


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PARTNERSHIP	
DATE: 21 OCT 2021	DAY: Thursday
TABLED BY: LOMP	
CLERK-AT THE-TABLE: Mr. Maiva Wanjiku	

THE AUDITOR-GENERAL

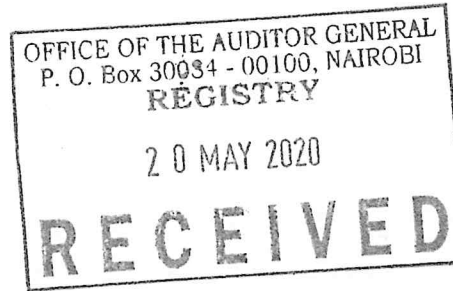
ON

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

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



[Faint, illegible handwritten text, possibly bleed-through from the reverse side of the page.]



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KANGUNDO
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)

12
13
14
15

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III. STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	10
IV. STATEMENT OF RECEIPTS AND PAYMENTS	11
V. STATEMENT OF ASSETS AND LIABILITIES	12
VI. STATEMENT OF CASHFLOW	13
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	14
VIII BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	11
IX. SIGNIFICANT ACCOUNTING POLICIES	14
X. NOTES TO THE FINANCIAL STATEMENTS.....	18

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

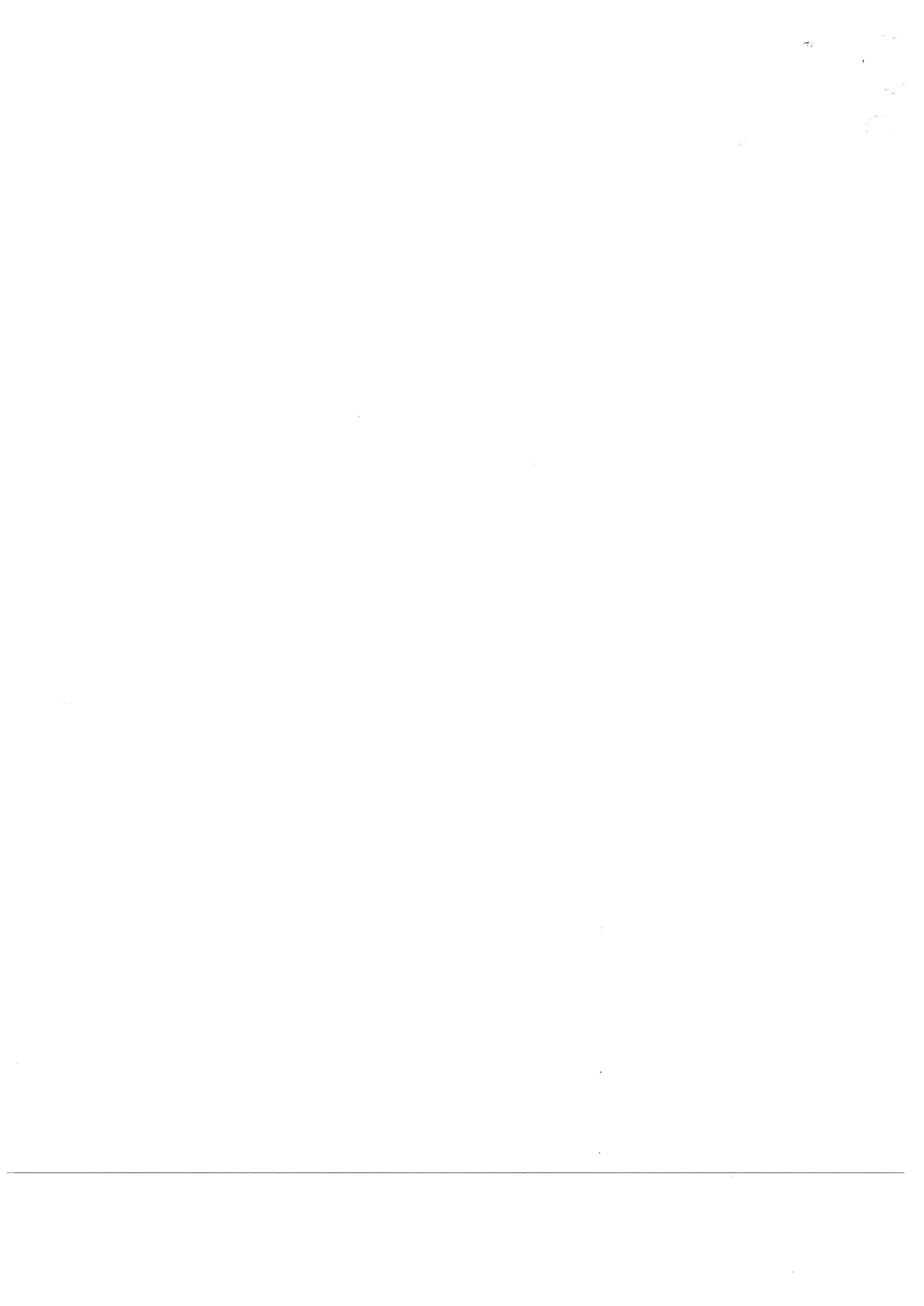
- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide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

Vision

Equitable Socio-economic development countrywide

Mission

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



Core Values

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

(b) Key Management

The NGCDF KANGUNDO 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.	A.I.E holder	Willis Mwenda Mbabu
2.	Sub-County Accountant	Susan Ndanu Mwalimu
3.	Chairman NGCDFC	Belita Muthike Mutie
4.	Member NGCDFC	James Kivondo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1035 -90100
Kangundo NG CDF Office
Behind Kangundo Sub County Administrators Office
KANGUNDO, KENYA



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF KANGUNDO Constituency Contacts

Telephone: (254) 724 781 421
E-mail: cdfkangundo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KANGUNDO Constituency Bankers

1. Equity Bank Limited
Tala Branch
P.O. Box 343-90131
TALA, 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

Include among others the following:

The budget performance was above 70% when the actual expenditure and disbursements were compared. At 98.3% funding the Constituency had utilized 70.6% of the funds meaning almost the amount received within that period was disbursed. The final tranche for the financial year was still outstanding at the closure of year.

