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 THE NATIONAL ASSEMBLY REPORT	
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THE AUDITOR-GENERAL

ON

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

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30-34 - 00100, NAIROBI
REGISTRY

30 APR 2020

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -YATTA
CONSTITUENCY**

AMENDED 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)

YATTA CONSTITUENCY

Amended Reports and Financial Statements

For the year ended June 30, 2019

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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 YATTA Constituency day-to-day management is under the following key organs:

- i. 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.	A.I.E holder	Lorna Njoroge
2.	Sub-County Accountant	Benjamin Makau
3.	Chairman NGCDFC	Samuel Makasi
4.	Member NGCDFC	Timothy Kivuva

(d) Fiduciary Oversight Arrangements

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

P.O. Box 203-90119
MATUU-KATANGI ROAD
MATUU

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

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

(f) NGCDF YATTA Constituency Contacts

Telephone: (254) 716727060
E-mail: yatta@ngcdf.go.ke
Website: www.cdfyatta.go.ke

(g) NGCDF YATTA Constituency Bankers

1. Equity Bank
Matuu Branch
P.O. Box 34
Matuu

2. Telephone: (254) 0718 717 754
E-mail: yatta@ngcdf.go.ke
Website: www.cdfyatta.go.ke

(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

Yatta NG-CDF was allocated KShs...109,040,875.52....for Financial Year 2018/2019. Of the above amount the constituency received Kshs.....102,040,875.52.....

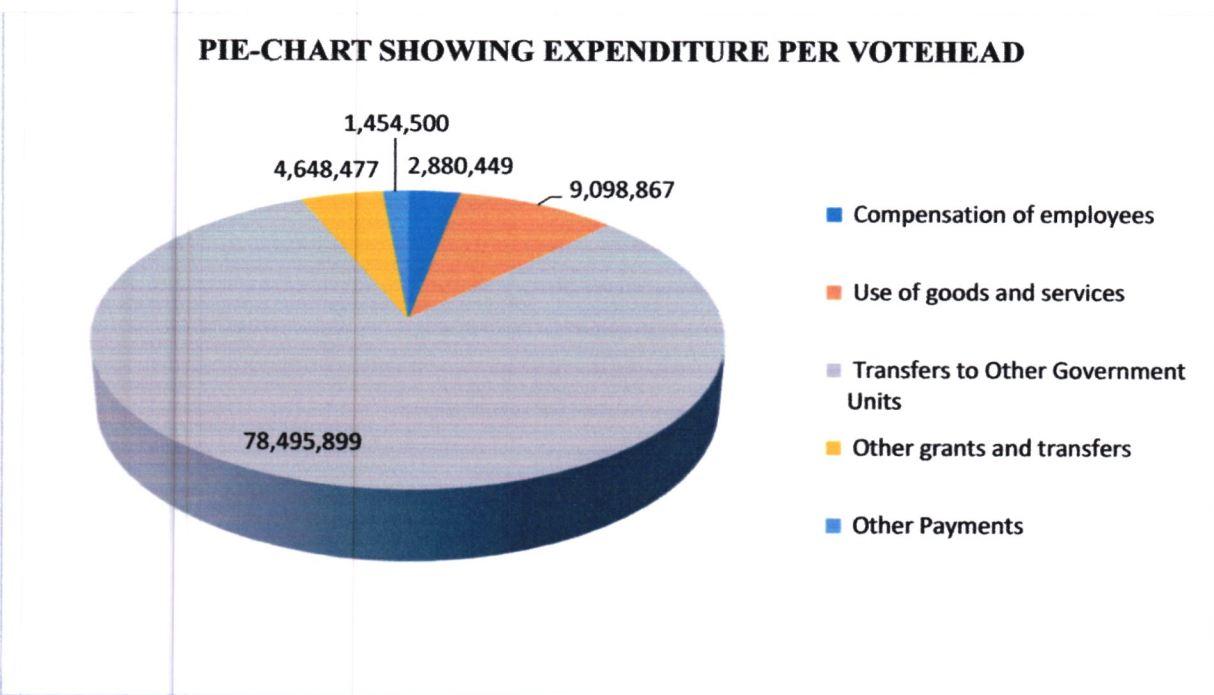
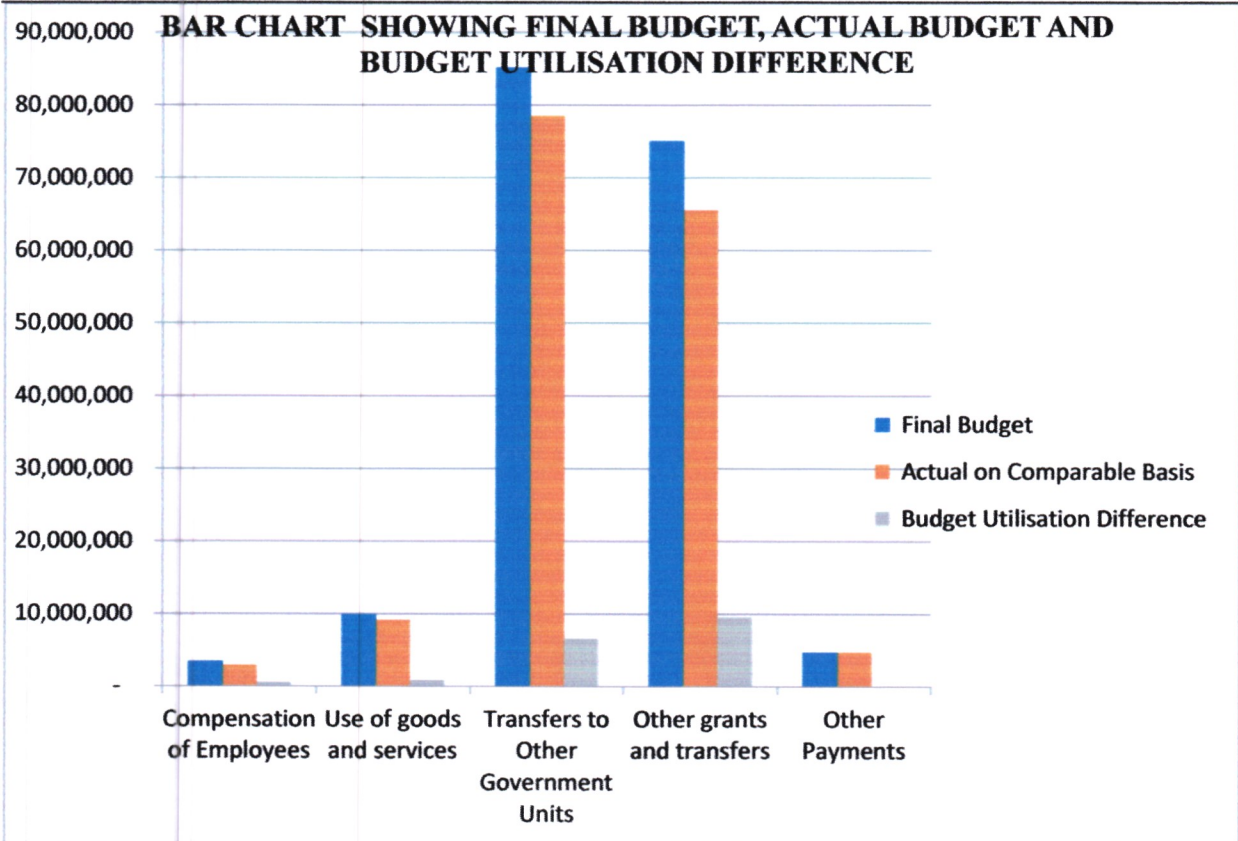
The following projects were implemented in the Financial Year 2018/2019

