


Enhancing Accountability

 REPORT THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
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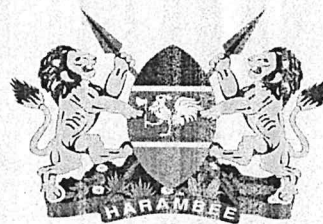
THE AUDITOR-GENERAL

ON

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

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





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND UGUNJA
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)
UGUNJA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

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 UGUNJA 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	Boaz O. Odeyo
2.	Sub-County Accountant	Luka Anyinyo
3.	Chairman NGCDFC	Benard Omollo Were
4.	Member NGCDFC	Beatrice A. Olaka

(d) Fiduciary Oversight Arrangements

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

NGCDFC Office Building.
Next to Nyasanda High School
P.O Box 212- 40606
Ugunja.



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

(f) NGCDF UGUNJA Constituency Contacts

E-mail: cdfugunja@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF UGUNJA Constituency Bankers

Equity Bank Siaya Branch
Account No. 0970261942309
P.O Box 212
Siaya.

(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

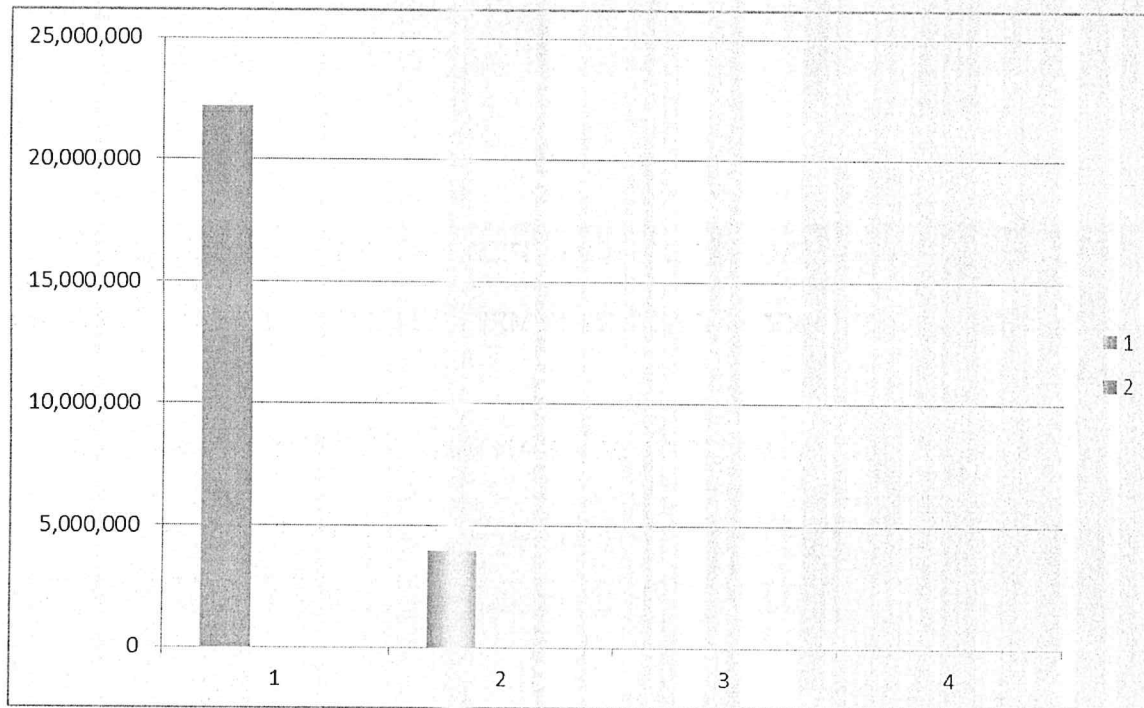
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Statements of Receipts & payments 2018/2019 against 2017/2018



