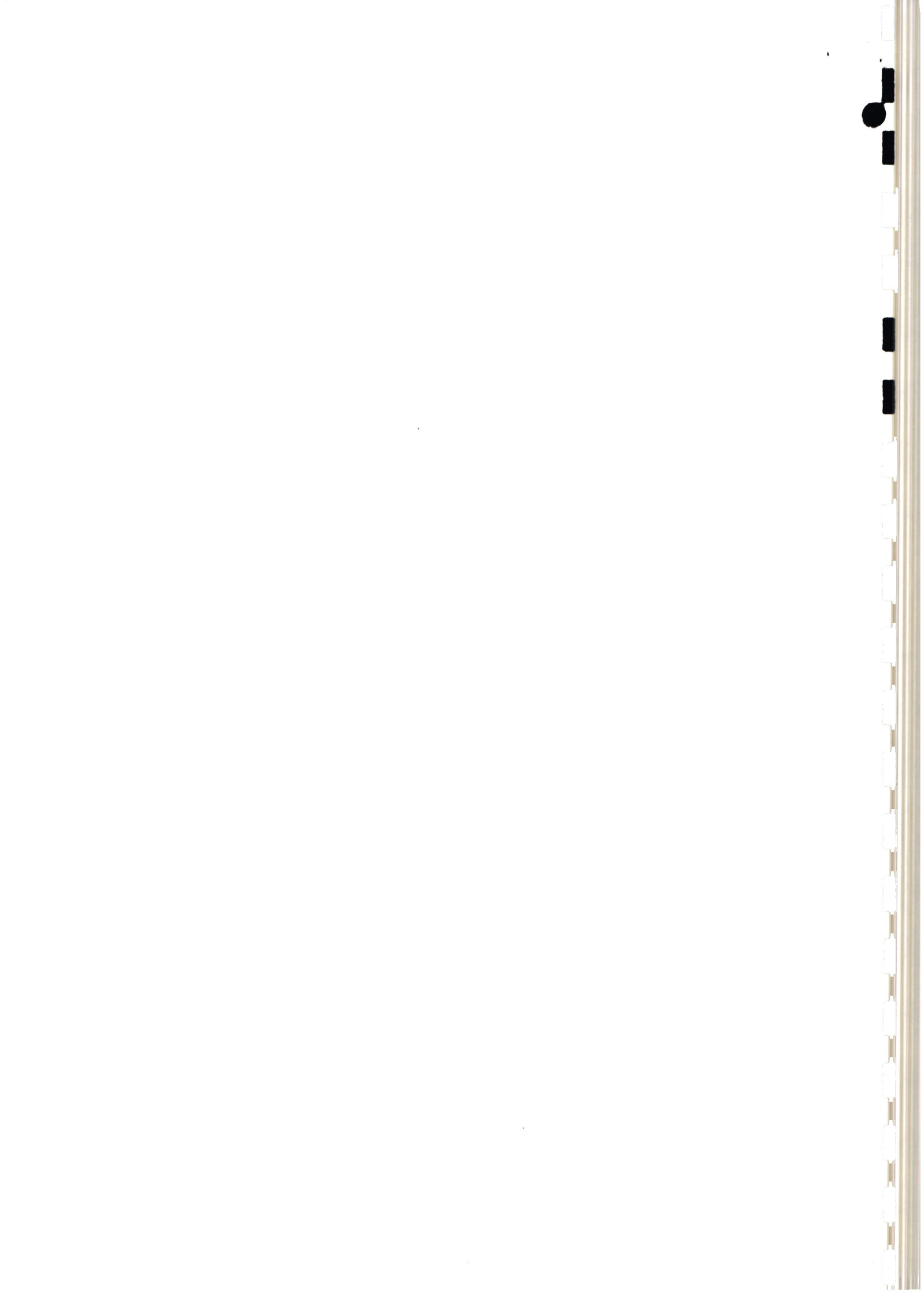
(a) Khwisero NG-CDF Headquarters

P.O. Box 124 - 50135

Opposite Khwisero Police Station

Eshibinga – Khwisero Road

Khwisero, KENYA



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

(f) NGCDF KHWISERO Constituency Contacts

Telephone: (254) -0722 269 298
E-mail: cdfkhwisero@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KHWISERO Constituency Bankers

Cooperative Bank of Kenya
Mumias Branch
Account no.: 01120068113200
P.O. Box 905
MUMIAS

(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

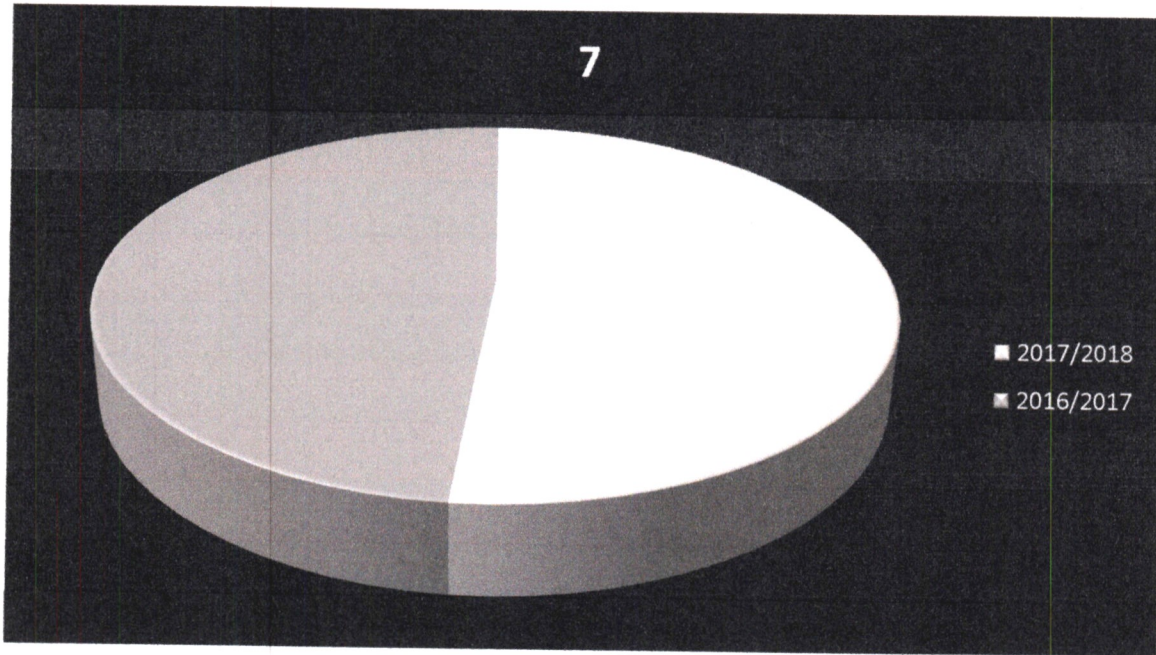


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KHWISERO CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

We performed below 100% considering budget and actual expenditure. This is attributed to the fact that some funds were released towards end of financial year. Hence could not have been utilized due to procurement processes. Other funds were released after closure of the financial year under review i.e in July. Hence to be utilized in the subsequent financial year i.e 2018/2019.

