

REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY REPORT DATE: 21 OCT 2021	
DAY: Thursday	
TABLED BY:	LOMP.
CLERK-AT THE-TABLE:	Maina Warjaku

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KITUTU MASABA CONSTITUENCY**

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

1. The first part of the document discusses the importance of maintaining accurate records.

2. It is essential to ensure that all data is entered correctly and consistently.

3. Regular audits should be conducted to verify the accuracy of the information.

4. Proper documentation is crucial for compliance with regulatory requirements.

5. The following table provides a summary of the key findings from the study.

6. The data indicates a significant correlation between the variables studied.

7. Further research is needed to explore the underlying causes of these trends.

8. The results suggest that implementing the proposed changes could improve efficiency.

9. It is recommended that the organization prioritize these areas for improvement.

10. The document concludes with a call to action for all stakeholders to support these efforts.

11. Thank you for your attention and cooperation throughout this process.

12. Please contact the project manager for any questions or concerns.

13. Your feedback is highly valued and will be used to refine the report.

14. We look forward to continuing our collaboration and achieving our shared goals.

15. Sincerely,
[Signature]

16. [Name]
[Title]

17. [Organization]

18. [Address]

19. [City, State, Zip]

20. [Phone Number]

21. [Email Address]

22. [Date]

23. [Page Number]

24. [Version Number]

25. [Revision History]

26. [Appendix A]

27. [Appendix B]

28. [Appendix C]

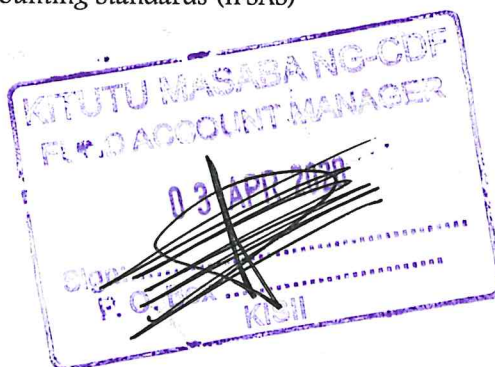


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KITUTU
MASABA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



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

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KITUTU MASABA NG-CDF
FUND ACCOUNT MANAGER
03 APR 2020
SIGN
P. C. M. NISI

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA CONSTITUENCY**

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

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

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KITUTU MASABA CONSTITUENCY

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 KITUTU MASABA 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Name of FAM – AMOS APOLLO
2.	Sub-County Accountant	Name of DA – ROSELINE MUTHAMA
3.	Chairman NGCDFC	Name of Chair – ROBINSON NGIMA
4.	Member NGCDFC	Name of alternate signatory – TERESA ONGERA

(d) Fiduciary Oversight Arrangements

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

P.O. Box 3100 - 40200
NGCDF Office -Tombe Market
Kisii, KENYA



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF KITUTU MASABA Constituency Contacts

Telephone: (254) 721489083

E-mail: kitutumasaaba@ngcdf.go.ke

Website: www.go.ke

(g) NGCDF KITUTU MASABA Constituency Bankers

Co-operative Bank

Kisii Branch

P.O. Box ..

Kisii, Kenya

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

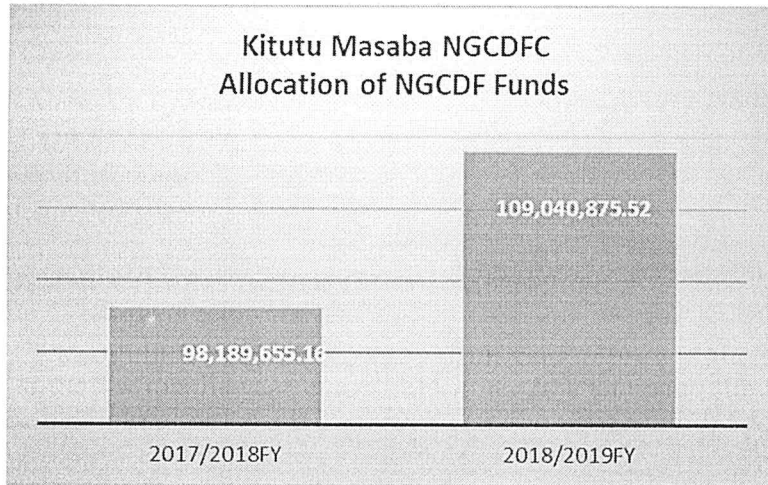
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA CONSTITUENCY**