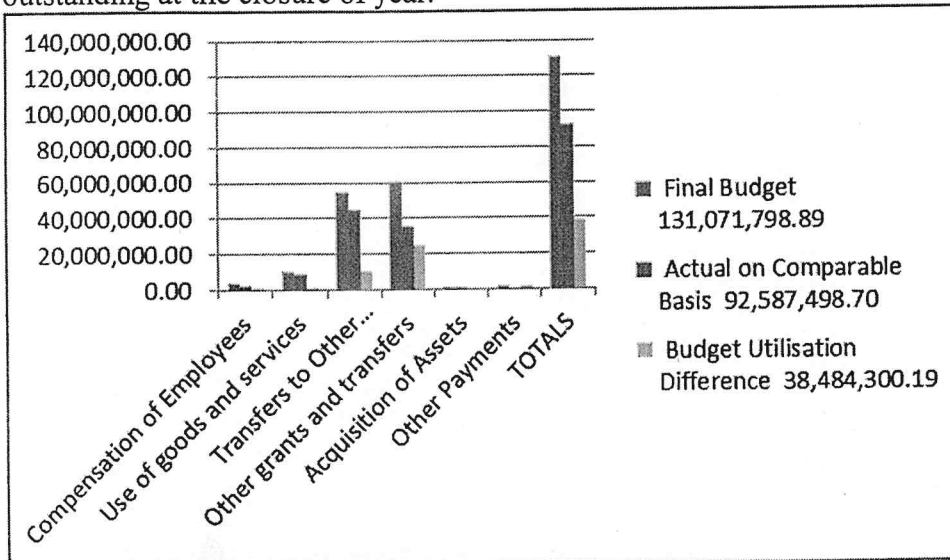


Fig. 1 Graph of receipts and expenditures in 2018/2019

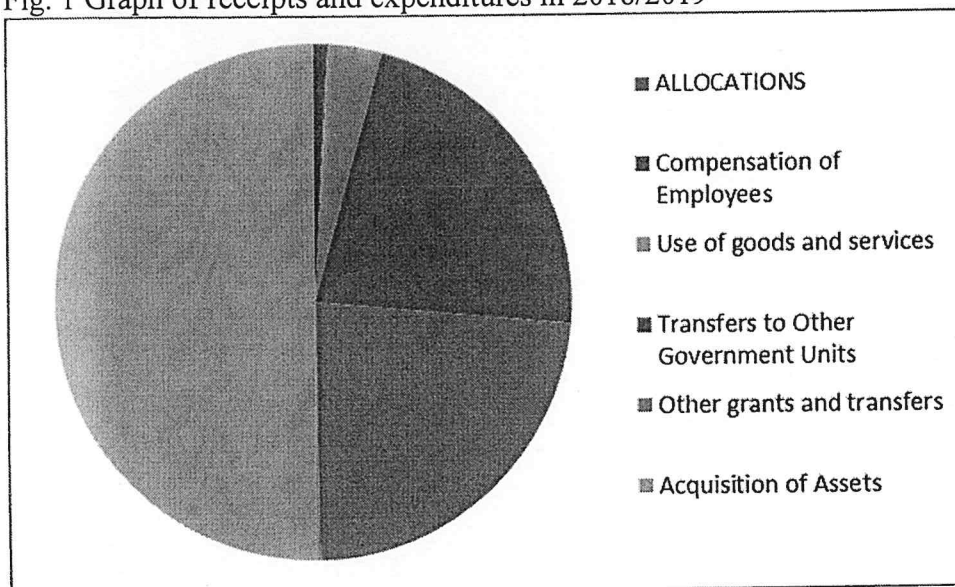


Fig. 2 Piechart showing allocations per vote/sector-2018/2019



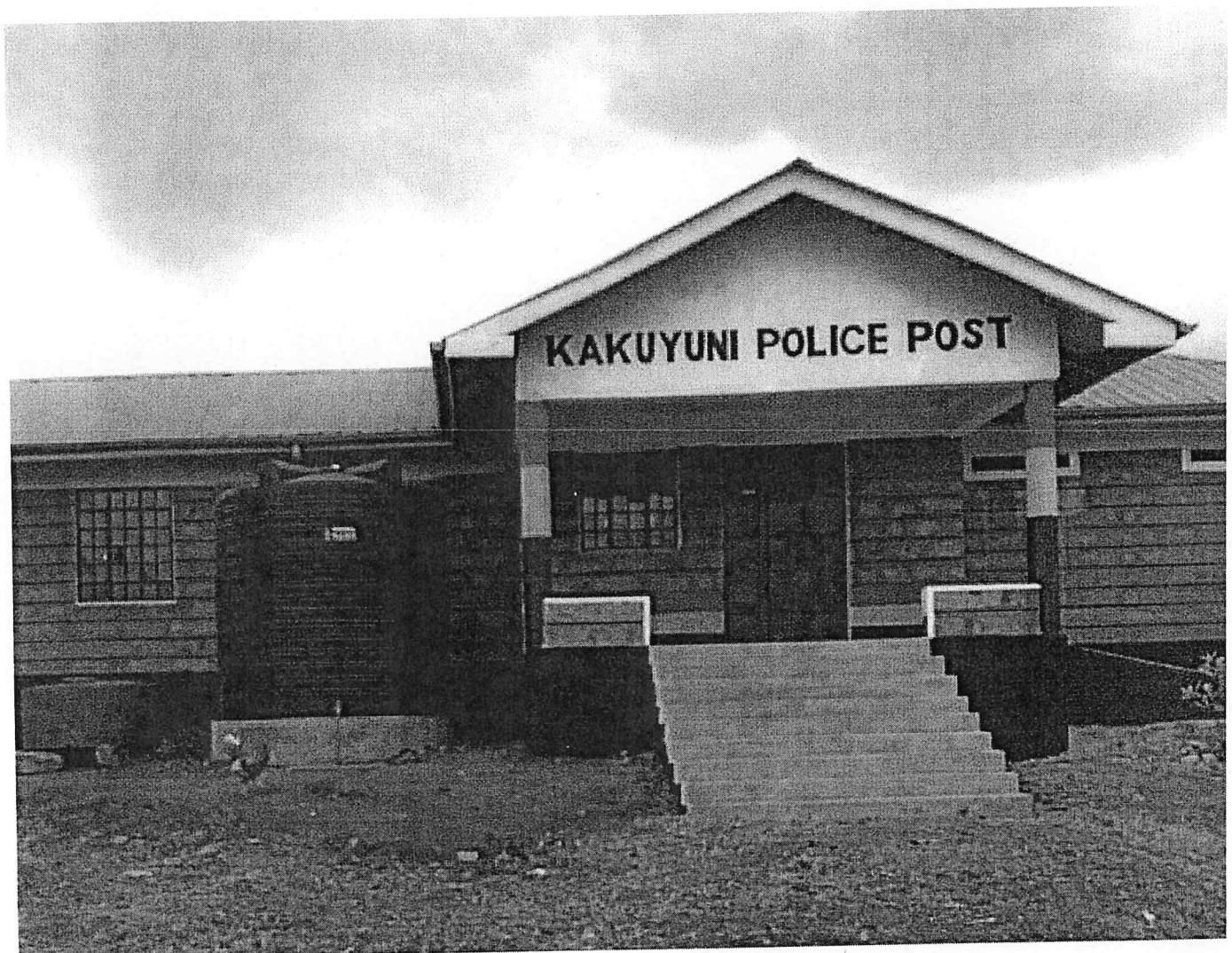
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGUNDO CONSTITUENCY**

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

NG-CDF is a fund which can be classified as community friendly. Apart from funding what is required by the community members, its implementation is done by the same community thus achieving several objectives. First, it is wealth creation as a vast number of items and resources used are from the community. It also encourages ownership of the projects by the community hence their sustainability.

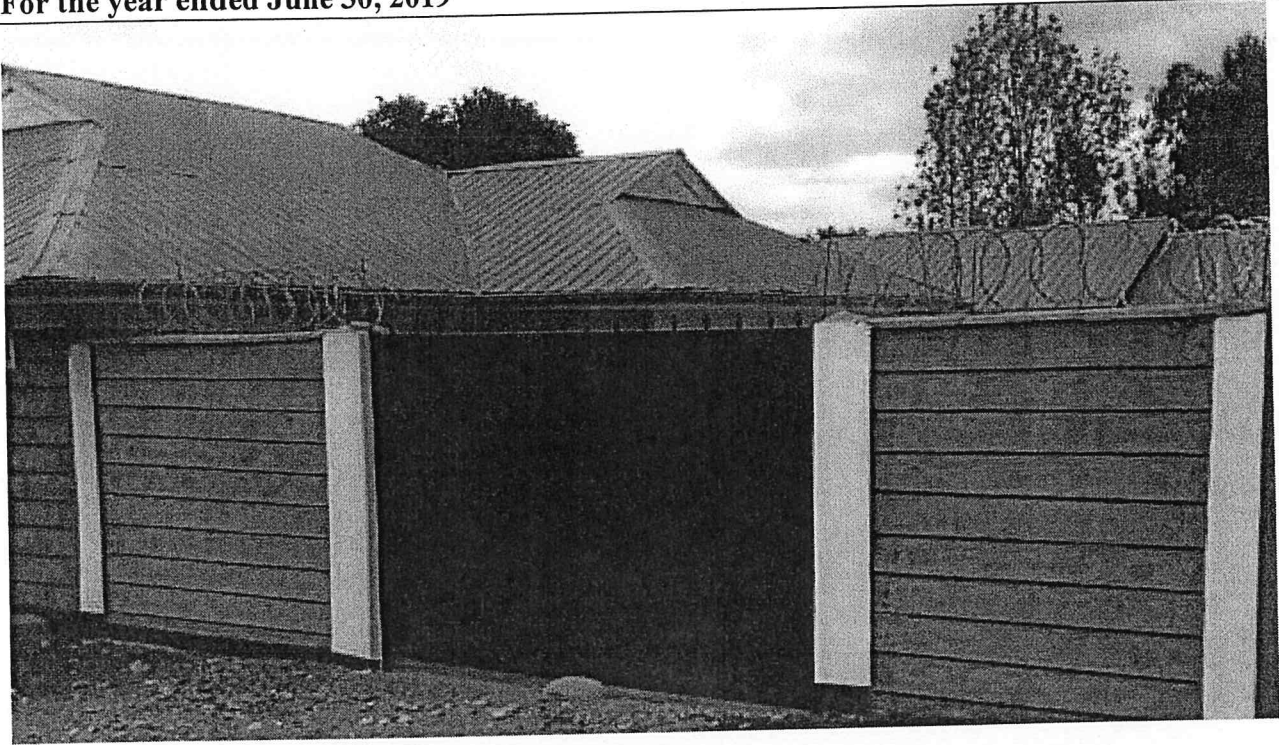
There is also transfer of skills (capacity building) to the community as managing projects creates experience. Finally, the biggest achievements are on the projects themselves. In Kangundo so many primary, secondary schools, tertiary and security institutions have benefited thus improving their infrastructure. These have gone a long way in improving the lives of the beneficiaries.