Key

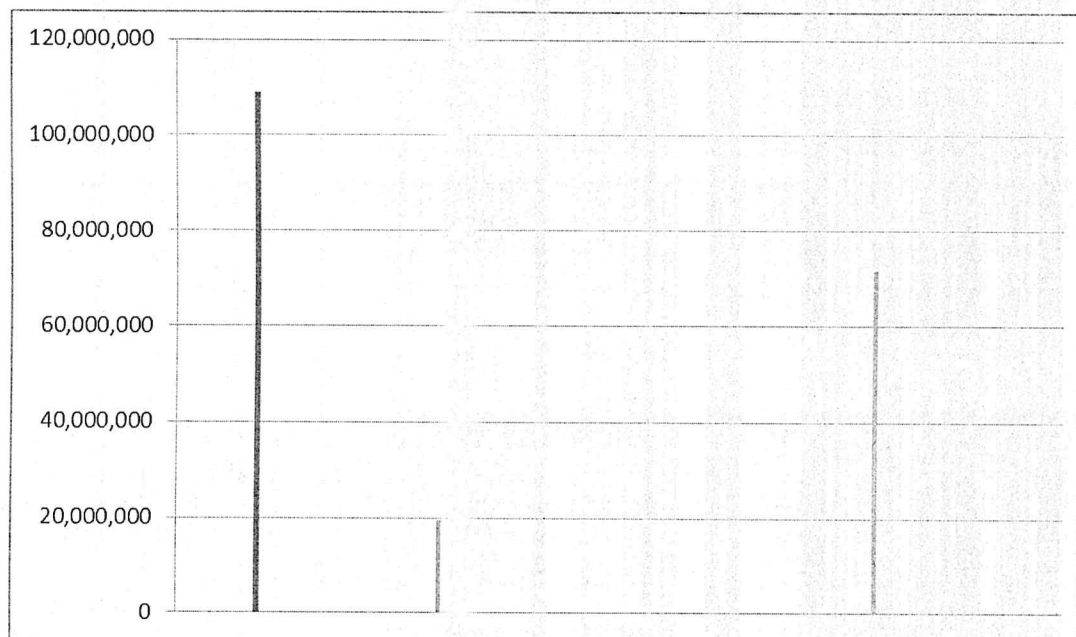
1- (Surplus of FY 2018-2019)

2- (Deficit of 2017-2018)

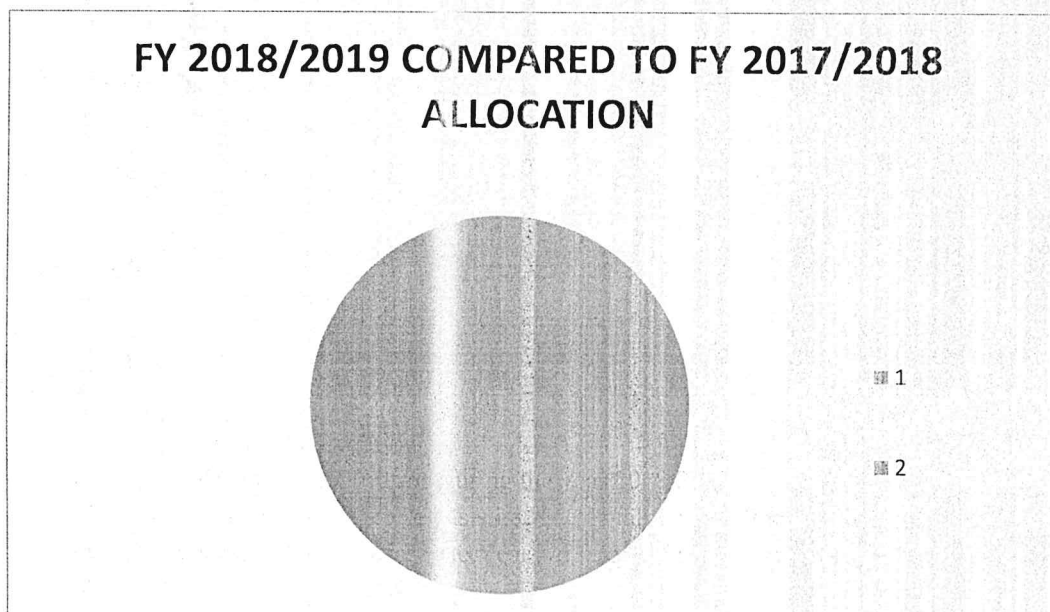
This is an indicator of better performed year 2018/2019 as compared to 2017/2018