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

II.FOREWARD BY THE CHAIRMAN NGCDF COMMITTEE

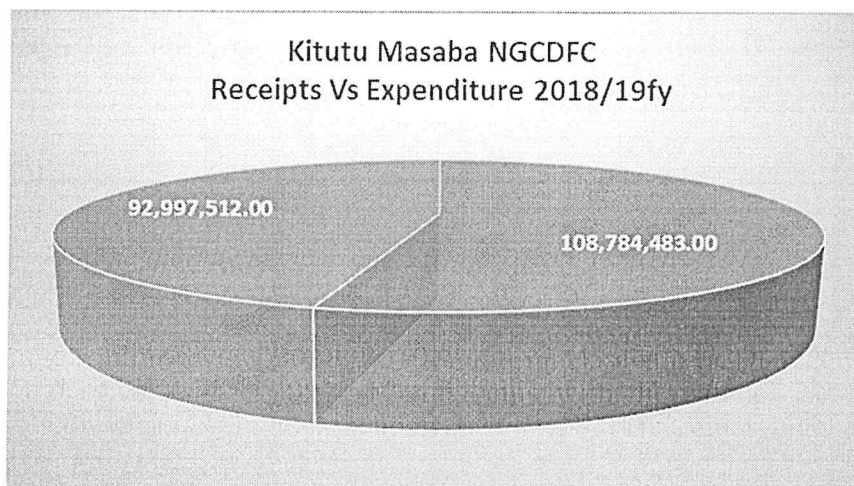
On behalf of the NGCDF committee of Kitutu Masaba, am glad to present the unaudited financial statement for my constituency for the year ended 30th June, 2019. During the year, our constituency was allocated a total of Kshs. 109,040,875.52 compared with 98,189,655.16 for the previous financial year 2017/2018. This led to an increased sum of Kshs. 10,851,220.36 that helped our constituency achieve more service delivery to our people.



The funding comparisons 2017/2018FY Vs 2018/2019FY

During the year under audit review 2018/2019FY Kitutu Masaba NGCDF received a total of Kshs. 108,784,483.00 and spent Kshs. 92,997,512 this being with the balance for 2017/2018FY AIE receipt of Kshs. 54m on various sectors i.e schools, security, bursary, emergency among others.

RECEIPTS Vs EXPENDITURE 2018/2019FY



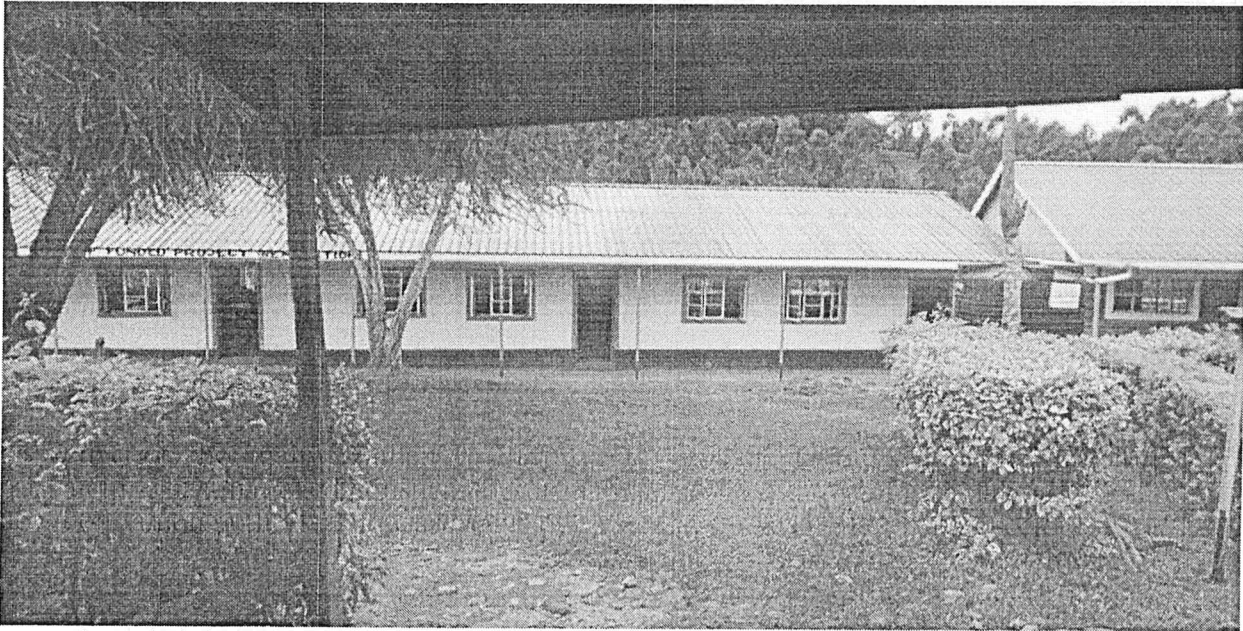


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA CONSTITUENCY**

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

Our Budget for 2018/19FY

Irrespective of the many challenges in projects implementations with the PMC Educational infrastructure has managed construction of many classrooms, dormitories, laboratories and many renovations among others. Below are some of the achievements in the various sectors.



The Administration block at Nyambaso SDA Primary School funded Kshs. 1,000,000
2018/2019FY



The Purchase of St. Mary's Ekerubo Secondary School fully funded by NGCDF Kitutu Masaba to a tune of Kshs. 6.7m in 2018/19FY

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA CONSTITUENCY**

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



NGCDF Office funded 2010-2012FY at Kshs. 27m. The Renovations amounting to Kshs. 493,103 was done in 2018/2019 FY.