- Development of 4 ICT Hubs within the constituency.
- 40 Primary Schools and 36 Secondary Schools received funding to improve infrastructure in their institutions.
- 14 Primary Schools, 7 Secondary Schools and 1 AP Line were also funded from the Emergency fund to construct pit latrines, and 2 Primary Schools to replace roofs which had been blown by wind.
- 7000 needy students in Secondary Schools and 2000 needy students in Tertiary institutions benefited from the Bursary Kitty.
- 23 institutions received funding from the Environment fund for improving environment through planting of trees and construction of gabions.
- The Constituency Development Fund Committee, Staff and all the Project Management Committees underwent training to perfect their knowledge in NG-CDF operations.

No major challenges were experienced during the financial year apart from a balance of Ksh 8,736,207 which had not been forwarded to the account by the end of financial year

We look forward to improve efficiency in project implementation

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Malatani Secondary School

The school is located in Katangi ward of Yatta Constituency and was started in the year 2013 with 12 students. Currently the population stands at 182 students, 4 TSC teachers and 5 B.O.M. teachers.

The school was funded Ksh. 1,500,000 for construction of a New Dormitory.



Ikombe Day and Boarding Primary School

The school is located in Ikombe Ward of Yatta constituency. It was started in the 1965 and operated as a day school till 2012 when it incorporated boarding facility. The school has had tremendous growth both in population and performance. Currently it has 930 pupils and 24 TSC teachers. In 2017 it emerged 3rd position in the country while in 2018 it topped the country in academic performance.

Ksh. 2,000,000 was funded to the school for construction of a dormitory.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Sofia Primary School

The school is located in Kithimani ward and needed upgrade of its structures. Ksh. 1,200,000 was used in the financial year 2018-2019 to renovate 4NO. Classrooms.

Before Renovation

After renovation



Yumbuni primary school

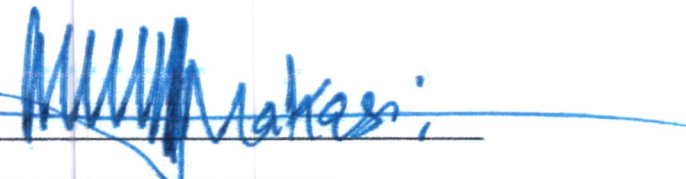
Located in katangi ward of Yatta constituency Yumbuni primary school was allocated Ksh. 1,200,000 for renovation of 4NO. Classrooms.

Before Renovation



After Renovation



Sign 

CHAIRMAN NGCDF COMMITTEE

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

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

III. STATEMENT OF YATTA NGCDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Yatta NGCDF shall prepare financial statements in respect of that Yatta NGCDF. 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.

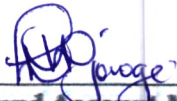
The Accounting Officer in charge of the NGCDF-YATTA Constituency is responsible for the preparation and presentation of the Yatta NGCDF's financial statements, which give a true and fair view of the state of affairs of the Yatta NGCDF for and as at the end of the financial year (period) ended on June 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 Yatta NGCDF; (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 Yatta NGCDF; (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-YATTA Constituency accepts responsibility for the Yatta NGCDF'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 Yatta NGCDF's financial statements give a true and fair view of the state of Yatta NGCDF's transactions during the financial year ended June 30, 2019, and of the Yatta NGCDF's financial position as at that date. The Accounting Officer charge of the NGCDF-YATTA Constituency further confirms the completeness of the accounting records maintained for the Yatta NGCDF, which have been relied upon in the preparation of the Yatta NGCDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-YATTA Constituency confirms that the Yatta NGCDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Yatta NGCDF'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 Yatta NGCDF'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

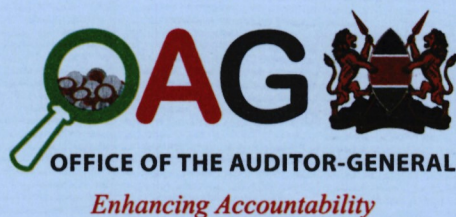
The NGCDF-YATTA Constituency Amended financial statements were approved and signed by the Accounting Officer on 4th March 2020.


