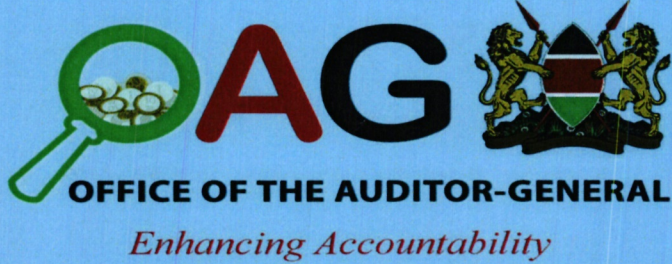

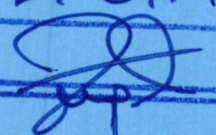


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
BUMULA CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –BUMULA
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BUMULA
CONSTITUENCY Reports and Financial Statements For the year ended June 30, 19**

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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 Bumula 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 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Fund Account Manager	Philip Simiyu
2.	Sub County Accountant	Susan Simiyu
3.	NG-CDFC Chair	William Namasake
4.	Alternate Signatory	Cyphrine Muchanga

(d) Fiduciary Oversight Arrangements

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

P.O.Box 36- 50200
NG-CDF Building
Bumula Sub County Headquarters
Bungoma, KENYA

(f) NGCDF BUMULA Constituency Contacts

Telephone: (254) 725779127
E-mail: cdfbumula.go.ke
Website: www.go.ke

(g) NGCDF BUMULA Constituency Bankers

1. Equity Bank
Bungoma Branch
P.O. Box 2450-50200
Bungoma, 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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

As we present the 2018/19 financial year financial statements, I am pleased to report that our budget overall performance of 61.6% was realized.

Performance per sector was impressive apart from transfer to other government institutions which recorded 44% this was so because the bulk of funds meant for the sector was received towards the closure of the financial year. All the flagship projects earmarked for the last financial were successfully implemented apart from two security projects which are still on going. Bursaries were disbursed on timely basis immediately the funds were received; the training of boda boda riders was also successfully implemented.

This however, did not happen without challenges; for instance, we had a high number of bursary applicants against the available allocation and major disbursement was done towards the end of the year and therefore not all the projects could be disbursed timely. There was also change of priorities in some project management committees which required re-allocation and therefore implementation could not be done as was projected.



William Namasake

CHAIRMAN NGCDF COMMITTEE

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-BUMULA 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-BUMULA 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-BUMULA 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.

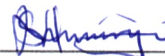
The Accounting Officer in charge of the NGCDF-BUMULA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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-BUMULA Constituency financial statements were approved and signed by the Accounting Officer on 30/9/ 2019.



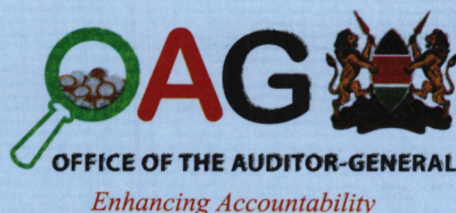
Fund Account Manager
Name: Philip Simiyu



Sub-County Accountant
Name: Susan Simiyu
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bumula Constituency set out on pages 6 to 28, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 - Bumula 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.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.54,488,975 as at 30 June, 2019 which comprises bank balances of Kshs.49,719,975 and cash in hand of Kshs.4,769,000 as disclosed at Notes 8A and 8B to the financial statements. However, the bank reconciliation statement for the month of June, 2019 reflected payments totalling Kshs.268,167 in respect of bank charges, under-casts and under-payments relating to the period between March, 2019 and June, 2019, appearing in the bank statement but not recorded in the cashbook. No explanation was provided for failure to update the bank charges in the cashbook.

In addition, the cash at hand balance of Kshs.4,769,000 was not supported.

In the circumstances, it was not possible to ascertain the accuracy and existence of the cash and cash equivalents balance of Kshs.54,488,975 as at 30 June, 2019.