The committee noted that Emergency allocation is so important that more money needs to be reserved for the same hence NGCDF's Annual Allocations should be increased from 2.5% to even 5% to enable wider demands met.

Major Challenge. Distinction between the county government projects and the NGCDF projects which needs to be addressed.

Indeed am proud to be the chairman of this successful committee.

Sign

CHAIRMAN NGCDF COMMITTEE – KITUTU MASABA

1. The first part of the document is a list of the names of the members of the committee.

2. The second part of the document is a list of the names of the members of the committee.

3. The third part of the document is a list of the names of the members of the committee.

4. The fourth part of the document is a list of the names of the members of the committee.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA 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.

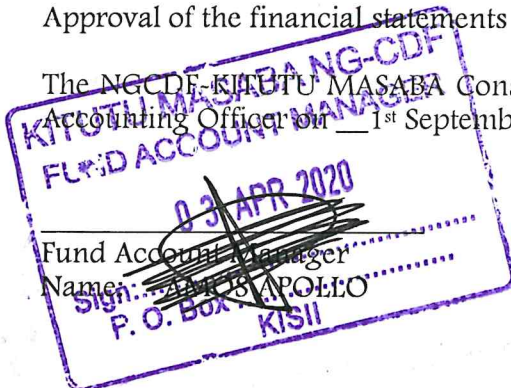
The Accounting Officer in charge of the NGCDF-KITUTU MASABA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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.

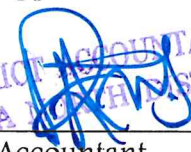
The Accounting Officer in charge of the NGCDF-KITUTU MASABA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Kitutu Masaba 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-KITUTU MASABA Constituency further confirms the completeness of the accounting records maintained for the Kitutu Masaba NGCDF 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-KITUTU MASABA 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-KITUTU MASABA Constituency financial statements were approved and signed by the Accounting Officer on 1st September, 2019.




Sub-County Accountant
Name: ROSELINE MUTHAMA
ICPAK Member Number: 9014

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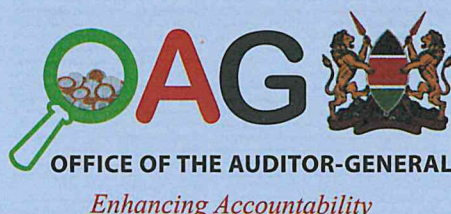
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REPUBLIC OF KENYA

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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 – KITUTU MASABA 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 – Kitutu Masaba Constituency set out on pages 8 to 35, 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 summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kitutu Masaba Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Expenditure in Construction of Classrooms at Omoyo SDA Primary School

The statement of receipts and payments reflects expenditure totalling Kshs.40,600,000 under transfers to other government units for the year ended 30 June, 2019. The expenditure includes an amount of Kshs.1,000,000 which was disbursed to Omoyo SDA Primary School for construction of classrooms. However, the expenditure was not adequately supported with relevant documents including procurement documents and records.

Consequently, the validity and legality of the expenditure of Kshs.1,000,000 which was incurred on the project could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Kitutu Masaba 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of appropriation - recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.157,825,359 and Kshs.138,877,088 respectively resulting to an under-funding of Kshs.18,948,271 or 12% of the budget. Similarly, the Fund spent Kshs.92,997,512 against an approved budget of Kshs.157,825,358 resulting to an under-expenditure of Kshs.64,872,846 or 41% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kitutu Masaba 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. Transfers to Other Government Units

1.1 Over Disbursement in Purchase of a Bus for Riooga Secondary School

The statement of receipts and payments reflects expenditure of Kshs.40,600,000 under the transfers to other government units for the year ended 30 June, 2019. The expenditure includes an amount of Kshs.6,850,000 which was disbursed to Riooga Secondary School for purchase of a school bus. However, examination of records revealed that approved budget for purchase of the school bus was Kshs.6,000,000, leading to unexplained over disbursements of Kshs.850,000. No explanations were provided for the over expenditure. Further, the pre-inspection and post-inspection reports were not provided for audit review.

Consequently, the validity and value for money of the expenditure of Kshs.6,850,000 could not be confirmed.

1.2. Over expenditure in Purchase of a Bus for Ekerubo Secondary School

The expenditure of Kshs.40,600,000 under transfers to other Government units also includes an amount of Kshs.6,850,000 which was disbursed to Ekerubo Secondary School for purchase of a school bus. However, examination of records revealed that approved budget for purchase of the school bus was Kshs.6,100,000, leading to unexplained over disbursements of Kshs.750,000. Further, the pre-inspection and post-inspection reports were not provided for audit review.

Consequently, the validity and value for money of the expenditure of Kshs.6,850,000 could not be confirmed.

2. Diversion of Allocated Bursaries for Needy Students to Other Uses

The statement of receipts and payments reflects expenditure of Kshs.38,539,784 under other grants and transfers for the year 30 June, 2019. The expenditure includes an amount of Kshs.30,653,500 which was earmarked for bursary disbursements. The latter in turn includes an amount of Kshs.5,000,000 which was allocated as bursaries to various needy students in secondary schools.