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**



1. Original Budget Allocation
2. Total Adjustment Allocation during the year 2018/2019
3. Total Actual on comparable basis i.e. The Total Funds Allocated during the year was implemented at 55.8% comparatively before the Year Additional Fund Allocation.



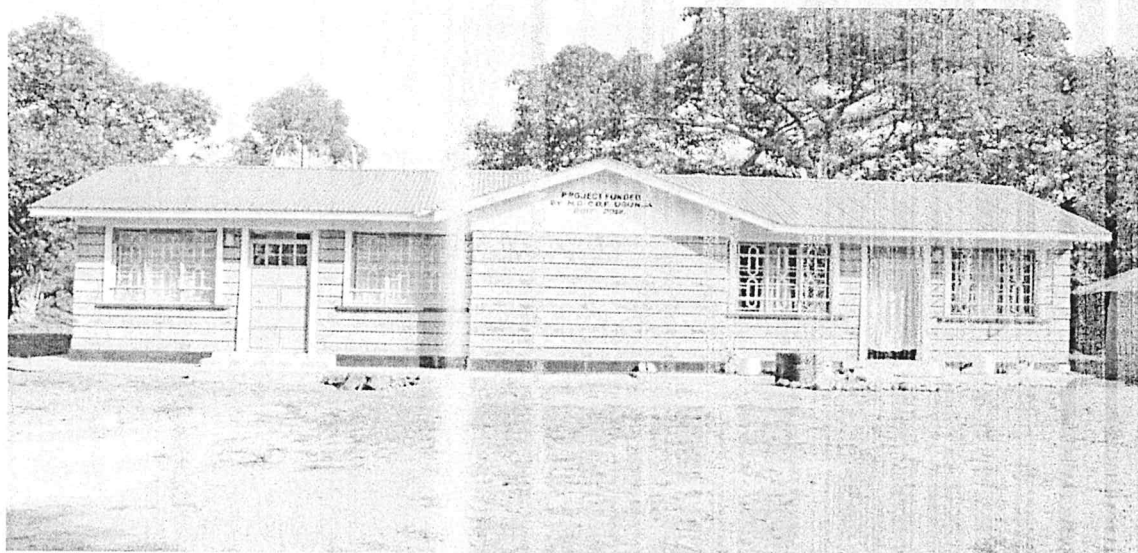
FY 2018/2019 showing great improvement of financial year allocation
FY 2017/2018 Allocation which shows less funds than the current year allocation.

0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

NG-CDF- Ugunja constituency within the financial year had got a number of success stories for instance Successful implementation of projects at about 95% for example, improvement of the educational infrastructure in the constituency, improvement on security sector by constructing standard houses for the security officers and the provision of scholarship to the bright and needy students in the constituency within the financial year just to mention few.