2. Compensation of Employees

The statement of receipts and payments reflects Kshs.2,481,919 for compensation of employees. However, the payroll records reflected total payments of Kshs.2,328,018 resulting into an unreconciled and unexplained variance of Kshs.153,901.

In the circumstances, it was not possible to confirm the accuracy of the reported expenditure of Kshs.2,481,919 for compensation of employees .

3. Fixed Assets Register

Annex 2 to the financial statements - summary of fixed assets register reflects the historical cost for various asset categories of the Fund as at 30 June, 2019. However, the balances reflected differed with the ones reflected in other asset records as shown below:

Assets Class	Figures as Per Asset Records (Kshs.)	Financial Statement Figures (Kshs.)	Variance (Kshs.)
Building and Structure	12,000,000	12,700,000	(700,000)
Office Equipment, Furniture and Fittings	1,128,150	442,500	685,650
ICT Equipment, Software and Other ICT Assets	613,000	400,196	212,804

The variances were not reconciled or explained.

In the circumstances, the accuracy and completeness of the fixed assets balance of Kshs.13,542,696 reflected under Annex 2 to the financial statements, could not be confirmed.

4. Inaccuracies in the Financial Statements

4.1 Net Surplus for the Year

The statement of receipts and payments and the statement of assets and liabilities reflect a surplus figure of Kshs.46,361,374 while the recomputed balance is Kshs.41,592,374 resulting into an unexplained and unreconciled variance of Kshs.4,769,000.

4.2 Unreconciled Variance in Transfers from the Board

The statement of receipts and payments reflects transfers from the Board of Kshs.121,370,186 while the summary statement of appropriation - recurrent and development combined reflects an amount of Kshs.79,777,812 resulting into an unexplained variance of Kshs.41,592,374.

4.3 Unexplained Budget Variances

As reflected in the summary statement of appropriation - recurrent and development combined, the Fund had total receipts under-collection of Kshs.49,719,975 or 38%. In addition, compensation of employees, transfers to other government units and other grants and transfers were under-utilized by 42%, 47% and 39% respectively. However, explanatory notes for the under-collection and under-utilization were not provided contrary to the requirements of Section 81(2)(a) of Public Finance Management Act, 2012 which requires the accounting officer to provide explanatory notes explaining any variations between the actual expenditure and the sums voted.

4.4 Misstated Other Grants and Transfers Comparative Balance

The comparative figure for other grants and transfers of Kshs.30,892,836 shown in the statement of receipts and payments differs with the recomputed amount Kshs.30,844,000 reflected under Note 5 to the financial statements. The difference of Kshs.48,836 has not been explained.

4.5 Misstatement of Comparative Bank Balance

The statement of assets and liabilities reflects a comparative bank balance of Kshs.8,127,601 which differs with the comparative bank balance of Kshs.1,985,680 reflected under Note 8A to the financial statements by an unexplained variance of Kshs.6,141,921.

4.6 Misstatement in the Statement of Cash flows

The statement of cash flows reflects a net increase of Kshs.46,361,374 in cash and cash equivalents while the recomputed amount is Kshs.41,592,374 resulting into an unexplained variance of Kshs.4,769,000. Further, the statement reflects a comparative net cash flows from operating activities balance of Kshs.487,995 which differs with the audited balance is Kshs.6,784,617 by Kshs.6,296,622. The difference has not been explained.

Consequently, the accuracy of the financial statements could not be confirmed.

5. Unsupported Project Management Committee (PMC) Bank Balances

Note 10.2 to the financial statements and Annex 3 reflect PMC bank account balances of Kshs.5,866,434. However, the recomputed total PMC bank balance under Annex 3 is Kshs.6,299,057 resulting into a variance of Kshs.432,623 which has not been explained or reconciled. Further, the cashbooks and certificates of bank balances in support of the balances held in the PMC bank accounts as at 30 June, 2019 were not provided for audit review.