The audit revealed that Kshs.5,000,000 was not disbursed to the secondary schools but was instead diverted to other uses by the Management, hence denying students from vulnerable backgrounds the much-needed funds to further their education.

Consequently, the validity, legality and value for money of the expenditure of Kshs.5,000,000 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 noncompliance. 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

05 October, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA 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	108,784,483	73,215,516
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	73,215,516
PAYMENTS			
Compensation of employees	4	3,617,420	1,300,941
Use of goods and services	5	9,056,608	4,270,310
Transfers to Other Government Units	6	40,600,000	14,800,000
Other grants and transfers	7	38,539,784	35,084,050
Acquisition of Assets	8	1,183,700	-
Other Payments	9	-	-
TOTAL PAYMENTS		92,997,512	55,455,301
SURPLUS/(DEFICIT)		<u>15,786,971</u>	<u>17,760,215</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU MASABA Constituency financial statements were approved on 1st September, 2019 and signed by:

**KITUTU MASABA NGCDF
FUND ACCOUNT MANAGER**
03 APR 2020
Fund Account Manager
Name: ~~FRANCIS APOLLO~~
P. O. BOX 108 KISII

**DISTRICT ACCOUNTANT
MASABA NORTH DISTRICT**
Sub-County Accountant
Name: ROSELINE MUTHAMA
ICPAK Member Number: 9014

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support informed decision-making.

3. The third part of the document focuses on the role of technology in modern data management. It discusses how advanced software solutions can streamline data collection, storage, and analysis, leading to more efficient and accurate results.

4. The fourth part of the document addresses the challenges associated with data security and privacy. It provides guidance on implementing robust security measures to protect sensitive information from unauthorized access and breaches.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that data management practices remain effective and up-to-date.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA 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	30,092,605	14,305,634
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		30,092,605	14,305,634
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		30,092,605	14,305,634
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		30,092,605	14,305,634
REPRESENTED BY			
Fund balance b/fwd	13	14,305,634	452,192
Surplus/Deficit for the year		15,786,971	13,853,442
Prior year adjustments	14		
NET FINANCIAL POSITION		30,092,605	14,305,634

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU MASABA Constituency financial statements were approved on _____ 1st September 2019 and signed by:

Fund Account Manager
Name: AMOS APOLLO

DISTRICT ACCOUNTANT
KITUTU MASABA NORTH DISTRICT
Sub-County Accountant
Name: ROSELINE MUTHAMA
ICPAK Member Number: 9014

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU MASABA 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	108,784,483	73,215,516
Other Receipts	3	=	=
Total receipts		108,784,483	73,215,516
Payments			
Compensation of Employees	4	3,617,420	1,300,941
Use of goods and services	5	9,056,608	4,270,310
Transfers to Other Government Units	6	40,600,000	14,800,000
Other grants and transfers	7	38,539,784	35,084,050
Other Payments	9		-
Total payments		91,813,812	55,455,301
Total Receipts Less Total Payments		16,970,671	17,760,215
Adjusted for:			
Outstanding imprest	11		
Retention Payable	12A		
Gratuity Payable	12B		
Prior year adjustments	14		
Net Adjustments		-	(3,906,773)
Net cash flow from operating activities		16,970,671	13,853,442
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	1,183,700	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		15,786,971	13,853,442
Cash and cash equivalent at BEGINNING of the year	13	14,305,634	452,192
Cash and cash equivalent at END of the year		<u>30,092,605</u>	<u>14,305,634</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU MASABA Constituency financial statements were approved on 1st September 2019 and signed by:

Fund Account Manager
Name: **F. AMOS APOLLO**

DISTRICT ACCOUNTANT
MASABA NORTH DISTRICT
Sub-County Accountant
Name: **ROSELINE MUTHAMA**
ICPAK Member Number: 9014

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA 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 Utilization Difference	% of Utilization
	a	B	c=a+b	D	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	48,784,483	157,825,359	138,877,088	18,948,270	88.00%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
Compensation of Employees	2,009,000	898,819	2,907,819	3,617,420	-709,601	124.40%
Use of goods and services	7,804,679	2,144,084	9,948,763	9,056,608	892,155	91.03%
Transfers to Other Government Units	49,500,000	22,146,116	71,646,116	40,600,000	31,046,116	56.67%
Other grants and transfers	49,464,935	22,456,763	71,921,698	38,539,784	33,381,914	53.59%
Acquisition of Assets	262,262	1,183,700	1,445,962	1,183,700	262,262	81.86%
Other Payments						
TOTALS	109,040,876	48,784,482	157,825,358	92,997,512	64,827,846	58.92%