Below

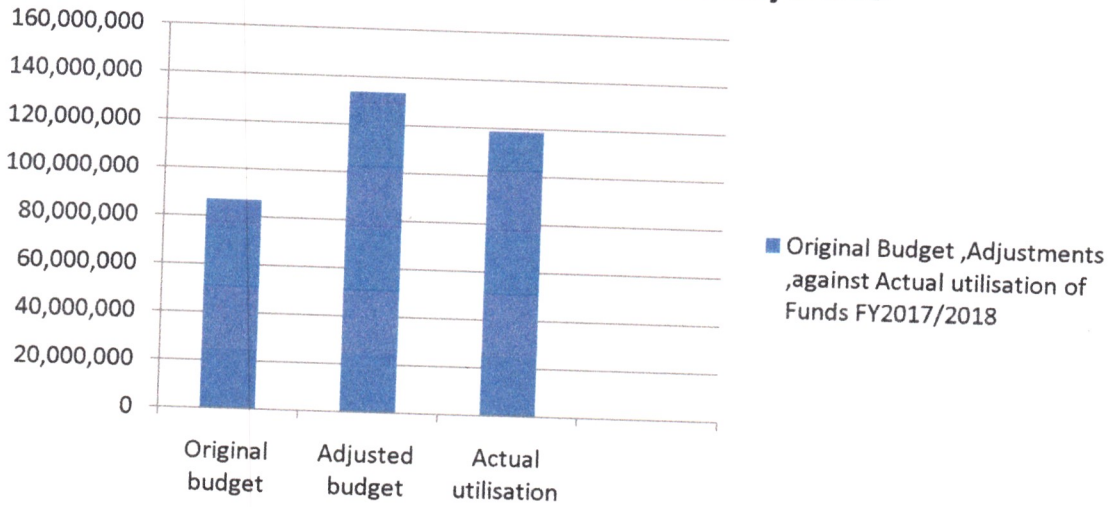


Receipts were higher in FY 2017/18 compared to 2016/17

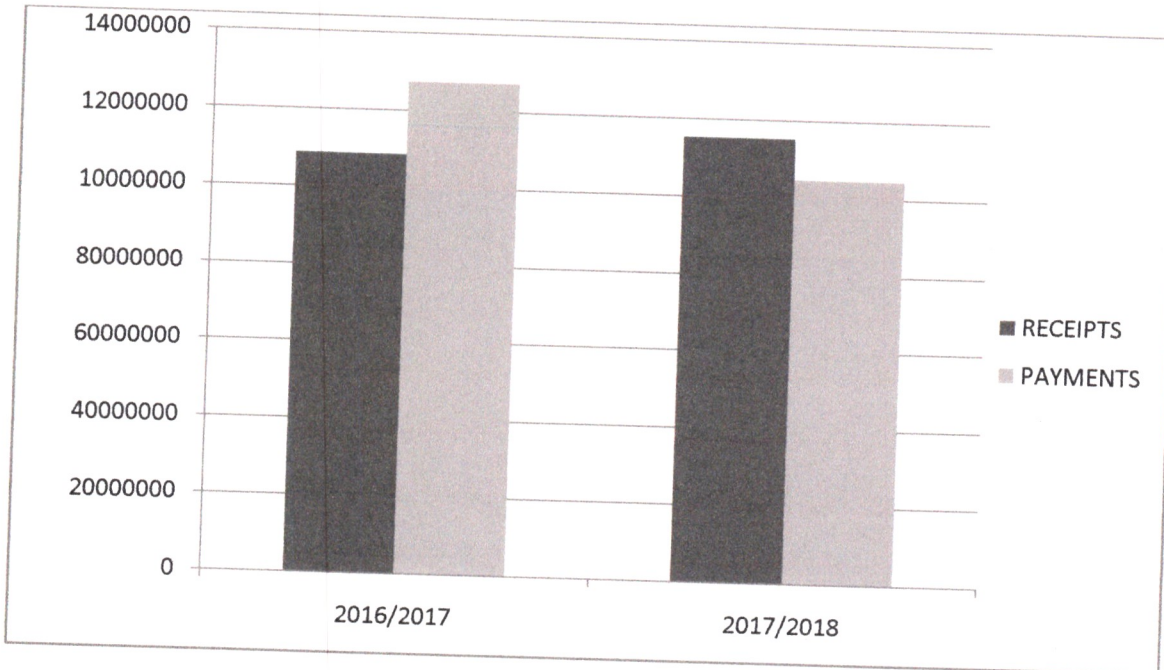


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 KHWISERO CONSTITUENCY
 Reports and Financial Statements
 For the year ended 30 June 2018**

Original Budget ,Adjustments ,against Actual utilisation of Funds FY2017/2018



BAR GRAPH COMPARING RECEIPTS AND PAYMENTS FOR 2016/17 AND 2017/18 FY



Receipts in 2017/18 were higher than those in 2016/17 FY. However payments in 2017/ 18 FY were lower than FY2016/17 due to late disbursements from the Board.



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

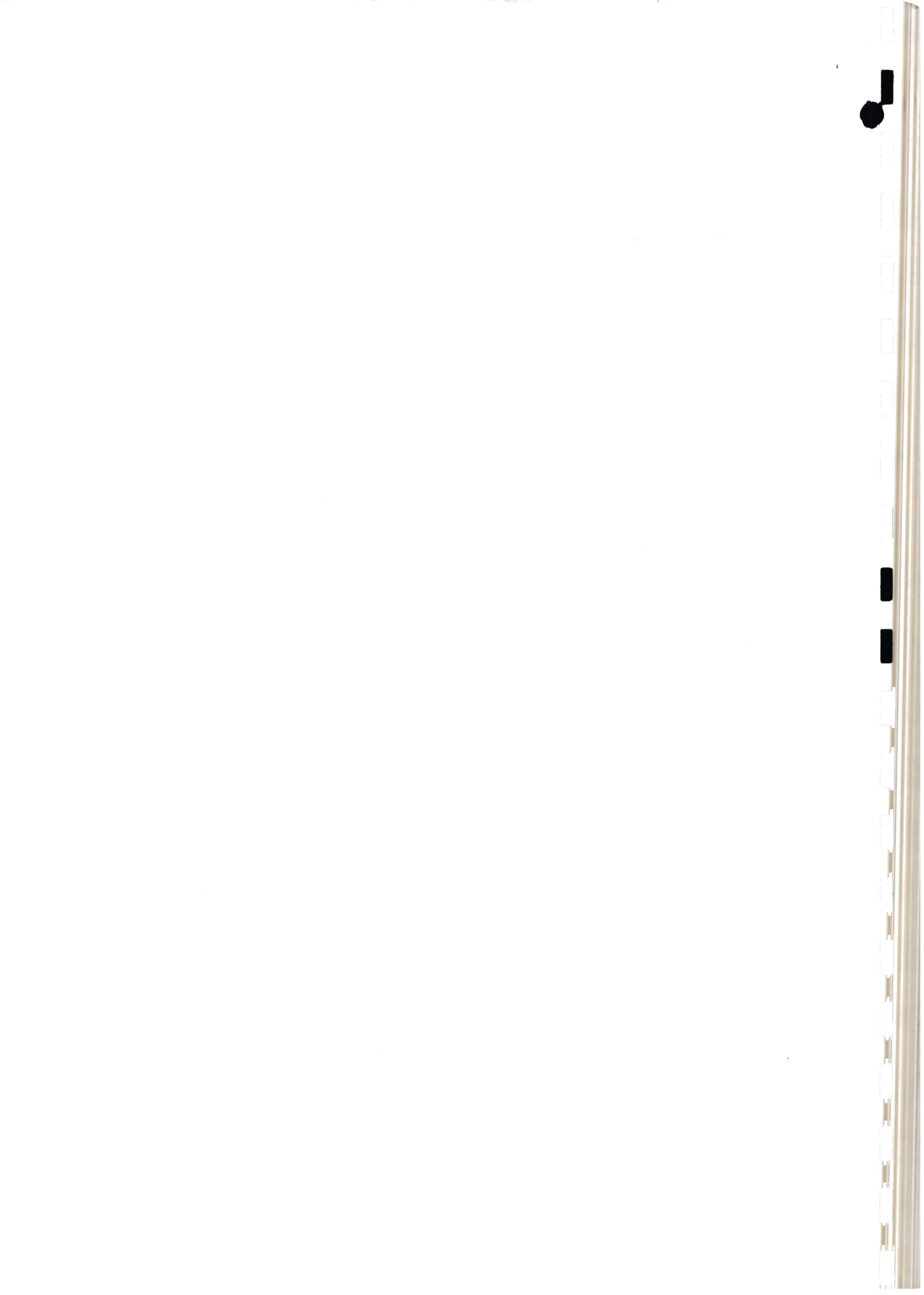
It is important to mention that the Board released most of our allocated funds within the year, unlike in the previous one where a lot of the allocated funds could be released after closure of the financial year. This therefore enabled us, NGCDFC to release funds to PMCs on timely basis. Most projects are therefore complete provided they were funded early enough. We hope in the next financial year, the Board will release all funds on timely basis to enable us implement projects without delay. Below are some photographs of successful projects under the financial year under review:



AndolaEshinaka Primary School: Construction of 4no. Classrooms to completion.



Emako Primary School: Construction of 2no. Classrooms to completion.



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



Khwisero Primary School: Construction of a Girls' Dormitory to completion.




Namasoli Primary School: Construction of 2no. classrooms to completion.