Consequently, the accuracy of the balance of Kshs.5,866,434 held in the PMC bank accounts as at 30 June, 2019, could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Bumula Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budget Control and Performance

The summary statement of appropriation - recurrent and development combined reflects an approved expenditure budget of Kshs.129,497,787 against actual total expenditure of Kshs.79,777,812 resulting into under-absorption of Kshs.49,719,975 representing 38% of the budget.

The under-absorption negatively affected delivery of services to the residents of Bumula 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 sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delayed Projects' Implementation

According to the Projects Implementation Status Report for the Fund as at 30 June, 2019, the Management of the Fund had planned to implement sixty-five (65) projects with a combined budget of Kshs.107,801,042 during the year under review. However, twenty-five (25) projects were still ongoing while funds for two (2) projects were indicated as having been re-allocated.

Delayed implementation of projects, denied the constituents of Bumula Constituency the benefits and services they would have derived from the completed projects.

2. Construction of Administration Block - Kabula Secondary School

The contract for the Construction of Administration Block at Kabula Secondary School was awarded to a local contractor at a contract sum of Kshs.19,997,260 for a contract period of 24 weeks (6 months). The contract agreement was signed on 03 December, 2019 and as at the time of audit, in July, 2020, a total sum of Kshs.4,695,450 had been disbursed to the PMC account for implementation of the project. However, the following anomalies were noted:

- i. The detailed inspection report indicating the progress of works was not provided.
- ii. The project site had not been enclosed as stated in the contract document in spite of a provision of Kshs.150,000 for hoarding in the bill of quantities.
- iii. In spite of a provision of Kshs.40,000, the Project was not labeled as required under Regulation 11(cc) of the National Government Constituencies Development Fund Regulations, 2016.
- iv. The works had only been done up to the foundation slab and the columns had been erected awaiting for the suspended slab. However, the contractor was not on site.

Consequently, value for money may not be obtained from the Project and more funds may be lost through cost escalations occasioned by the delay in completion of the project.

3. Failure to Maintain Imprest Records

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.11,128,824 which as disclosed at Note 3 to the financial statements, included Kshs.943,376 for domestic travel and subsistence. However, the Fund Management did not maintain imprest records during the year under review as required under Regulations 91 to 94 of the Public Finance Management (National Government) Regulations, 2015. The Regulations provide that the officer authorized to hold and operate an imprest shall make formal application for the imprest through an imprest warrant and that the holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

In the circumstances, the Management was in breach of the Law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 applicable basis of accounting unless the Management either intends to liquidate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fund's ability 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 and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Nancy Gathungu
AUDITOR-GENERAL


Nairobi

09 November, 2021


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	121,370,186	85,860,345
TOTAL RECEIPTS		121,370,186	85,860,345
 PAYMENTS			
Compensation of employees	2	2,481,919	1,312,932
Use of goods and services	3	11,128,824	8,169,960
Transfers to Other Government Units	4	27,286,206	38,700,000
Other grants and transfers	5	37,380,863	30,892,836
Acquisition of Assets	6	-	642,696
Other Payments	7	<u>1,500,000</u>	<u>0</u>
TOTAL PAYMENTS		79,777,812	79,718,424
SURPLUS/(DEFICIT)		<u>46,361,374</u>	<u>6,141,921</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BUMULA Constituency financial statements were approved on 30/9/2019 and signed by:



Fund Account Manager
 Name: Philip Simiyu




Sub-County Accountant
 Name: Susan Simiyu
 ICPAK Member Number:

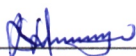
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8A	49,719,975	8,127,601
Cash Balances (cash at hand)	8B	4,769,000	0
Total Cash and Cash Equivalents		54,488,975	8,127,601
TOTAL FINANCIAL ASSETS		54,488,975	8,127,601
FINANCIAL LIABILITIES			
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		54,488,975	8,127,601
REPRESENTED BY			
Fund balance b/fwd	9	8,127,601	1,985,680
Surplus/Defict for the year		46,361,374	6,141,921
NET FINANCIAL POSITION		54,488,975	8,127,601

