

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 OCT 2019	DAY: WEDNESDAY
REPORT	MAJORITY PARTY WHIP
OF	ANNE SHIBUKO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KISUMU EAST CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KISUMU EAST
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KISUMU
FINANCIAL STATEMENTS
For the year ended June 30, 2018

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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- 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 Kisumu East 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	Kipnetich Langat
3.	Sub-County Accountant	Kenneth Menge
4.	Chairman NGCDFC	Jackton Odhiambo Achola
5.	Member NGCDFC	Dona Otieno

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(d) Fiduciary Oversight Arrangements

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

Kisumu East NGCDF
Off Kibos Road,
P.O. Box 3618
Kisumu, KENYA

(f) NGCDF Constituency Headquarters

Telephone: (254) 57 2028092
E-mail: cdfkisumueast@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Constituency Bankers

Equity Bank Limited
Kisumu Branch
P.O Box 3621
Kisumu, 40100

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO- 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

a) Introduction

It is my pleasure to present to you the annual report and financial statements for the year ended June 30, 2018. During the year under review, the entity was allocated Kshs 86,810,344.82 which represents a 6% increase in allocation from the previous year. Our performance is generally impressive and we have been able to offer more services to our constituents.

The NG-CDF Board released all the funds within the financial year, however, the second batch was released late and hence delayed the implementation of some projects. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure where close to 80% of the funds were allocated to these initiatives.

b) Allocation to Projects

Overall utilization of funds stood at 66.4% as compared to 94.9% in the year 2016/17. This was a drastic drop occasioned by the delay in receipts of second tranche of the 2017/18 funds.

In the year under review, 34% of the funds were allocated toward the infrastructural development in government units while 37% was allocate towards other grants and transfers. Other program areas were allocated funds as follows; compensation of employees (5%), use of goods and services (7%), acquisition of assets (12%) and other payments (5%) as shown in fig 1 below.

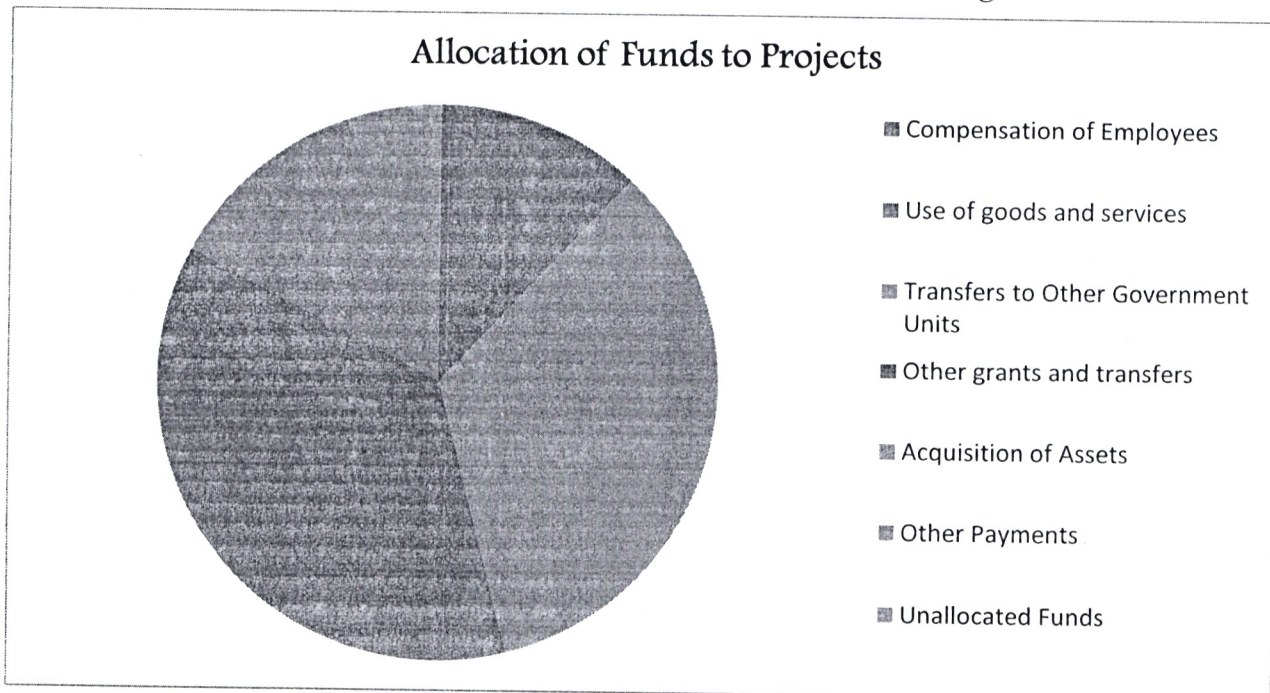


Fig 1: Allocation of Funds to Projects

c) Allocation per sector

Allocation towards transfers to government entities, other grants and transfers remained almost unchanged in the year 2016/17 and 2017/18. Allocation towards acquisition of assets increased in 2017/18, this is attributed to the fact that there was an urgent need to complete the construction of NGCDF offices.