NGCDF is a grant. It has emerging issues such as: overdependence on the kitty to assist all secondary school and colleges students. Some parents are not taking their responsibilities seriously i.e education of their children. All our schools purely depend on NGCDF for whatever project including toilets. This is creating conflicts.

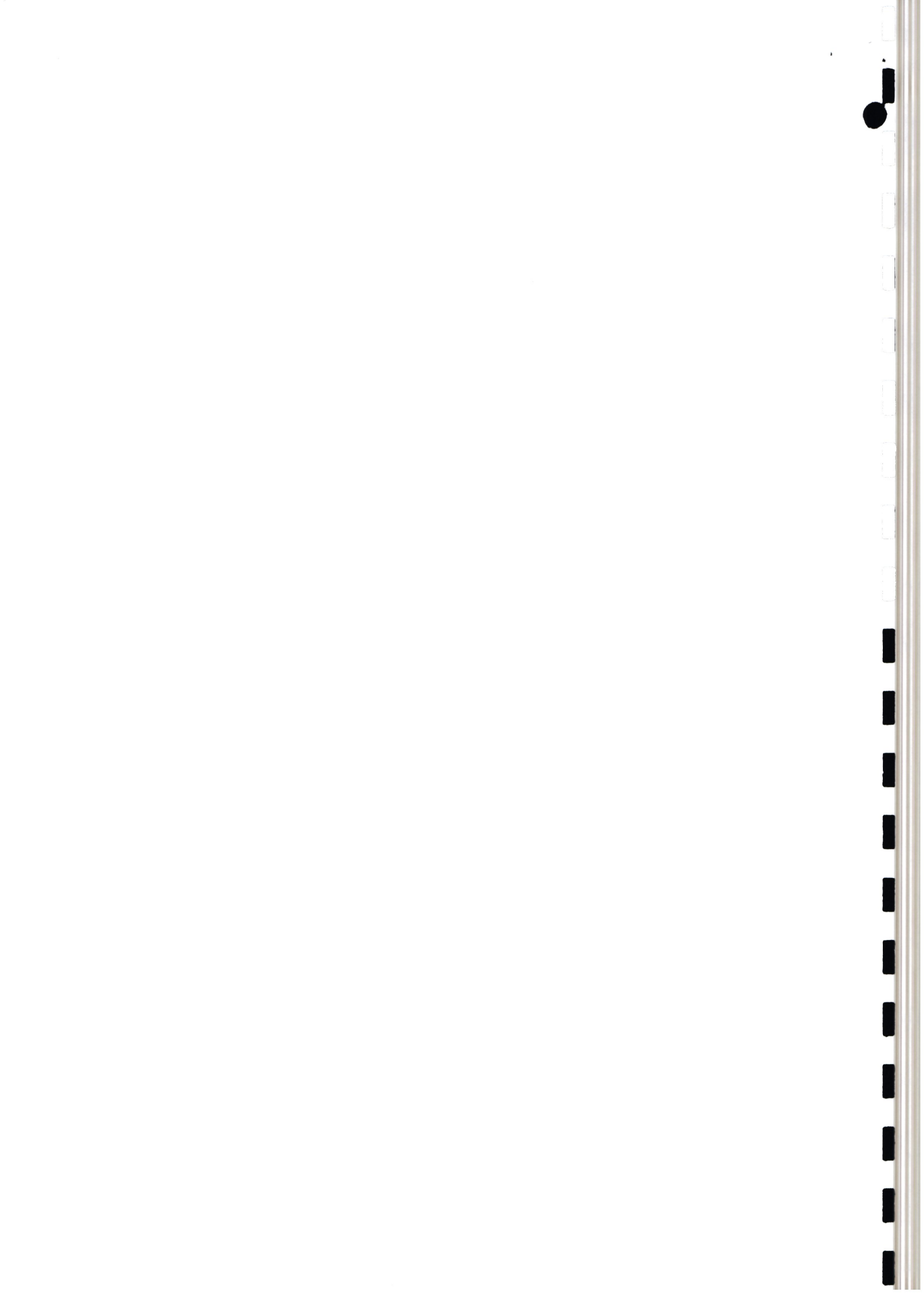


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KHWISERO CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June 2018**

Through local barazas, the constituents are advised that the NGCDF kitty cannot take care of all needs of constituents as concerns infrastructure. They should approach other sources to increase funding. E.g from County Government through the MCAs and even Governor. Parents to take their parental responsibilities of ensuring that they pay school fees for their children on time. Only needy cases to be assisted from the NGCDF kitty.

Sign: 

**CHAIRMAN NGCDF COMMITTEE
(Justus M. Ambasu)**



REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Khwisero Constituency set out on pages 1 to 27, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund- Khwisero Constituency as at 30 June 2018, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Transfers to Other Government Units

1.1 Lack of Supporting Schedule

The transfers to other government units reflects a figure of Kshs.52,020,345 which includes transfers to primary schools of Kshs.32,520,345, transfers to secondary schools of Kshs.18,050,000 and transfers to health institutions of Kshs.1,450,000 as disclosed in Note 6 to the financial statements. However, details of the institutions that received the funds were not availed for audit review.

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

1.2 Transfers to Health Institutions

The transfers to other government units figure of Kshs.52,020,345 includes transfers to health institutions amount of Kshs.1,450,000 for the year ended 30 June 2018 as disclosed in Note 6 to the financial statements. However according the audited financial statements for the year ended 30 June 2017, the undisbursed amounts due to health institutions as at 30 June 2016 amounted to Kshs.1,000,000 as per Annexure 2 to the previous year's financial statements. The management did not provide explanation on why the outstanding balance was not disclosed among the payables as at 30 June 2017. In addition, the source of the additional amount of Kshs.450,000 was not explained since health function is a devolved function and do not fall under projects to be funded and implemented by the National Government Constituencies Development Fund.

1.3 Emalindi Primary School

Included in the transfers to other government units figure of Kshs.52,020,345 is transfers to primary schools of Kshs.32,520,345 as disclosed in Note 6 to the financial statements, which in turn includes Kshs.1,000,000 disbursed to Emalindi Primary School for completion of administration office block. The project was intruding 2016/2017 financial year at a contract sum of Kshs.2,881,614 and was to be completed in three years. However, as at the time of audit in February 2019, the project was incomplete and appeared to have stalled at roofing level and the contractor was not on site. Although the management explained that the delay in completion was due to funding, which has been budgeted for during 2019/2020, no reason has been provided as to why the amount required to complete the project was not budgeted for during 2018/2019.

Consequently, residents of Khwisero Constituency may not have received value for money incurred on the projects.

2. Bursary Disbursements

Included in other grants and transfers amount of Kshs.44,965,421 is Kshs.35,037,490 in respect of bursaries to secondary schools, tertiary institutions and special schools of Kshs.27,482,490, Kshs.7,273,000 and Kshs.282,000 respectively as disclosed in Note 7 to the financial statements. However, acknowledgement letters from recipient institutions were not availed for audit review. Further information available indicates that as at 30 June 2018, cheques totalling Kshs.3,453,000 payable to various schools and colleges that had been issued between 18 April 2018 and 25 May 2018 had not been presented for payment by the time of audit and therefore deemed stale. However, the management have not demonstrated the measures put in place to ensure that all bursary cheques are dispatched to the recipient institutions promptly as stipulated in the NGCDF Board Circular Vol.1/111 dated 13 September 2010 which requires the CDFs to put in place adequate systems and procedures in the disbursement of bursary funds.

In the circumstances, it was not possible to ascertain the accuracy and propriety of the bursary expenditure of Kshs.35,037,490 incurred during the year under review.

3. Non-Disclosure of Bank Charges

During the month of June 2018, the Fund incurred bank charges totalling Kshs.2,700 as disclosed in the bank reconciliation statement. However, the bank charges have not been disclosed in the financial statements for the year ended 30 June 2018.

Consequently, the accuracy of the financial statements for the year ended 30 June 2018 cannot be confirmed.

4. Project Management Committee (PMCs) Accounts

Note 15.4 to the financial statements reflects project management committee bank account balances of Kshs.40,939,555 in respect of unutilized funds as at 30 June 2018 while the supporting annexure 5 to the financial statements reflects a figure of Kshs.40,849,221 resulting to a an unexplained and unreconciled variance of Kshs.90,334. In addition, bank statements, certificates of bank balance, cashbooks and bank reconciliation statements were not availed for audit review.