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BUMULA Constituency financial statements were approved on 30/9/2019 and signed by:



Fund Account Manager
 Name: Philip Simiyu

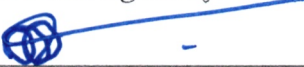


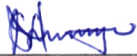
Sub-County Accountant
 Name: Susan Simiyu
 ICPAK Member Number:

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 – 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	121,370,186	85,860,345
Total receipts		121,370,186	85,860,345
Payments			
Compensation of Employees	2	2,481,919	1,312,932
Use of goods and services	3	11,128,824	8,169,960
Transfers to Other Government Units	4	27,286,206	38,700,000
Other grants and transfers	5	37,380,863	30,892,836
Other Payments	7	1,500,000	0
Total payments		79,777,812	79,075,728
Total Receipts Less Total Payments		41,592,374	6,784,617
Adjusted for:			
Net cash flow from operating activities		41,592,374	487,995
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	0	(642,696)
Net cash flows from Investing Activities		0	(642,696)
NET INCREASE IN CASH AND CASH EQUIVALENT		46,361,374	6,141,921
Cash and cash equivalent at BEGINNING of the year	9	8,127,601	1,985,680
Cash and cash equivalent at END of the year		<u>54,488,975</u>	<u>8,127,601</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BUMULA Constituency financial statements were approved on 30/9/2019 and signed by:


 Fund Account Manager
 Name: Philip Simiyu


 Sub-County Accountant
 Name: Susan Simiyu
 ICPAK Member Number:

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

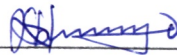
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	20,456,911	129,497,787	79,777,812	49,719,975	61.6%
TOTAL RECEIPTS	109,040,876	20,456,911	129,497,787	79,777,812	49,719,975	61.6%
PAYMENTS						
Compensation of Employees	3,422,452	884,372	4,306,824	2,481,919	1,824,905	57.6%
Use of goods and services	6,131,266	4,188,650	10,319,916	11,128,824	(808,908)	107.8%
Transfers to Other Government Units	51,700,000	50,000	51,750,000	27,286,206	24,463,794	52.7%
Other grants and transfers	47,527,158	13,833,889	61,361,047	37,380,863	23,980,184	60.9%
Acquisition of assets	260,000	0	260,000	0	260,000	0%
Other Payments	0	1,500,000	1,500,000	1,500,000	0	100.0%
TOTAL	109,040,876	20,456,911	129,497,787	79,777,812	49,719,975	61.6%

Commentary on significant underutilization (below 90% of utilization)

- i. *Transfer to other government units(44%)- The bulk of the disbursements were done towards the closure of the yearn hence delayed payment to respective Project Management Committees*
 - ii. *Other grants and transfers (73%)-This was affected by re-allocations which are yet to be approved.*
- The NGCDF-BUMULA Constituency financial statements were approved on 30/9/ 2019 and signed by:



Fund Account Manager
Name: Philip Simiyu



Sub-County Accountant
Name: Susan Simiyu
ICPAK Member Number:

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,422,452	884,372	4,306,824	2,481,919	1,824,905
1.2 Committee allowances	1,860,000	2,093,499	3,953,499	3,953,499	0
1.3 Use of goods and services	1,000,000	1,000,000	2,000,000	2,287,450	(287,450)
Total	6,282,452	3,977,871	10,260,323	8,722,868	1,537,455
2.0 Monitoring and evaluation					
2.1 Capacity building	1,271,266	0	1,271,266	892,000	379,266
2.2 Committee allowances	1,200,000	0	1,200,000	1,587,000	(387,000)
2.3 Use of goods and services	800,000	1,095,151	1,895,151	2,408,875	(513,724)
Total	3,271,266	1,095,151	4,366,417	4,887,875	(521,458)
3.0 Emergency					
3.1 Primary Schools	3,738,993	806,337	4,545,330	5,012,160	(466,830)
3.2 Secondary schools	2,000,000	0	2,000,000	1,963,703	36,297
Total	5,738,993	806,337	6,545,330	6,975,863	(430,533)
4.0 Bursary and Social Security					
4.2 Secondary Schools	10,000,000	2,527,552	12,527,552	13,274,000	(746,448)
4.3 Tertiary Institutions (colleges)	7,900,000	0	7,900,000	7,825,000	75,000
4.4 Universities	9,360,180	0	9,360,180	7,129,000	2,231,180
4.5 Social Security	600,000	0	600,000	0	600,000
Total	27,860,180	2,527,552	30,387,732	28,228,000	2,159,732
5.0 Sports					
5.1	2,177,985	0	2,177,985	2,177,000	985

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
6.0 Environment					
6.1 Lukusi primary	187,500	0	187,500	0	187,500
6.2 Munda primary	187,500	0	187,500	0	187,500
Napara ACK primary	187,500	0	187,500	0	187,500
Mikokwe ACK secondary	187,500	0	187,500	0	187,500
Total	750,000	0	750,000	0	750,000
7.0 Primary Schools Projects					
7.1 Buloosi primary school	700,000	0	700,000	0	700,000
7.2 Kimaeti primary school	500,000	0	500,000	0	500,000
7.3 Lukusi primary	2,000,000	0	2,000,000	2,000,000	0
7.4 Lunao primary	1,000,000	0	1,000,000	0	1,000,000
7.5 Masuno primary	1,500,000	0	1,500,000	0	1,500,000
7.6 Mukhuma primary school	1,000,000	0	1,000,000	0	1,000,000
7.7 Munda primary	2,000,000	0	2,000,000	2,000,000	0
7.8 Mutua primary	1,000,000	50,000	1,050,000	1,000,000	50,000
7.9 Mwiye primary	2,000,000	0	2,000,000	1,000,000	1,000,000
7.10 Nakhwana primary	2,000,000	0	2,000,000	2,000,000	0
7.11 Napara ACK primary	2,500,000	0	2,500,000	2,500,000	0
7.12 Syombe primary	1,000,000	0	1,000,000	0	1,000,000
7.13 Tabala primary	2,000,000	0	2,000,000	0	2,000,000
7.14 Tabuti primary	1,000,000	0	1,000,000	0	1,000,000
7.15 Siloba primary	1,500,000	0	1,500,000	0	1,500,000
7.16 Khelela primary	1,000,000	0	1,000,000	0	1,000,000
7.17 Bukumuma primary	0	1,000,000	1,000,000	1,000,000	0
7.18 Kisyoyi Friends	0	1,000,000	1,000,000	1,000,000	0
7.19 Kitingia primary	0	1,000,000	1,000,000	1,000,000	0

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
7.20 Nakholo primary	0	500,000	500,000	500,000	0
7.21 Nasyanda Bahai primary	0	1,500,000	1,500,000	786,206	713,794
7.22 Namuningie primary	0	1,000,000	1,000,000	1,000,000	0
Total	22,700,000	6,050,000	28,750,000	15,786,206	12,963,794
8.0 Secondary Schools Projects					
8.1 BukirimoSecondary	4,500,000	0	4,500,000	0	4,500,000
8.2 Bumula boys secondary	500,000	0	500,000	0	500,000
8.3 Chiliba secondary	500,000	0	500,000	0	500,000
8.4 Kabubero secondary	1,500,000	0	1,500,000	0	1,500,000
8.5 Kabula secondary	4,000,000	0	4,000,000	4,000,000	0
8.6 Malinda secondary school	1,000,000	0	1,000,000	0	1,000,000
8.7 Masielo secondary	1,000,000	0	1,000,000	0	1,000,000
8.8 Mikokwe ACK Secondary	2,000,000	1,500,000	3,500,000	3,500,000	0
8.9 Muanda secondary	500,000	0	500,000	0	500,000
8.10 Mwiyeza girls	2,500,000	0	2,500,000	0	2,500,000
8.11 Myanga secondary	500,000	0	500,000	500,000	0
8.12 Naburereya secondary	500,000	0	500,000	0	500,000
8.13 Namanze secondary	2,000,000	0	2,000,000	0	2,000,000
8.14 Nandika secondary	1,500,000	0	1,500,000	0	1,500,000
8.15 Nang'eni girls	500,000	0	500,000	0	500,000
8.16 Ng'oli secondary	4,000,000	0	4,000,000	0	4,000,000
8.17 St. Ann Mukwa	500,000	0	500,000	500,000	0
8.18 Syekumulo secondary	500,000	0	500,000	0	500,000
8.19 Syoya secondary	1,000,000	0	1,000,000	0	1,000,000
8.20 Nangata secondary	0	1,000,000	1,000,000	1,000,000	0
8.21 Lumboka secondary	0	500,000	500,000	500,000	0