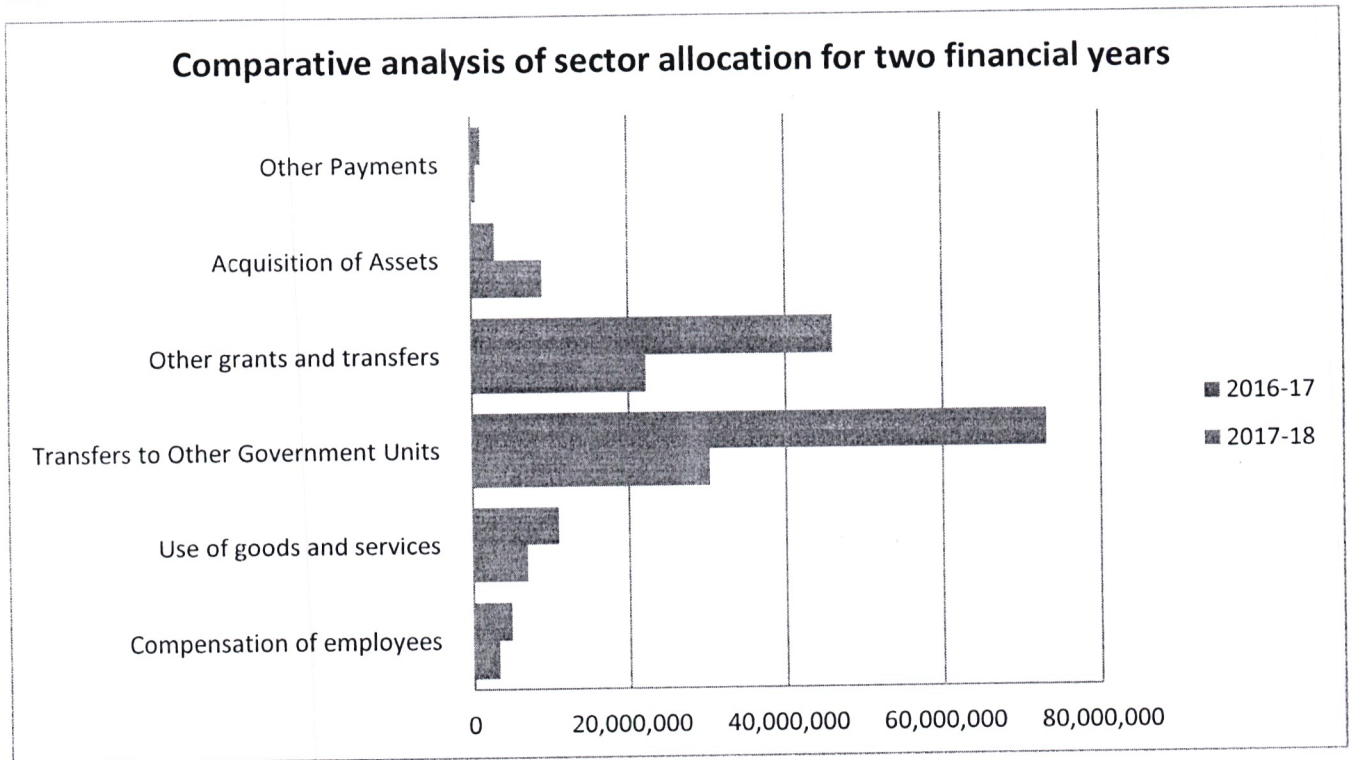


Fig2: Analysis of allocation per sector

d) Key achievements of the entity

Kisumu East NGCDF has in the year 2017/2018 partially was able to move to its own offices in Kibos area, this new location is fairly out of town and provides a serene environment for office work. We have also made tremendous stride in the quest to completing the construction of 12 classrooms at Wandiege and Dago Primary Schools.

We believe that information, communication and technology (ICT) plays a key role in the development of the constituency and the country at large. To advance the reach of ICT in Kisumu East, we set aside Kshs 4,677,027 towards the establishment of 4 ICT Hubs across the constituency. Youth empowerment is key in development and despite the limited avenues for realization of this goal under the NGCDF framework; we have been able to train over 500 youth in driving courses and further ensured that 30% of our procurement budget is dedicated to this group.

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Sample of projects done are shown in fig 3 and 4 below