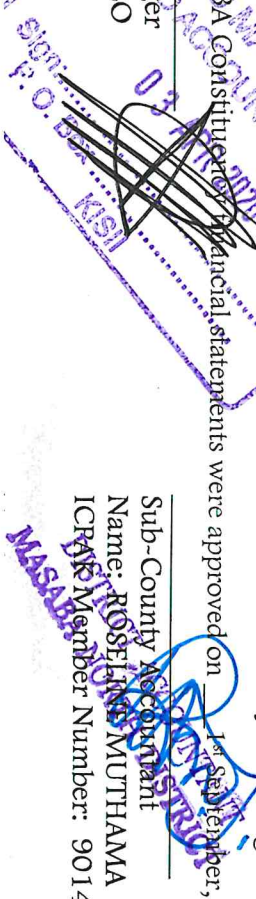
The Adjustments component of Kshs.48m is as a result of the follows:

- Opening Balance of Kshs. 14m
- Part of rollovers of 2017/2018 Kshs. 34m received in the current year of Audit review
- Pending approvals of Kshs. 2.1m for Environment 2016/17 and Bitundugusu prim. of Kshs. 0.5m
- The Underutilization and or Overutilization of the sectors are as follows.
 - Compensation of Employees: - we paid gratuity for former NGCDFC staff
 - Transfers to other government units – Delayed disbursements from the Board and procurement procedures by PMC
 - Other Grants and Transfers – Delayed disbursements from the Board and procurement procedures by PMC
 - Acquisition of Assets – we purchased other office items and for the current year's budget it's on procurement process.

The NGCDF-KITUTU MASABA Constituency financial statements were approved on _____ 2019 and signed by:

Fund Account Manager
 Name: AMOS APOLLO

Sub-County Accountant
 Name: ROSELINE MUTIHAMA
 ICRAK Member Number: 9014



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

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration And Recurrent					
1.1 Compensation Of Employees	2,009,000	898,819	2,907,819	3,577,420	-669,601
1.2 Committee Allowances	2,352,453	-	2,352,453	2,329,178	23,275
1.3 Use Of Goods And Services	1,081,000	525,521	2,181,000	976,210	1,204,790
Totals Admin & Recurrent	5,442,453	1,424,340	7,441,272	6,882,808	558,464
2.0 Monitoring And Evaluation					
2.1 Capacity Building	890,000	-	890,000	760,000	876,659
2.2 Committee Allowances	560,000	-	560,000	463,800	546,506
2.3 Use Of Goods And Services	912,226	719,744	1,631,970	950,000	100,062
Totals M&E	2,362,226	719,744	3,081,970	2,173,800	1,523,227
G/Totals Use of Goods & Services	7,804,679	2,144,084	10,523,242	9,056,608	892,155

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA CONSTITUENCY
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3.0 Emergency							
3.1 Primary/Secondary/Security/Others	5,738,993						
Sengera Manga High School	0			0	300,000	0	
Kiabiraa Sec, School	0			0	160,000	0	
Irianyi Deb Prim	0			0	200,000	0	
Miriri Deb Prim	0			0	200,000	0	
Kenani Dok Prim	0			0	300,000	0	
Nyanwanga Dok Prim	0			0	200,000	0	
Sengera Deb Prim	0			0	200,000	0	
Mosobeti Dok Prim	0			0	200,000	0	
Mokwerero Deb Prim	0			0	200,000	0	
Irianyi Deb Prim	0			0	100,000	0	
Ikonge Sda Prim School	0			0	300,000	0	
Jonda Building Designers & Construction Works	0			0	493,103	0	
Dobex Enterprises	0			0	250,000	0	
Commissioner Of Domestic Tax	0			0	26,897	0	

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

Apa Insurance Ltd (Riooga Sec. School Bus Insurance)	0	-	0	160,092	0
Apa Insurance Ltd (St. Mary's Ekerubo Sec. School Bus Insurance)	0	-	0	160,092	0
Dcc Manga	0	-	0	259,100	0
Jonathan Isanda	0	-	0	465,000	0
Tombe Cluster	0	-	0	50,000	0
Jonda Building Designers & Construction Works	0	-	0	360,000	0
Tombe Girls High School	0	-	0	300,000	0
Riooga sec. school		-	-	200,000	
Riooga sec. school		-	-	115,000	
3.3 Tertiary Institutions	0	-	0	-	0
3.4 Security Projects	0	-	0	-	0
Nyangori Ap Post	0	-	0	104,613	0
Totals Emergency Projects	5,738,993	-	5,738,993	5,303,897	350,096
4.0 Bursary And Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	5,000,000	-	5,000,000	-	5,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