Some of the keys projects are highlighted below:



• Fig.3 Kakuyuni Police Post Completion -Kshs. 3,741,720.00

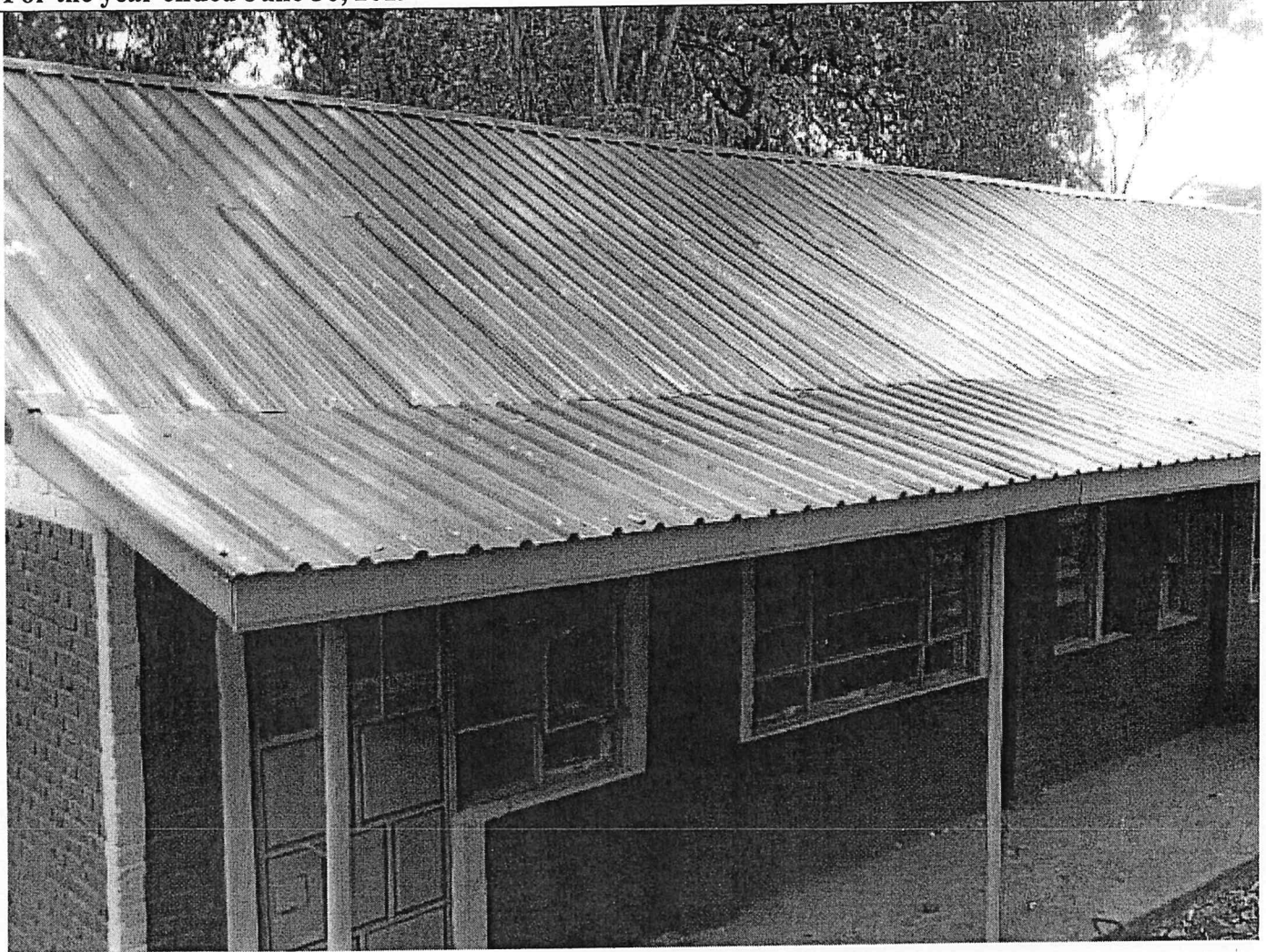




- Fig.3 Kakuyuni Police Post



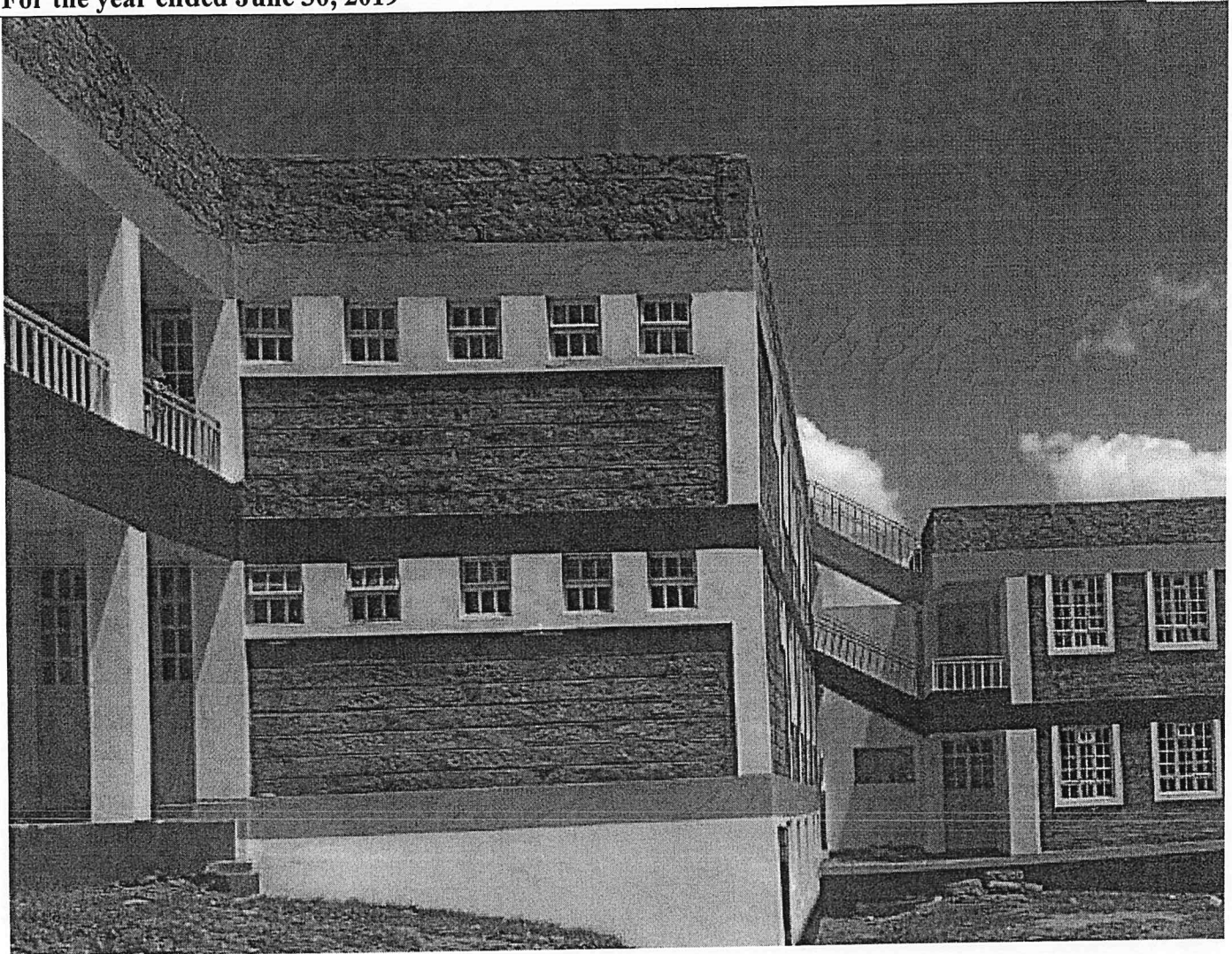
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019