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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
8.22 Tulukuyi sec	0	1,500,000	1,500,000	1,500,000	0
Total	29,000,000	4,500,000	33,500,000	11,500,000	22,000,000
10.0 Security Projects					
10.1 Kimaeti sub county Headquarters	7,000,000	0	7,000,000	0	7,000,000
10.2 Kimaeti location chief's office	1,000,000	0	1,000,000	0	1,000,000
10.3 Kibuke Location Chief's office	1,000,000	0	1,000,000	0	1,000,000
10.4 Mateka Ap Camp	1,000,000	0	1,000,000	0	1,000,000
10.5 Myanga police post	1,000,000	0	1,000,000	0	1,000,000
Total	11,000,000	0	11,000,000	0	11,000,000
11.0 Acquisition of assets					
11.3 Purchase of furniture and equipment	205,000	0	205,000	0	205,000
11.4 Purchase of computers	55,000	0	55,000	0	55,000
Total	260,000	0	260,000	0	260,000
12.1 Strategic Plan	0	1,500,000	1,500,000	1,500,000	0
Total	0	1,500,000	1,500,000	1,500,000	0
Grand Total	109,040,876	20,456,911	129,497,787	79,777,812	49,719,975

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-BUMULA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 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 *(Continued)*

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUMULA CONSTITUENCY Reports and Financial Statements For the year ended June 30, 19

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO B030227	2	10,000,000	
AIE NO B006303	3	8,000,000	
AIE NO B030360	4	12,000,000	
AIE NO A699027	5	11,000,000	
AIE NO B042872	6	13,000,000	
AIE NO B047590	7	55,040,876	
AIE NO B005244	8	12,329,310	
AIE NO A855773	9		5,500,000
AIE NO A892819	10		37,905,172
AIE NO A896934	11		42,455,173
TOTAL		121,370,186	85,860,345

2. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	2,394,371	982,932
Employer contribution to NSSF		
Employer contribution to NSSF	87,548	330,000
Total	2,481,919	1,312,932

3. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	5,540,499	4,447,180
Utilities, supplies and services	60,000	17,020
Communication, supplies and services	619,375	10,960
Domestic travel and subsistence	943,376	16,800
Training expenses	892,000	675,000
Hospitality supplies and services	429,376	105,800
Specialized materials and services	2,184,198	1,900,000
Office and general supplies and services	460,000	997,200
Total	11,128,824	8,169,960

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUMULA CONSTITUENCY Reports and Financial Statements For the year ended June 30, 19

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	15,786,206	25,000,000
Transfers to secondary schools (see attached list)	11,500,000	13,700,000
TOTAL	27,286,206	38,700,000

5. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,274,000	5,521,000
Bursary – tertiary institutions (see attached list)	14,954,000	16,103,000
Bursary – special schools (see attached list)	0	20,000
Security projects (see attached list)	0	4,900,000
Sports projects (see attached list)	2,177,000	0
Emergency projects (see attached list)	6,975,863	4,300,000
Total	37,380,863	30,892,836

6. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Household Furniture and Institutional Equipment	0	442,500
Purchase of ICT Equipment, Software and Other ICT Assets	0	200,196
Total	0	642,696

7. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	1,500,000	0
	1,500,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUMULA CONSTITUENCY Reports and Financial Statements For the year ended June 30, 19

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.A Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>EQUITY BANK, Account No. 0480278524012</i>	49,719,975	1,985,680
Total	49,719,975	1,985,680

8.B Cash at hand balance

	2018-2019	2017-2018
	Kshs	Kshs
<i>Balance as per cash book</i>	4,769,000	0
Total	4,769,000	0

9. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	8,127,601	1,985,679
Total	8,127,601	1,985,679

10.0 OTHER IMPORTANT DISCLOSURES

10.1: UNUTILIZED FUND (See Annex 1)

	Kshs	Kshs
Compensation of employees	1,824,905	884,372
Use of goods and services	(808,908)	2,188,650
Amounts due to other Government entities (see attached list)	34,963,794	50,000
Amounts due to other grants and other transfers (see attached list)	13,480,184	327,552
Acquisition of assets	260,000	0
Others	0	17,006,337
	49,719,975	20,456,911

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
BUMULA CONSTITUENCY Reports and Financial Statements For the year ended June 30, 19

10.2: PMC account balances (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	5,866,434	4,500,000
	5,866,434	4,500,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BUMULA CONSTITUENCY Reports and
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ANNEX 1 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,824,905	884,372	
Use of goods & services		(808,908)	2,188,650	
Amounts due to other Government entities				
	Education -primary			
Buloosi primary		700,000	0	
Kimaeti primary		500,000	0	
Lunao primary		1,000,000	0	
Masuno primary		1,500,000	0	
Mukhuma primary		1,000,000	0	
Mutua primary		50,000	0	
Mwiyenga primary		1,000,000		
Syombe primary		1,000,000	0	
Tabala primary		2,000,000	0	
Tabuti primary		1,000,000	0	
Siloba primary		1,500,000	0	
Khelela primary		1,000,000	0	
Nasyanda Bahai primary		713,794	0	
Total		12,963,794		
	Education -secondary			
Bukirimo secondary		4,500,000	0	
Bumula boys		500,000	0	
Chiliba secondary		500,000	0	
Kabubero secondary		1,500,000	0	
Malinda secondary		1,000,000	0	
Masielo secondary		1,000,000	0	
Muanda secondary		500,000	0	
Mwiyenga girls		2,500,000	0	
Naburereya sec		500,000	0	
Namanze secondary		2,000,000	0	
Nandika secondary		1,500,000	0	
Nang'eni girls		500,000	0	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BUMULA CONSTITUENCY Reports and
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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Syekumulo secondary		500,000	0	
Syoya secondary		1,000,000	0	
Ng'oli secondary		4,000,000	0	
Total		22,000,000		
Sub-Total		34,963,794	15,506,337	
Amounts due to other grants and other transfers				
	Security			
Kimaeti sub county Headquarters		7,000,000	0	
Kimaeti location chief's office		1,000,000	0	
Kibuke Location Chief's office		1,000,000	0	
Mateka Ap Camp		1,000,000	0	
Myanga police post		1,000,000	0	
Total		11,000,000	0	
	Environment			
Lukusi primary		187,500	0	
Tabala primary		187,500	0	
Napara ACK primary		187,500	0	
Mutua primary		187,500	50,000	
Total		750,000		
Emergency	Emergency	(430,533)		
Total		(430,533)		
	Bursary			
Bursary secondary		(746,448)		
Bursary-tertiary		75,000		
Universities		2,231,180		
Social security		600,000		
Total		2,159,732		
Sports	Sports	985		
Total		985		
Sub _Total		13,480,185	327,552	
Acquisition of assets	Acq -Assets	260,000		
Sub-Total		260,000		
Others			1,500,000	
Grand Total		49,719,975	20,456,337	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) BUMULA CONSTITUENCY Reports and
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ANNEX 2 – 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
Land				
Buildings and structures	12,700,000	0	0	12,700,000
Office equipment, furniture and fittings	442,500	0	0	442,500
ICT Equipment, Software and Other ICT Assets	400,196	0	0	400,196
Total	13,543,696	0	0	13,543,696