Ambira Administration Police Line Staff Houses



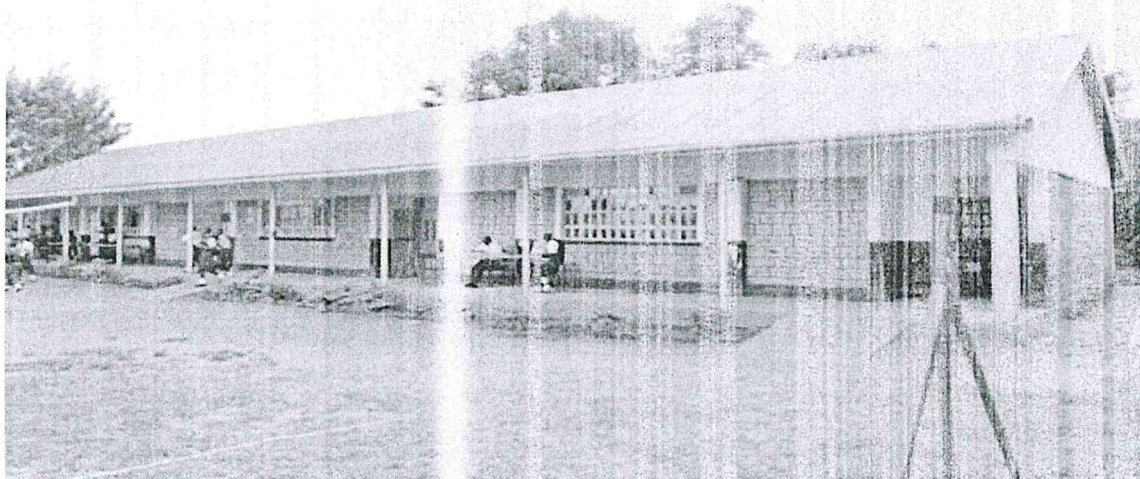
Mudhiero Primary School- Renovation of Three Classrooms.



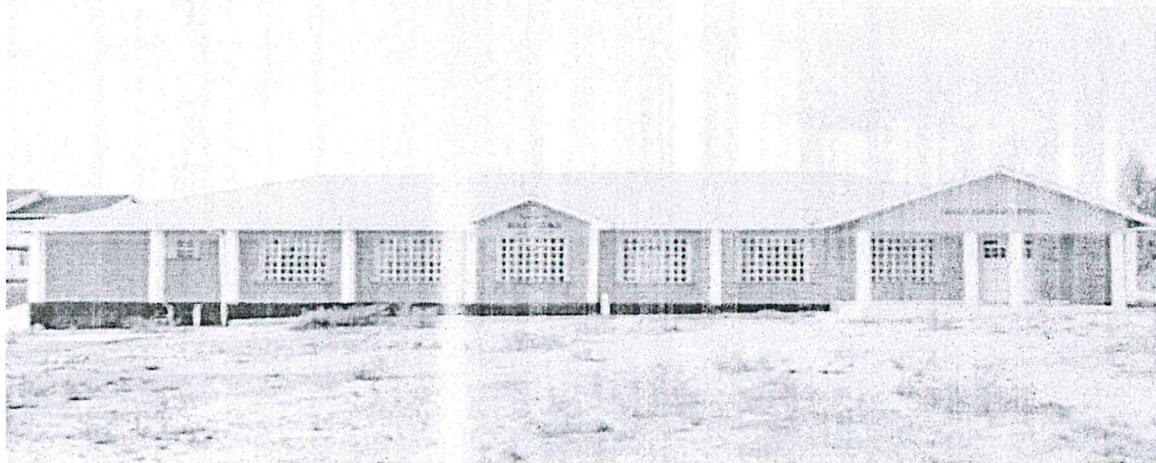


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

Simenya Secondary School Twin Laboratory.



Ugunja Deputy County Commissioner's Offices.



On the challenges within the financial year there was a lot of expectation from the public on which types of the projects to be financed by the NG-CDF as some of the projects which had a lot of impact to the community are not covered within NG-CDF Act 2015 and subsequent NG-CDF Act regulations 2016, therefore there is need for thorough public awareness on national Government functions funded by the NG-CDF which the constituency has now embarked on.

Sign

CHAIRMAN NGCDF COMMITTEE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA 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.

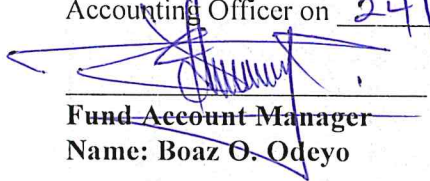
The Accounting Officer in charge of the NGCDF-UGUNJA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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.