- Fig.4 Kangundo High School- Renovations of 6 NO Classrooms-Kshs. 2680,756.00



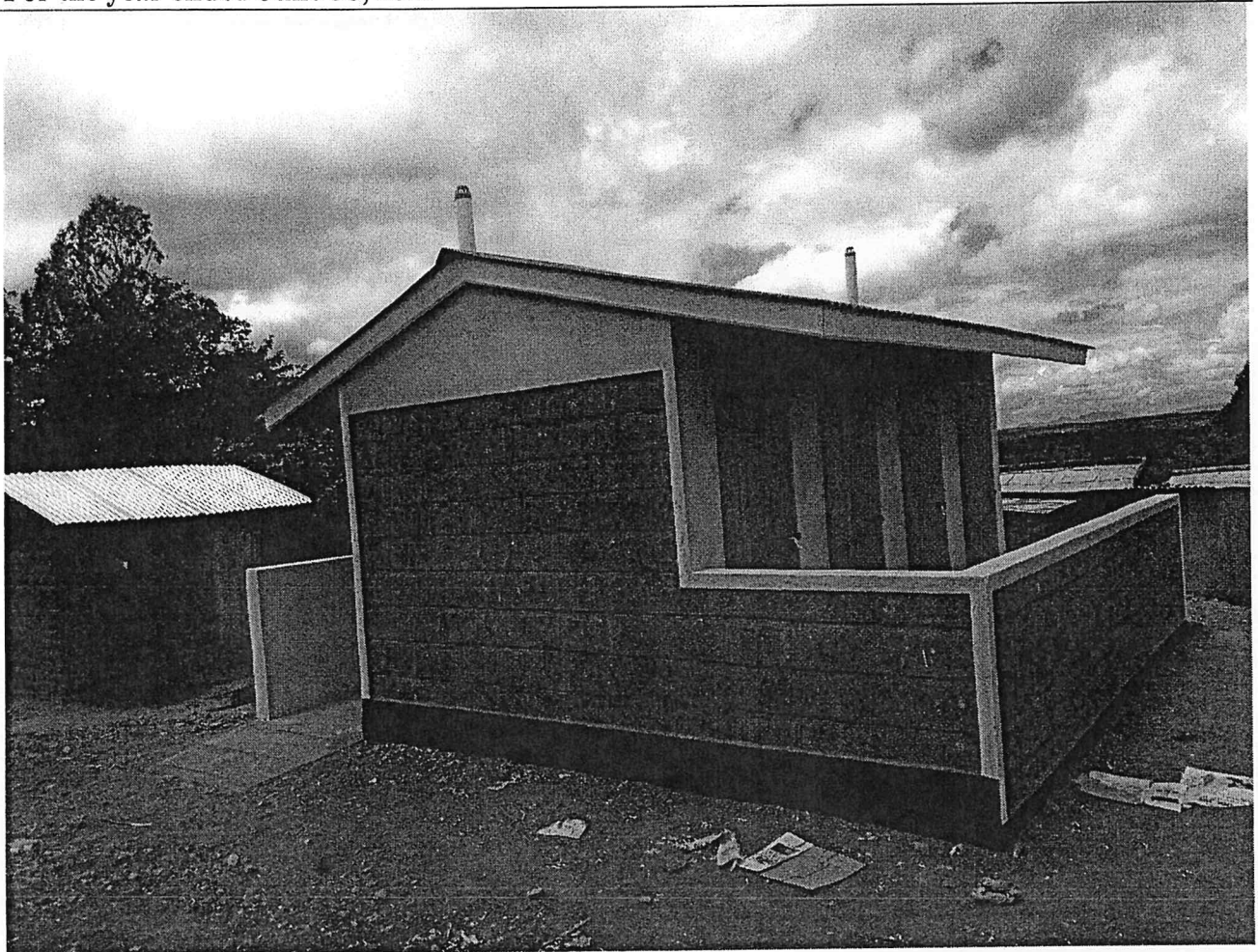
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019



- Fig.5 KMTC- Renovations-Kshs. 3,645,648.00



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



- Fig.6 ABC KATATHA MAWEU- 8 NO door cubicle toilet and half tiled urinal-Kshs. 1,028,970.00

Sign


CHAIR PERSON NGCDF COMMITTEE

BELITA M. MUTIE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-KANGUNDO 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-KANGUNDO 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 NG CDFC *Kangundo* 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-KANGUNDO Constituency further confirms the completeness of the accounting records maintained for the *NG CDFC Kangundo*, 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.

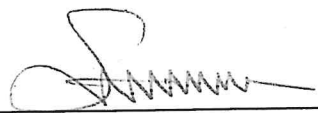
The Accounting Officer in charge of the NGCDF-KANGUNDO Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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


Fund Account Manager
Name: Willis Mwendu Mbabu

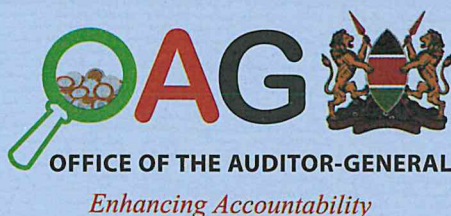



Sub-County Accountant
Name: Susan Ndanu Mwalimu
ICPAK Member Number: 20392



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 - KANGUNDO 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 - Kangundo Constituency set out on pages 11 to 42, 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kangundo Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported PMC Bank Account Balances

Note 15.4 to the financial statements discloses PMC account balances of Kshs.5,634,492 and as detailed at Annex 5. However, the bank statements in support of PMC account balances reflected balances of Kshs.27,754,067 resulting to undisclosed balance of Kshs.22,119,575. Further PMC bank account balances of Kshs.535,555 were unsupported by way of bank statements.

Consequently, the completeness and accuracy of the reported PMC account balances of Kshs.5,634,492 as at 30 June, 2019 could not be confirmed.

2. Unsupported Other Personnel Payments

The statements of receipts and payments reflects compensation of employees cost of Kshs.2,584,703;(2018-Kshs.1,841,909) and as disclosed under Note 4 to the financial statements. This amount includes other personnel payments of Kshs.576,600 for which supporting documents were not provided for audit review.

Consequently, the accuracy and completeness of other personnel payments of Kshs.576,600 could not be confirmed.

3. Unexplained Variance for Unutilized Funds

Note 15.3 to the financial statements discloses unutilized fund balance of Kshs.40,665,118 (2018 - Kshs.21,886,537) and as detailed at Annex 3. However, the balance differs with the detailed analysis at Annex 3 which reflects a balance of Kshs.38,484,300 resulting to unexplained variance of Kshs.2,180,818.