4.3 Tertiary Institutions	0	-	0	-	
4.4 Universities	33,164,306	-	33,164,306	30,653,500	2,510,806
Totals Bursaries	38,164,306	-	38,164,306	30,653,500	7,510,806
4.5 Social Security					
5.0 Sports	2,180,818				
Kitutu Masaba Sports Tournament	0	-	0	450,000	0
Kitutu Masaba Sports Tournament	0	-	0	400,000	0
Kitutu Masaba Sports Tournament	0	-	0	437,000	0
Kitutu Masaba Sports Tournament	0	-	0	450,000	0
Kitutu Masaba Sports Tournament	0	-	0	250,000	0
Kitutu Masaba Sports Tournament	0	-	0	200,000	0
Totals Sports	2,180,818	2,012,069	4,192,887	2,187,000	2,005,887
6.0 Environment					
Totals Environment	2,180,818	1,736,207	3,917,025	1,717,170	3,917,025
6.1					
7.0 Primary Schools Projects					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA CONSTITUENCY
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(List All The Projects)							
Bigogo Deb Prim School	500,000	400,000	900,000	900,000	0		
Bigogo DOK primary School	1,000,000	-	1,000,000	1,000,000	0		
Bitundugusu Primary School	-	500,000	500,000	-	500,000		
Bogwendo PAG Primary School	500,000	500,000	1,000,000	1,000,000	0		
Chitago Primary school	500,000	1,000,000	1,500,000	1,000,000	500,000		
Enchoro Primary school	1,000,000	-	1,000,000	-	1,000,000		
Esani Deb Primary School	400,000	600,000	1,000,000	1,000,000	0		
Geke Primary School	-	500,000	500,000	-	500,000		
Gesure Elck Primary School	-	500,000	500,000	-	500,000		
Ikonge Primary School	-	1,800,000	1,800,000	800,000	1,000,000		
Irianyi Primary School	-	400,000	400,000	-	400,000		
Kiamwarimu Primary School	-	500,000	500,000	-	500,000		
Kebirichi Primary school	-	500,000	500,000	-	500,000		
Omogomba Primary school	-	500,000	500,000	-	500,000		
Kierira Primary school	-	500,000	500,000	-	500,000		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA CONSTITUENCY
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Botana Primary School	-	500,000	500,000	-	500,000
Mokwerero Primary school	-	500,000	500,000	-	500,000
Riyabe DEB primary school	-	500,000	500,000	-	500,000
Mokomoni Primary School	-	500,000	500,000	-	500,000
Ihongo Sengera Primary school	1,000,000	-	1,000,000	-	1,000,000
Karantini Primary School	-	500,000	500,000	-	500,000
Kiannogiti Prim. School	500,000	500,000	1,000,000	1,000,000	0
Kiendege Primary School	-	400,000	400,000	-	400,000
Matangi Dok Primary School	-	500,000	500,000	-	500,000
Metamaywa Sda Primary School	-	1,000,000	1,000,000	-	1,000,000
Mokorongosi Dok Prim School	500,000	500,000	1,000,000	1,000,000	0
Nyabogoye primary School	2,970,000	-	2,970,000	-	2,970,000
Nyagancha Primary school	1,000,000	-	1,000,000	-	1,000,000
Nyaguku Dok Prim School	-	1,000,000	1,000,000	1,000,000	0
Nyaigesa Primary School	-	1,000,000	1,000,000	-	1,000,000
Nyaukuro Primary school	1,000,000	-	1,000,000	-	1,000,000



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA CONSTITUENCY
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Nyamachemange Prim	400,000	600,000	1,000,000	-	1,000,000
Nyamakairo Primary School	-	500,000	500,000	-	500,000
Nyananagu Girls Boarding Primary school	1,000,000	-	1,000,000	-	1,000,000
Nyamare Sda Prim School	500,000	500,000	1,000,000	1,000,000	0
Nyanbaria DEB primary school	600,000	400,000	1,000,000	1,000,000	0
Nyanbaso Sda Prim. School	500,000	500,000	1,000,000	1,000,000	0
Nyanbogo primary school		500,000	500,000	-	500,000
Nyasimwamu Primary School	500,000		500,000	-	500,000
Nyasuni Dok Prim School	1,500,000	2,000,000	3,500,000	2,000,000	1,500,000
Nyatiko DOK primary School	1,500,000		1,500,000	1,500,000	0
Ogango Primary School	-	500,000	500,000	-	500,000
Omoyo Sda Prim School	-	1,000,000	1,000,000	1,000,000	0
Rianyabwanga Deb Primary School	-	600,000	600,000	-	600,000
Riomoro Dok Prim School	1,000,000	-	1,000,000	1,000,000	0
Riong'uti Primary School	500,000	600,000	1,100,000	-	1,100,000
Riooga Primary School	-	1,000,000	1,000,000	1,000,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU MASABA CONSTITUENCY
Reports and Financial Statements
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Ritibo Primary school	1,000,000	-	1,000,000	-	1,000,000
Sengera Deb Primary School	-	500,000	500,000	-	500,000
Totals Primary Schools	19,870,000	24,800,000	44,670,000	18,200,000	26,470,000
8.0 Secondary Schools Projects (List All The Projects)					
Esani Sda Sec. School	-	1,000,000	1,000,000	1,000,000	0
Irianyi secondary School	1,000,000	-	1,000,000	1,000,000	0
Kenyerere Pag Secondary School	-	500,000	500,000	-	500,000
Kerongeta Secondary School	-	500,000	500,000	-	500,000
Kiabiraa Secondary School	2,880,000	-	2,880,000	-	2,880,000
Kiendege Secondary School		500,000	500,000	-	500,000
Mochenwa Sec. School	1,000,000	-	1,000,000	1,000,000	0
Miriri Secondary school	-	500,000	500,000	-	500,000
Nyaguku Secondary School	-	500,000	500,000	-	500,000
Mong'loni Secondary School		500,000	500,000	-	500,000
Nyachichi Secondary School	1,000,000	-	1,000,000	-	1,000,000
Nyaukuro Secondary School		1,000,000	1,000,000	-	1,000,000



