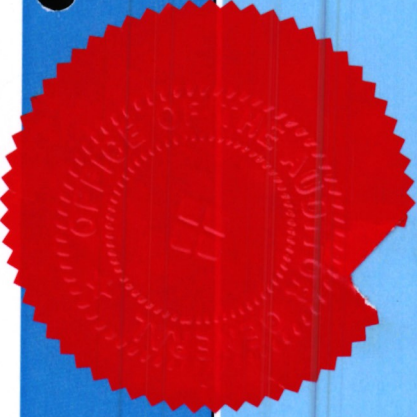



REPUBLIC OF KENYA



*Enhancing Accountability*



 <b>THE NATIONAL ASSEMBLY</b>	
<b>REPORT</b>	
DATE: 13 OCT 2021	
DAY: WED	
TABLED BY: <b>OF</b>	MAJ. WHIP
CLERK-AT THE-TABLE:	SAMUEL KALAMA

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
MWINGI WEST CONSTITUENCY**

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



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –MWINGI WEST  
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019

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



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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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

### **Core Values**

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

### **(b) Key Management**

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

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

### **(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	A.I.E. Holder	Japheth K. Musee
2.	Sub-County Accountant	Daudi Namba
3.	Chairman NGCDFC	Francis M. Munuve
4.	Member NGCDFC	Juliana K. Musyoka

### **(d) Fiduciary Oversight Arrangements**

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

Mwingi West NG-CDF Offices  
Migwani Town  
Within Mwingi West DCC's compound  
P.O. Box 395-90400-90400  
Mwingi, KENYA

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

**MWINGI WEST CONSTITUENCY**

**Reports and Financial Statements**

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

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**(f) NGCDF Mwingi West Constituency Contacts**

Telephone: (254) 0719691060

E-mail: [cdfmwingiwest@ngcdf.go.ke](mailto:cdfmwingiwest@ngcdf.go.ke)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF Mwingi West Constituency Bankers**

Equity Bank Ltd

Mwingi Branch

Account Number:

0590260984982

P.O. Box 280-90400

Mwingi, Kenya.

**(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 CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
MWINGI WEST CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

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

**a) Budget performance**

Mwingi West is one of the eight constituencies in Kitui County and has fully complied with the FY 2018/2019 budgetary allocation. We have utilized more than 90% of the first half disbursed funds by the NGCDFB, based on the community prioritized projects (i.e. programmed activities) covering all the sectors. The constituency received Kshs 65,379,310.34 in terms of AIEs from the NGCDF board during the financial year under review. After the year adjustments the constituency had a total budget of Kshs 111,776,462.34 for spending. However, we managed to spend Kshs 107,237,170.40 to PMCs, thus remaining with unspent cash book balance of Kshs 4,539,292.

We have managed to achieve this by: -

- 1) Adherence to our work plan and procurement plan.
- 2) Strictly following procurement procedures and regulations.
- 3) Utilization of statutory votes as per the allocation table.
- 4) Timely disbursement of funds to PMCs once received from NG-CDF board.

**b) Key achievements**

**(i) Bursaries award to needy students.**

-Bursary budget to both tertiary and secondary students including those with special needs. NG-CDF Mwingi west managed to award Kshs 21,822,800 to secondary schools and Kshs 15,402,000 to tertiary institutions during the financial under review.



*FIG 1.1: Secondary Bursary award public participation forum at Ngongoni Chiefs office FY 2018/2019.*

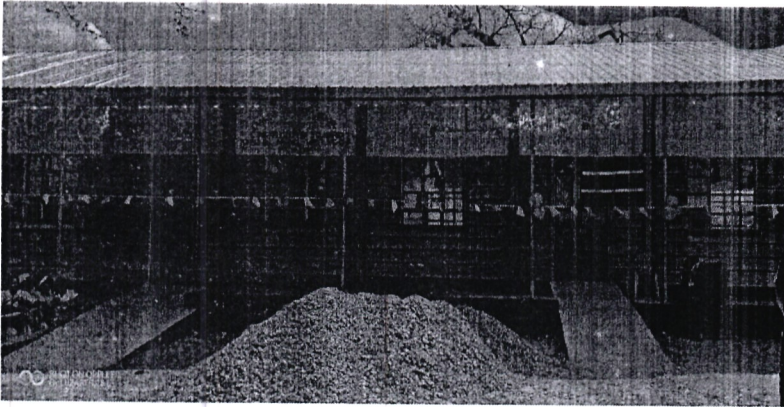
**(ii) Improved Education infrastructure.**

-Developing primary and secondary schools' infrastructure by construction of classrooms, dining halls, administration block, laboratories as well as renovation of existing infrastructure e.g. classrooms.

-Equipping of schools by providing furniture and lab equipment.

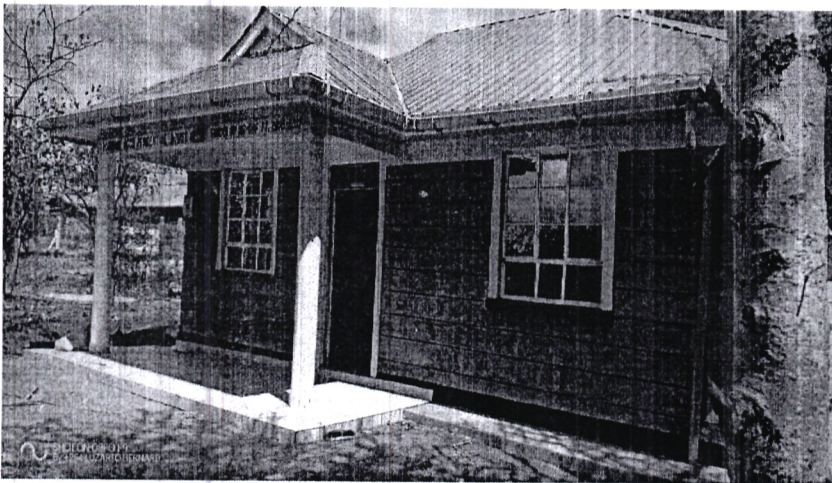
-Giving NG-CDF bursaries to needy students and thus reducing drop-out rate.

-Photos of some of the implemented projects are shown below.