Further, the total amount of Kshs.40,665,118 at Note 15.3, differs with the recomputed balance of Kshs.40,678,118 by an unexplained difference of Kshs.13,000.

In view of the foregoing, the accuracy and completeness of the unutilized funds balance of Kshs.40,665,118 as at 30 June, 2019 could not be confirmed.

4. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.35,919,978;(2018-Kshs.36,869,189) and as disclosed under Note 7 to the financial statements. However, bursary payments amounting to Kshs.473,500 were not supported by the list of beneficiaries and their acknowledgement.

In the circumstances, the accuracy of other grants and transfers amount of Kshs.35,919,978 for the year ended 30 June, 2019 could not be confirmed.

5. Presentation and Disclosure of Financial Statements

A review of the Fund's financial statements prepared and presented for audit revealed the following inconsistencies: -

- i. The PMC bank accounts balance as at 30 June, 2019, has been referenced as Annex 4 instead of Annex 5, thus duplicating the Annex 4 reference;
- ii. Annex 5 on PMC bank balances as at 30 June, 2019 do not include comparative figures for the prior year 2017/2018;
- iii. Notes 6 and 7 to the financial statements on transfer to other government entities and other grants and other payments respectively were unsupported by a detailed listing of projects funded;

- iv. Outstanding gratuities of Kshs.1,036,020 as disclosed under Note 12B have not been disclosed in the financial statements; and
- v. The land where the Fund's Offices are erected and its value has not been disclosed in the assets register.

This is contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1) (d) of the Public Finance Management Act, 2012.

Consequently, the annual report and the financial statements as prepared and presented are not compliant with the IPSAS.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Kangundo 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 a final expenditure budget and actual on comparable basis of Kshs.131,071,798 and Kshs.92,587,499 respectively resulting to an under absorption of Kshs.38,484,299 or 30% of the budget. No satisfactory explanation has been rendered for the under absorption.

In the circumstances, the constituents of Kangundo were denied services due to failure to implement the planned programmes and activities for the year.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Remittance of Statutory Deductions

Contrary to Section 37 of the Income Tax Act, which requires employers to deduct Pay As You Earn (PAYE) tax from the employees and remit to Kenya Revenue Authority not later than the ninth day of the month following deductions, PAYE amounting to Kshs.1,148,596 had not been remitted to Kenya Revenue Authority.

To the extent, the Fund is in breach of the law.

2. Irregular Medical Insurance Expenses

Note 2 to the financial statements discloses committee expenses of Kshs.6,157,218. The amount includes an amount of Kshs.352,185 being medical out-patient expenses for the Committee and staff members. However, the requisite authority to cover committee members was not provided. The payment to committee members is contrary to the National Government Constituencies Development Fund Act, 2015, which entitles them to payment of sitting allowances only.

To the extent, the Fund is in breach of the law.

3. Projects implementation

The statements of receipts and payments reflects transfers to other government units of Kshs.44,643,515;(2018-Kshs.30,372,618) and as disclosed under Note 6 to the financial statements. Also included in other grants and other payments under Note 7 is an amount of Kshs.12,010,478 on account of projects bringing the total expenditure on projects to Kshs.56,653,993 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: -

3.1 Projects Completed but Not in Use

Four (4) projects with a funding allocation of Kshs.9,180,779 completed during the year had not been put to use. The projects are namely; Kakuyuni police post, Kitwii Chief's post, three (3) classrooms, eight (8) door cubicle toilets and two (2) door pit latrines at Mukuyuni Secondary School. No satisfactory explanation was rendered for the continued non-usage.

3.2 Failure to Procure a Parcel of Land - Mikoikoni Primary School

The approved budget and disbursements for the year includes Kshs.1,500,000 towards the purchase of one (1) acre piece of land for the expansion of infrastructure at Mikoikoni Primary School. However, the parcel of land was not procured and no explanation was provided for failure to acquire it.

3.3 Unbranded Projects

Section 15 (d & f) of National Government Constituency Development Fund Regulations, 2016, requires the Project Management Committee to among other things undertake project closure and labeling it upon completion. However, during the year under review, eleven (11) projects valued at Kshs.24,124,969 as detailed at **Appendix 1**, were completed but not branded. There is a risk of funded projects being claimed by other agencies in absence of the branding.

To the extent, the Fund is in breach of the law.

3.4 Unbudgeted for Expenditure

The contract for construction of a kitchen at AIC Manyatta Boarding & Day Primary School, was awarded at a sum of Kshs.1,696,198. However, the approved budget was for Kshs.700,000 with the contractor's bid price of Kshs.1,696,198. The signed contract agreement was for Kshs.665,000 that was subsequently paid. However, the supporting documents for the revised contract sum of Kshs.1,696,198 and the bill of quantities were not provided for audit review.

Consequently, it has not been possible to confirm the regularity of the expenditure of Kshs.1,696,198.

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 OVERALL 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate 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 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 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue 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

04 October, 2021

Appendix 1 – Unbranded Projects

Project	Description	Amount (Kshs.)	Remarks
Kangundo KMTC	Construction and completion of gate house, gate installation and fence	1,780,646	Project complete in use but not branded
Kangundo KMTC	External renovation of hostel. Classrooms and administration block	3,309,140	Project complete in use but not branded
Matungulu AIC Primary School	Renovation of 2 classrooms and roofing	1,012,350	Project complete in use but not branded
AIC Kakambuani Secondary School	Construction of a block of 8 door cubicle toilets	977,521.50	Project complete in use but not branded
St. Francis Misalani Primary School	Renovation of 7 classrooms, new roof covering , internal & external painting, metal windows, doors, internal external plaster repairs and verandah	2,817,933	Project complete in use but not branded
Kangundo DEB Primary School	Complete repairs of 2 standard classroom	2,060,290	Project complete in use but not branded
Kangundo High School	Complete repairs of a library	2,050,190	Project complete in use but with minor ceiling defects and unbranded
Kangundo High School	Renovation of 3 dormitories	3,008,980	Project complete in use but not branded
Kangundo High School	Renovation of 6 classrooms	2,436,718	Project complete in use but not branded
Mukuyuni Sec. School	Construction of 3 classrooms	3,471,300	Project complete in use but not branded
Mukuyuni Secondary School	Construction of 8 door cubicle toilets and 2 door pit latrines for teachers	1,199,900	Project complete in use but not branded. There is no title deed for the land parcel.
	Total	24,124,969	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KANGUNDO CONSTITUENCY


Reports and Financial Statements

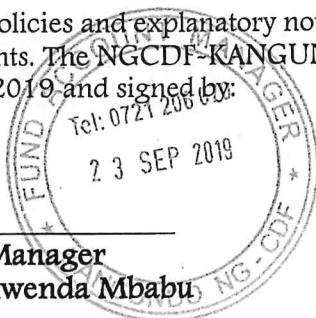
For the year ended June 30, 2019


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	118,239,368	86,810,345
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	<u>13,000</u>	<u>144,386</u>
TOTAL RECEIPTS		118,252,368	86,954,731
PAYMENTS			
Compensation of employees	4	2,584,703	1,841,909
Use of goods and services	5	8,991,724	5,375,008
Transfers to Other Government Units	6	44,643,515	30,372,618
Other grants and transfers	7	35,919,978	36,869,189
Acquisition of Assets	8	447,578	7,398,879
Other Payments	9		3,500,000
TOTAL PAYMENTS		92,587,499	85,357,603
SURPLUS/(DEFICIT)		<u>25,664,870</u>	<u>1,597,128</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGUNDO Constituency financial statements were approved on... 23/9/2019 and signed by:


Fund Account Manager
Name: Willis Mwenda Mbabu





Sub-County Accountant
Name: Susan Ndanu Mwalimu
ICPAK Member Number: 20392

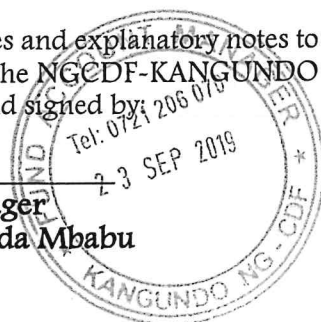
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