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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Napara primary school	National	010224097717800	5,560	1,000,000
Mundaa primary	Cooperative	01141536438400	6,488	2,500,000
Kisioyi Friends school	Cooperative	01141049262900	2,150	-
Namuningie primary school	Cooperative	01141049596500	17,394	-
Bukumuma primary school	Cooperative	01141668165600	13,243	-
Kitingia primary	Cooperative	01141049317700	1,123	-
Nakhola primary school	Cooperative	01141668371900	42,593	-
Mikokwe secondary	Cooperative	01141668575100	83,486	-
Nangata secondary	Cooperative	01141669814000	3,325	-
Tulukuyi secondary	Cooperative	01141668580000	36,673	-
Mutua primary	Cooperative	01141669387900	1,803	-
Nasyanda Bahai primary	Cooperative	01141536506900	11,869	-
Mwiruti primary	KCB	1183014295	2,075	-
Kimatuni primary	Cooperative	01141668658400	1,998	-
Lukusi primary	Cooperative	01141668343300	32,4023	-
Nakhwana primary	Cooperative	01141049664700	156999	1,000,000
Kabula secondary	KCB	1112847197	5,082,330	-
Myanga secondary	Cooperative	01141049925000	505,925	-
Total			5,866,434	4,500,000

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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)
	Failure to maintain project cash books: The following projects did not maintain cash books- Mateka AP camp, Wacholi primary, Khasoko Assistant Commissioner's office, Mutua primary school	The NG-CDFC had introduced "Receipts and Payments summaries in lieu of cash books for some projects with the intention of rolling it out to all projects and was also committed to training PMCs on Cash book maintenance.	NG-CDFC Bumula	Resolved	
1.0	Trial Balance: The NG-CDFC Bumula did not prepare a trial balance based on ledger balances hence the financial statements could not be confirmed.	The management noted their failure and resolved to subsequently prepare the Trial balance	NG-CDFC Bumula	Resolved	
2.0	Budgetary control and performance: The NG-CDFC Bumula had an approved budget of Kshs. 100,175,335 for the financial year 2017/18. During the same period the fund recorded expenditure of Kshs. 79,718,424 approximately 80% of the budget resulting in an	The underutilization of funds was due to slow disbursement of the funds	Fund Account Manager	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 (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	expenditure of 20,456,911 or 20%				
2.1	Project Implementation Status: The NG-CDF Bumula constituency had planned to implement ninety eight (98) projects in 2017/18. As at 30 June 2018, forty five (45) funded for Kshs.49, 939,654 were complete, thirty eight (38) projects funded for Kshs.8, 667,027 had not started. In addition, two(2) projects funded for Kshs.1,500,000 had stalled while five(5) projects out of which one(1) project had been funded for Kshs.48,836 did not indicate current status	Delay in implementation of projects was due to delay in disbursement of funds and some projects involving huge funds have to be implemented in phases	Fund Account manager	Resolved	
2.2	Failure to maintain staff records: During the audit personal records of two employees were not availed for audit review despite the payroll showing that they were earning salaries. One of the employees earned Kshs.30,000 per month from April 2018 while the other earned Kshs.	The management resolved to maintain comprehensive staff files	NG-CDFC	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 (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	19,323 from July 2017 resulting in a total of 321,876 paid during 2017/18. The particulars of their employment could not therefore be established. Consequently the validity of their employment and the amount paid to them was not ascertained				