*FIG 1.2: Three Classrooms constructed at Kasavini Primary School FY 2018/2019, to improve learning.*

(iii) Promotion of agenda four on affordable housing



*FIG 1.3: Completed ACC's Residential House at Migwani FY 2018/2019, to enhance security, working environment and promoting presidential agenda four on affordable housing.*

(iv) Promoting Sports activities

-Equipping football teams in the constituency with uniforms and footballs during Mwingi West tournament competitions as a way of engaging the youth and identifying soccer talents.



*FIG 1.4: Kiio football club, one of the beneficiaries of sports uniforms and footballs during FY*

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

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2018/2019.

**c) Emerging issues**

- More bursary applicants against limited funds available.
- High number of students' intake in both primary and secondary schools in line with government policy for free and compulsory education causing congestion in learning institutions.
- High demand for more classrooms to accommodate high number of beneficiaries in both primary and secondary schools.

**d) Implementation challenges**

- Late disbursement of funds by the NG-CDF board causing delay in disbursement of bursary, thereby subjecting needy students to be expelled from schools/colleges for lack of fees.
- Surge in market prices and inconsistent inflation causing contractors to demand for contractual revisions/variations.
- High demand for bursary award for needy students due to significant poverty level in the region compared to limited funds.

**e) Way forward**

- Increase the NG-CDF funding to at least 5%.
- Timely disbursement of funds by NGCDF.

In conclusion, the committee has achieved a lot in promoting the wellbeing of the people of Mwingi West Constituency through bursaries to needy students and improved infrastructure. Therefore, I feel most humbled, honoured and grateful to forward the financial statements for 2018/2019 Financial Year to the NGCDF Board, for onward submission to the office of the Auditor General before the stipulated deadline 30<sup>th</sup> September 2019.

Francis N. Munuve.....  
Chairman NGCDFC

*FN Munuve* Date *16/02/2020*

16 SEP 2019

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)  
MWINGI WEST CONSTITUENCY**

**Reports and Financial Statements**

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

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

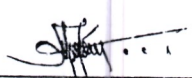
The Accounting Officer in charge of the NGCDF-Mwingi West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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


The Accounting Officer in charge of the NGCDF-Mwingi West Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Mwingi West 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.

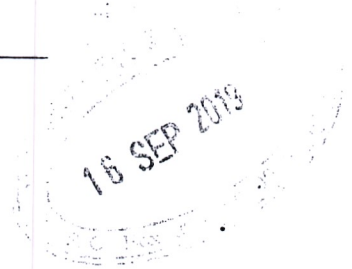
The Accounting Officer in charge of the NGCDF-Mwingi West Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-Mwingi West Constituency financial statements were approved and signed by the Accounting Officer on 16/9 2019.

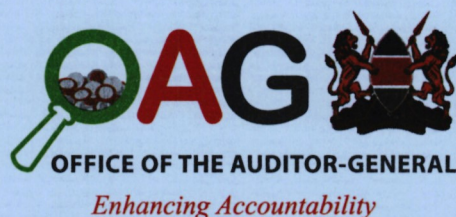
  
Fund Account Manager  
Name: Japheth Musee

  
Sub-County Accountant  
Name: Daudi Namba  
ICPAK Member Number: 14271



# REPUBLIC OF KENYA

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Monrovia Street  
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NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund (NGCDF) – Mwingi West Constituency set out on pages 8 to 42, which comprise the statement of assets and liabilities as at 30 June, 2019, 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, the financial statements present fairly, in all material respects, the financial position of the NGCDF – Mwingi West Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituency Development Fund – Mwingi West 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 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 of Kshs.166,813,337 and Kshs.111,776,462 respectively resulting to an underfunding of Kshs.55,036,875 or 33% of the budget. Similarly, the Fund spent Kshs.107,237,170 against an approved budget of Kshs.166,813,337 resulting to an under-expenditure of Kshs.59,576,167 or 36% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Mwingi West Constituency.

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **1.0 Projects Implementation**

The statement of receipts and payments reflects transfer to other government units of Kshs.44,091,795;(2018-Kshs.11,872,003) and as disclosed under Note 6 to the financial statements. Further, the statement also reflects other grants and transfers of Kshs.48,533,272;(2018-Kshs.30,687,808) and as disclosed under Note 7 to the financial statements. Included in these amounts are disbursements during the year towards project implementation of Kshs.55,400,267.

However, review of project implementation records and physical verification undertaken on sampled projects revealed the following unsatisfactory issues: -

##### **1.1. Delays in Implementation of Projects**

Project implementation status report as at 30 June, 2019 revealed that projects allocation amounted to Kshs.131,044,324 for one hundred and thirty-five(135) projects(under 2017/18 and 2018/19 budget) out of which Kshs.106,176,534 had been disbursed. However, only sixty-five (65) projects with funding allocation of Kshs.44,056,247 were completed, while forty (40) projects with a combined allocation of Kshs.77,616,152 were on-going as at 30 June, 2019. A further thirty (30) projects with funding allocation of Kshs.9,371,925 were yet to start.

The Management has not rendered satisfactory explanation for the slow implementation of projects. There are also no mechanisms in place to ensure that projects are implemented as planned.

Consequently, it was not been possible to confirm if and when value for money will be realized from the projects not completed with funding allocation of Kshs.86,988,077.

## 1.2. Projects Physical Verification Status

Thirty-six (36) projects were sampled for physical verification during the month of March 2020. Four (4) projects had exceptions as detailed out below:

Project Beneficiary and Details	Allocation (Kshs.)	Observation
Precious Blood sec school- Construction of Dining hall roofing, plastering, windows, doors, flooring & painting	1,000,000	Construction was at 90% completion but the contractor was not on site. Window panes were yet to be fixed while roofing on the kitchen side needed rectification. Evidence of use of substandard material on all 7 doors was apparent with 2 already broken.
Kavaini secondary school -Completion of administration block- roofing, plastering, flooring & painting	1,000,000	Roofing done complete but plastering, flooring and painting not done.
Kanyaa primary school- Construction of Dormitory – roofing, plastering, floor & painting	650,000	Completed to roofing stage (90%) but plastering, floor and painting undone.
Nzawa Chiefs office- Construction of AP Residential houses	200,000.00	Four (4) rooms are incomplete while the project was unbranded.

No explanation was given for the unsatisfactory observations and measures being put in place to address them.

Consequently, it was not possible to confirm whether public resources amounting to Kshs.2,850,000 were applied effectively.