Consequently, the validity, accuracy and existence of the project management committee bank account balance of Kshs.40,939,555 could not be confirmed.

5. Abandoned Constituency Vehicle GK A371U

The summary of fixed asset register at Annexure 4 reflects total assets of Kshs.28,471,950 which, include transport equipment amount of Kshs.4,599,500 in respect of the Fund motor vehicle. However, as previously reported, the Fund's vehicle, Land Rover Puma, GKA371U, was not available for use since April 2017 when it was towed to CMC Nakuru after breaking down on its way to Nairobi. Further, it was noted that the repair expenditure arrears which were initially estimated at Kshs.793,544 for overhauling the vehicle had not paid and therefore the vehicle remained held at the CMC garage and the management have not demonstrated efforts being made to have the vehicle back.

Consequently, the projects monitoring and evaluation works were not undertaken during the year and the accuracy and validity of the assets balance of Kshs.28,471,950 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 National Government Constituencies Development Fund - Khwisero 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 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. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

1.1 Budget Performance

The Fund had an approved budget of Kshs.133,491,996 for the financial year 2017/2018. During the same period, the Fund recorded expenditure of Kshs.104,795,975 representing 79% of the approved budget resulting to an under expenditure of Kshs.28,696,021 representing 21% of the budget as detailed below:

Item	Approved Budget 2017/2018 (Kshs)	Actual Expenditure (Kshs)	Under Absorption Kshs)	Under Absorption %
Compensation of Employees	2,719,770	1,618,593	1,101,177	40%
Use of goods and services	9,008,696	6,191,616	2,817,080	31%
Transfers to Other Government Units	62,728,630	52,020,345	10,708,285	17%
Other grants and transfers	54,357,873	44,965,421	9,392,452	17%
Other Payments	4,677,027	0	4,677,027	100%
Total	133,491,996	104,795,975	28,696,021	21%

Non-utilization of funds is an indication that services and approved programs may not have been rendered, and therefore the budget did not meet the intended objectives of improving service delivery to the residents of Khwisero Constituency.

1.2 Projects Implementation Status

The management did not provide project implementation status report as at 30 June 2018 contrary to the provisions of Regulation 26 (2) of the National Government Constituencies Development Fund Regulations, 2016 which stipulates that a constituency committee shall carry out monitoring and evaluation of projects at regular intervals and shall submit reports on the monitoring and evaluation exercise in accordance with the guidelines issued by the National Government Constituencies Development Fund Board.

Consequently, the projects implementation status as at 30 June 2018 could not be confirmed.

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

Un-authorised Expenditure on Committee Allowances

The use of goods and services figure of Kshs.6,196,616 includes committee expenses amount of Kshs.2,926,500 as disclosed in Note 5 to the financial statements. However, the expenditure of Kshs.2,926,500 exceeded the approved budget of Kshs.2,334,557 resulting to an unauthorised expenditure of Kshs.591,943 which was 25% above the budgeted amount.

Consequently, the management breached the law and the probity of the committee expenses over-expenditure of Kshs.591,943 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance 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 overall governance were not effective.

Basis for Conclusion

Failure to Raise Payment Documents by PMCs

Audit review of sampled projects files revealed that the Project Management Committees (PMCs) did not raise payment vouchers in support of payments made out of their respective project bank accounts. Such payment vouchers would have all the necessary supporting documentation together with the necessary approvals and authorities. Consequently, there is the risk of making payments that are not appropriately authorised.

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

Responsibilities of Management and Those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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



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

Nairobi

20 May 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KHWISERO CONSTITUENCY


Reports and Financial Statements

For the year ended 30 June 2018

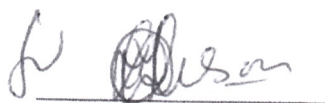
I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	115,238,620	108,728,342
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		115,238,620	108,728,342
PAYMENTS			
Compensation of employees	4	1,618,593	2,608,602
Use of goods and services	5	6,191,616	8,791,286
Transfers to Other Government Units	6	52,020,345	58,320,754
Other grants and transfers	7	44,965,421	57,819,357
Acquisition of Assets	8	0	20,000
Other Payments	9	0	0
TOTAL PAYMENTS		104,795,975	127,559,999
SURPLUS/(DEFICIT)		<u>10,442,645</u>	<u>(18,831,657)</u>

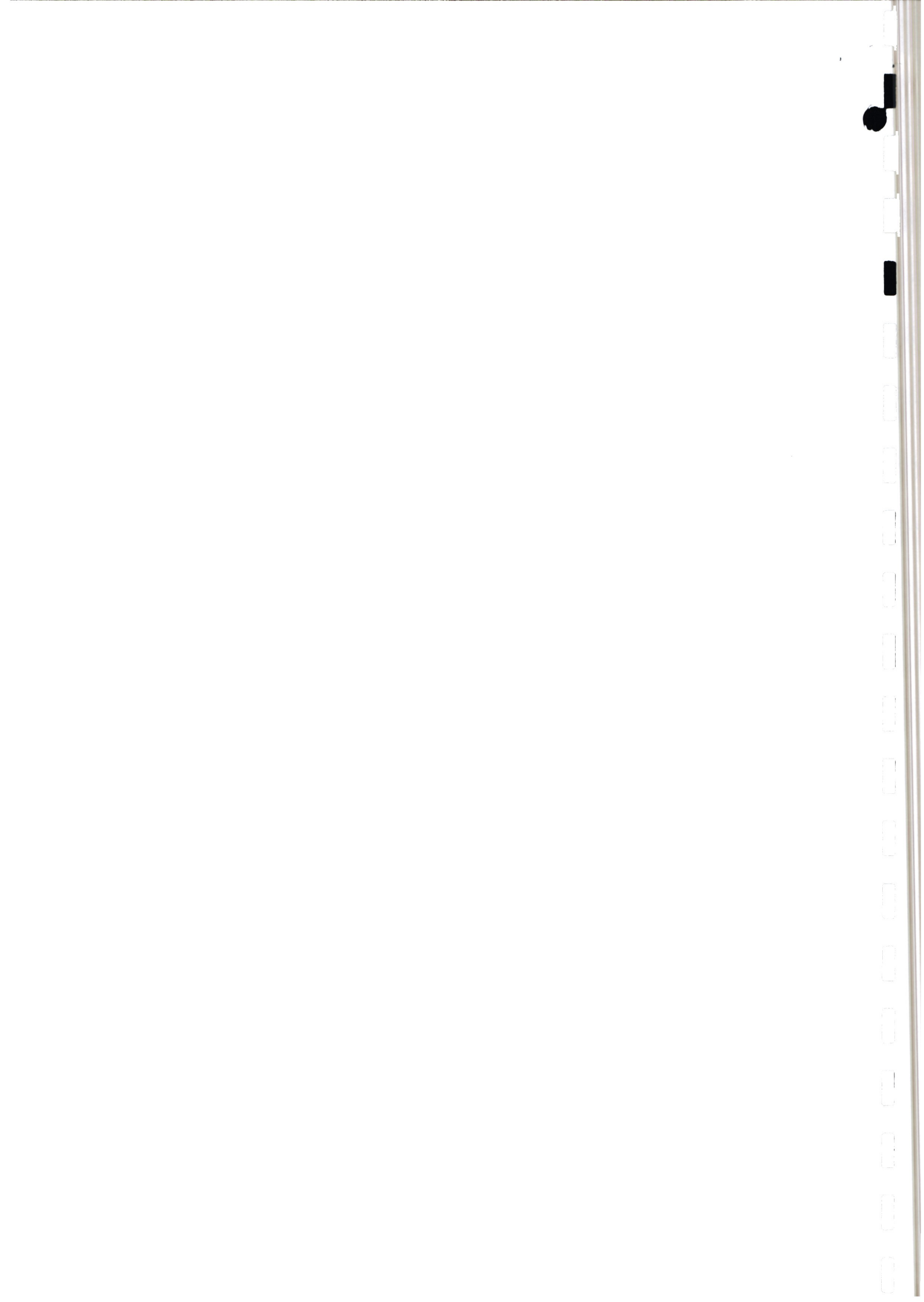
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Khwisero Constituency financial statements were approved on 25/09/2018 and signed by:



Fund Account Manager
Name: Bernard S. Misiko

Sub-County Accountant
Name: Cynthia J. Leting
ICPAK Member Number: 17160



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KHWISERO CONSTITUENCY


Reports and Financial Statements

For the year ended 30 June 2018

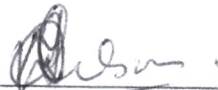
II. V. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2018