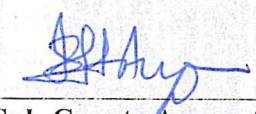
The Accounting Officer in charge of the NGCDF-UGUNJA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-UGUNJA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-UGUNJA 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-UGUNJA Constituency financial statements were approved and signed by the Accounting Officer on 24/8/2020.

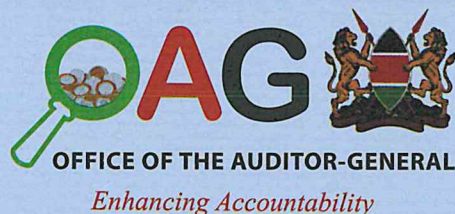

Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Luka Anyinyo
ICPAK Member Number:



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - UGUNJA 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 - Ugunja Constituency set out on pages 10 to 55, which comprise the statement of financial 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 - Ugunja Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Understated Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.47,953,305 in respect of bank balance as at 30 June, 2019 as disclosed in Note 10A to the financial statements. Audit procedures performed on the bank reconciliation statement for the month of June, 2019 reflected unrepresented cheques totalling to Kshs.2,542,599.45 out of which cheques amounting to Kshs.1,800,871.45 were stale and had not been reversed in cashbook thereby understating the cash and cash equivalent balance. The bank reconciliation statement also reflected bank charges

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

amounting to Kshs.9,980 and not recorded in the cashbook and included as expenditure for the year ended 30 June, 2019.

This is contrary to Section 90(3) of the Public Finance Management (National Government) Regulations, 2015 which provides that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.

Consequently, the accuracy and validity of the cash and cash equivalents balance of Kshs.47,953,305 as at 30 June, 2019 could not be confirmed.

2. Incorrect Summary Statement of Appropriation

The summary statement of appropriation recurrent and development combined reflects approved budget of Kshs.128,466,427 and expenditure of Kshs.71,705,122 for the year ended 30 June, 2019 to result to under-expenditure of Kshs.56,761,305. Although the totals are correct, the other payments adjustment of Kshs.4,677,027 has not been reflected under the final budget column and the budget utilisation difference column.

Consequently, the accuracy of the summary statement of appropriation recurrent and development combined for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Ugunja 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

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.128,466,427 and Kshs.119,658,427 respectively resulting to an under-funding of Kshs.8,808,000 or 7% of the budget. Similarly, the Fund spent Kshs.71,705,122 against an approved budget of Kshs.128,466,427 resulting to an under-expenditure of Kshs.56,761,305 or 44% of the budget. The underfunding and

underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Ugunja Constituency.

REPORT ON COMPLIANCE WITH 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. Poor Workmanship on Renovation of CDF Office in Ugunja

Disclosed under note 8 is acquisition of assets figure of Kshs.5,281,654 which includes refurbishment of buildings figure of Kshs.2,500,000. . The expenditure of Kshs.2,500,000 is in respect of payment to a local contractor for renovation of Ugunja NGCDF Offices. Audit verification of the project in June, 2020 reflected that the renovation was complete and the building was in use. However, there were leakages in some sections of the ceiling, the paint had started peeling off and some sections of the gutters were missing and required to be fixed. This is an indication of poor workmanship and use of poor-quality materials.

This is contrary to section 43(d) of Public Finance Management Regulation 2015, which stipulate that an accounting officer shall manage, control and ensure that policies are carried out efficiently and wastage of public funds is eliminated and section 25,(1) of the National Government Constituencies Development Fund Act (NG-CDF), 2015 requires that any funding under this Act shall be for a complete project or a defined phase of a project and may include the acquisition of land and buildings.

Consequently, the Management is in breach of the law and the residents of Ugunja Constituency may not have obtained value for money on the renovations.

2. Unapproved Variation for Land Scaping and Car Park Works

The acquisition of assets figure of Kshs.5,281,654 includes construction of carpark and land scaping expenditure of Kshs.2,781,654 as disclosed in Note 8 to the financial statements. The amount was paid to a local company in relation to construction of carpark and land scaping at NG-CDF offices in Ugunja constituency compound. However, the clerk of works' unnumbered certificate of practical completion reflected that the certified works by the contractor amounted to Kshs.3,120,870.67 which was in excess of the contract sum of Kshs.2,781,373.47 by Kshs.339,497.20. There was no authority and approval for the variation.