Fund Account Manager
Name: Lorna Njoroge


Sub-County Accountant
Name: Benjamin Makau
ICPAK Member Number: 22530

REPUBLIC OF KENYA

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Yatta Constituency set out on pages 9 to 38, which comprise the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Yatta 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 Opinion

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

Key Audit Matters

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

Report of the Auditor-General on National Government Constituencies Development Fund - Yatta Constituency for the year ended 30 June, 2019

Other Matter

Budget Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.177,914,083 and Kshs.164,088,364 respectively resulting to underfunding of Kshs.13,825,719 or 8% of the budget. Similarly, the Fund spent Kshs.160,680,429 against an approved budget of Kshs.177,914,083 resulting to an under-expenditure of Kshs.17,233,654 or 10% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Yatta Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Payments from Emergency Reserve Fund

As disclosed under Note 5 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.65,518,737;(2018-Kshs.23,752,040). Included in this amount is Kshs.8,932,613 for emergency projects out of which payments totaling Kshs.1,250,000 were made to four (4) schools as detailed below:-

Project Details	Purpose	Amount (Kshs.)
Matuu day and mixed secondary school - Procurement of laboratory equipment	Procure lab equipment	200,000
KWA Mwatu secondary school - Procurement of laboratory equipment	Procure lab equipment	200,000
RGC Emmanuel Muusini High School-Construction of staff toilet	The staff and students are sharing toilets	300,000
Kyasioni Primary school - Roofing, purchasing and fixing of doors and windows, painting of Girls dormitory.	Complete Girls dormitory.	550,000

However, there is no evidence to confirm the projects qualify for emergency funding contrary to Section 8(3) of National Government Constituency Development Fund Act, 2015, which defines "Emergency" as an urgent, unforeseen need for expenditure for which in the opinion of the committee cannot be delayed until the next financial year without harming the public interest of the constituents.

2. Projects Implementation

As disclosed under Note 4 to the financial statements, the statements of receipts and payments reflects transfers to other government units of Kshs.78,495,899;(2018-Kshs.8,250,000). Further, and as disclosed under Note 5, the statement of receipts and payments reflects other grants and other payments of Kshs.65,518,737 out of which Kshs.12,849,637 is on account of projects hence bringing the total expenditure on projects to Kshs.91,345,536 during the year. However, a review of project implementation status report as of 30 June, 2019 and other project related documents revealed the following unsatisfactory observations:-

2.1 Inconsistencies in Works Certified in Construction of Kenya Medical Training College (KMTC) - Matuu Campus

An amount of Kshs.15,000,000 was disbursed for the construction of three (3) buildings at KMTC Matuu campus which had been underfunded during the 2016/2017 financial year. Inconsistencies were noted between the works certified by the Sub-county engineer and re-measured works by the regional engineer resulting in over payments as tabulated below: -

Item	Sub-County Engineer Certificate (Kshs.)	Regional Engineer Remeasured (Kshs.)	Variance (Kshs.)	Amount Paid (Kshs.)	Over Payment (Kshs.)
Classrooms and Laboratories	8,000,000	7,545,583	454,417	7,600,000	54,417
Administration Block	3,600,000	2,399,835	1,200,165	3,430,000	1,030,165
Multipurpose Hall	3,400,000	2,643,438	756,562	3,220,000	576,562
Total	15,000,000	12,588,856	2,411,144	14,250,000	1,661,144

No satisfactory explanations were given for inconsistencies and the resultant overpayments of Kshs.1,661,144 to the contractor.

Further, the contracts for the construction of classrooms and laboratories were reviewed upwards from Kshs.7,204,204 to Kshs.8,000,000; and the construction of a multipurpose hall was also varied from Kshs.3,137,700 to Kshs.3,400,000 contrary to the provisions of Section 139(3) of Public Procurement and Asset Disposal Act, 2015 which provides

that, no contract price shall be varied upwards within twelve (12) months from the date of the signing of the contract.

In view of the foregoing, it has not been possible to confirm whether public resources have been used in a lawful and effective manner.

2.2 Stalled Project-Kalandini Primary School

The contract for the construction of one classroom at Kalandini Primary School was awarded on 03 April, 2019 at contract sum of Kshs.780,000. The estimated project completion period was within six (6) months from the date of award. However, the project has since stalled despite Kshs.389,322 having been expended. No satisfactory explanation has been rendered as to provisions of Section 140(a, b and c) of Public Procurement and Asset Disposal Act, 2015, which provides for the contractor to be held liable to liquidated damages for delayed performance.

2.3 Projects Not Started

Nine (9) projects fully funded for Kshs.19,240,818 during the year had not started although the funds had been disbursed to the respective PMC.

No explanations have been given for the delays, in commencing projects and measures being taken to deter recurrence.

Consequently, effectiveness in use of public resources could not be confirmed..