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	13,796,710	3,354,065
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		<u>13,796,710</u>	<u>3,354,065</u>
Current receivables – Outstanding Imprest	11	0	0
TOTAL FINANCIAL ASSETS		<u>13,796,710</u>	<u>3,354,065</u>
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	0	0
NET FINANCIAL ASSETS		<u>13,796,710</u>	<u>3,354,065</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	3,354,065	22,185,721
Surplus/Deficit for the year		10,442,645	(18,831,657)
Prior year adjustments	14	0	0
NET FINANCIAL POSITION		<u>13,796,710</u>	<u>3,354,065</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KHWISERO Constituency financial statements were approved on 25/09/2018 and signed by:


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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KHWISERO CONSTITUENCY

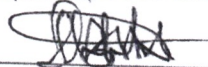
Reports and Financial Statements

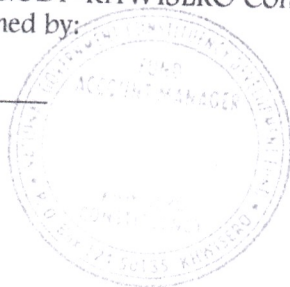
For the year ended 30 June 2018


III. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	115,238,620	108,728,342
Other Receipts	3	0	0
		115,238,620	108,728,324
Payments for operating expenses			
Compensation of Employees	4	1,618,593	2,608,602
Use of goods and services	5	6,191,616	8,791,286
Transfers to Other Government Units	6	52,020,345	58,320,754
Other grants and transfers	7	44,965,421	57,819,357
Other Payments	9	0	0
		(104,795,975)	(127,539,999)
Adjusted for:			
Adjustments during the year	14	0	0
Net cash flow from operating activities		10,442,645	(18,811,657)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	0	(20,000)
Net cash flows from Investing Activities		0	(20,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		10,442,645	(18,831,657)
Cash and cash equivalent at BEGINNING of the year	13	3,354,065	22,185,721
Cash and cash equivalent at END of the year		<u>13,796,710</u>	<u>3,354,064</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KHWISERO Constituency financial statements were approved on 25/09/2018 and signed by:


 Fund Account Manager
 Name: Bernard S. Misiko




 Sub-County Accountant
 Name: Cynthia J. Leting
 ICPAK Member Number: 17160



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

IV. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on	Budget	% of
				Comparable Basis		
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	46,681,651	133,491,996	118,592,685	14,899,312	89
Proceeds from Sale of Assets						
Other Receipts						
TOTALS	86,810,345	46,681,651	133,491,996	118,592,685	14,899,312	89
PAYMENTS						
Compensation of Employees	2,328,373	391,397	2,719,770	1,618,593	1,101,177	60
Use of goods and services	7,984,558	1,024,138	9,008,696	6,191,616	2,817,080	69
Transfers to Other Government Units	31,630,000	31,098,630	62,728,630	52,020,345	10,708,285	83
Other grants and transfers	40,190,387	14,167,486	54,357,873	44,965,421	9,392,453	83
Acquisition of Assets						
Other Payments	4,677,027	-	4,677,027	-	4,677,027	-
TOTALS	86,810,345	46,681,651	133,491,726	104,795,975	28,696,022	86

- i. Part of allocated funds for the constituency was released after end of financial year i.e Ksh.3,520,000 a resubmission and another sh.11,379,310 as supplementary allocation, which was released after closure of financial year. Hence not spent within the financial year under review. Staffs hired i November 2017. Yet clear their first year salary allocation.
- ii. Part of the allocated funds released at end of financial year (end of June 2018). Hence to be spent in next financial year, 2018/2019. Such are funds include for Strategic Plan (sh.2,500,000) and ICT Hubs (sh.4,677,027) etc.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.







V. 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-KHWISERO 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.



External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.



SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

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

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

15. Related Party Transactions

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



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

VI. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO. A892582	1	28,428,275	
AIE NO. A855852	2	5,500,000	
AIE NO. A892828	3	37,905,172	
AIE NO. A896871	4	43,405,173	
AIE NO. A825931	1		58,780,065
AIE NO. A829594	2		4,094,828
AIE NO. A855541	3		36,853,449
AIE NO. A839727	4		9,000,000
TOTAL		115,238,620	108,728,342

2. PROCEEDS FROM SALE OF ASSETS

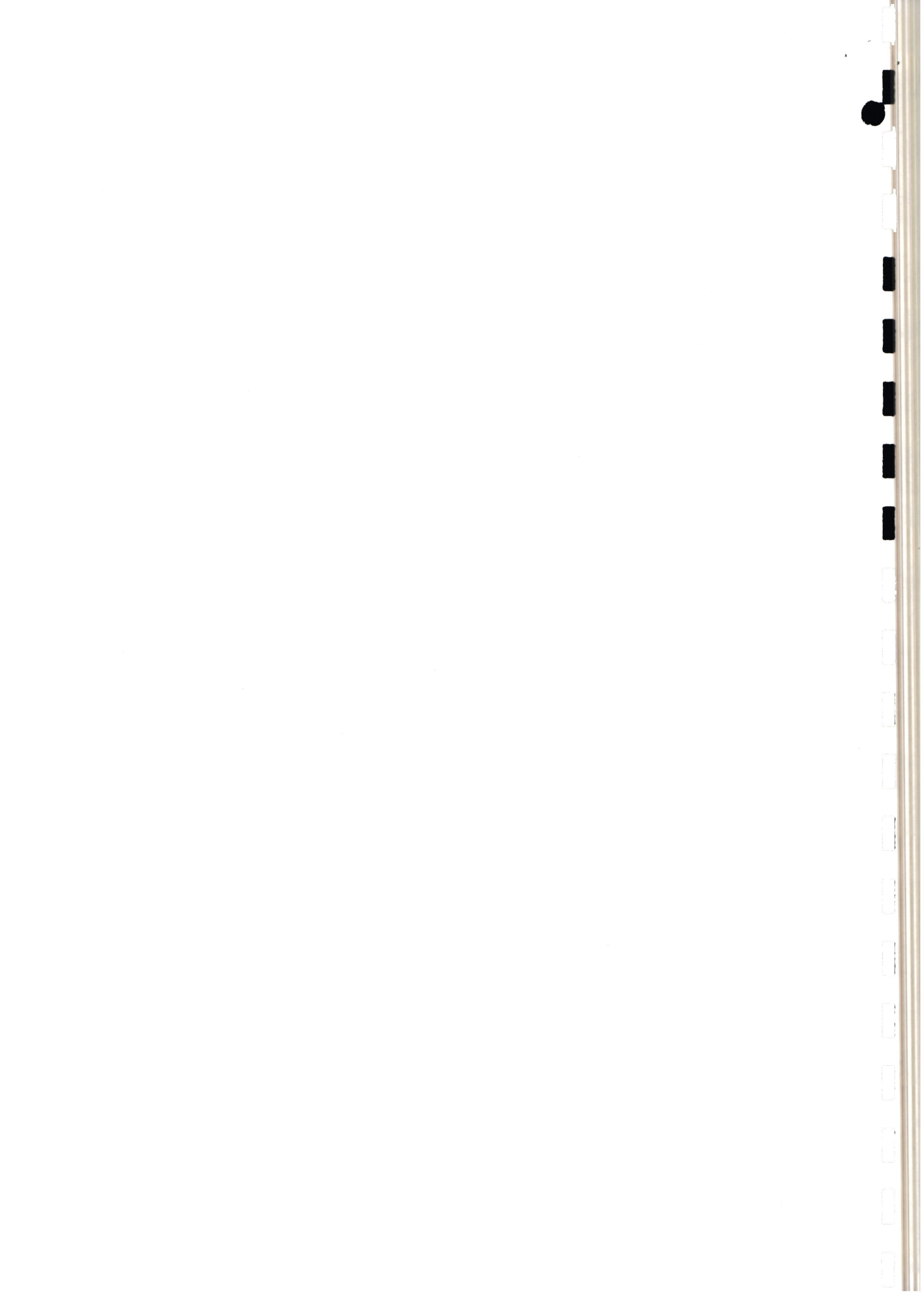
	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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	1,473,005	2,218,662
Basic wages of casual labour	0	0
Personal allowances paid as part of salary	0	0