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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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



SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

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 1st July 2018 to 30th June 2019 as required by Law.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 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 (NGCDF) –
KITUTU MASABA CONSTITUENCY
Reports and Financial Statements
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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	B005280	26,784,483	
AIE NO	B005306	28,000,000	
AIE NO	B030080	10,000,000	
AIE NO	B030461	12,000,000	
AIE NO	B006407	8,000,000	
AIE NO	B042778	11,000,000	
	B047017	13,000,000	
	A855885		5,500,000
	A892709		29,810,344
	A892957		37,905,172
TOTAL		108,784,483	73,215,516

2. PROCEEDS FROM SALE OF ASSETS

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KITUTU MASABA CONSTITUENCY**
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	1,325,333	1,220,853
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Employee contributions to NSSF	238,752	80,088
Gratuity – paid	1,662,735	-
- Accrued	390,600	-
Other personnel payments	-	-
Total	3,617,420	1,300,941

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5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	950,000	1,416,000
Utilities, supplies and services	1,022,510	115,000
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,284,200	586,000
Hospitality supplies and services	-	-
Electricity	18,602	-
Insurance costs	-	-
Specialized materials and services	-	-
Fuel, oil & lubricants	995,000	530,000
Office and general supplies and services	-	12,000
Other operating expenses	-	-
Committee allowances	1,455,800	1,424,000
Routine maintenance – vehicles and other transport equipment	331,546	187,310
Routine maintenance – other assets	-	-
Strategic plan	2,998,950	-
Total	9,056,608	4,270,310

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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 (see attached list)	18,200,000	9,300,000
Transfers to secondary schools (see attached list)	22,400,000	5,500,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	40,600,000	14,800,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	-	-
Bursary – tertiary institutions (see attached list)	30,653,500	33,334,050
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	395,387	-
Sports projects (see attached list)	2,187,000	500,000
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	5,073,897	1,250,000
Total	38,309,784	35,084,050

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
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	565,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	888,700	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	1,453,700	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	2,998,950	-
ICT Hub	-	-
TOTALS	2,998,950	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Co-operative Bank Account No. 01141477003400</i>	30,092,605	14,305,634
Total	30,092,605	14,305,634
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total	-	-
<i>[Provide cash count certificates for each]</i>		



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

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019 Kshs	2017-2018 Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	14,305,634	452,192
Cash in hand	-	-
Imprest	-	-
Total	14,305,634	452,192
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

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



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15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	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>NGCDFC EMPLOYEES-GRATUITY</i>)	360,900	-
	360,900	-
	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,151,600	-
Use of goods and services	8,909,894	-
Amounts due to other Government entities (see attached list)	31,600,000	-
Amounts due to other grants and other transfers (see attached list)	13,117,119	-
Acquisition of assets	262,262	-
Others (<i>specify</i>)	-	-
	55,040,875	-
	-	-

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)	209,390.1	3,076,640
	209,390.1	3,076,640

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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



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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	C	d=a-c	
Senior Management						
Maureen Matoke Isaboke		22,000			81,840.00	Payment yet to be done
Fred Joseph Mwebi		20,000			74,400.00	"
Felister Moige Samwel		20,000			74,400.00	"
Peter Nyachoti		15,000			55,800.00	"
Eric Ochoki Kombo		14,000			52,080.00	"
Hezron Onsongo		14,000			52,080.00	"
1.						
Sub-Total					390,600.00	
Middle Management						
Sub-Total						
Unionisable Employees						
2.						
3.						
4.						
Sub-Total						
Others (specify)						
5.						
Sub-Total						
Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,151,600		
Use of goods & services		8,909,894		
Amounts due to other Government entities				
Nyasumi DOK Primary school	Construction of 3 classrooms to completion	1,500,000	2,000,000	
Ritibo primary school	Renovations of 8 classrooms	1,000,000	-	
Itongo sengera primary school	Construction of 2 classrooms	1,000,000	-	
Nyagancha primary school	Construction of 2 classrooms	1,000,000	-	
Chitago primary school	Construction of 1 classroom	500,000	1,000,000	
Nyasimwamu primary school	Renovations of 6 classroom	500,000	-	
Enchoro primary school	Renovations of 8 classrooms	1,000,000	-	
Nyaikuro primary school	Renovations of 8 classrooms	1,000,000	-	
Nyamanagu girls boarding primary school	Construction of 2 classrooms	1,000,000	-	
Omoyo secondary school	Renovations of 4 classrooms	500,000	-	
St. Alexander Kiomakondo secondary school	Completion of 2 classrooms	500,000	500,000	
St. Theresa's Gekano girls sec. school	Completion of laboratory	500,000	-	
St. Anatole Nyanchonori secondary school	Construction of laboratory	500,000	500,000	
Nyaisa Manga secondary school	Purchase of school bus	7,500,000	-	
Riyabe secondary school	Purchase of school bus	7,500,000	-	