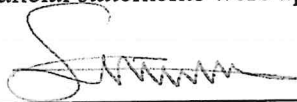
V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	36,316,482	10,651,612
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		36,316,482	10,651,612
Current Receivables			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		36,316,482	10,651,612
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A		
Gratuity	12B		
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		36,316,482	10,651,612
REPRESENTED BY			
Fund balance b/fwd.	13	10,651,612	9,054,484
Surplus/Deficit for the year		25,664,870	1,597,128
Prior year adjustments	14		
NET FINANCIAL POSITION		36,316,482	10,651,612

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGUNDO Constituency financial statements were approved on 23/9/2019 2019 and signed by: 206 019


Fund Account Manager
Name: Willis Mwendu Mbabu




Sub-County Accountant
Name: Susan Ndanu Mwalimu
ICPAK Member Number: 20392

100
100
100

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KANGUNDO CONSTITUENCY


Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	118,239,368	86,810,345
Other Receipts	3	<u>13,000</u>	<u>144,386</u>
Total receipts		118,252,368	86,954,731
Payments			
Compensation of Employees	4	2,584,703	1,841,909
Use of goods and services	5	8,991,724	5,375,008
Transfers to Other Government Units	6	44,643,515	30,372,618
Other grants and transfers	7	35,919,978	36,869,189
Other Payments	9		3,500,000
Total payments		92,139,920	77,958,724
Total Receipts Less Total Payments		26,112,448	8,996,007
Adjusted for:			
Outstanding imprest	11		
Retention Payable	12A		
Gratuity Payable	12B		
Prior year adjustments	14		
Net Adjustments			
Net cash flow from operating activities		26,112,448	8,996,007
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	8	447,578	(7,398,879)
Net cash flows from Investing Activities		447,578	(7,398,879)
NET INCREASE IN CASH AND CASH EQUIVALENT		25,664,870	1,597,128
Cash and cash equivalent at BEGINNING of the year	13	10,651,612	9,054,484
Cash and cash equivalent at END of the year		<u>36,316,482</u>	<u>10,651,612</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGUNDO Constituency financial statements were approved on 22/9/2019 and signed by:


Fund Account Manager
 Name: Willis Mwenda Mbabu


Sub-County Accountant
 Name: Susan Ndanu Mwalimu
 ICPAK Member Number: 20392



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGUNDO CONSTITUENCY

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

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	22,030,923	131,071,798	128,890,981	2,180,818	98.3%
Proceeds from Sale of Assets					-	
Other Receipts				13,000	(13000)	#DIV/0!
TOTAL RECEIPTS	109,040,876	22,030,923	131,071,798	128,903,981	2,180,818	98.3%
PAYMENTS						
Compensation of Employees	2,000,000	1,500,909	3,500,909	2,584,703	916,206	73.8%
Use of goods and services	7,366,101	2,744,681	10,110,782	8,991,724	1,119,058	88.9%
Transfers to Other Government Units	48,310,007	6,431,430	54,741,437	44,643,515	10,097,922	81.6%
Other grants and transfers	50,917,190	9,848,379	60,765,569	35,919,978	24,845,591	59.1%
Acquisition of Assets	447,578	0	447,578	447,578		100.0%
Other Payments		1,518,523	1,518,523		1,518,523	
TOTAL	109,040,876	22,030,923	131,071,798	92,587,499	38,497,300	70.6%

- a) [The performance in the Compensation to staff was occasioned by delays in recruitment of the Clerk of works.
 b) Use of goods and services performed dismally due to delayed fund and that affected the procurement process.
 c) Transfer to Other Government was occasioned by delays in approval of conditionally approved project of KMTC, Septic tank and landscaping,
 d) Other grants performed poorly due to tedious process of bursary applications, vetting and approvals.
- The NGCDF-KANGUNDO Constituency financial statements were approved on..... 23.19.....2019 and signed by:




Fund Account Manager
 Name: Willis Mwenda Mbabu


Sub-County Accountant
 Name: Susan Ndanu Mwalimu
 ICPAK Member Number: 20392



NATIONAL GOVERNMENT CONTRIBUTIONS DEVELOPMENT FUND (NGCDF) – KANGUNDO COUNTY

Reports and Financial Statements

For the year ended June 30, 2019

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					
1.1 Compensation of employees	2,000,000	1,500,909	3,500,909	2,584,703	916,206
1.2 Committee allowances	2,500,000	1,343,595	3,843,595	3,204,718	638,877
1.3 Use of goods and services	1,594,874	559,836	2,154,711	1,977,506	177,205
1.4 Acquisition of assets	447,578		447,578	447,578	
2.0 Monitoring and evaluation					
2.1 Capacity building	1,000,000	2,500	1,002,500	857,000	145,500
2.2 Committee allowances	2,191,170	745,845	2,937,018	2,872,444	64,575
2.3 Use of goods and services	80,056	92,902	172,958	80,057	92,902
3.0 Emergency	5,738,993	630,409	6,369,403	2,987,940	3,381,463
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					

100
100
100

NATIONAL GOVERNMENT CONTRIBUTIONS DEVELOPMENT FUND (NGCDF) – KANGUNDO CONSORTIUM

Reports and Financial Statements

For the year ended June 30, 2019

4.1 Primary Schools									
4.2 Secondary Schools	10,703,909	1,101,439	11,805,348	10,980,500				824,848	
4.3 Tertiary Institutions	25,451,750	2,871,007	28,322,757	12,929,000				15,393,757	
4.4 Universities									
4.5 Social Security									
5.0 Sports									
5.1	2,180,818	3,627	2,184,445	2,180,818				3,627	
5.2									
5.3									
6.0 Environment									
6.1									
6.2									
6.3									
7.0 Primary Schools Projects									
7.1	21,823,513	6,431,430	28,254,943	26,323,513				1,931,430	
7.2									
7.3									
7.4									
8.0 Secondary Schools Projects									
8.1	12,576,726		12,576,726	12,576,726					
8.2									
8.3									
8.4									
9.0 Tertiary institutions Projects									
9.1	13,909,768		13,909,768	5,743,276				8,166,492	
9.2									
9.3									
9.4									
10.0 Security Projects									

100

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

	10.1	6,841,720	537,836	7,379,556	6,841,720	537,836
	10.2	-	-	-	-	-
	10.3	-	-	-	-	-
11.0 Acquisition of assets						
11.1 Motor Vehicles						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
12.0 Others						
12.1 Strategic Plan			220	220		220
12.2 Innovation Hub			4,677,027	4,677,027		4,677,027
12.2 OTHERS			1,505,523	1,505,523		1,505,523
Mocks			951	951		951
12.4 Health			25,863	25,863		25,863
TOTALS		109,040,876	22,030,923	131,071,798	92,587,499	38,484,299

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

100
100
100

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-KANGUNDO 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.

100

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

22
23
24

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 01st July 2018 to 30th June 2019 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 2019.