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

House allowance	0	0
Transport Allowance	0	0
Leave Allowance	0	0
Gratuity	0	213,540
Other personnel payments-NSSF	145,588	176,400
Total	1,618,593	2,608,602

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	2,926,500	5,116,100
Utilities, supplies and services	563,116	586,100
Communication, supplies and services	119,500	203,000
Domestic travel and subsistence	184,000	130,700
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	1,885,500	714,000
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	513,000	820,536
Other operating expenses	0	
Routine maintenance – vehicles and other transport equipment	0	1,080,850
Routine maintenance – other assets	0	0
Fuels, oil & lubricants	0	160,000
Total	6,191,616	8,811,286

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	32,520,345	39,720,754
Transfers to secondary schools (see attached list)	18,050,000	14,300,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	1,450,000	4,300,000
TOTAL	52,020,345	58,320,754



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,482,490	17,022,830
Bursary – tertiary institutions (see attached list)	7,273,000	3,368,000
Bursary – special schools (see attached list)	282,000	415,000
Mock & CAT (see attached list)		1,000,000
Security projects (see attached list)	7,265,000	11,329,311
Sports projects (see attached list)	1,637,931	1,902,213
Roads projects	0	9,617,408
Water projects (see attached list)		2,700,000
Emergency projects (see attached list)	1,025,000	8,978,895
BodaBoda Shades	0	1,485,700
Total	44,965,421	57,819,357

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	20,000
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	20,000



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

Reports and Financial Statements

For the year ended 30 June 2018

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	0	0
	0	0



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

Reports and Financial Statements

For the year ended 30 June 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
Cooperative Bank of Kenya, Mumias Branch, Account No. 01120068113200	13,796,710	3,354,065
	0	0
	0	0
Total	13,796,710	3,354,065
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

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>
~		~	~	~
~		~	~	~
~		~	~	~
~		~	~	~
~		~	~	~
~		~	~	~
~		~	~	~
Total				

Total



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KHWISERO CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June 2018

12. RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	3,354,065	22,185,721
Total	3,354,065	22,185,721

Ksh.3,354,065 was the cash book balance as at start of 1st July 2018 i.e available funds to spend as the 2017/2018 financial year commenced. Other funds received from the NG-CDF Board within the year were added to this figure.

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0



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

Reports and Financial Statements

For the year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of biuldings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Staff gratuity	79,340	0
	79,340	0
	79,340	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	709,780	0
Use of goods and services	604,310	0
Amounts due to other Government entities (see attached list)	8,786,206	18,440,345
Amounts due to other grants and other transfers (see attached list)	19,071,193	13,507,931
	291,171,489	31,948,276
	291,171,489	31,948,276



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

Reports and Financial Statements

For the year ended 30 June 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)	40,939,555	15,591,199
	40,939,555	15,591,199



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

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 2018	Comments
Construction of buildings						
1.						
2.	0				0	
3.						
Construction of civil works						
4.						
5.						
6.						
Supply of goods						
7.						
8.						
9.						
Supply of services						
10.						
11.						
12.						
Sub-Total	0			0	0	
Sub-Total	0			0	0	
Grand Total	0			0	0	



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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

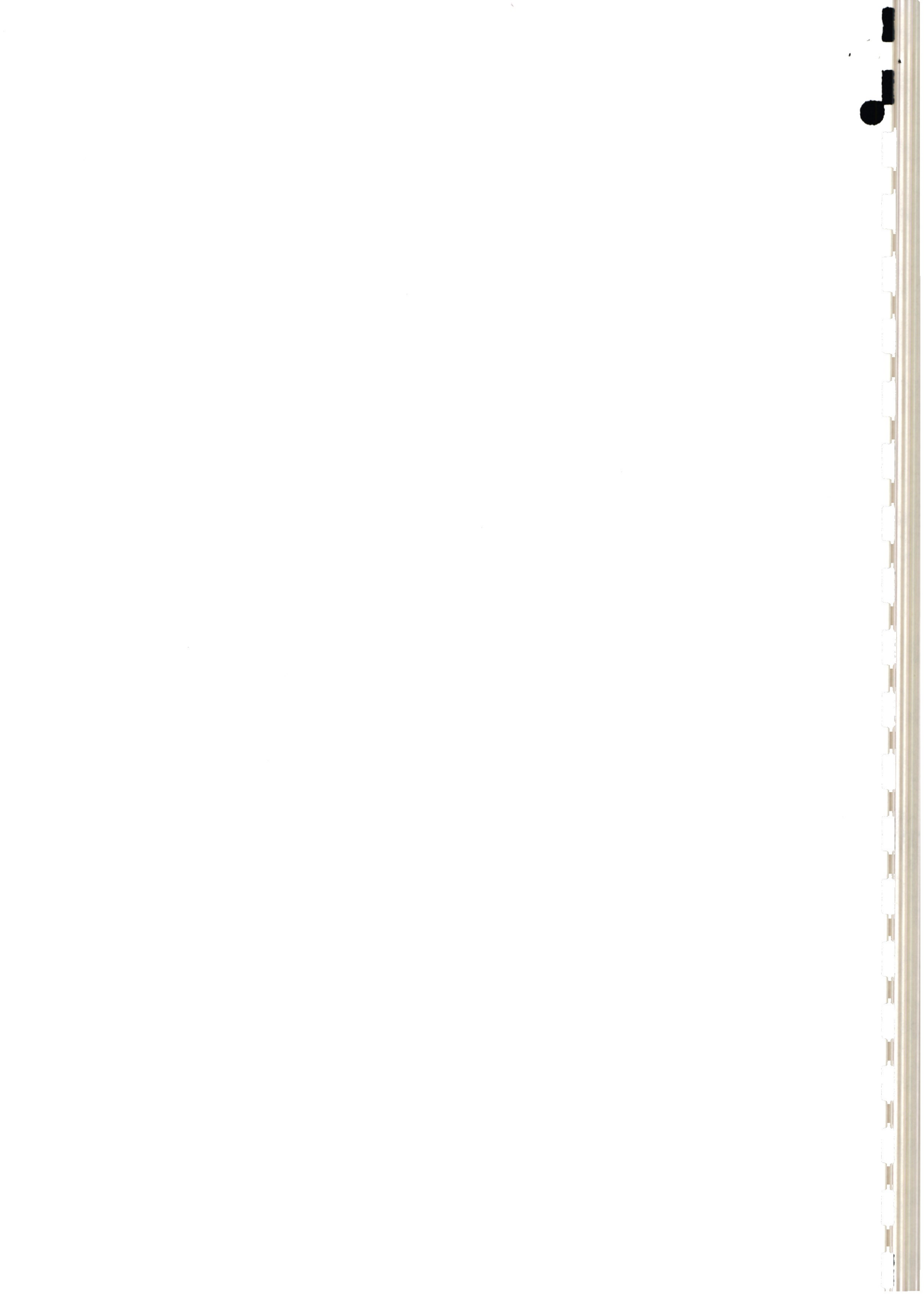
Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
Middle Management							
4.							
5.							
6.							
Unionisable Employees							
7.							
8.							
9.							
Others (specify)							
10. Cornelius AkayiAcherero	-	33,216	30/11/18	-	19,376	-	Due November 2018
11. Bonface Sammy Sakwa	-	26,856	30/11/18	-	15,666	-	Due November 2018
12. BennahNdanyiOngalo	-	16,674	30/11/18	-	5,595	-	Due November 2018
13. Robert Oputokwengu	-	23,724	30/11/18	-	13,839	-	Due November 2018
14. ZakayoVestioOmemo	-	14,208	30/11/18	-	8,288	-	Due November 2018
15. FonzianaAmbaniWamaittha	-	14,208	30/11/18	-	8,288	-	Due November 2018
16. Jane AwinoAnyangu	-	14,208	30/11/18	-	8,288	-	Due November 2018
Sub-Total		143,094		-	79,340	-	Due November 2018
Grand Total							