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease operations.,

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


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

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi


20 September, 2021

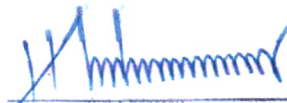
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
YATTA CONSTITUENCY**
Amended Reports and Financial Statements
For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019 kshs.	2017-2018 kshs
RECEIPTS			
Transfers from NGCDF board-AIEs' Received	1	164,088,364	43,405,172
TOTAL RECEIPTS		164,088,364	43,405,172
PAYMENTS			
Compensation of employees	2	2,880,449	2,015,583
Use of goods and services	3	9,108,317	6,986,510
Transfers to Other Government Units	4	78,495,899	8,250,000
Other grants and transfers	5	65,518,737	23,752,040
Acquisition of Assets	6	-	1,454,500
Other Payments	7	4,677,027	-
TOTAL PAYMENTS		160,680,429	42,458,633
SURPLUS/DEFICIT		3,407,935	946,539

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-YATTA Constituency financial statements were approved on 12th September 2019 and signed by:


Fund Account Manager
Name: Lorna Njoroge

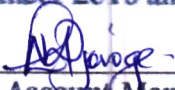

Sub-County Accountant
Name: Benjamin Makau
ICPAK Member Number: 22530

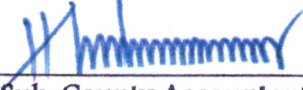
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
YATTA CONSTITUENCY**
Amended Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Bank Balances	8	8,497,447	5,087,078
Total Cash and Cash Equivalents		8,497,447	5,087,078
TOTAL FINANCIAL ASSETS		8,497,447	5,087,078
NET FINANCIAL ASSETS		8,497,447	5,087,078
REPRESENTED BY			
Fund balance b/fwd	8	5,087,078	4,140,539
Surplus/Deficit for the year		3,407,935	946,539
Prior Year Adjustment		2,434	
NET FINANCIAL POSITION		8,497,447	5,087,078

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-YATTA Constituency financial statements were approved on 12th September 2019 and signed by:


Fund Account Manager
Name: Lorna Njoroge

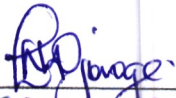

Sub-County Accountant
Name: Benjamin Makau
ICPAK Member Number: 22530

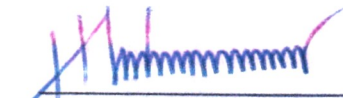
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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VI. STATEMENT OF CASHFLOW

Receipts for operating income	NOTE	2018-2019 Kshs.	2017-2018 Kshs.
Transfers from NGCDF Board	1	164,088,364	43,405,172
		164,088,364	43,405,172
Payments for operating expenses			
Compensation of Employees	2	2,880,449	2,015,583
Use of goods and services	3	9,108,317	6,986,510
Transfers to Other Government Units	4	78,495,899	8,250,000
Other grants and transfers	5	65,518,737	23,752,040
Other Payments	7	4,677,027	-
		160,680,429	40,704,133
Adjusted for:			
Adjustment during the year		2,434	
Net cash flow from operating activities		3,410,369	2,701,039
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	-	1,454,500
		-	1,754,500
NET INCREASE IN CASH & CASH EQUIVALENTS		3,410,369	946,539
Cash and cash equivalent at Beginning of the year	8	5,087,078	4,140,539
Cash and cash equivalent at END of the year		8,497,447	5,087,078

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-YATTA Constituency financial statements were approved on 12th September 2019 and signed by:


Fund Account Manager
Name: Lorna Njoroge


Sub-County Accountant
Name: Benjamin Makau
ICPAK Member Number: 22530


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – YATTA CONSTITUENCY
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For the year ended June 30, 2019

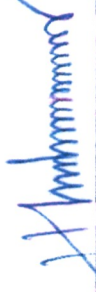
7II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	68,873,207	177,914,083	164,088,364	13,825,719	92
PAYMENTS						
Compensation of Employees	2,766,957	634,361	3,401,318	2,880,449	520,869	85
Use of goods and services	7,046,723	2,822,435	9,859,708	9,108,317	760,841	92
Transfers to Other Government Units	53,126,567	31,992,286	85,118,853	78,495,899	6,622,954	92
Other grants and transfers	46,100,628	28,747,098	65,847,726	65,518,737	9,328,989	86
Other Payments	-	4,677,027	4,677,027	4,677,027	-	100
TOTALS	109,040,876	68,873,207	177,914,083	160,680,429	17,233,654	90

- i. Compensation of employees presented 85% occasioned by gratuity balances carried forward from last year.
- ii. Other grants and transfers presented 86% utilization occasioned by a balance of Ksh 8,736,207 not yet received from the board

The NGCDF-YATTA Constituency financial statements were approved on 12th September 2019 and signed by:


 Fund Account Manager
 Name: Lorna Njoroge


 Sub-County Accountant
 Name: Benjamin Makau
 ICPAK Member Number: 22530

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – YATTA CONSTITUENCY
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent	6,542,454	979,661	7,522,115	6,589,309	932,805
1.1 Compensation of employees	2,766,957	634,361	3,401,318	2,880,449	520,869
1.2 Committee allowances	1,500,000	-	1,500,000	1,393,247	106,753
1.3 Use of goods and services	2,275,497	345,300	2,620,797	2,315,613	305,183
2.0 Monitoring and evaluation	3,271,226	990,153	4,261,379	3,774,755	486,624
2.1 Capacity building	1,500,000	341,379	1,841,379	1,658,000	183,379
2.2 Committee allowances	1,071,226	648,774	1,720,000	1,593,652	126,348
2.3 Use of goods and services	700,000	-	700,000	523,103	176,897
3.0 Emergency	5,738,993	3,887,931	9,626,924	8,932,613	694,311
3.1 Primary Schools			-	6,852,613	
3.2 Secondary schools			-	1,780,000	
4.0 Bursary and Social Security	30,000,000	16,296,010.50	46,296,010.50	46,169,100	126,910.50
4.2 Secondary Schools	15,000,000	16,296,010.50	31,296,010.50	31,169,100	126,910.50