Although the variation of Kshs.339,497.20 had not been paid, it is in contravention of section 43(d) of Public Finance Management (National Government) Regulation 2015, which stipulates that an accounting officer shall manage control and ensure that policies are carried out efficiently and wastage of public funds is eliminated.

Consequently, the Management breached the law and there may be possible loss of Kshs.339,497.20 through unauthorised payment.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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.

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

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

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

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 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 Fund policies and procedures may deteriorate.

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

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

15 October, 2021



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

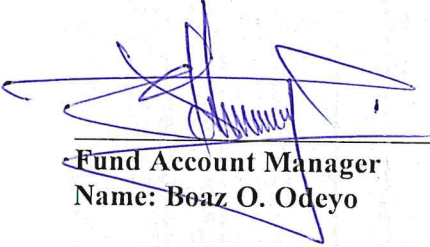
Reports and Financial Statements

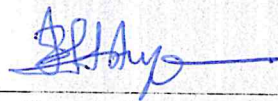
For the year ended June 30, 2019

STATEMENT OF RECEIPTS AND PAYMENTS AS AT 30 JUNE, 2019

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	112,620,186	85,810,345
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		112,620,186	85,810,345
PAYMENTS			
Compensation of employees	4	2,887,020	3,532,713
Use of goods and services	5	5,968,664	5,480,404
Transfers to Other Government Units	6	18,327,027	34,059,559
Other grants and transfers	7	39,240,757	39,510,678
Acquisition of Assets	8	5,281,654	-
Other Payments	9	-	-
TOTAL PAYMENTS		71,705,122	82,583,354
SURPLUS/DEFICIT		40,915,064	3,226,991

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 24/8/ 2020 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo

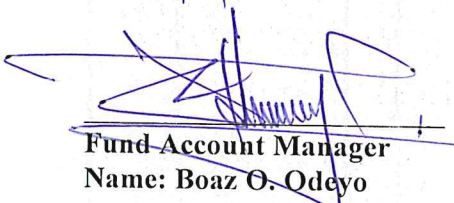

Sub-County Accountant
Name: Luka Anyinyo
ICPAK Member Number:

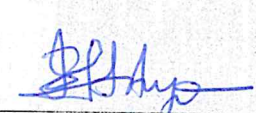
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY**
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

IV. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE, 2019

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	47,953,305	7,038,241
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		47,953,305	7,038,241
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		47,953,305	7,038,241
FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		47,953,305	7,038,241
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	7,038,241	3,811,250
Surplus for the year		40,915,064	3,226,991
Prior year adjustments	14	-	-
NET LIABILITIES		47,953,305	7,038,241

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 24/8 2020 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Luka Anyinyo
ICPAK Member Number:




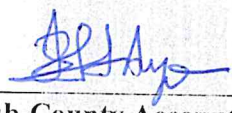
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY**
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

V. STATEMENT OF CASHFLOW AS AT 30 JUNE, 2019

CASH FLOWS FROM OPERATING ACTIVITIES			2018 - 2019	2017 - 2018
Receipts				
Transfers from CDF Board	1		112,620,186	85,810,345
Other Receipts	3		-	
Total Receipts			112,620,186	85,810,345
Payments				
Compensation of Employees	4		2,887,020	3,532,713
Use of goods and services	5		5,968,664	5,480,404
Transfers to Other Government Units	6		18,327,027	34,059,559
Other grants and transfers	7		39,240,757	39,510,678
Other Payments	9		-	
Total Payments			66,423,468	82,583,354
Total Receipts Less Total Payments			46,196,718	3,226,991
Adjusted for:				
Outstanding Imprest	11	-		-
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		
Net Adjustments			-	-
Net cash flow from operating activities			46,196,718	3,226,991
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	8		(5,281,654)	-
Net cash flows from Investing Activities				
NET INCREASE IN CASH AND CASH EQUIVALENT			40,915,064	3,226,991
Cash and cash equivalent at Beginning of the year	13		7,038,241	3,811,250
Cash and cash equivalent at END of the year			47,953,305	7,038,241