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

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

#### Conclusion

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

#### Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to liquidate the Fund or cease operations,

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

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

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

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**27 September, 2021**

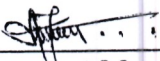
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)**  
**MWINGI WEST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

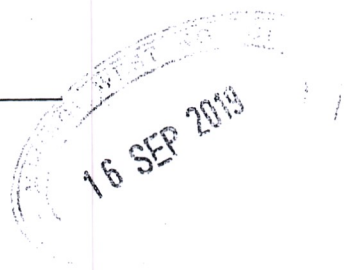
**IV. STATEMENT OF RECEIPTS AND PAYMENTS**


	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	65,379,310	86,810,345
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	4,000
<b>TOTAL RECEIPTS</b>		<b>65,379,310</b>	<b>86,814,345</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,536,617	2,020,286
Use of goods and services	5	9,441,773	4,044,850
Transfers to Other Government Units	6	44,091,795	11,872,003
Other grants and transfers	7	48,533,272	30,687,808
Acquisition of Assets	8	295,200	716,522
Other Payments	9	2,338,513	9,735
<b>TOTAL PAYMENTS</b>		<b>107,237,170</b>	<b>49,351,204</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(41,857,860)</u></b>	<b><u>37,463,141</u></b>

*NB: The deficit of Kshs 41,857,860 was as a result of Kshs 43,405,173 disbursed by NGCDF board on 22.6.2018 not utilized during the previous year due to lack of an AIE document. These funds were added to the FY 2018/19 budget, thus increasing the expenditure.*

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mwingi West Constituency financial statements were approved on 16/9/ 2019 and signed by:

  
 Fund Account Manager  
 Name: Japheth Musee

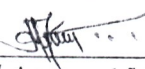



  
 Sub-County Accountant  
 Name: Daudi Namba  
 ICPAK Member Number: 14271

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)****MWINGI WEST CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****V. STATEMENT OF ASSETS AND LIABILITIES**As at 30<sup>th</sup> June 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	10A	4,539,292	46,397,152
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>4,539,292</b>	<b>46,397,152</b>
Current Receivables			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,539,292</b>	<b>46,397,152</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>4,539,292</b>	<b>46,397,152</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.	13	46,397,152	8,934,011
Surplus/Deficit for the year		(41,857,860)	37,463,141
Prior year adjustments	14	-	-
<b>NET FINANCIAL POSITION</b>		<b>4,539,292</b>	<b>46,397,152</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mwingi West Constituency financial statements were approved on 16/9 2019 and signed by:

  
Fund Account Manager  
Name: Japheth Musee

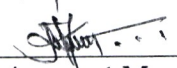
  
Sub-County Accountant  
Name: Daudi Namba  
ICPAK Member Number: 14271


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

**VI. STATEMENT OF CASHFLOW**

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts		Kshs	Kshs
Transfers from NGCDF Board	1	65,379,310	86,810,345
Other Receipts	3	-	4,000
<b>Total receipts</b>		<b>65,379,310</b>	<b>86,814,345</b>
Payments			
Compensation of Employees	4	2,536,617	2,020,286
Use of goods and services	5	9,441,773	4,044,850
Transfers to Other Government Units	6	44,091,795	11,872,003
Other grants and transfers	7	48,533,272	30,687,803
Other Payments	9	2,338,513	9,735
<b>Total payments</b>		<b>106,941,970</b>	<b>48,634,682</b>
<b>Total Receipts Less Total Payments</b>		<b>(41,562,660)</b>	<b>38,179,663</b>
Adjusted for:			
Outstanding Imprests	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments			
<b>Net cash flow from operating activities</b>		<b>(41,562,660)</b>	<b>38,179,663</b>
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	295,200	716,522
<b>Net cash flows from Investing Activities</b>		<b>(295,200)</b>	<b>(716,522)</b>
NET INCREASE IN CASH AND CASH EQUIVALENT		<b>(41,857,860)</b>	<b>37,463,141</b>
Cash and cash equivalent at BEGINNING of the year	13	46,397,152	8,934,011
Cash and cash equivalent at END of the year		4,539,292	46,397,152

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mwingi West Constituency financial statements were approved on 16/9/2019 2019 and signed by:

  
Fund Account Manager  
Name: Japheth K. Musee

  
Sub-County Accountant  
Name: Daudi Namba  
ICPAK Member Number: 14271

16 SEP 2019

IV. SUMMARY STATEMENT OF APPROPRIATION RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,875	57,772,462	166,813,337	111,776,462	55,036,875	67.0%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTAL</b>	<b>109,040,875</b>	<b>57,772,462</b>	<b>166,813,337</b>	<b>111,776,462</b>	<b>55,036,875</b>	<b>67.0%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,817,880	1,499,714	5,317,594	2,536,617	2,780,977	47.7%
Use of goods and services	5,995,798	5,136,019	11,131,817	9,441,773	1,690,044	84.8%
Transfers to Other Government Units	51,930,593	34,381,798	86,312,391	44,091,795	42,220,596	51.1%
Other grants and transfers	47,296,604	11,777,905	59,074,509	48,533,272	10,541,237	82.2%
Acquisition of Assets	-	300,000	300,000	295,200	4,800	98.4%
Other Payments	-	4,677,026	4,677,026	2,338,513	2,338,513	50.0%
<b>TOTAL</b>	<b>109,040,875</b>	<b>57,772,462</b>	<b>166,813,337</b>	<b>107,237,170</b>	<b>59,576,167</b>	<b>64.3%</b>

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

**Note:**

(a) *Items below 90% utilization*

- Compensation of employees 48%
- Use of Goods and Services 85%
- Transfer to other Government units 51%
- Other grants and transfers 82%
- Acquisition of assets 98%
- Other payments-ict 50%

*All these low budget utilizations have been caused by late disbursement by the NGCDFB and lack of sites to construct other two ict hubs during the financial year under review.*

The NGCDF-Mwingi West Constituency financial statements were approved on 16/9 2019 and signed by:



**Fund Account Manager  
Name: Japheth Musee**



**Sub-County Accountant  
Name: Daudi Namba  
ICPAK Member Number: 14271**

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

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

<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,817,880	1,499,714	5,317,594	2,536,617	2,780,977		
1.2 Committee allowances	2,000,000	318,990	2,318,990	2,223,510	95,480		
1.3 Use of goods and services	724,572.50	310,875	1,035,447	606,715	428,732		
<b>Sub Total</b>	<b>6,542,452.50</b>	<b>2,129,579</b>	<b>8,672,031</b>	<b>5,366,842</b>	<b>3,305,189</b>		
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	900,000	-	900,000	900,000	0		
2.2 Committee allowances	1,700,000	1,200,000	2,900,000	2,700,000	200,000		
2.3 Use of goods and services	671,226.25	803,078	1,474,304	541,548	932,756		
<b>Sub Total</b>	<b>3,271,226.25</b>	<b>2,003,078</b>	<b>5,274,304</b>	<b>4,141,548</b>	<b>1,132,756</b>		
<b>3.0 Emergency</b>							
3.1 Primary Schools	4,938,993.45	4,045,426	8,984,419	5,950,000	3,034,419		
3.2 Security projects	800,000	-	800,000	800,000	0		
<b>Sub Total</b>	<b>5,738,993</b>	<b>4,045,426</b>	<b>9,784,419</b>	<b>6,750,000</b>	<b>3,034,419</b>		
<b>Sub Total</b>							
<b>4.0 Bursary and Social Security</b>							
4.1 Secondary Schools	21,000,000	822,800	21,822,800	21,822,800	0		
4.2 Tertiary Institutions	11,164,306.40	4,237,694	15,402,000	15,402,000	0		
<b>Sub Total</b>	<b>32,164,306.40</b>	<b>5,060,494</b>	<b>37,224,800</b>	<b>37,224,800</b>	<b>0</b>		
<b>5.0 Sports</b>							
5.1 Mwingi west youth tournament	1,500,000	1,409,741	2,909,741	1,378,100	1,531,641		
<b>Sub Total</b>	<b>1,500,000</b>	<b>1,409,741</b>	<b>2,909,741</b>	<b>1,378,100</b>	<b>1,531,641</b>		
<b>6.0 Environment</b>							
6.1 Bal B/f	-	62,245	62,245	0	62,245		

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

6.2 Kairungu Primary School	10,000	-	10,000	0	10,000
6.3 Kwa Munyanzu Primary School	10,000	-	10,000	0	10,000
6.4 Kakongo Primary School	10,000	-	10,000	0	10,000
6.5 Musonoke Primary School	10,000	-	10,000	0	10,000
6.6 Kiomo Primary School	10,000	-	10,000	0	10,000
6.7 Kamutekeo Primary School	10,000	-	10,000	0	10,000
6.8 Ndelekeni Primary School	10,000	-	10,000	0	10,000
6.9 Thitani Primary School	10,000	-	10,000	0	10,000
6.10 Thokoa Primary School	10,000	-	10,000	0	10,000
6.11 Winzyeei Primary School	10,000	-	10,000	0	10,000
6.12 Itumbi Primary School	10,000	-	10,000	0	10,000
6.13 Kyaiiboo Secondary School	10,000	-	10,000	0	10,000
6.14 Kisovo Primary School	10,000	-	10,000	0	10,000
6.15 Mumbuni Primary School	10,000	-	10,000	0	10,000
6.16 Katalwa Primary School	10,000	-	10,000	0	10,000
6.17 Nguutani Primary School	10,000	-	10,000	0	10,000
6.18 Nzawa Secondary School	10,000	-	10,000	0	10,000
6.19 Kivulu Primary School	10,000	-	10,000	0	10,000
6.20 Kavillilo secondary School	10,000	-	10,000	0	10,000
6.21 Mathunzini Primary School	10,000	-	10,000	0	10,000
6.22 Kwa Mbuta sand dam	1,300,000	-	1,300,000	0	1,300,000
<b>Sub Total</b>	<b>1,500,000</b>	<b>62,245</b>	<b>1,562,245</b>	<b>0</b>	<b>1,562,245</b>

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

<b>7.0 Primary Schools Projects</b>					
7.1 Kanyaa Primary School	1,050,000	150,000	1,200,000	800,000	400,000
7.2 Syomung'ele Primary School	600,000	400,000	1,000,000	400,000	600,000
7.3 Kamutekeo Primary School	450,000	-	450,000	450,000	-
7.4 Ithenze Primary School	800,000	400,000	1,200,000	400,000	800,000
7.5 Kyangungi Primary School	500,000	400,000	900,000	400,000	500,000
7.6 Mululini Primary School	200,000	-	200,000	-	200,000
7.7 Musuani Primary School	1,000,000	-	1,000,000	500,000	500,000
7.8 Kanyekini Primary School	1,000,000	-	1,000,000	-	1,000,000
7.9 Mumboni Primary School	500,000	-	500,000	-	500,000
7.10 Ndelekeni Primary School	950,000	-	950,000	-	950,000
7.11 Kathita Nzau Primary School	400,000	500,000	900,000	500,000	400,000
7.12 Kivulu Primary School	400,000	500,000	900,000	500,000	400,000
7.13 Kyumbu Primary School	200,000	150,000	350,000	150,000	200,000
7.14 Masooni Primary School	60,000	-	60,000	-	60,000
7.15 Kikiini Primary School	600,000	-	600,000	-	600,000
7.16 Nzawa Primary School	200,000	-	200,000	-	200,000
7.17 Kalongola Primary School	950,000	-	950,000	-	950,000
7.18 Mavuni Primary School	500,000	-	500,000	500,000	0
7.19 Makuti Primary School	400,000	500,000	900,000	500,000	400,000
7.20 Malatani Primary School	450,000	450,000	900,000	450,000	450,000
7.21 Kwa Munyanzu Primary School	1,000,000	500,000	1,500,000	500,000	1,000,000
7.22 Kyethani Primary School	1,000,000	-	1,000,000	-	1,000,000
7.23 Kyongweni Primary School	500,000	-	500,000	-	500,000
7.24 Kofiani Primary School	500,000	-	500,000	-	500,000
7.25 Mbondoni Primary School	950,000	-	950,000	-	950,000
7.26 Katalwa Primary School	500,000	400,000	900,000	400,000	500,000