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

4.3 Tertiary Institutions and Universities	15,000,000	-	15,000,000	15,000,000	-
5.0 Sports	2,180,818	1,736,207	3,917,024	1,736,206	2,180,818
6.0 Environment	2,180,818	1,736,207	3,917,024	2,180,818	1,736,207
7.0 Primary Schools Projects	27,200,000	9,500,000	36,700,000	35,016,169	1,683,831
Katangi Township Primary		500,000	500,000	500,000	0
Kamale Primary		750,000	750,000	750,000	0
HGM Kithimani For Mentally		750,000	750,000	750,000	0
Katutuni primary		750,000	750,000	750,000	0
Vota Primary		750,000	750,000	750,000	0
Kiwanza Primary		750,000	750,000	750,000	0
Ye mwatu primary		750,000	750,000	750,000	0
Kambi ya ndege Primary		750,000	750,000	750,000	0
Kalimatula Primary		1,500,000	1,500,000	1,500,000	0
Kwamwatu Primary					0

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

St Peter Kikule Primary	750,000	750,000	750,000	750,000	0
Syuki Primary	750,000	750,000	750,000	750,000	0
Katulani Primary School	1,600,000	1,600,000	1,560,000	40,000	
Mbingoni Primary School	900,000	900,000	877,500	22,500	
Kaluluini Primary School	1,200,000	1,200,000	1,170,000	30,000	
Syuki Primary School	800,000	800,000	780,000	20,000	
Kaonyweni Primary School	900,000	900,000	847,960	52,040	
Kivingoni Primary School	800,000	800,000	780,000	20,000	
Kiwanzani Primary School	800,000	800,000	780,000	20,000	
Kithuani Primary School	800,000	800,000	780,000	20,000	
Kalimatula Primary School	800,000	800,000	780,000	20,000	
Kithendu Primary School-	1,200,000	1,200,000	1,170,000	30,000	
Ilanguni Primary School	1,200,000	1,200,000	1,169,338	30,662	
Sofia Primary School	1,200,000	1,200,000	1,170,000	30,000	
Kaumoni Primary School	600,000	600,000	585,000	15,000	
Kondo Primary School	900,000	900,000	877,500	22,500	
Vota Primary School	900,000	900,000	877,500	22,500	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – YATTA CONSTITUENCY

Amended Reports and Financial Statements

For the year ended June 30, 2019

				900,000	877,500	
Kauthulini Primary School	600,000			600,000	585,000	15,000
Kautuluni Primary School	800,000			800,000	780,000	20,000
Kithimani AIC Primary School	800,000			800,000	780,000	20,000
Ivutu Primary School	800,000			800,000	780,000	20,000
Kavingo Primary School	1,200,000			1,200,000	-	1,200,000
Katangi Primary School	800,000			800,000	780,000	20,000
Yumbuni Primary School	1,200,000			1,200,000	1,170,000	30,000
Kalandini Primary School	800,000			800,000	780,000	20,000
Uvaini Primary School	800,000			800,000	778,000	22,000
Ngangani Primary School	800,000			800,000	779,950	20,050
Kikesa Primary School	800,000			800,000	780,000	20,000
Ikombe Day&Boarding School	2,000,000			2,000,000	1,948,421	51,579
Ngumbulu Secondary School	1,200,000			1,200,000	1,170,000	30,000
Fund Account Manager					200,000	-200,000
8.0 Secondary Schools Projects	16,400,000	20,125,000	36,525,000	33,229,730		3,295,270
Mwambathaana Secondary		1,725,000	1,725,000	1,725,000		0

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

St Charles Uvuoni secondary	1,000,000	1,000,000	1,000,000	0
Ngulubu Secondary	750,000	750,000	750,000	0
Matuu mixed and day	750,000	750,000	750,000	0
Good Hope Kilaatu	750,000	750,000	750,000	0
Good hope Kilaatu	250,000	250,000	250,000	0
Kinaka Secondary	750,000	750,000	750,000	0
Kwa Kitema Secondary	750,000	750,000	750,000	0
Kikesa Secondary	650,000	650,000	650,000	0
Kaliani Secondary	750,000	750,000	750,000	0
Kilango Secondary	750,000	750,000	750,000	0
Kionyweni Secondary	750,000	750,000	750,000	0
Maiuni Secondary	750,000	750,000	750,000	0
Mamba Secondary	750,000	750,000	750,000	0
ST Peter Ithekethini Secondary	750,000	750,000	750,000	0
Kaumoni Secondary	750,000	750,000	750,000	0
St Philip Matangini	750,000	750,000	750,000	0
Kalukuni Secondary	750,000	750,000	750,000	0

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

Kaloleni Secondary		750,000	750,000	750,000	0
Mavoloni Secondary School		750,000	750,000	750,000	0
St James Ihumanthi Secondary		750,000	750,000	750,000	0
Yumbuni secondary		1,500,000	1,500,000	1,500,000	0
Tinganga Secondary		750,000	750,000	750,000	0
Kavingo Secondary		1,500,000	1,500,000	1,500,000	0
Matuu Day Secondary School	1,600,000		1,600,000	-	1,600,000
Mbingoni Secondary School	2,000,000		2,000,000	1,950,000	50,000
Kaloleni Secondary School	800,000		800,000	780,000	20,000
Ovuoni Secondary School	800,000		800,000	780,000	20,000
Iviani Secondary School	800,000		800,000	780,000	20,000
Inyaanzani Secondary School	2,000,000		2,000,000	1,891,130	108,870
Makutano ABC Secondary School	800,000		800,000	777,360	22,640
Kikuyuni Secondary School	1,500,000		1,500,000	1,462,500	37,500
Kyua Secondary School	1,000,000		1,000,000	-	1,000,000
Malatani Secondary School	1,300,000		1,300,000	1,267,500	32,500
AIC Kasooni Day & Boarding Secondary School	500,000		500,000	-	500,000
Good Hope Kilaatu Secondary School	800,000		800,000	778,740	21,260