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-UGUNJA Constituency financial statements were approved on 24/8/2020 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Luka Anyinyo
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA CONSTITUENCY
REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

**VI. 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	19,425,551	128,466,427	119,658,427	8,808,000	93.1%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	
TOTAL RECEIPTS	109,040,876	19,425,551	128,466,427	119,658,427	8,808,000	93.1%
PAYMENTS						
Compensation of Employees	2,798,917	554,007	3,352,924	2,887,020	465,904	86.1%
Use of goods and services	7,014,762	2,783,795	9,798,557	5,968,664	3,829,894	60.9%
Transfers to Other Government Units	44,700,000	8,750,150	53,450,150	18,327,027	35,123,123	34.3%
Other grants and transfers	49,245,543	2,660,572	51,906,115	39,240,757	12,665,358	75.6%
Acquisition of Assets	5,281,654		5,281,654	5,281,654	0	100.0%
Other Payments		4,677,027	-	-	-	
TOTAL	109,040,876	19,425,551	128,466,427	71,705,122	56,761,305	55.8%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

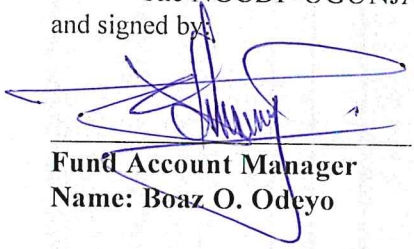
- i. Use of goods and services utilization was below 90% because the last funding was received almost at the end of the financial year and therefore utilization will be done in the financial year 2018/2020
- ii. Transfers to other government units utilization was below 90% because the last funding was received almost at the end of the financial year and therefore utilization will be done in the financial year 2019/2020
- iii. Other grants and transfers utilization was below 90% because the last funding was received almost at the end of the financial year and therefore utilization will be done in the financial year 2019/2020

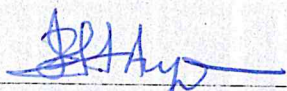
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) --
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REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

- iv. *The overall budget performance utilization was below 90% since funding from the NG-CDF Board was not received in time resulting into underutilization of budget performance*

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-UGUNJA Constituency financial statements were approved on 24/8/ 2020
and signed by:


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Luka Anyinyo
ICPAK Member Number:

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

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

**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES AS
AT 30 JUNE 2019**

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	2,798,917	554,007	3,352,924	2,887,020	465,904
1.2 Committee allowances	1,820,000		1,820,000	1,353,000	467,000
1.3 Use of goods and services	1,923,535	2,783,795	4,707,330	2,000,000	2,707,330
1.4 Acquisition of assets	-				
2.0 Monitoring and evaluation					
2.1 Capacity building	1,800,000		1,800,000	1,800,000	-
2.2 Committee allowances	960,000		960,000	658,760	301,240
2.3 Use of goods and services	511,226		511,226	156,904	354,322
3.0 Emergency	5,738,994	624,365	6,363,359	6,048,000	315,359
3.1 Primary Schools	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	-	-	-	-
4.0 Bursary and Social Security	-	-	-	-	-
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	16,000,000		16,000,000	16,000,000	-
4.3 Tertiary Institutions	9,161,000		9,161,000	9,161,000	-
4.4 Universities	-				
4.5 Social Security	-		-	-	-