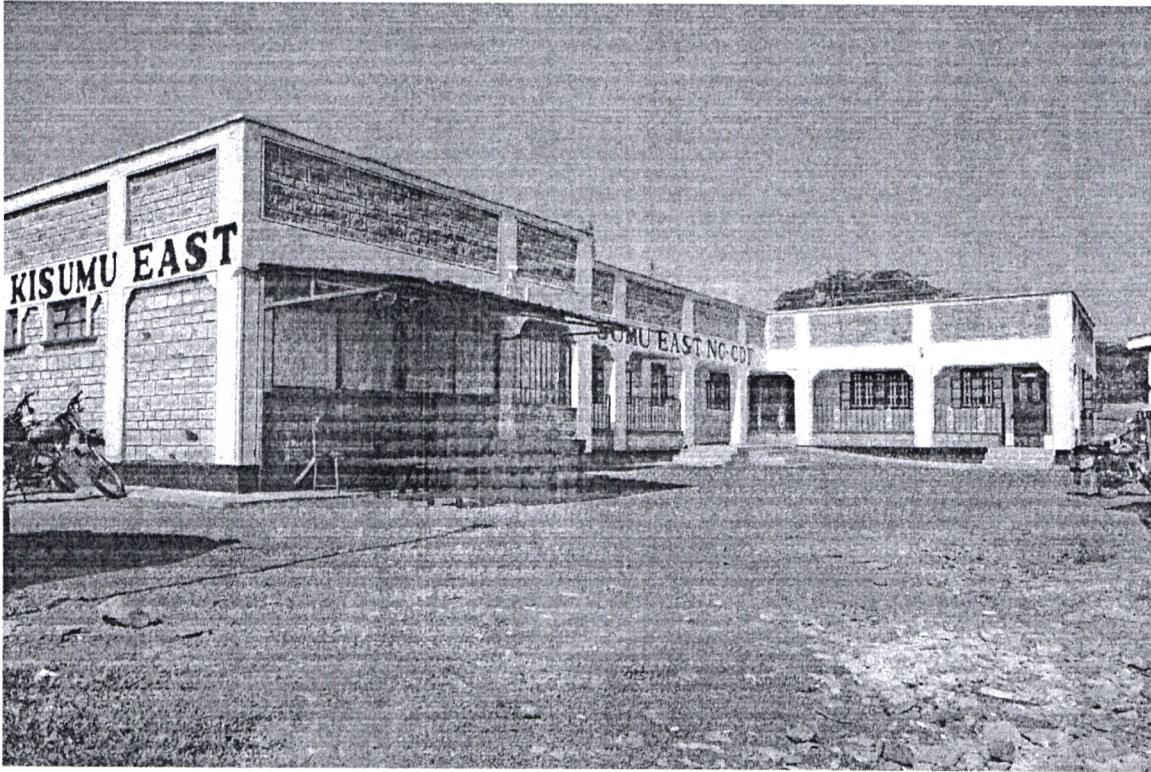


Fig 3: Kisumu East NGCDF Offices (2016/17 – 2017/18)

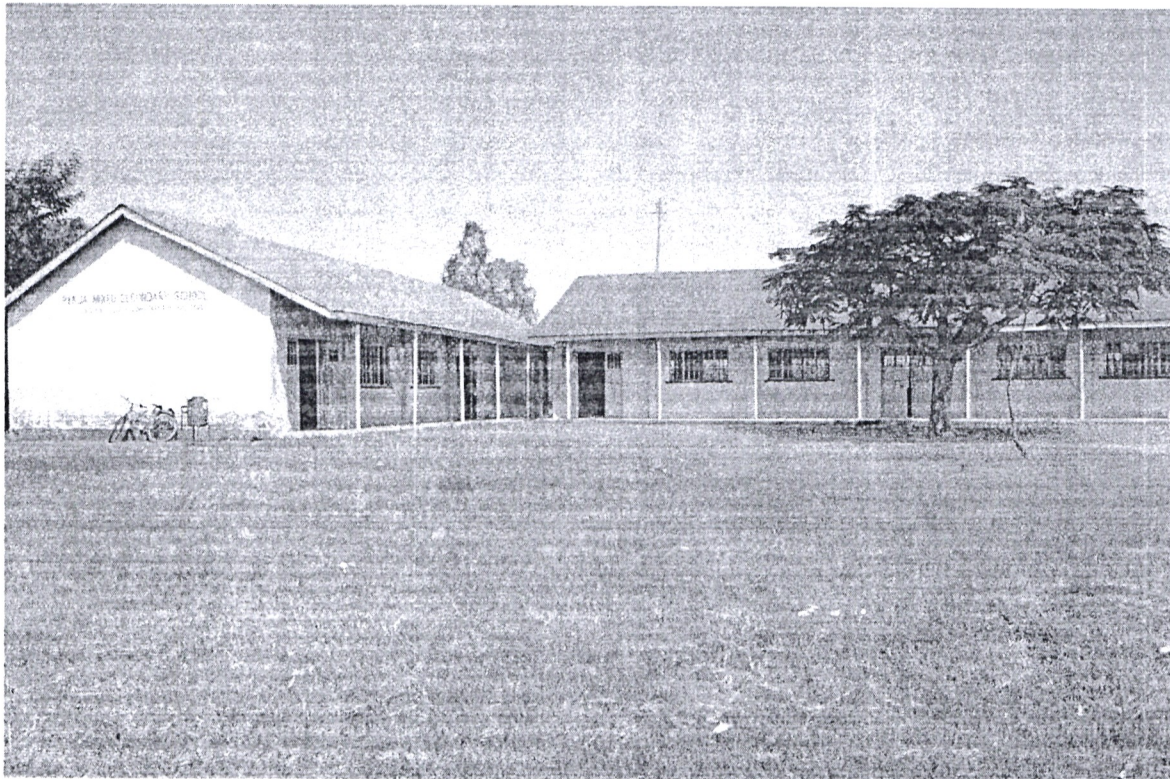


Fig 4: Construction of 4 classrooms at Renja Secondary School (2016/17-2017/18)

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Implementation Challenges

In the year under review, we faced a number of challenges in the implementation of projects. The delays in release of funds impacted negatively on the timely delivery of services to constituency. The elections also affected the timely commencement of projects due to the heightened political campaigns.