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
7.27 Nzalae Primary School	550,000	350,000	900,000	350,000	550,000
7.28 Nzeluni Primary School	600,000	-	600,000	500,000	100,000
7.29 Itoloni Primary School	500,000	-	500,000	-	500,000
7.30 Kitumbi Pri School	-	500,000	500,000	500,000	0
7.31 Kavoloi Pri School	-	500,000	500,000	500,000	0
7.32 Kavuoni Pri School	-	900,000	900,000	900,000	0
7.33 Kavalyani Pri School	-	500,000	500,000	500,000	0
7.34 Kakongo Pri School	-	500,000	500,000	500,000	0
7.35 Syimuu Pri School	-	500,000	500,000	500,000	0
7.36 Syimuu Pri School	-	500,000	500,000	500,000	0
7.37 Ngemini Pri School	-	500,000	500,000	500,000	0
7.38 Nzatani Pri School	-	500,000	500,000	500,000	0
7.39 Mumbuni Pri School	-	500,000	500,000	500,000	0
7.40 Itiliku Pri School	-	500,000	500,000	500,000	0
7.41 Itumbi Pri School	-	500,000	500,000	500,000	0
7.42 Nzilani Pri School	-	900,000	900,000	900,000	0
7.43 Ikena Mwaki Pri School	-	300,000	300,000	300,000	0
7.44 Kasavani Pri School	-	403,448	403,448	403,448	0
7.45 Kea Pri School	-	500,000	500,000	500,000	0
7.46 Mathuma Pri School	-	450,000	450,000	450,000	0
7.47 Thimu Pri School	-	500,000	500,000	500,000	0
7.48 Kamandiko Pri School	-	900,000	900,000	900,000	0
7.49 Wimbondi Pri School	-	500,000	500,000	500,000	0
7.50 Kwa Kari Pri School	-	900,000	900,000	900,000	0
7.51 Kalembe Pri School	-	500,000	500,000	500,000	0
7.52 Wikithuki Pri School	-	500,000	500,000	500,000	0
7.53 Kalihuni Pri School	-	500,000	500,000	500,000	0

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

7.54 Thitani Pri School	-	500,000	500,000	500,000	0
7.55 Kasanga Pri School	-	500,000	500,000	500,000	0
7.56 Syongoni Pri School	-	500,000	500,000	500,000	0
7.57 Kyome Pri School	-	500,000	500,000	500,000	0
7.58 Kilulu Pri School	-	500,000	500,000	500,000	0
7.59 Nguutani Pri School	-	500,000	500,000	500,000	0
7.60 Katuyu Pri School	-	500,000	500,000	500,000	0
7.61 Kiumoni Pri School	-	500,000	500,000	500,000	0
7.62 Itong'olani Pri School	-	500,000	500,000	500,000	0
7.63 Katoteni Pri School	-	500,000	500,000	500,000	0
7.64 Mathunzini Pri School	-	500,000	500,000	500,000	0
7.65 Muukuni Pri School	-	500,000	500,000	500,000	0
7.66 Kianziani Pri School	-	500,000	500,000	500,000	0
7.67 Kyusyuni Pri School	-	500,000	500,000	500,000	0
7.68 Wikivuvwa Pri School	-	500,000	500,000	500,000	0
7.69 Karura Pri School	-	500,000	500,000	500,000	0
7.70 Mutwaathi Pri School	-	250,000	250,000	250,000	0
7.71 Masaani Pri School	-	400,000	400,000	400,000	0
<b>Sub Total</b>	<b>17,310,000</b>	<b>26,603,448</b>	<b>43,913,448</b>	<b>29,203,448</b>	<b>14,710,000</b>
<b>8.0 Secondary Schools Projects</b>					
8.1 Thokoa Secondary School	2,779,204	688,347	3,467,551	688,347	2,779,204
8.2 Ndaluni Secondary School	773,355	-	773,355	-	773,355
8.3 Yenzuva secondary School	1,000,000	-	1,000,000	-	1,000,000
8.4 Kavaini Secondary School	1,998,570	1,000,000	2,998,570	1,000,000	1,998,570
8.5 Kitulani Secondary School	500,000	-	500,000	-	500,000
8.6 Winzyeei Secondary School	1,000,000	-	1,000,000	-	1,000,000
8.7 Kasavani Highland Sec School	866,920	-	866,920	-	866,920

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
8.8 Katuyu Secondary School	1,321,450	-	1,321,450	-	1,321,450
8.9 Nzawa Secondary School	600,000	800,000	1,400,000	800,000	600,000
8.10 Kakululo Secondary school	700,000	-	700,000	-	700,000
8.11 Kiio Secondary School	6,400,000	-	6,400,000	6,400,000	0
8.12 Kiomo Secondary School	4,826,644	1,000,000	5,826,644	1,000,000	4,826,644
8.13 Wikhuki Secondary School	2,112,122	-	2,112,122	-	2,112,122
8.14 Precious Blood Sec School-Tyaa	1,200,000	1,000,000	2,200,000	1,000,000	1,200,000
8.15 Misai Secondary School	833,553	-	833,553	-	833,553
8.16 Kairungu Secondary School	2,000,000	500,000	2,500,000	500,000	2,000,000
8.17 Kakongo Secondary School	1,000,000	-	1,000,000	750,000	250,000
8.18 Kilungu Secondary School	887,923	500,000	1,387,923	500,000	887,923
8.19 ilalambu Secondary School	625,550	-	625,550	-	625,550
8.20 Mathuma Secondary School	1,294,101	-	1,294,101	-	1,294,101
8.21 Kang'uutheni Secondary School	1,901,200	-	1,901,200	-	1,901,200
8.22 Katalwa Secondary School		190,003	190,003	150,000	40,003
8.23 Mutwaathi Secondary School		900,000	900,000	900,000	0
8.24 Kavililo Secondary School		800,000	800,000	800,000	0
8.25 Mbau Secondary School		200,000	200,000	200,000	0
8.26 Ithambwangao Sec School		200,000	200,000	200,000	0
<b>Sub Total</b>	<b>34,620,593</b>	<b>7,778,350</b>	<b>42,398,943</b>	<b>14,888,347</b>	<b>27,510,596</b>
<b>10.0 Security Projects</b>					
10.1 Thokoa AP Line	1,005,710	-	1,005,710	-	1,005,710
10.2 Nguutani ACCs Office	2,007,222	-	2,007,222	-	2,007,222
10.3 Kalongola Chiefs Office	200,000	500,000	700,000	500,000	200,000
10.4 Nzawa Chiefs Office	500,000	-	500,000	-	500,000
10.5 Nzauni Chiefs Office	700,000	500,000	1,200,000	500,000	700,000
10.6 Migwani ACCs Residential House	1,980,372	-	1,980,372	1,980,372	0

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

10.7 Nzawa AP Line	-	200,000.00	200,000	200,000	0
<b>Sub Total</b>	<b>6,393,304</b>	<b>1,200,000</b>	<b>7,593,304</b>	<b>3,180,372</b>	<b>4,412,932</b>
<b>11.0 Acquisition of assets</b>					
11.1 Purchase of furniture and equipment	-	300,000	300,000	295,200	4,800
<b>Sub Total</b>		<b>300,000</b>	<b>300,000</b>	<b>295,200</b>	<b>4,800</b>
<b>12.0 Others</b>					
12.1 Strategic Plan	-	2,503,076	2,503,076	2,470,000	33,076
12.2 Innovation Hub	-	4,677,026	4,677,026	2,338,513	2,338,513
12.2 TIVET	-	-	-	-	-
<b>Sub Total</b>		<b>7,180,102</b>	<b>7,180,102</b>	<b>4,808,513</b>	<b>2,371,589</b>
<b>Grand Total</b>	<b>109,040,875</b>	<b>57,772,462</b>	<b>166,813,337</b>	<b>107,237,170</b>	<b>59,576,167</b>

NB: - This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – MWINGI WEST CONSTITUENCY**

**Reports and Financial Statements**

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

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**IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-Mwingi West 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.