Amended Reports and Financial Statements

For the year ended June 30, 2019

RGC Muusini Secondary School	800,000		800,000	780,000	20,000
St. Peter Mbembani Secondary School	1,700,000		1,700,000	1,657,500	42,500
Fund Account Manger				200,000	-200,000
9.0 Tertiary institutions Projects	9,400,000	2,250,000	11,650,000	10,250,000	1,400,000
9.1 Ndalani Vocational Training College	1,400,000		1,400,000	-	1,400,000
9.2 Kenya Medical Training College(Matuu)	8,000,000		8,000,000	8,000,000	-
9.3 Katangi TTI Land		2,250,000	2,250,000	2,250,000	0
10.0 Security Projects	6,000,000	6,500,000	12,500,000	6,500,000	6,000,000
10.1 katangi police land	4,000,000		4,000,000	-	4,000,000
10.2 Ikombe police land	2,000,000		2,000,000	-	2,000,000
10.3 kithimani police headquarters		6,500,000	6,500,000	6,500,000	-
11.0 Others					
11.1 Strategic Plan	-	1,458,702	1,458,702	1,458,702	-
11.2 Innovation Hub	-	4,677,027	4,677,027	4,677,027	-
11.4 NG-CDF Office	125,000	41,000	166,000	166,000	-

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Yatta NGCDF's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Yatta NGCDF

The financial statements are for the NGCDF-YATTA Constituency. The financial statements encompass the reporting Yatta NGCDF 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 Yatta NGCDF for all the years presented.

a) Recognition of Receipts

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

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 Yatta NGCDF.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient Yatta NGCDF 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 Yatta NGCDF recognises all payments when the event occurs and the related cash has actually been paid out by the Yatta NGCDF.

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 Yatta NGCDF and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

YATTA CONSTITUENCY

Amended Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Yatta NGCDF 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 Yatta NGCDF 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. Yatta NGCDF did not have account receivable for the accounting period.

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. Yatta NGCDF did not have account payable for the accounting period.

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 Yatta NGCDF 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. Yatta NGCDF did not have pending bills for the accounting period.

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 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.

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) –
YATTA CONSTITUENCY**

Amended Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2018-2019	2017-2018
	Kshs	Kshs
AIE NO. A892548		5,500,000
AIE NO. A892806		37,905,172
AIE NO. B005139	53,048,276	
AIE NO. B030133	10,000,000	
AIE NO. B006263	15,000,000	
AIE NO. A699011	6,000,000	
AIE NO. B042647	11,000,000	
AIE NO. B042859	12,000,000	
AIE NO. B047585	48,040,088	
Reallocation from Katangi TTI	9,000,000	
	164,088,364	43,405,172

YATTA CONSTITUENCY

Amended Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,765,480	1,218,536
Basic wages of casual labour	407,600	395,000
Personal allowances paid as part of salary		
Employer contribution to NHIF	66,600	43,750
Employer contribution to NSSF	40,000	27,200
Gratuity-contractual employees	600,769	331,097
TOTAL	2,880,449	2,015,583

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

Amended Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs.	Kshs
Utilities, supplies and services	1,246,755	139,174
Training expenses	1,758,000	1,500,000
Hospitality supplies and services	100,000	308,500
Other committee expenses	525,305	1,458,657
Committee allowance	3,122,150	1,413,960
Insurance costs	130,324	187,527
Office and general supplies and services	153,481	75,930
Fuel ,oil & lubricants	600,000	400,000
Bank Service Commission and Charges	13,600	24,696
Routine maintenance – vehicles and other transport equipment	-	505,598
Strategic Plan	1,458,702	972,468
TOTAL	9,108,317	6,986,510

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

Amended Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017- 2018
	Kshs	Kshs
Transfers to Primary schools	35,016,169	4,500,000
Transfers to Secondary schools	33,229,730	3,750,000
Transfers to Tertiary institutions	10,250,000	
Transfers to Health institutions		
TOTAL	78,495,899	8,250,000

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	31,169,100	11,361,840
Bursary -Tertiary	15,000,000	10,840,200
Security	6,500,000	
Sports	1,736,206	
Environment	2,180,818	
Emergency Projects	8,932,613	1,550,000
TOTAL	65,518,737	23,752,040

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

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

Non Financial Assets	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of office furniture and fittings	-	1,280,200
Purchase of computers ,printers and other IT equipments	-	98,400
Purchase of other office equipments		75,900
TOTAL	-	1,454,500

7. OTHER PAYMENTS

	2018-2019	2017 - 2018
	Kshs	Kshs
ITC HUBS	4,677,027	-
TOTAL	4,677,027	-

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

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Bank Accounts

Name of Bank, Account No. & currency	Account Number	2018-2019 Kshs (30/6/2019)	2017-2018 Kshs (30/6/2018)
<i>Equity Bank, Matuu Branch</i>	<i>A/c no 03390263964339</i>	8,497,447	5,087,078

9. BALANCES BROUGHT FORWARD

	2018-2019 Kshs (1/7/2019)	2017-2018 Kshs (1/7/2018)
Bank accounts	5,087,078	4,090,539
Imprest	-	50,000
TOTAL	5,087,078	4,140,539

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

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER IMPORTANT DISCLOSURES

10.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

There was no pending account payable in the financial year

10.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xx	xxx
Middle management		xxx
Unionisable employees	Xx	xxx
Others (<i>specify</i>)	Xx	xxx
	Xx	xxx

10.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017-2018
	Kshs	Kshs
Compensation of employees	520,869	1,834,331
Use of goods and services	829,226	3,681,370
Amounts due to other Government entities (see attached list)	6,622,954	33,625,000
Amounts due to other grants and other transfers (see attached list)	9,260,605	15,947,098
Acquisition of assets	-	106,735
Others (<i>specify</i>)	-	4,677,027
	17,233,654	59,871,561

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

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	55,367,569	37,538,955
	55,367,569	37,538,955