Way Forward

With the close consultations with key stakeholders and the office of the Member of Parliament, we have been able to achieve our goals with ease. My team and I aim to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities.

Sign 

Jackton Odhiambo Achola
CHAIRMAN NGCDF COMMITTEE

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

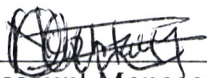
The Accounting Officer in charge of the NGCDF-Kisumu East Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

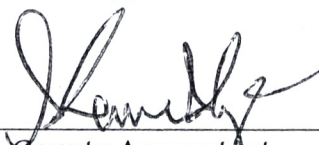
The Accounting Officer in charge of the NGCDF-Kisumu East Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-Kisumu East Constituency financial statements were approved and signed by the Accounting Officer on 30th Sept 2018.



Fund Account Manager
Name: Weldon Kipngetich Langat



Sub-County Accountant
Name: Kenneth Menge
ICPAK Member Number:

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KISUMU EAST 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-Kisumu East Constituency set out on pages 9 to 35, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation –recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 – Kisumu East Constituency as at 30 June, 2018 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.24,605,263 as at 30 June 2018. However, the bank reconciliation statement as at 30 June, 2018 reflected payments in the cashbook but not reflected in the bank statement amounting to Kshs.4,654,211 out of which Kshs.268,155 represented stale cheques. Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.24,605,263 as at 30 June 2018 could not be confirmed.

2. Emergency Funds

Included in other grants and transfers balance of Kshs.22,217,790 is Kshs.2,850,000 on emergency projects for the year ended 30 June 2018. However, an amount of Kshs.800,000

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

was used for construction of a septic tank at St. Albert Angira Secondary School. Site visit on 22 January 2019 revealed that the project was only 10% complete. The expenditure did not qualify as an emergency under Section 8(3) of the National Government Constituencies Development Fund Act, 2015.

Under the circumstance, the regularity and propriety of Kshs.800,000 spent as emergency could not be confirmed for the year ended 30 June 2018.

3. Transfer to Primary Schools

Included under transfers to other government entities figure of Kshs.30,941,405 is Kshs.27,676,405 as transfers to Primary Schools. However, supporting schedules reflected a figure of Kshs.27,051,404. The variance of Kshs.625,001 has not been explained or reconciled.

In consequence, it was not possible to confirm the accuracy of Kshs.625,001 transferred to Primary schools.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of 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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

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 Matters

Retention Fee

The management did not disclose the balance of Kshs.1,400,225 held as retention fee for the construction of a Primary School in the financial statements for the year ended 30 June 2018.

Consequently, the management did not comply with the prescribed financial reporting requirements by the Public Sector Accounting Standard Board.

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 Qualified Opinion 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.

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 INTERNAL CONTROLS EFFECTIVENESS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

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 ability of the Fund to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government either intends to cease operations, or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern or 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 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 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

23 August 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KISUMU EAST CONSTITUENCY

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For the year ended June 30, 2018

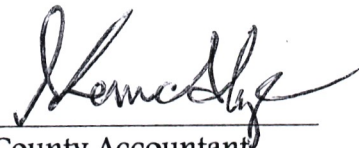
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 /2018 Kshs	2016 /2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	86,710,345	140,201,818
Proceeds from Sale of Assets	2	0	105,165
Other Receipts	3	0	103,211
TOTAL RECEIPTS		<u>86,710,345</u>	<u>140,410,194</u>
PAYMENTS			
Compensation of employees	4	3,210,936	4,803,260
Use of goods and services	5	6,901,636	10,878,566
Transfers to Other Government Units	6	30,941,405	73,100,397
Other grants and transfers	7	22,217,790	46,005,821
Acquisition of Assets	8	8,979,199	3,000,000
Other Payments	9	0	1,250,000
TOTAL PAYMENTS		72,250,966	139,038,044
SURPLUS/(DEFICIT)		14,459,379	1,372,150

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Kisumu East Constituency financial statements were approved on 30th Sept 2018 and signed by:



Fund Account Manager
Name: Weldon Kipngetich Langat



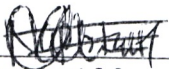
Sub-County Accountant
Name: Kenneth Menge
ICPAK Member Number:

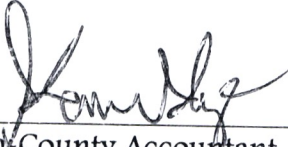
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017/2018 Kshs	2016/2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	24,605,263	10,145,884
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		<u>24,605,263</u>	<u>10,145,884</u>
Current receivables - Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		<u>24,605,263</u>	<u>10,145,884</u>
FINANCIAL LIABILITIES			
Accounts payable - Retention	12	0	0
NET FINANCIAL ASSETS		<u>24,605,263</u>	<u>10,145,884</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	10,145,884	5,620,554
Surplus/Deficit for the year		14,459,379	1,372,150
Prior year adjustments	14	0	3,153,180
NET FINANCIAL POSITION		<u>24,605,263</u>	<u>10,145,884</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Kisumu East Constituency financial statements were approved on 20th Sept 2018 and signed by:


 Fund Account Manager
 Name: Weldon Kipngetch Langat


 Sub-County Accountant
 Name: Kenneth Menge
 ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KISUMU EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

		2017/2018	2016/2017
Receipts for operating income			
Transfers from NGCDF Board	1	86,710,345	140,201,818
Other Receipts	3	0	103,211
		86,710,345	140,305,029
Payments for operating expenses			
Compensation of Employees	4	3,210,936	4,803,260
Use of goods and services	5	6,901,636	10,878,566
Transfers to Other Government Units	6	30,941,405	73,100,397
Other grants and transfers	7	22,217,790	46,005,821
Other Payments	9	-	1,250,000
		63,271,767	136,038,044
Adjusted for:			
Adjustments during the year	14	0	3,153,180
Net cash flow from operating activities		23,438,578	7,420,164

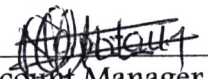
CASHFLOW FROM INVESTING ACTIVITIES

Proceeds from Sale of Assets	2	0	105,165
Acquisition of Assets	8	8,979,199	3,000,000
Net cash flows from Investing Activities		(8,979,199)	(2,894,835)

NET INCREASE IN CASH AND CASH EQUIVALENT

		14,459,379	4,525,329
Cash and cash equivalent at BEGINNING of the year	13	10,145,884	5,620,554
Cash and cash equivalent at END of the year		24,605,263	10,145,883

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kisumu East Constituency financial statements were approved on 30th Sept 2018 and signed by:


Fund Account Manager
Name: Weldon Kipngetchi Langat


Sub-County Accountant
Name: Kenneth Menge
ICPAK Member Number:

Reports and Financial Statements
For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	22,025,194	108,835,539	96,856,229	11,979,310	89.0%
Proceeds from Sale of Assets	0	0	0	0	0	0
Other Receipts	0	0	0	0	0	0
TOTAL	86,810,345	22,025,194	108,835,539	96,856,229	11,979,310	89.0%
PAYMENTS						
Compensation of Employees	3,974,027	650,477	4,624,504	3,210,936	1,413,568	69.4%
Use of goods and services	6,338,904	3,347,318	9,686,222	6,901,636	2,784,586	71.3%
Transfers to Other Government Units	29,566,405	3,917,500	33,483,905	30,941,405	2,542,500	92.4%
Other grants and transfers	31,953,982	11,609,900	43,563,881	22,217,790	21,346,091	51.0%
Acquisition of Assets	10,200,000	2,500,000	12,700,000	8,979,199	3,720,801	70.7%
Other Payments	4,677,027	-	4,677,027	-	4,677,027	0.0%
Unallocated Funds	100,000	-	100,000	-	100,000	0.0%
TOTALS	86,810,345	22,025,194	108,835,539	72,250,966	36,584,573	66.4%

(a) On transfers from NGCDF Board, under utilization (89.0%) was occasioned by delays in receipt of 2nd tranche of 2017/18 funds (funds were received on June 6, 2018)

(b) The underutilization of funds in compensation of employees, other grants and transfers, acquisition of assets and other payments were as a result of delays in receipt of 2017/2018 funds (2nd tranche) - (funds were received on June 6, 2018)

(c) The unallocated funds of Kshs 100,000 relates to funds for projects declined by the NGCDF Board.

(d) The non-utilization of funds under 'Other Payments' is a result of delays in release of guidelines for implementation of Innovation Hubs by the Board
(e) The changes between the original budget and the final budget is because of funds unutilised funds at the end of the year (closing balances) and additional funds allocated to the constituency (supplementary budget) of Kshs 11,379,310

The NGCDF Kisumu East Constituency financial statements were approved on 30th Sept 2018 and signed by:


Fund Account Manager

Name: Weldon Kipngetch Langat


Sub-County Accountant

Name: Kenneth Menge

ICPAK Member Number:

VIII. 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-Kisumu East 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.

i. 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)

ii. 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.