**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.

## **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 criterion is applied for loans received in the form of a direct payment.

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

### **Other receipts**

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

### **b) Recognition of payments**

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

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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

## **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 constituency bank account(s) at the end of the financial year.

### **7. Accounts Receivable**

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

### **8. Accounts Payable**

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

### **9. Pending Bills**

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

### **10. Unutilized Fund**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **11. Budget**

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

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

### **12. Comparative Figures**

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

### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

### **14. Errors**

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

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

### **15. Related Party Transactions**

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

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**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>NG-CDF Board</b>			
2017/2018 A855955	1		5,500,000
2017/2018 A892790	2		37,965,172
2017/2018 A896998	3		43,405,176
2017/2018 B005073	1	11,379,310	
2018/2019 B030149	2	10,000,000	
2018/2019 B005428	3	12,000,000	
2018/2019 B006476	4	8,000,000	
2018/2019 B042956	5	24,000,000	
<b>TOTAL</b>		<b>65,379,310</b>	<b>86,870,348</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**3. OTHER RECEIPTS**

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	4,000
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>4,000</b>

**4. COMPENSATION OF EMPLOYEES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,976,247	794,597
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	432,000	158,000
Transport allowance	-	-
Leave allowance	8,000	36000
Other personnel payments	-	-
Employer contribution to NSSF	120,370	48,200
Gratuity-Paid	-	983,489
Gratuity-Accrued	-	-
<b>TOTAL</b>	<b>2,536,617</b>	<b>2,020,286</b>

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**5. USE OF GOODS AND SERVICES**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	4,923,510	2,661,625
Domestic travel and subsistence	170,000	-
Printing, advertising and information supplies & services	-	200,200
Rentals (Postal Address Box)	9,450	10,960
Training expenses	1,016,850	613,000
Bank charges and commissions	18,990	-
Office and general supplies and services	66,425	115,685
Fuel, oils and lubricants	395,000	261,400
Routine maintenance – vehicles and other transport equipment	371,548	150,000
Strategic Plan	2,470,000	-
<b>Total</b>	<b>9,441,773</b>	<b>4,044,800</b>

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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	29,203,448	10,150,000
Transfers to secondary schools	14,888,347	1,500,000
Transfers to tertiary institutions	-	-
Transfers to health institutions	-	222,003
TIVETS	-	-
<b>TOTAL</b>	<b>44,091,795</b>	<b>11,872,003</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools	21,822,800	13,764,133
Bursary – tertiary institutions	15,402,000	7,098,500
Water projects	-	3,528,436
Security projects	3,180,372	2,305,000
Sports projects	1,378,100	104,000
Environment projects	-	1,736,206
Emergency projects	6,750,000	2,151,533
<b>Total</b>	<b>48,533,272</b>	<b>30,687,808</b>

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**8. ACQUISITION OF ASSETS**

<b>Non-Financial Assets</b>		
<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of Buildings	-	716,522
Purchase of Office Furniture and General Equipment	295,200	-
<b>Total</b>	<b>295,200</b>	<b>716,522</b>

**9. OTHER PAYMENTS**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
ICT Hub	2,338,513	-
Bank Charges	-	9,735
<b>Total</b>	<b>2,338,513</b>	<b>9,735</b>

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**10A: Bank Accounts (cash book bank balance)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Equity Bank (K) Ltd, Mwingi Branch, Account Number: 0590260984982	4,539,292	46,397,152
<b>Total</b>	<b>4,539,292</b>	<b>46,397,152</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**15. OTHER IMPORTANT DISCLOSURES**

**15.1: UNUTILIZED FUND (See Annex 3)**

<b>Description</b>	<b>2018-2019 Kshs</b>	<b>2017-2018 Kshs</b>
Compensation of employees	2,780,977	1,499,714
Use of goods and services	1,690,044	4,549,630
Amounts due to other Government entities	42,220,596	34,381,798
Amounts due to other grants and other transfers	10,541,237	12,364,293
Acquisition of assets	4,800	300,000
Others ( <i>I.c.t</i> )	2,338,513	4,677,027
<b>Total</b>	<b>59,576,167</b>	<b>57,772,462</b>

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15.2: PMC account balances (See Annex 5)

Description	2018-2019	2017-2018
	Kshs	Kshs
PMC Account Certificate Balances	9,461,556	8,569,859
	<b>9,461,556</b>	<b>8,569,859</b>

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
<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>					

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – MWINGI WEST CONSTITUENCY**  
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**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
<b>Compensation of employees</b>	Staff salaries	2,780,977	1,499,714	
<b>Use of goods &amp; services</b>	Office running, committee, MV expenses	1,690,044	4,549,630	
<b>Amounts due to other Government entities</b>				
1. Primary Schools	Structures Construction	14,710,000	26,603,448	
2. Secondary Schools	Structures Construction	27,510,596	7,778,350	
<b>Sub-Total</b>		<b>42,220,596</b>	<b>40,431,142</b>	
<b>Amounts due to other grants and other transfers</b>				
1. Bursaries	Bursary for secondary and tertiary institutions	-	5,896,880	
2. Sports	Sports Equipment	1,531,641	1,409,741	
3. Environment	Environment equipment	1,562,245	62,244	
4. Emergency	Emergencies			

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4.	Emergency	Emergencies	3,034,419	3,795,428
5.	Security	Structures Construction	4,412,932	1,200,000
	Sub-Total		10,541,237	12,364,293
	Acquisition of assets			
7.	Office furniture/ Equipment	Purchase of furniture/equipment	4,800	300,000
	Others			
8.	ICT Hub	Constituency Innovation Hub	2,338,513	4,677,027
	Sub-Total		2,343,313	4,977,027
	Grand Total		59,576,167	57,772,462