NATIONAL GOVERNMENT YATTA NGCDF - (Indicate actual name of the Yatta NGCDF)
Amended Reports and Financial Statements
For the year ended June 30, 2019 (Kshs '000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

No outstanding commitments payable for the year under review

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (specify)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)
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For the year ended June 30, 2017 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical cost balance c/f (Kshs) 2018/19
Land	1,500,000	-	-	1,500,000
Buildings and structures	20,171,250	-	-	20,171,250
Transport equipment	5,069,647	-	-	5,069,647
Office equipment, furniture and fittings	1,454,500	-	-	1,454,500
ICT Equipment, Software and Other ICT Assets	351,000	-	-	351,000
Other Machinery and Equipment	1,850	-	-	1,850
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	28,548,247	-	-	28,548,247

NATIONAL GOVERNMENT YATTA NGCDF - (Indicate actual name of the Yatta NGCDF)
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For the year ended June 30, 2019 (Kshs'000)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

S/N	PMC	BANK	ACCOUNT NO.	BALANCE AS AT 30 TH JUNE 2019
1	Ikombe Day and Boarding Primary school	Equity Bank -Matuu	0390277681529	2,437,301.00
2	Ianguni Primary School	Equity Bank -Matuu	0390278847689	548,340.00
3	Katangi Primary School	Equity Bank -Matuu	0390279024360	780,000.00
4	Kivingoni Primary School	Equity Bank -Matuu	0390278847177	780,000.00
5	Katulani Primary School	Equity Bank -Matuu	0390278853836	1,560,000.00
6	St. Charles Uvouni Secondary School	Equity Bank -Matuu	0390277513556	860,050.00
7	Ivutu Primary School	Equity Bank -Matuu	0390278976016	780,000.00
8	Ngangani Primary School	Equity Bank -Matuu	0390278847345	780,750.00
9	Malatani Secondary School	Equity Bank -Matuu	0390278989040	1,267,500.00
10	RGC Emmanuel High School	Equity Bank -Matuu	0390277642629	354,766.73
11	Kithendu Primary School	Equity Bank -Matuu	0390278868173	1,170,000.00
12	Kikuyuni Secondary School	Equity Bank -Matuu	0390278868598	1,542,500.00
13	Kondo Primary School	Equity Bank -Matuu	0390170884732	878,190.00
14	Kautuluni Primary School	Equity Bank -Matuu	0390279056426	780,000.00
15	Mbingoni Primary School	Equity Bank -Matuu	0390278992901	877,500.00
16	Yumbuni Primary School	Equity Bank -Matuu	0390279012765	1,170,000.00
17	Ngumbulu Primary School	Equity Bank -Matuu	0390279004315	1,170,000.00
18	Sofia Primary School	Equity Bank -Matuu	0390278949220	1,170,000.00
19	Syuki Primary School	Equity Bank -Matuu	0390277522270	779,842.50
20	Kaonyweni Primary School	Equity Bank -Matuu	0390279008634	847,960.00
21	Sinai Primary School	Equity Bank -Matuu	0390278817757	73,312.46
22	Illumanthi Primary School	Equity Bank -Matuu	0390279011904	292,500.00
23	Malivii Primary School	Equity Bank -Matuu	0390279003410	390,000.00
24	Kavingo Primary School	Equity Bank -Matuu	0390278985941	284,520.00

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)

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For the year ended June 30, 2017 (Kshs'000)

25	Kyaani Primary School	Equity Bank -Matuu	0390279020789	292,500.00
26	Kalandini Primary School	Equity Bank -Matuu	0390299167239	783,110.25
27	Uvaini AIC Primary School	Equity Bank -Matuu	0390278845588	778,000.00
28	Kaluluini Primary School	KCB	1257094688	1,170,000.00
29	Kikesa Primary School	KCB	1258979691	780,000.00
30	AIC Kithimani Primary School	KCB	1257866680	780,000.00
31	Kithuiani Primary School	KCB	1257590510	780,000.00
32	Kaloleni Secondary School	KCB	1237257549	781,279.00
33	Iviani Secondary School	KCB	1145571530	783,249.00
34	Kiwanzani Primary School	KCB	1237032725	780,460.00
35	Nthungululu Primary School	KCB	1289989054	487,500.00
36	Good Hope High School - Kilaatu	KCB	1228569266	780,049.00
37	Kauthulini Primary School	KCB	1257962574	665,000.00
38	Kaumoni Primary School	KCB	1259477886	975,000.00
39	SA Mbingoni Secondary School	KCB	1234187019	1,951,935.00
40	Kalimatula Primary School	KCB	1237223121	780,298.00
41	St. Peter Mbembani Secondary School	KCB	1257558196	1,657,500.00
42	Makutano ABC Secondary School	KCB	1257107348	777,360.00
43	Dr. Charles Mulli Secondary School- Inyanzaani	KCB	1256472425	1,891,130.00
44	Vota Primary School		0390267035620	878,442.00
45	Yatta (Matuu) Police Headquarters	Equity Bank- Matuu	0390277913849	6,500,000.00
46	Kenya medical training college- matuu campus	Equity Bank- Matuu	0390272948184	8,740,725.00
	TOTAL			55,367,569.00

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)
Amended Reports and Financial Statements
For the year ended June 30, 2017 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MH/YATT A/NGCDF /2017/18 (8)	<p><u>Lack of adequate funding</u> The NGCDF Board's approved budget for the year under review was Kshs 102,330,194 while the amount received was Kshs 43,405,172 resulting to an under funding of Kshs 58,925,022 which hindered the implementation of programmes and projects in 2017/2018 financial year. Further the Statement of Receipts and Payments reflects total expenditure amounted to Kshs 42,458,633 against actual receipts of Kshs 43,405,172 thus resulting to under absorption of Kshs 946,539, which has not been explained</p>	<p>The management has noted that underfunding was due to elongated electioneering period. The management noted that the under absorption included staff gratuity and an account will be opened to be credited with the amount of gratuity payable.</p>	Lorna Njoroge - FAM	Resolved	