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

iv. 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.

i. Compensation of Employees

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

ii. 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.

iii. Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**

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For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2017/2018 Kshs	2016/2017 Kshs
NGCDF Board		
A825864		58,305,266
A829618		4,094,828
A855124		36,853,449
A855658		40,948,275
A855876	5,500,000	
A892772	37,905,172	
A896889	43,305,173	
TOTAL	86,710,345	140,201,818

2. PROCEEDS FROM SALE OF ASSETS

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU - EAST CONSTITUENCY
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017/ 2018	2016/2017
	Kshs	Kshs
Receipts from Sale of tender documents	0	103,211
Total	0	103,211

4. COMPENSATION OF EMPLOYEES

	2017/2018	2016/2017
	Kshs	Kshs
Basic wages of contractual employees	2,390,218	2,289,963
Basic wages of casual labor	0	0
Personal allowances paid as part of salary		
House allowance	314,500	288,000
Medical allowance	178,000	156,000
Leave allowance	0	0
Gratuity	0	0
Other personnel payments	0	0
Total	3,210,936	4,803,260

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017/2018	2016/2017
	Kshs	Kshs
Utilities, supplies and services	856,653	729,175
Electricity	0	0
Water & sewerage charges	0	0
Office rent	84,000	168,000
Communication, supplies and services	21,000	26,300
Domestic travel and subsistence	0	44,400
Printing, advertising and information supplies & services	295,600	102,853
Rentals of produced assets	0	0
Training expenses	526,500	1,222,400
Hospitality supplies and services	0	0
Other committee expenses	2,236,000	2,963,707
Committee allowance	463,000	728,000
Insurance costs	0	106,477
Specialized materials and services	50,000	574,850
Office and general supplies and services	658,265	799,568
Fuel , oil & lubricants	950,000	1,300,000
Other operating expenses	0	969,503
Bank service commission and charges	0	0
Security operations	0	0
Routine maintenance - vehicles and other transport equipment	760,618	1,102,333
Routine maintenance- other assets	0	41,000
Total	6,901,636	10,878,566

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017/2018	2016/2017
	Kshs	Kshs
Transfers to National Government entities		
Transfers to Primary Schools (see attached list)	27,676,405	63,463,002
Transfers to Secondary schools (see attached list)	3,265,000	9,137,395
Transfers to Tertiary institutions (see attached list)	0	500,000
Transfers to Health institutions (see attached list)	0	0
TOTAL	30,941,405	73,100,397

7. OTHER GRANTS AND OTHER PAYMENTS

	2017/2018	2016/2017
	Kshs	Kshs
Bursary -Secondary	11,479,000	16,475,175
Bursary -Tertiary	3,059,000	5,458,000
Bursary-Special schools	0	4,460,000
Mocks & CAT	0	0
Water	0	0
Food Security	0	0
Electricity	0	160,187
Security	3,432,430	7,293,500
Roads and Bridges	0	2,854,064
Sports	750,000	1,792,300
Environment	647,360	1,012,595
Cultural Projects	0	0
Agriculture	0	0
Emergency Projects	2,850,000	6,500,000
Total	22,217,790	46,005,821

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2017/2018	2016/2017
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	7,013,000	3,000,000
Refurbishment of Buildings	1,966,199	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized 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	8,979,199	3,000,000

9. OTHER PAYMENTS

	2017/2018	2016/2017
	Kshs	Kshs
ICT Hub	0	0
Purchase of Learning Aids	0	1,250,000
	0	1,250,000

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017/2018 Kshs	2016/2017 Kshs
Equity Bank Ltd, Kisumu Branch 00290 262 0144 25	24,605,263	10,145,884
Total	24,605,263	10,145,884

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

[Provide cash count certificates for each]

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12 RETENTION

	2017/2018	2016/2017
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

Retention is for refurbishment of NGCDF Offices

13. BALANCES BROUGHT FORWARD

	2017/2018	2016/2017
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	10,145,884	5,227,654
Cash in hand	0	0
Imprest	0	392,900
Total	10,145,884	5,620,554

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017/2018	2016/2017
	Kshs	Kshs
Bank accounts (reversed Cheques)	0	2,153,180
Refunds from PMC (Obwolo AP)	0	1,000,000
Cash in hand	0	0
Imprest		0
Total	0	3,153,180

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017/ 2018	2016/2017
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDF Staff Gratuity	529,874	0
	529,874	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,413,568.00	0
Use of goods and services	2,784,585.81	0
Amounts due to other Government entities (see attached list)	2,542,500.00	106,500
Amounts due to other grants and other transfers (see attached list)	21,346,091	6,100,781
Acquisition of assets	3,720,801.00	0
Others Payments	4,677,027	1,285,422
Unallocated Funds	100,000	0
	36,584,573	7,492,703

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU
EAST CONSTITUENCY**

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017/ 2018	2016/2017
	Kshs	Kshs
PMC account Balances (see attached list)	21,397,980	24,785,483

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU EAST CONSTITUENCY
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ANNEX 10: ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a0c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU EAST CONSTITUENCY