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

ANNEX 3 – UNUTILIZED FUNDS

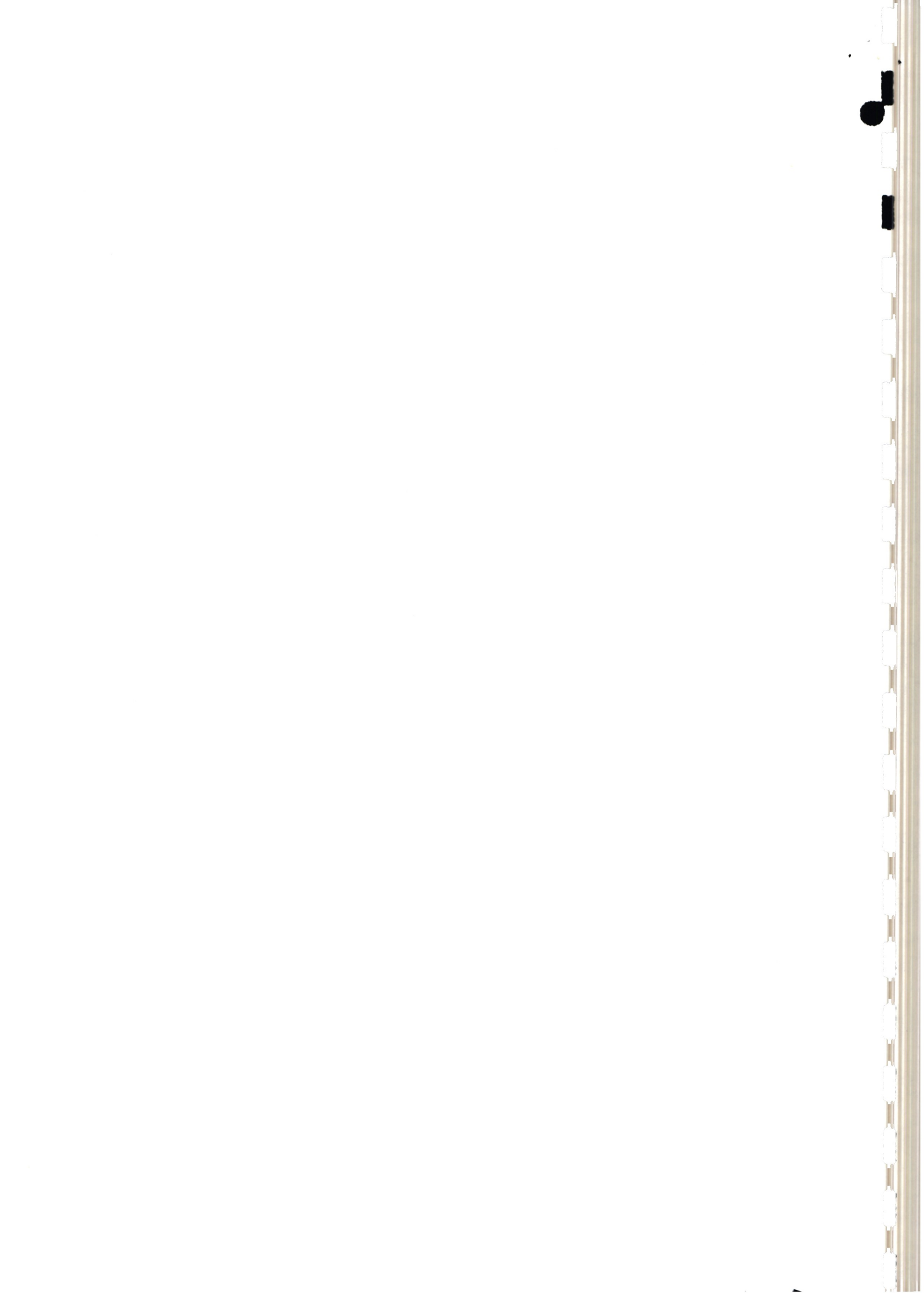
Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		709,780	0	Funds received but yet to spend
Use of goods & services		604,310	0	Funds received but yet to spend
Amounts due to other Government entities				
Primary Schools		2,886,206	11,540,345	Funds were still held by the Board at the close of 2017/2018 Financial year.
Secondary Schools		5,900,000	6,900,000	Funds were still held by the Board at the close of 2017/2018 Financial year.
Sub-Total		10,100,296	18,440,345	
Amounts due to other grants and other transfers				
Security		5,021,595	6,970,000	Funds were still held by the Board at the close of 2017/2018 Financial year.
Others		14,050,302	6,537,931	Funds were still held by the Board at the close of 2017/2018 Financial year. Some funds had been received but not yet utilized.
Sub - Total		19,071,897	13,507,931	
Grand-Total		29,172,193	31,948,276	



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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Costb/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	0	0	0	0
Buildings and structures	19,800,000	0	0	19,800,000
Transport equipment	4,599,500	0	0	4,599,500
Office equipment, furniture and fittings	3,442,935	0	0	3,442,935
ICT Equipment, Software and Other ICT Assets	629,515	0	0	629,515
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	28,471,950			28,471,950



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

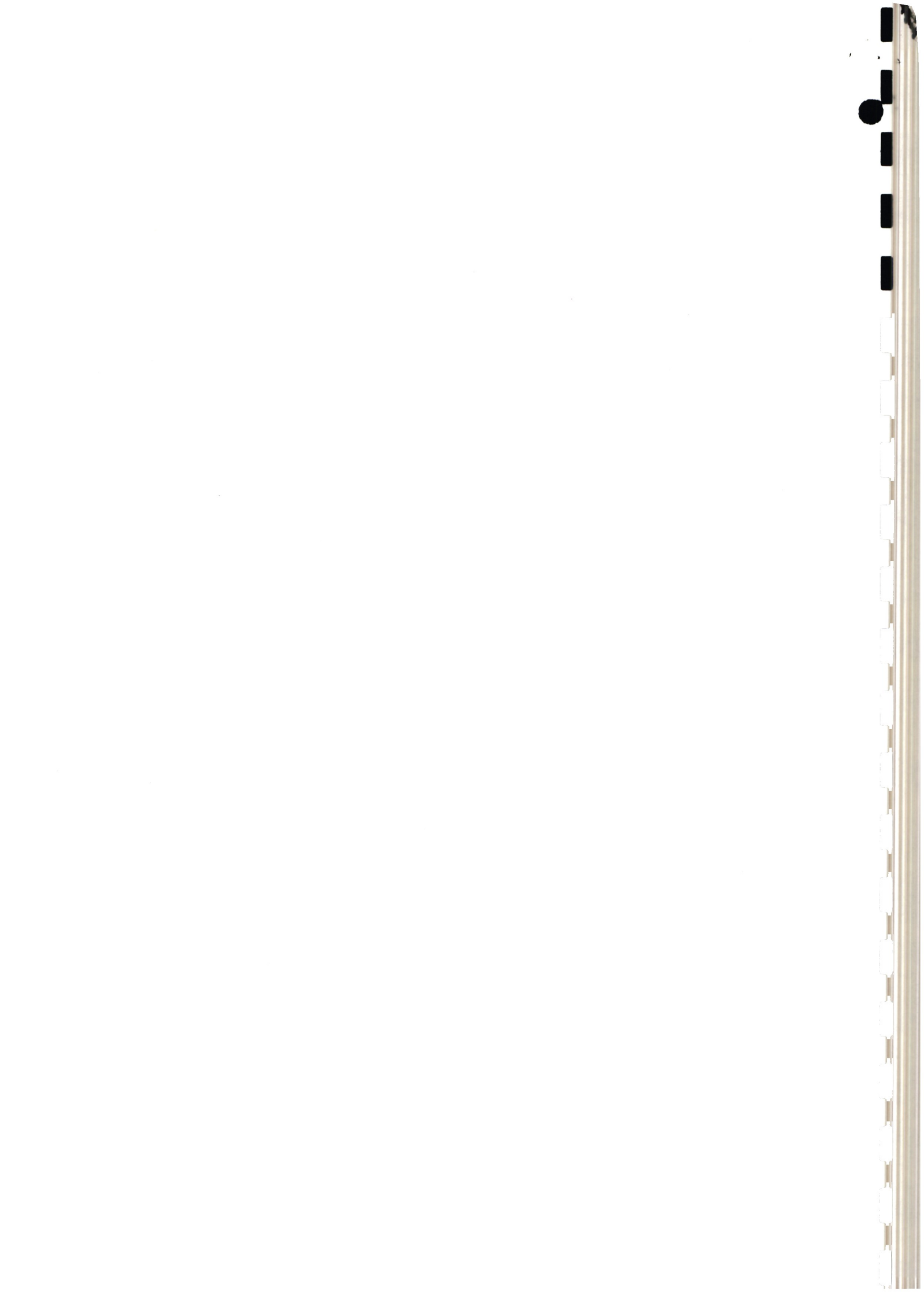
ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
EMALINDI PRIMARY SCHOOL	KCB	1234031507	1,001,500	0
SHIONGO PRIMARY SCHOOL	KCB	1234039249	854,935	0
MUNDEKU PRIMARY SCHOOL	KCB	1234041162	854,935	0
EMWANIRO PRIMARY SCHOOL	KCB	1234021439	854,935	0
KHWISERO PRIMARY SCHOOL	KCB	1233523945	1,000,550	0
MUSHINAKA MIXED SECONDARY SCHOOL	KCB	1234180073	800,200	0
EBUKUTENGA PRIMARY SCHOOL	KCB	1234090856	855,000	0
EBULWANI PRIMARY SCHOOL	KCB	1234017288	1,654,435	0
EMAKUCHE PRIMARY SCHOOL	KCB	1234107724	854,935	0
EBUTUKU A.P. CAMP	KCB	1233524682	1,000,500	0
KHUMUSALABA POLICE PATROL BASE	KCB	1234360306	1,000,105	0
EBUKWALA PRIMARY SCHOOL	KCB	1234051311	854,935	0
EBUKANGA PRIMARY SCHOOL	KCB	1234029049	854,935	0
ESHIKHUNGULA PRIMARY SCHOOL	KCB	1234037459	854,935	0
KHWISERO POLICE STATION	KCB	1234186098	1,000,550	0
HOLY CROSS EMALINDI GIRLS SECONDARY	KCB	1234036436	2,000,935	0
ESHIAKHONDO PRIMARY SCHOOL	KCB	1234168251	854,500	0