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	A855842		5,500,000
AIE NO	A892765		37,905,172
AIE NO	AA896805		21,000,000
AIE NO	A896905		22,405,173
AIE NO	A896979		
AIE NO	A855842	11,379,310.35	
AIE NO	B030144	10,000,000.00	
AIE NO	-B 030423	12,000,000.00	
AIE NO	-B 006451	8,000,000.00	
AIE NO	A699121	11,000,000.00	
AIE NO	B042901	13,000,000.00	
	-B 047549	52,860,058.00	
TOTAL		118,239,368	86,810,345

1. PROCEEDS FROM SALE OF ASSETS

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

11
12
13

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019 Kshs	2017-2018 Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents	13,000.00	144,386.00
Other Receipts Not Classified Elsewhere		
Total	13,000.00	144,386.00

4. COMPENSATION OF EMPLOYEES

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	1,490,519	1,803,019
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	215,250	
Transport allowance	71,000	
Employer contribution to NSSF		
Gratuity – paid	151,417	
- accrued	79,917	38,890
Other personnel payments	576,600	
Total	2,584,703	1,841,909

10
11
12

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Committee allowance	6,157,218	2,664,500
Utilities, supplies and services	365,765	286,175
Electricity	34,822	
Water & sewerage charges	31,050	
Office rent	0	
Communication, supplies and services	148,693	247,143
Domestic travel and subsistence	138,570	46,382
Printing, advertising and information supplies & services	151,563	195,663
Rentals of produced assets	0	
Training expenses	857,000	997,500
Hospitality supplies and services	103,874	128,082
Other committee expenses		
Insurance costs		
Specialised materials and services		
Office and general supplies and services	165,613	173,693
Fuel , oil & lubricants	450,000	359,335
Other operating expenses	138,757	178,348
Bank service commission and charges	13,342	41,800
Security operations	0	
Routine maintenance - vehicles and other transport equipment	106,082	9,335
Routine maintenance- other assets	129,375	47,052
TOTAL	8,991,724	5,375,008

100

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	26,323,513	30,000,000
Transfers to secondary schools	12,576,726	
Transfers to tertiary institutions	5,743,276	372,618
Transfers to health institutions		
TOTAL	44,643,515	30,372,618

7. **OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools	10,868,500	6,069,730
Bursary – tertiary institutions	12,929,000	21,115,200
Bursary – special schools	112,000	0
Mock & CAT	0	0
Security projects	6,841,720	1,500,000
Sports projects	2,180,818	2,535,912
Environment projects	0	1,535,913
Emergency projects	2,987,940	4,112,434
Total	35,919,978	36,869,189

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings		
Construction of Buildings		5,417,958
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		1,500,000
Purchase of ICT Equipment, Software and Other ICT Assets	447,570	480,921
Purchase of Specialised Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total	447,570	7,398,879

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan		3,500,000
ICT Hub		
		3,500,000

11
12
13

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank, Account No. 0900297884246</i>	36,316,482	10,651,612
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	36,316,482	10,651,612
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

D
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			
<i>Name of Officer or Institution</i>	dd/mm/yy			

Total

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1		
Supplier 2		
Supplier 3		

Total

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
1. Benard Kasema	130,200	392,150.00
2. Boniface Mbithi	93,000	215,450.00
3. Margaret Munyaka	74,400	142,600.00
4. Patrick Muia	111,600	331,700.00
5. John Nzomo	111,600	331,700.00
6. John Ngali	55,800	199,020.00
Add as appropriate		
Total	576,600	1,612,620

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	10,651,612	9,054,484
Cash in hand		
Imprest		
Total	10,651,612	9,054,484

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts		
Cash in hand		
Imprest		
Total		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –

KANGUNDO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019 Kshs	2017-2018 Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	916,206	1,067,426
Use of goods and services	1,119,058	2,366,809
Amounts due to other Government entities (see attached list)	10,097,922	7,160,382
Amounts due to other grants and other transfers (see attached list)	24,845,591	11,291,920
Acquisition of assets		
Others	1,518,523	
Pending From board(environment KMTC)	2,180,818	
	40,665,118	21,886,537

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) –
KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	0	0
Mbilini Primary School	410.00	
Kitwii Girls Pri School	7,980.00	
Kikondeni Pri School	1,225.00	
St. Francis Misyani Pri School	13,287.83	
Miu Ast. Chief Office	403,767.50	
Kakuyuni Police Station	51,290.74	
St. Michael Unyuani Sec School	18,127.62	
AIC Kikambuani Sec School	429,577.59	
ABC Katatha Maweu Pri School	33,365.55	
Mukuyuni SA Sec School	3,557,767.50	
Mbusyani Pri School	784,681.88	
KMTC	210,838.81	
Kangundo Sports	60,180.00	
Kamanzi SA Pri School	1,155.00	
Ngulini AIC Pri School	51,501.50	
Kangundo DCC Residents	9,229.00	
Kawauni Pri School	107.00	
Total	5,634,492.52	0

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND KANGUNDO
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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 CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Funds still with the Board.	916,206	2,208,204	
Use of goods & services		1,119,058	1,771,305	
Sub-Total		2,035,264	3,979,509	
Amounts due to other Government entities				
Primary Schools-Mikoikoni Pri School	Purchase of land	1,931,430	7,160,382	
Tertiary institutions-KMTC	Septic project	5,985,670		
Tertiary institutions-KMTC	Landscaping	2,180,818		
Sub-Total		10,097,922	7,160,382	
Amounts due to other grants and other transfers				
Emergency Projects		3,381,463	630,409	
Bursary funds		16,218,605	3,972,446	
Security Projects		537,836	537,836	
Sub-Total		20,137,903	5,140,691	
Acquisition of assets				
Others (specify)				
Constituency Hubs		4,677,027	4,677,027	
Others		1,536,183	928,928	
Sub-Total		6,213,211	5,605,955	
Grand Total		38,484,300	21,886,537	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures	14,494,491			14,494,491
Transport equipment	3,213,500			3,213,500
Office equipment, furniture and fittings	1,713,852			1,713,852
ICT Equipment, Software and Other ICT Assets	916,479	447,578		1,364,057
Other Machinery and Equipment	0			0
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	20,338,322			20,785,900

11
12
13
14

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Mbilini Primary School	Equity	0900277503809	410.00	
Kitwii Girls Pri School	Equity	0900299286970	7,980.00	
Kikondeni Pri School	Equity	0900263717079	1,225.00	
St. Francis Misyani Pri School	Equity	0900277247615	13,287.83	
Miu Ast. Chief Office	Equity	0900278729624	403,767.50	
Kakuyuni Police Station	Equity	0900263355685	51,290.74	
St. Michael Unyuani Sec School	Equity	0900263451533	18,127.62	
AIC Kikambuani Sec School	Equity	0900264222069	429,577.59	
ABC Katatha Maweu Pri School	Equity	0900268364134	33,365.55	
Mukuyuni SA Sec School	Equity	0900278735862	3,557,767.50	
Mbusyani Pri School	Equity	0900269800105	784,681.88	
KMTC	Equity	0900262705557	210,838.81	
Kangundo Sports	Equity	0900276382771	60,180.00	
Kamanzi SA Pri School	Equity	0900273283926	1,155.00	
Ngulini AIC Pri School	Equity	0900262211462	51,501.50	
Kangundo DCC Residents	Equity	0900277555738	9,229.00	
Kawauni Pri School	Equity	0900294342635	107.00	
Total			5,634,492.52	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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 person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	<p>The NGCDF Board's approved budget for the year under review was Kshs 107,244,829 while the amount received was Kshs 95,864,829 resulting to an under funding of Kshs 11,379,310 which hindered implementation of planned projects in 2017/2018 financial year. The project implementation status report showed that out of the Kshs 98,189,655 allocated, the amount disbursed was Kshs 97,794,158.33 resulting to a variance of Kshs 395,497 which has not been explained.</p> <p>We also observed from statement of receipts and payments that, while total expenditure totaled Kshs 85,357,603, total receipts totaled Kshs 86,954,731 resulting to an under-absorption</p>	<p>Indeed in during the financial the board sent a circular number NG CDFB/Circulars Vol. 1(121) dated 25th July 2017 approving a total of Kes 101,416,090.34 for project proposals for the said financial year(Attached is a copy). However, on 23rd May 2018, vide a NG CDFB Circular Vol II (02) the same figure was revised downwards to Kes 98,189,656.17). It is in that back drop that the committee was guided accordingly with regards to budgets approvals.</p> <p>In the Financial statements a Kes, 1,597,128 being the difference between the totals expenditure and total receipts, this are normally the balances reserved for recurrent</p>	Fund Account Manager	Resolved	Resolved