**Reports and Financial Statements
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ANNEX 2 0 ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance 2018 d=a-c	Outstanding Balance 2017	Comments
		a	b	c			
NGCDF Staff Gratuity							
1 James Onyango Opio	J	79,733	01.10.17	0	79,733	0	
2 Patrick Yagan	J	59,438	01.10.17	0	59,438	0	
3 Willis Obado	J	68,807	01.10.17	0	68,807	0	
4 Moses Oyugi	H	56,606	01.10.17	0	56,606	0	
5 Judith Salome	H	56,606	01.10.17	0	56,606	0	
6 Chrisanthus Abiero	H	56,606	01.10.17	0	56,606	0	
7 John Okeyo	G	48,900	01.10.17	0	48,900	0	
8 Kevin Owino Ngala	G	56,606	01.10.17	0	56,606	0	
9 John Otieno	H	46,571	01.10.17	0	46,571	0	
Sub-Total		529,874			529,874	0	
Middle Management							
1							
2							
3							
Sub-Total		0			0		
Unionisable Employees							
4							
5							
6							
Sub-Total		0			0		
Others (specify)							
1							
2							
3							
Sub-Total		0			0		
Grand Total		529,874			529,874	529,874	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU EAST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees	Provision for employee salaries	1,413,568		
Sub-Total		1,413,568		
Use of goods & services	Provision for use of Goods and Services	2,784,586		
Sub-Total		2,784,586		
Amounts due to other Government entities				
Kadiju Primary School	Completion of 2 New Classrooms (Terrazzo Finish)	200,000		
Kunya Primary School	Completion of Renovation Works on 3 Classrooms (flooring)	200,000		
Omungi Primary School	Completion of 2 New Classrooms (painting and general Finishes)	150,000		
Bwanda Primary School	Fencing of school compound	300,000		
Kindu RC primary School	Completion of 2 Classroom (Floor Finishes)	166,000		
Nyalunya Primary School	Completion of 1 New Classroom (Terrazzo Finish)	170,000		
Ogango Primary School	Completion of renovation of 2 Classrooms (painting and general Finishes)	250,000		
Senior Chief Owanga School for the Deaf	Completion of 2 New Classrooms (painting and general Finishes)	200,000		
Renja Secondary School	Completion of Administration Block (Doors, Windows, General Finishes, Painting)	800,000		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU EAST CONSTITUENCY

**Reports and Financial Statements
for the year ended June 30, 2018**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Mt Nyabondo Secondary School	Electrification	43,500		
Mungu Primary School	Electrification	43,500		
Munja Primary School	Electrification	19,500		
Sub-Total		2,542,500		
Amounts due to other grants and other transfers				
Education Bursary	Bursary for Needy Students	16,670,791		
Sports	Sports Tournament	1,200,000		
Munja Administration Police Camp	Completion of 4 AP Housing units (Plaster, Doors and Windows, Flooring, Painting and Decoration)	300,000		
Mwalo Administration Police Camp	Completion of 4 AP housing units (Roofing, Plastering, Flooring, Fittings, Painting and General Finishes)	880,000		
Mugumo Administration Police Camp	Completion of 4 AP housing units (Fittings, Painting and General Finishes)	175,000		
Mweya Administration Police Camp	Completion of 3 AP housing units (Fittings, Painting and General Finishes)	200,378		
Emergency	Funds set aside for to cater for unforeseen occurrences during the Financial Year.	1,500,000		
Environment	Tree Planting	712,045		
Purchase of Furniture for DCC's Office	Purchase of Office Equipment and Furniture	200,000		
Sub-Total		21,346,091		
Acquisition of assets				
E-CDF Office Construction	Completion of NGCDF Offices	3,720,801		
Sub-Total		3,720,801		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU EAST CONSTITUENCY
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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Others Payments				
Constituency Innovation Hubs	Provision for supply and installation of 4 innovation hubs.	4,677,027		
Sub-Total		4,677,027		
Unallocated funds				
Unallocated Funds	Funds that remained unallocated	100,000		
Sub-Total		100,000		
Grand Total		36,584,573		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – KISUMU EAST CONSTITUENCY

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	1,468,600	0	0	1,468,600
Buildings and structures	27,221,460	8,979,199	0	36,200,659
Transport equipment	3,857,017	0	0	3,857,017
Office equipment, furniture and fittings	1,267,575	0	0	1,267,575
ICT Equipment, Software and Other ICT Assets	887,599	0	0	887,599
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	34,702,251	8,979,199	0	43,681,450

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

PMC	Bank	Account Number	Balance
	Equity Bank Limited	290264448000	31,617
Akado Youth Polytechnic	Equity Bank Limited	290266615670	86,094
Alango Primary School	Equity Bank Limited	290299063127	3,170
Anywang' Primary School	Equity Bank Limited	1260298195339	79,617
Bwanda Primary School	Equity Bank Limited	290266854359	152,195
Chiga Dispensary	Cooperative Bank	1141295565000	16,674.50
Chiga Primary School	Equity Bank Limited	290266900550	5,338
Dago Primary School	Equity Bank Limited	290266392714	4,743,284
Dr. Aloo Gumbi Secondary School	Equity Bank Limited	290264050722	19,700
G.P Owiti Secondary School	Cooperative Bank	1141295112600	1,938.00
Gita AP Line Committee	Equity Bank Limited	1260266770898	6,034
Gita Sub County Hospital - CDF	Equity Bank Limited	290266773766	2,259
Got Nyabondo Mixed Secondary Sch	Equity Bank Limited	290294027172	78,379
Got Ongo Nursery School	Cooperative Bank	113429557350	108,621.00
Kajulu West Development SHG	KCB	1145170943	644,651.91
Kianja Primary School	Cooperative Bank	1141014694000	321,194.64
Kibos Primary School – CDF	Equity Bank Limited	1260299471720	152,578
Kibos Secondary School	Cooperative Bank	1141431407400	234,436.00
Kindu RC Primary School	Equity Bank Limited	1260298212482	6,509
Kisumu East NG-CDF Office Project Committee	Equity Bank Limited	290267475582	4,290,347
Kunya Primary School	Cooperative Bank	1139494118700	211,424.00
Kuoyo Dispensary	Cooperative Bank	1134295699300	15,928.75
Mayena Primary School	Equity Bank Limited	1260161963897	20,421
Mbeme Primary School	Equity Bank Limited	1260266678026	54,280
Nyabera Chiefs Camp Development Committee	KCB	1113965452	782,066.00
Nyalunya Primary School	Cooperative Bank	1141295846000	284,554.00
Nyalunya Secondary School	Cooperative Bank	1141294527300	208,726.00
Nyamasaaria Secondary School	Equity Bank Limited	290263882112	879
Nyamonge Primary School	Equity Bank Limited	290299474900	1,704
Nyatege Primary School	Equity Bank Limited	290299919471	6,244
Obino Nursery School	Equity Bank Limited	290296380239	4,075