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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
MUNDOLI GIRLS SECONDARY SCHOOL	KCB	1234025833	1,001,000	0
ST. FRANCIS ENYANYA PRIMARY SCHOOL	KCB	1234018039	854,935	0
ELUKANJI PRIMARY SCHOOL	KCB	1234106728	1,000,935	0
EKATSOMBERO PRIMARY SCHOOL	KCB	1234179016	854,935	0
ST. ANNES DUDI GIRLS SECONDARY SCHOOL	KCB	1234032155	800,935	0
MWIREMBE PRIMARY SCHOOL	KCB	1234088649	854,935	0
EMUNG'ABO PRIMARY SCHOOL	KCB	1234108976	854,935	0
MUKHUNZULU PRIMARY SCHOOL	KCB	1234022893	854,935	0
EBUHONGA PRIMARY SCHOOL	KCB	1234034239	854,935	0
KHWISERO WEST A.C.C'S OFFICE	KCB	1234811804	550	0
MUHAKA PRIMARY SCHOOL	KCB	1234018918	854,435	0
ESHIRULI PRIMARY SCHOOL	COOPERATIVE	01141499108901	13,721.40	0
ESHINUTSA PRIMARY SCHOOL	COOPERATIVE	01141798325000	349,766	0
EKAMBULI PRIMARY SCHOOL	COOPERATIVE	01141498063601	63,880	0
EBUSHIBUNGO PRIMARY SCHOOL	COOPERATIVE	01141499884201	484,325	0
KISA NORTH CHIEF'S OFFICE	COOPERATIVE	01141798182800	598,182.25	0
ESHIBINGA PRIMARY SCHOOL	COOPERATIVE	01141499737301	319,640.15	0
MWIREMBE PRIMARY SCHOOL	COOPERATIVE	01141067411201	1,325	0
ST. JOSEPH'S SHIRO TSA SEC SCHOOL	COOPERATIVE	01141498643701	276,983.25	0



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KHWISERO CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June 2018 (Kshs)

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
KHWISERO SUB COUNTY HOSPITAL LAND	COOPERATIVE	01141798358500	32,325	0
MULWANDA PRIMARY SCHOOL	COOPERATIVE	01141498910601	65,392	0
SHIONGO PRIMARY SCHOOL	COOPERATIVE	01141498911101	9,325	0
MUNJITI ASS. CHIEF'S OFFICE	COOPERATIVE	01141798223400	7,785	0
KHWISERO POLICE STATION	COOPERATIVE	01141798436100	332,745	0
MWIBELENYA PRIMARY SCHOOL	COOPERATIVE	01141499737002	926,465	0
ST.STEPHEN'S MULWANDA SEC SCHOOL	COOPERATIVE	01141234520301	1,350,462	0
MUNDAHA PRIMARY SCHOOL	COOPERATIVE	01141234627901	54,096.15	0
EMALINDI ASS. CHIEF'S OFFICE	COOPERATIVE	01141798201000	326	0
MUNDOLI PRIMARY SCHOOL	COOPERATIVE	01141498670201	431,043	0
SHIONGO MIXED SEC SCHOOL	COOPERATIVE	01141798320000	340,796	0
MWISENA PRIMARY SCHOOL	COOPERATIVE	01141234629301	950,325	0
IBINDA PRIMARY SCHOOL	COOPERATIVE	01141067547200	523,810.85	0
MWIKALIKHA PRIMARY SCHOOL	COOPERATIVE	01141498660500	3,162.50	0
EMWANIRO PRIMARY SCHOOL	COOPERATIVE	01141233805300	568.40	0
EKAMBULI SECONDARY SCHOOL	COOPERATIVE	01141234520201	1,399,325	0
MWIKALIKHA ASS.CHIEF'S OFFICE	COOPERATIVE	01141798182600	107,175	0
KHWISERO SPORTS PMC	COOPERATIVE	01141499064301	489,646.25	0
MUNJEICHE PRIMARY SCHOOL	COOPERATIVE	01141068015100	760,225	0



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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
NAMASOLI SECONDARY SCHOOL	COOPERATIVE	01141233239200	93,702.95	0
SHIRALI SECONDARY SCHOOL	COOPERATIVE	01141498649001	58,817.15	0
EMALINDI PRIMARY SCHOOL	COOPERATIVE	01141498225300	63,709.10	0
IKOMERO PRIMARY SCHOOL	COOPERATIVE	01141798367200	149,325	0
ELWANGALE PRIMARY SCHOOL	COOPERATIVE	01141234130301	2,048,325	0
ST.MATHEW'S IKOMERO SEC SCHOOL	COOPERATIVE	01141234701001	103,832	147,086
EMWANIRO SECONDARY SCHOOL	COOPERATIVE	01141499192101	899,972	224,396
KHWISERO GIRLS' SEC SCHOOL	COOPERATIVE	01141234516101	1,598,432	830,076
Total			40,849,221	1,201,558



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KHWISERO CONSTITUENCY
Reports and Financial Statements

For the year ended 30 June 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)
Ref:2016-2017-1-01-0208-09/(4)	Included in the amount of Transfers to Other Government Units of Kshs.58,320,754.00 is Kshs.13,418,966.00 paid under various projects being implemented on delegated authority by Project Management Committees.	The current NGCDF Committee hired a Clerk of Works to be checking on quality of work during implementation of our projects. Together with the Public Works Officer, we are sure of good workmanship on all our projects.	Bernard S. Misiko	Not resolved	N/A
	Under normal circumstances, these works should be certified by the NG CDF Clerk of Works or the County Works officer whoever is the project manager. It was however noted during a physical verification that part of the works were paid without being certified according to the bills of quantities resulting to some variations or over valuation due to this				



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KHWISERO CONSTITUENCY
Reports and Financial Statements

For the year ended 30 June 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)
	<p>omission.</p> <p>During the year under review, the CDF Vehicle, Land Rover Puma, Registration Number GK A371U was not available for use or verification because it had been taken to CMC Nakuru after it broke down in its way to Nairobi in April 2017. The repair arrears initially estimated at Kshs. 793,544.40 for overhauling the vehicle was not paid and therefore the vehicle remained grounded and held at the CMC garage. It was not clear why the CDFC had not made arrangement for funds to repair the vehicle or review the costs with an intention to either board or recall the same to the office. As a result of this action no projects monitoring and evaluation works had been undertaken.</p>	<p>We authorized CMC, Nakuru to repair our vehicle a number of months ago. We even visited the garage and found them working on engine. However, it emerged that of late they don't have spare parts on time. Hence delays in availing them. Once done and received, as a committee we intend to initiate the process of disposal as this is becoming uneconomical to maintain.</p>	<p>Bernard S. Misiko (Fund Account Manager)</p>	<p>Not resolved</p>	<p>N/A</p>