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset Class	Historical Cost B/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Buildings and structures	12,191,826	-	-	12,191,826
Transport equipment	3,629,683	-	-	3,629,683
Office equipment, furniture and fittings	1,136,676	180,200	-	1,316,876
ICT Equipment, Software and Other ICT Assets	730,500	115,000	-	845,500
Other assets	59,335	-	-	59,335
<b>Total</b>	<b>17,748,020</b>	<b>295,200</b>	<b>-</b>	<b>18,043,220</b>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kitumbi Pri School	Equity Mwingi	0590262827741	85.00	-
Kavoloi Pri School	Equity Mwingi	0590262556283	1,950.00	-
Kavuoni Pri School	Equity Mwingi	0590192955286	1,170.50	-
Kavalyani Pri School	Equity Mwingi	0590192974852	1,186.10	-
Kakongo Pri School	Equity Mwingi	0590272595838	83,120.00	-
Syimuu Pri School	Equity Mwingi	0590162832924	89,929.45	-
Ngemini Pri Sch	Equity Mwingi	0590266774453	835.00	-
Nzatani Pri Sch	Equity Mwingi	0590272889282	3,200.00	-
Mumbuni Pri Sch	Equity Mwingi	0590277532281	320.00	-
Itiliku Pri Sch	Equity Mwingi	0590264739989	3,283.00	-
Itumbi Pri Sch	Equity Mwingi	0590271353980	861.24	-
Nzilani Pri Sch	Equity Mwingi	0590264886938	2,420.00	-
Ikena Mwaki Pri Sch	Equity Mwingi	0590162028473	147.50	-
Kanyaa Pri Sch	Equity Mwingi	0590199836741	707,862.15	554,627.15
Kwa Munyanzu Pri Sch	Equity Mwingi	0590192899010	14,653.60	-
Kasavani Pri Sch	Equity Mwingi	0590277585095	1,648.20	-
Kea Pri Sch	Equity Mwingi	0590262673641	1,101.00	-
Mathuma Pri Sch	Equity Mwingi	0590271412023	460.00	-
Thimu Pri Sch	Equity Mwingi	0590262630617	415.00	-
Kamandiko Pri Sch	Equity Mwingi	0590262696494	557.00	-
Wimbondo Pri Sch	Equity Mwingi	0590192838730	2,687.25	-
Kwa Kari Pri Sch	Equity Mwingi	0590264718726	23,264.00	-
Kalembwa Pri Sch	Equity Mwingi	0590277573416	220.00	-
Wikithuki Pri Sch	Equity Mwingi	0590264264451	390.00	-
Kaliluni Pri Sch	Equity Mwingi	0590277603469	1,260.00	-
Thitani Pri Sch	Equity Mwingi	0590272793721	7,496.00	-
Kasanga Pri Sch	Equity Mwingi	0590277633780	136.00	-
Syongoni Pri Sch	Equity Mwingi	0590262644980	2,740.00	-
Nzala Pri Sch	KCB Mwingi	1213171792	46,023.50	-
Kyome Pri Sch	Equity Mwingi	0590262200765	3,450.00	-
Kilulu Pri Sch	Equity Mwingi	0590277708662	149,880.00	-
Nguutani Pri Sch	KCB Mwingi	1137036176	21,336.00	-
Katuyu Pri Sch	Equity Mwingi	0590277659922	9,474.00	-
Kiumoni Pri Sch	Equity Mwingi	0590198924355	10,238.50	-
Kivulu Pri Sch	Equity Mwingi	0590262180990	12,055.00	-
Itong'olani Pri Sch	Equity Mwingi	0590277641918	640.00	-
Katoteni Pri Sch	Equity Mwingi	0590262622843	11,325.00	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –  
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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Mathunzini Pri Sch	Equity Mwingi	0590273337107	71,040.00	-
Muukuni Pri Sch	Equity Mwingi	0590270807891	440.00	-
Kianziani Pri Sch	Equity Mwingi	0590199826847	41.15	-
Kathita Nzau Pri Sch	Equity Mwingi	0590165090501	1,874.85	-
Kyusyani Pri Sch	Equity Mwingi	0590161566404	2,557.00	-
Wikivuvwa Pri Sch	Equity Mwingi	0590277712134	367.50	-
Kyangungi Pri Sch	Equity Mwingi	0590164722935	1,176.75	-
Malatani Pri Sch	Equity Mwingi	0590299751148	23,295.00	-
Karura Pri Sch	Equity Mwingi	0590263545800	365.00	-
Syomung'ele Pri Sch	Equity Mwingi	0590277397543	37,103.00	-
Kyumbu Pri Sch	Equity Mwingi	0590264577500	2,220.00	563,175.00
Masaani Pri Sch	Equity Mwingi	0590262692320	1,616.00	500,166.00
Makuti Pri Sch	KCB Mwingi	1154157946	4,540.25	-
Katalwa Pri Sch	KCB Mwingi	1110763468	1,889.20	1,395.00
Ithenze Pri Sch	Equity Mwingi	0590262686705	2,312.50	500,412.50
Nzeluni Pri Sch	Equity Mwingi	0590271103787	503,815.00	-
Kamutekeo Pri Sch	Equity Mwingi	0590272730907	249,850.00	450,255.00
Mavuni Pri Sch	KCB Mwingi	1156275644	517,340.35	-
Musuani Pri Sch	Equity Mwingi	0590262716095	223.00	-
Katalwa Secondary School	Equity Mwingi	0590294060226	1,340.00	-
Mutwaathi Secondary School	Equity Mwingi	0590262181156	560.00	-
Nzawa Secondary School	Equity Mwingi	0590262086033	8,644.50	-
Kavililo Secondary School	Equity Mwingi	0590297062779	8,115.00	-
Kavaini Secondary School	Equity Mwingi	0590261458218	14,489.50	-
Kiomo Secondary School	Equity Mwingi	0590293696224	2,705.00	-
Kairungu Secondary School	Equity Mwingi	0590299737029	6,657.00	502,877.00
Thokoa Secondary School	Equity Mwingi	0590294188399	4,184.40	-
Mbau Secondary School	Equity Mwingi	0590261467787	2,360.55	-
Precious Blood Sec Sch – Tyaa	Equity Mwingi	0590291880843	74,445.00	-
Ithambwangao Sec Sch	Equity Mwingi	0590192869212	99,109.65	-
Kilungu Secondary School	Equity Mwingi	0590262624638	14,370.00	-
Kiio Sec Sch	Equity Mwingi	0590293000127	3,200,900.00	-
Kakongo Secondary school	KCB Mwingi	1145459226	750,000.00	-
Kikiini Pri Sch	KCB Mwingi	1107697891	13,033.35	-
Mulata Utunda Pri Sch	Equity Mwingi	0590277539071	128,200.00	-
Mung'alu Pri Sch	Equity Mwingi	0590262615862	2,605.00	-
Mavoloni Pri Sch	Equity Mwingi	0590267142261	1,250.00	-
Thaana Nzau Pri Sch	Equity Mwingi	0590262560569	9,159.00	-
Makutano Pri Sch	Equity Mwingi	0590262728183	340.00	-
Nzeluni AP Line	Equity Mwingi	0590271389687	282.40	-
Syongoni Pri Sch	Equity Mwingi	0590262644980	2,740.00	-