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Obino Primary School	Equity Bank Limited	290296380336	5,196
Ogango Primary School	Equity Bank Limited	290299086592	22,495
Okok Primary School	Equity Bank Limited	290266494888	189,124
Omungi Primary School	Equity Bank Limited	290299925389	44,917
Orongo Primary School	Equity Bank Limited	1260298222885	9,403
Orongo Secondary School	Cooperative Bank	1141295410200	19,665.00
Otera Primary School	Equity Bank Limited	1260299885750	66,228
Otiak AP Line	Equity Bank Limited	290296411381	353,527
Oyola Primary School	KCB	1131079949	5,104.00
Rae Kajulu Primary School	Cooperative Bank	1141295529300	34,745.00
Rae Kanyaika Primary School	Cooperative Bank	1139012139301	98,562.00
Ragumo Chiefs Camp AP House Mgt Com.	Equity Bank Limited	290270743881	359,991
Ragumo Primary School	Equity Bank Limited	290299352422	19,583
Rapogi Footbridge Project Committee	Equity Bank Limited	290263904705	12,406
Renja Secondary School	Equity Bank Limited	1260263464427	1,308,958
Rweya Chiefs Camp Project Committee	Cooperative Bank	1134495870500	448,371.00
Senior Chief Onunga School for the Deaf	Equity Bank Limited	290266679712	2,039,852
St. Alloys Mayenya Secondary School	Cooperative Bank	1141015889100	17,916.00
St. Dominic Bukna Secondary School	Cooperative Bank	1141494487400	25,758.00
St. Francis Nyamonge Primary School	Equity Bank Limited	1260298198853	5,948
St. Johns Masawa Primary School	Equity Bank Limited	1260270546526	521,698
St. Johns Oriang primary School	Equity Bank Limited	290299657058	91,831
St. Mark Nyabera Primary School	Cooperative Bank	1139012829700	1,497.18
Tido Primary School	Equity Bank Limited	290264062442	1,160
Wandiege Primary School	Equity Bank Limited	1260261742733	3,119,106
TOTAL			21,397,980

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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(15/16)	Prior Year Adjustments Failure to provide breakdown of the prior year adjustment of Ksh864,999	The prior year adjustment of KES 864,999 relates to cashbook correction entries done at the close of the 2014/15 financial year but before the commencement of 2015/2016 Matter resolved during the SFAC Sittings	Kipngetich Langat (FAM)	Resolved	April 2018
2 (15/16)	Cash and Cash Equivalent The management operated and maintained two (2) separate bank accounts during the year under review contrary to the provisions of section 42(1) of Constituencies Development Fund Act, 2015 and CDF circular ref: Board/Circular/Vol.1 .1/167 dated 17 July 2013 which require closure of several banks accounts.	One of the bank account (titled: Kisumu Town East CDF) was closed once all the cheques had been cleared and reconciliation done	Kipngetich Langat (FAM)	Resolved	April 2018
3(15/16)	Other Receipts The other receipts figure of Kshs.1,278,647 did not have any or other support information.	Support information provided and issue resolved during the SFAC sittings in Kisumu	Kipngetich Langat (FAM)	Resolved	April 2018

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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)
4 (15/16)	Projects Implementation disbursements made to various PMCs were not adequately supported with complete expenditure returns including cashbooks, bank statements, stores records, minutes, and other relevant accounting documents	Expenditure returns including cashbooks, bank statements, stores records, minutes, and other relevant accounting documents provided to the auditor Issue resolved during the SFAC sittings in Kisumu	Kipngetich Langat (FAM)	Resolved	April 2018
5 (15/16)	Roads Projects The Constituency Development Fund Committee directly implemented some projected worth Kshs. 7,913,251 contrary to the provisions of the CDF Act	Project implemented directly but with consultation with the community and with supervision from relevant government department. The urgency and complexity of the projects necessitated the decision to implement the projects directly. Issue resolved during the SFAC sittings in Kisumu	Kipngetich Langat (FAM)	Resolved	April 2018