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY

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

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)
	amounting to Kshs 1,597,128.	<p>expenditures like, staff salaries, office running expenses that cut across the financial years.</p> <p>During the period under review and very late into the financial year vide circular NG CDFB/ Vol II (008) and Vol II (009) dated 30th October, 2018 and 08th November, 2018, another budgetary review was undertaken, however the disbursement of the funds delayed until the close of the financial year as attested by the attached AIE and approved code list.</p>			
4.2	The management of Kangundo NG-CDF prepared and submitted annual financial statements to the Auditor-General as required by law. However, inaccuracies have been noted in some of the components in the financial statements.	<p>The committee wishes to clarify the above and confirm that it was an error on the General ledger;</p> <p>The Financial statement is therefore correct to have carried the totals of Kes</p>	Fund Account Manager	Resolved	Resolved

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY

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

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>5,417,958.00 (Nearest decimal) in the Construction of Perimeter fence (& Steel Gate) as shown below;</p> <p>Note: the General ledger has been amended accordingly and a copy is attached for your file.</p>			
4.3.1	<p>During 2017/2018, Kangundo CDF Committee constructed an office perimeter wall (and steel gate), and landscaping and beautification at a cost of Kshs 3,669,140 and Kshs 1,398,990 respectively, totaling Kshs 5,098,130. However, though the tendering process showed compliance with procurement and disposals act of 2015, there was no evidence that there was a costed bill of quantities (engineer's estimates), designs and drawings prepared by an engineer (or clerk of works) to act as a comparison basis of cost of tenders submitted for the project under</p>	<p>Kangundo NG CDFC endeavors to ensure at all times that the legislation governing this fund and other supportive laws are strictly adhere to by our staff, Project Management Committee and NG CDF committee, so that the public can get value for their money.</p> <p>To this effect therefore, we wish to assure the auditors that due diligences accountability is followed by NG CDF Kangundo, before, during and after the implementation of the said projects within</p>	Fund Account Manager	Resolved	Resolved

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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)
	consideration, and to check on the risk of submission of unreasonable bid prices.	our Sub County. We wish to state as well that the said project was implemented through the observation of high standards of good workmanship. We have attached a copy of the Engineers cost or commonly referred to as costed bills for your review.			
4.3.2	Note 8 to the financial statements shows that during the year ended 30.6.2018, Kangundo NG-CDF spent an amount of Kshs 1,500,000 purchase of office furniture & equipment's and curtains. Review of procurement files shows that tender for was awarded to Dante Holdings ltd at Kshs 1,257,882. According to the documents on file, tender was advertised on 7/3/2018 and was only eligible to the organization's prequalified contractors for 2017-2018 financial years.	Kangundo NG CDF during the financial year under review, purchased furniture and equipment for use in our newly constructed office. However, during the audit period, some of documents supposed to be on the project PMC files had not been submitted by the Sub county Procurement officer who was the secretary to the PMC. We have so far received the documents and are here in attached for your review.	Fund Account Manager	Resolved	Resolved

100
100
100
100

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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)
	However, minutes of tender opening committee and tender opening register were not availed for audit verification, and thus it was not possible to confirm whether PMC followed the tendering process in conformity with the public procurement and asset disposal act, 2015.				
4.3.3	Note 8 to the financial statements shows that during the year ended 30.6.2018, NG-CDF spent an amount of Kshs 480,921 on ICT equipment, software and other ICT assets. Review of procurement files that the request for quotation for installation of structured cabling and PABX installation at NG-CDF offices was awarded to M/s Conquer Technologies ltd at Kshs 473,697. The other two firms; M/s Double net technologies ltd and Sunneek Technologies had submitted bids of Kshs 498,202 and 517,476 respectively. Review of the procurement file showed that	Kangundo NG CDF during the financial year under review, purchased fICT equipment that included structured cabling of the office among other Equipment for use in our newly constructed office. However, during the audit period, some of documents supposed to be on the project PMC files had not been submitted by the Sub county Procurement officer who was the secretary to the PMC. We have so far received the documents and are here in attached for your review.	Fund Account Manager	Resolved	Resolved

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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>tenders were opened, evaluated, and a professional opinion issued by the sub-county supply chain management officer, we did not see a letter of notification of award that was issued to the successful firm, though an LPO n0.2043287 was issued to the firm on 6/7/2018. In the absence of a letter of notification of award, it was not possible to confirm whether PMC followed the tendering process in conformity with the public procurement and asset disposal act, 2015.</p>				
4.4	<p>The financial statement indicates a bank balance (equity bank A/C 0900297884256) of Kshs. 10,651,612. The bank reconciliation statement for June 2018 contains a unrepresented cheques schedule of 30 cheques amounting to Ksh. 270,704 that were issued by 1st June, 2018. However, bank statements indicate that they had not been presented for payment within</p>	<p>Kangundo NG CDF faces challenges with the bursary cheques that beneficiaries misplace or deface the cheque leave and does not bring back for replacement thus causing this challenge. However, during the current year, we have take up the issue and have written to the Sub county Accountant a letter instructing her to write back the stale</p>	Fund Account Manager	Resolved	Resolved

Handwritten marks and symbols in the top right corner, including a circled '1' and other illegible characters.



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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)
	6 months ending 28th December, 2018, and have not been posted back to the cash book as required, to allow for issuance of new ones.	cheques as per attached copy of communications and updated Bank reconciliation.			
4.5.2	<p>Mukuyuni Primary school Kshs 1,500,000.- During 2017/2018 Kangundo CDF approved a proposal for construction of one block of eight (8) door toilet block, a branded metal column gate and fencing (treated pole & barbed wire) totaling to an estimated cost of Kshs 1,500,000.</p> <p>However various defects were noted in the projects undertaken. It was noted that though the gate was well constructed, neither the main doors nor the small pedestrians gate was closing as intended. The toilet doors also could not close properly and the roofing could not cover the toilet veranda, and the head teacher noted that the project was yet to be declared complete and</p>	<p>The project contractor is on the site at the moment addressing those concerns. Attached is a copy of PMC bank statement for your confirmation of the unpaid funds.</p>	Works Officer	Resolved	Resolved

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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>ready for handing over.</p> <p>The Fund Account Manager informed the team that the contractor had not been paid his retention money thus the defects would be corrected before payment is made.</p>				
4.5.2	<p>Kathithyamaa Primary school Kshs 1,500,000-</p> <p>various defects were noted in some of the projects undertaken. The audit team noted that though the fence was intact and well done, the poles used on one side of the school land were very thin and may not last for long. It was not clear what remedies are availed to the PMC as it was not confirmed whether the contractor had been paid his retention money.</p>	<p>The project contractor is on the site at the moment addressing those concerns. Attached is a copy of PMC bank statement for your confirmation of the unpaid funds.</p>	Works Officer	Resolved	Resolved

10
11
12

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.5.	<p>Purchase of land for the proposed Kitwii Chief's office</p> <p>According to the PIS report, two acres of land were purchased by PMC for proposed construction of Kitwii Chief's office at Kshs 1.5 million. However, the CDF committee office did not avail any documents to confirm the acreage of land, and the status of land transfer. Further, though the audit team was shown a piece of land which was under cultivation and with green maize awaiting harvest, there was no sign board to confirm whether it was the land in question. The assistant chief who assisted the audit team in identification of the piece of land also noted that the land was one (1) acre, a position that differed with acreage indicated in the PIS report.</p>	<p>The land was indeed purchased, and the transfer documents are underway with the PMC awaiting for land board funds to be available in order to transfer the title. Further, we wish to confirm that Kangundo NG CDF has committed additional funds of Kes 2,000,000.00 towards the construction of a Chief and Assistant Chiefs office and fencing off the plats to wade away the encroachments and stealing of public land.</p>	Fund Account Manager	Resolved	Resolved
4.6	<p>The CDF own one GK vehicle and uses detailed order method of fueling. However, there was no</p>	<p>The committee has put in place a register forthwith to address those challenges.</p>	Fund Account	Resolved	Resolved

10
11
12
13

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG CDF) – KANGUNDO CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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)
	fuel register in place to control the drawing of the fuel as well as reconciling the petrol station records with the CDF records.		Manager		