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Tulimani Pri Sch	Equity Mwingi	0590264637804	69,535.00	-
Nzawa Chiefs office	Equity Mwingi	0590277790531	580.00	-
Kasavini Pri Sch	Equity Mwingi	0590193053479	624,803.75	-
Katotu Pri Sch	Equity Mwingi	0590262631034	351,725.00	-
Kanyaa Chiefs Office	Equity Mwingi	0590278978959	300,000.00	-
Nzauni AP Line	Equity Mwingi	0590277556224	4,880.00	-
Nzawa AP Line	Equity Mwingi	0590262638324	255,525.00	-
Kalongola Chiefs Office	Equity Mwingi	0590162615409	788.10	-
Migwani ACCs Residential house	Equity Mwingi	0590277231751	868,342.00	1,390.00
Nguutani ACC Office	Equity-Mwingi	0590273206356	-	144,060.00
Nzalae AP Line	Equity-Mwingi	0590271497470	-	126,475.00
Nguluma Primary School	Equity-Mwingi	0590194932661	-	101,121.70
Mwanzenge Primary School	Equity-Mwingi	0590264732241	-	501,670.00
Mavui Primary School	Equity-Mwingi	0590264637663	-	349,965.00
Uiini Primary School	Equity-Mwingi	0590264638076	-	500,935.00
Thokoa Primary School	Equity-Mwingi	0590294405120	-	499,780.00
Yenzuva Secondary School	Equity-Mwingi	0590292766969	-	502,656.50
Ifiliku Primary School	Equity-Mwingi	0590264739989	-	143,785.00
Itendeu Primary School	Equity-Mwingi	0590272706818	-	501,595.00
Nzawa AP Line	Equity-Mwingi	0590262638324	-	55,705.00
Ngongoni Primary School	Equity-Mwingi	0590161572505	-	511,666.10
Muthunzuu Primary School	Equity-Mwingi	0590277092169	-	750,000.00
Misai Secondary School	Equity-Mwingi	0590264874101	-	499,861.90
Musonoke Primary School	Equity-Mwingi	0590192926511	-	306,285.05
<b>Total</b>			<b>9,461,555.74</b>	<b>8,569,859</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Stale bursary cheques amounting to Kshs 2,421,961 which have not been replaced or reversed in the cash book as at 30 <sup>th</sup> June 2018.	The unrepresented stale cheques amounting to Kshs 2,421,961 have been reversed and replaced in the cash book and the necessary amendments done in the financial statements.	Sub County District Accountant	Resolved	Resolved
2.0	Non acknowledgement of bursary funds	During the financial year 2017/2018 under review, the Kshs 13,910,070 remained unacknowledged due to the following reasons, though the bursaries were disbursed to the beneficiary's institutions: <ul style="list-style-type: none"> <li>i. Some institutions are reluctant to acknowledge receipt of bursary cheques, despite our request to do so.</li> <li>ii. The above figure of Kshs 13,910,070 includes unrepresented Bursary stale cheques as at 30<sup>th</sup> June 2018.</li> <li>iii. NG-CDF committee will continue to enforce 100% compliance on acknowledge of Bursary cheques by the benefitting institutions.</li> </ul>	NG-CDF Committee	Resolved	Resolved
3.0	Additional works incurred by the contractor after construction of the NGCDF office.	The Kshs 716,522.00 was the additional works incurred by the contractor during the construction of the NG-CDF office for Mwingi West. The additional works were analyzed and quantified by the sub county works officer and submitted to the CDFC	NG-CDF Committee	Resolved	Resolved

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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>committee for deliberations. The committee deliberated on the same in the FY 2017/2018 proposals.</p> <p>The works could not be advertised since they were associated with the first contractor M/s Kwosa Building Contractors Co. Ltd. The additional works had already been incurred by the contractor by the time the works completed and certificate of practical completion was issued.</p>			
4.0	PMC Bank balances amounting to Kshs 8,569,859	The PMC bank account balances amounting to Kshs 8,569,859 for the year ending 30 <sup>th</sup> June 2018 had been supported by the certificate of balances from their respective banks.	Fund Manager	Resolved	Resolved
1.1	<p><b>Other Matter</b></p> <p>Unrealized receipts of Kshs 11,375,310.35 leading to low absorption of funds.</p>	Kshs 11,379,310.35, the additional funding was disbursed by the NG-CDF Board on 23/7/2018, i.e. after the close of the financial year under review (Copies of Bank Statements and AIEs available for verification).	NG-CDF Committee	Resolved	Resolved
1.2	Under-spending of the budget by Kshs 57,772,462.	Following are reasons that contributed to Kshs 57,772,462 under spending during the financial year under review. Kshs 43,405,172.80 hit the CDF account on 22/6/2018 – delayed disbursement by the NG-CDF Board. Also, there was a delay in sending the AIE, which was received on 16.7.2018.	NG-CDF Committee	Resolved	Resolved
2.0	Implementation status of projects worth Kshs 42,559,811 not updated.	The implementation status for the projects worth Kshs 42,559,811 had been updated as at 30 <sup>th</sup> June 2018, showing the location, the status and the	NG-CDF Committee	Resolved	Resolved

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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)
		amounts disbursed.			
3.0	Auditors' recommendations in the Financial statements not relating to the issues raised in previous year 2016/2017.	The relevant progress on follow up of Auditors recommendations for FY 2016/2017 were included in the financial statements and amended accordingly.	Fund manager	Resolved	Resolved