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)
 Amended Reports and Financial Statements
 For the year ended June 30, 2017 (Kshs'000)

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)
MH/YATT A/NGCDF /2017/18 (8)	<p><u>Compensation of employees- disclosure of NSSF contributions by employer</u> Note 4 to the financial statements presented basic wages of contractual employees of Kshs. 1,289,486. The figure however, includes employer's contribution to NSSF which should be disclosed separately in accordance to the Public Service Accounting and Standards Board stipulated reporting templates.</p>	<p>The management noted the error and the amount of 1,289,486 has since been separated and NSSF and NHIF posted well in the Updated financial statements</p>	Lorna Njoroge - FAM	Resolved	
MH/YATT A/NGCDF /2017/18 (8)	<p><u>Compensation of employees</u> Note 4 to the financial statements and the ledger presented an amount of Kshs. 1,289,486 and Kshs. 395,000 as basic wages of contractual employees and basic wages of casual labour respectively. However, analysis of the payment vouchers showed Kshs. 1,236,071 and Kshs. 448,200 as wages of contractual employees</p>	<p>These were noted and corrected accordingly</p>	Lorna Njoroge - FAM	Resolved	

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)

Amended Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)								
	<p>and casual labour resulting to a difference of Kshs. 53,415 and Kshs. 53,200 respectively.</p> <p><u>Insurance costs</u></p> <p>Note 5 of the financial statement reflects Kshs 6,986,510 for use of goods and services which include an expenditure of Kshs 187,527 for insurance costs while the amount paid vide cheque 2630 of 4/10/2017 is Kshs 184,527 resulting to an unexplained difference of Kshs 3,000.</p> <p><u>Bank charges</u></p> <p>The financial statement reflects nil expenditure for bank charges while payments vouchers availed for audit indicates a figure of Kshs 24,695.70 as detailed below in table 1 below.</p>												
	<table border="1"> <thead> <tr> <th>Payme</th> <th>Date</th> <th>Payee</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Payme	Date	Payee	Amount								
Payme	Date	Payee	Amount										

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)

Amended Reports and Financial Statements

For the year ended June 30, 2017 (Kshs'000)

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)
(8)	<p>The statement of receipts and expenditure reflects an expenditure of Kshs 8,250,000 for transfers to other government units to implement various projects in thirteen schools. The NGCDF Committee disbursed these funds to Project Management Committees formed in the institutions to implement the approved projects by the NGCDF Board. It was noted that out of Kshs 8,250,000 disbursed, Kshs 6,750,000 was allocated for construction of 9 class rooms in nine schools at a rate of Kshs 750,000. It was noted that all the schools used a standard bill of quantity developed by sub county works officer. A visit to construction sites in five schools listed below revealed that only 65 pieces of iron sheets was used in roofing while each contractor was paid the cost of 75 pieces quoted in the bills of quantity as detailed in table 2 below. Examination of records in these</p>	<p>amounts paid by PMCs of the institutions and the amounts will be send back to Yatta NG-CDF main account.</p> <p>The management of Yatta NG-CDF organized and conducted training of PMCs on NG-CDF Act, Procurement and public financial management Act.</p>			

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>schools revealed that PMCs paid Construction Contractors the approved amounts by the engineer based on the bills of quantity instead of the actual costs of iron sheets fixed in these projects. This resulted to Contractors being paid excess amounts of Kshs 51,750 than the cost of materials used</p> <p>Further, it was noted that NGCDF Committee disbursed Kshs 750,000 to Makutano ABC primary school on 17/4/2018 vide cheque no. 3048 for construction of a classroom. A visit to this school revealed that the PMC diverted this amount and constructed a classroom for Makutano secondary school which is not operational.</p>				
MH/YATT A/NGCDF /2017/18 (8)	<u>Irregular advance payment to a supplier</u>	The PMC was not knowledgeable on financial Act. The affected PMCs have been summoned and advised on the	Lorna Njoroge - FAM	Resolved	

NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)
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For the year ended June 30, 2017 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of receipts and payments reflects Kshs 8,250,000 for transfers to other government units which include Kshs 1,000,000 disbursed to Kwamwatu Secondary School for construction of a classroom and purchase of 50 lockers and chairs. The Project management committee (PMC) of this school recommended tender award for the supply and delivery of 50 lockers and chairs to Kamuwax Construction Company Ltd at cost of Kshs 250,000 as per PMC minutes of 29/05/2018. No contract agreement was signed between the two parties for supply and delivery of 50 locker and chairs. The PMC paid an advance payment of Kshs 150,000 or 60% of the tender sum to the Supplier on 16/8/2018 vide cheque no. 000005 contrary to section 147 (1) public procurement and asset disposal Act of 2015. It was noted that the 50 lockers and chairs were</p>	<p>irregularity. The management organized and contacted training on all PMCS whose projects are ongoing.</p>			



NATIONAL GOVERNMENT YATTA NGCDF - (indicate actual name of the Yatta NGCDF)
 Amended Reports and Financial Statements
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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)
	delivered on 28/8/2018 as per delivery note.				
MH/YATT A/NGCDF /2017/18 (8)	<p><u>Failure to hire a clerk of works</u></p> <p>The National government CDF records for the financial year 2017/2018 showed that there was no employee hired with knowledge of construction. Since most of the CDF projects involve construction, in absence of such an officer it's not clear who advises the CDFC on technical matters when monitoring projects.</p>	<p>The management has seen the need for a clerk of works as recommended and the vacancy has since been filled</p>	Lorna Njoroge - FAM	Resolved	