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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Kiibiraa secondary school	Drilling and equipping of water borehole	2,880,000	-	
Nyabogoye primary school	Drilling and equipping of water borehole	2,970,000	-	
Sungututa secondary school	Opening up of road linking school	1,750,000	-	
Sub-Total		31,600,000	4,000,000	
Amounts due to other grants and other transfers				
Strategic plan	Strategic plan additional fund for finishing & launching	1,200,000		
Environment Activities	For Const. Environmental Activities	2,180,817		
Sports Activities	Conduction const. sports activities	2,180,817		
Emergency projects	Unforeseen emergencies in the const. during the year	615,000		
Bursary	Bursary for needy students	2,263,458		
ICT HUB	ICT Hub for Const. Telecommunications services	4,677,026		
Sub-Total		13,117,119		
Sub-Total				
Acquisition of assets		262,262		
Others (specify)				



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	27,500,000	-	-	27,500,000.00
Transport equipment	8,728,843	-	-	8,728,843
Office equipment, furniture and fittings	1,444,440	565,000	-	2,009,440
ICT Equipment, Software and Other ICT Assets	85,000	888,700	-	973,700
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	36,758,283	1,453,700	-	39,211,983



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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Nyambogo SDA Primary School	CO-OP KISII EAST	0510278713752	1995.8	Nil
Nyaikuro DEB Primary School	CO-OP KISII EAST	01141476607300	1500	Nil
Nyambaria DEB Primary School	CO-OP KISII EAST	0510278667037	1200	Nil
Irianyi DEB primary school	“	01141016776700	2,520	Nil
Nyaigesa Dok Primary School	CO-OP KISII EAST	01141402510000	89.05	352,625
Nyaikuro SDA Secondary School	“	01141476607300	8,389.50	Nil
Kenani DOK Primary school	“	01139788063601	1,520	Nil
Miriri DEB Primary school	“	01141017514800	118,775	Nil
Sengera Manga High School	“	0114101993600	2,325	Nil
Riooga Deb Primary School	“	01141402252000	69.33	142,000
Nyatieko Sda Primary School	“	01100423364000	26.05	6,352
Nyamare Sda Primary School	“	01141017084400	Nil	NIL
Nyasumi Dok	“	01141477793400	19.68	1,445
Bogwendo Pag	“	01141402500700	Nil	835,260
Nyabigege Dok Primary School	“	01141400142000	Nil	NIL
Rionguti Dok Primary School	“	01141017512900	Nil	NIL
Esani Sda Secondary School	“	01141402509600	102.30	3,625
St. Yuvinalis Nyamakoroto Sec	“	01141477219400	Nil	42.05
Mochenwa Secondary School	“	01139788063600	16.39	360,000
St. Lukes Nyasumi Secondary School	“	01141477321900	6.56	15,312
Tombe Girls High School	“	01141477793400	35.33	641,083
Irianyi Sec. School	“	01139788063600	12.90	67,249
Total			209,390.1	3,076,640

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF/4.1/2017/2018/(1)	Overstatement of cash book and transfers to other Government entities: A review of the cash book and a bank statement reveals that, the Cheques below were issued in the year of review and replaced in January 2019 which falls under the financial year 2018/19. The replacement of the cheques in subsequent year do not give the true and fair presentation of the cash book 1. Cheque number 2905 of Kshs. 1,000,000 to St Luke Nyasumi secondary issued on 19/6/2018 and replaced on 4/1/2019 with cheque number 3141 2. Cheque number 2900 of Kshs. 2,000,000 to Nyasumi DOK primary issued on 19/6/2018 and replaced on 4/1/2019 with cheque number 3140 3. Cheque number 2892 of Kshs. 1,000,000 to Esani SDA secondary issued on 19/6/2018 replaced on 4/1/2019 with the cheque number 3138	Its true that the above mentioned institutions got paid on the 19/6/2018 and replacement of the same payment done on the 4/1/2019 due to the following reasons. i. Those institutions had issues about registration of ownership of which it took them longer than six months to formalize. ii. The payments totaling to Kshs. 4,000,000/- were reversed in the cash book and a fresh payment done for the same projects. iii. Copies of the original payment cheques and replaced ones are all attached.	NGCDFC/Fund Account Manager	Resolved	1 month
NGCDF/4.1/2017/2018/(2)	4.1 Funded projects not approved and budgeted for	The four projects were in dare need i.e Tombe girls, irianyi sec, Nyatieko prima and Nyanchonori sec. but were	SMC/FAM	Resolved	1 week



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
		factored in following year's budget			
NGCDF/4.8/2017/2018	Misclassification of expenditure	Various payments to committee expenditure classified as allowances	FAM	Resolved	1 week
NGCDF/4.9/2017/2018	Understatement of Compensation of Employees.	The payments for one month not captured in the financial statement. Resolved	FAM	Resolved	1 week