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

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

4.6 special Schools	2,100,000		2,100,000	2,100,000	-
5.0 Sports					
Constituency Sports Tournament	1,500,000		1,500,000	1,500,000	-
6.0 Environment					
Masamra Primary school	50,000		50,000	-	50,000
Ninga Primary School	50,000		50,000	-	50,000
Orao Primary School	50,000		50,000	-	50,000
Sango Primary School	50,000		50,000	-	50,000
Sigomre Primary School	50,000		50,000	-	50,000
Naya Primary School	50,000		50,000	-	50,000
Ambira Primary School	50,000		50,000	-	50,000
Mudhiero Primary School	50,000		50,000	-	50,000
Mahingo Primary School	50,000		50,000	-	50,000
Wangotong Primary School	50,000		50,000	-	50,000
Ulanda Primary School	50,000		50,000	-	50,000
Sikang Primary School	50,000		50,000	-	50,000
Umina Primary School	50,000		50,000	-	50,000
Markuny Primary School	50,000		50,000	-	50,000
Raduodi Primary School	50,000		50,000	-	50,000
Siror Primary School	50,000		50,000	-	50,000
Ugunja DCC Office Compound	50,000		50,000	-	50,000
Sigomre Police Station	50,000		50,000	-	50,000

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

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Ugunja Police Station	50,000		50,000	-	50,000
Ugunja CDFC Offices Compound	50,000		50,000	-	50,000
7.0 Primary Schools Projects	-		-	-	-
Masamra Primary School	1,000,000		1,000,000	1,000,000	-
Rangala Boys Primary	1,700,000		1,700,000	-	1,700,000
Simerro Primary School	1,000,000	1,000,000.00	2,000,000	1,000,000	1,000,000
Umina Primary School	1,000,000		1,000,000	-	1,000,000
Naya Primary School	850,000		850,000	-	850,000
Ulanda Primary School	200,000		200,000	200,000	-
Ninga Primary School	200,000		200,000	200,000	-
Siror Primary School	1,000,000		1,000,000	-	1,000,000
Moi Uloma Primary School	850,000	850,000	1,700,000	1,700,000	-
Ugunja Primary School	850,000		850,000	-	850,000
Sikalame Primary School	850,000		850,000	850,000	-
Luoka Primary School	1,000,000		1,000,000	-	1,000,000
Ulumba Primary	800,000		800,000	-	800,000
Hawagaya Primary School	1,200,000		1,200,000	-	1,200,000
Ichinga Primary School	800,000	900,000	1,700,000	900,000	800,000
Got Osimbo Primary	-	850,150	850,150	850,000	150
8.0 Secondary Schools Projects	-	-	-	-	-
Moi Uloma Secondary School	7,000,000		7,000,000	-	7,000,000
Sidindi Secondary School	7,000,000		7,000,000	-	7,000,000

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

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Uluthe Secondary School	2,000,000		2,000,000	-	2,000,000
Madungu Secondary School	2,000,000		2,000,000	-	2,000,000
Rang'ala Girls Secondary School	1,000,000		1,000,000	1,000,000	-
Ulwani Secondary School	-	927,027	927,027	927,027	-
Ngunya Secondary School	-	1,200,000	1,200,000	1,200,000	-
Simenya Secondary School	-	6,700,000	6,700,000	6,700,000	-
Ukalama Secondary School	-	-	-	600,000	(600,000)
Simerro Scondary School	-	1,000,000	1,000,000	-	1,000,000
9.0 Tertiary institutions Projects					
Ugunja KMTC Campus	5,000,000		5,000,000	-	5,000,000
Ugunja KMTC Campus	5,000,000		5,000,000	-	5,000,000
Ugunja Technical Training Institute	1,200,000		1,200,000	1,200,000	-
10.0 Security Projects	-	-	-	-	-
Ugunja sub-county offices	1,095,550	2,036,207	3,131,757	3,131,755	-
Sigomere Administration police Line	200,000		200,000	200,000	-
Ambira Administration Police Camp	500,000		500,000	500,000	-
Sidindi Police post	600,000		600,000	600,000	-
Umina Police Post	1,200,000		1,200,000	-	1,200,000
Umina Police Post	350,000		350,000	-	350,000
Asango West Ass. Chiefs Office	2,000,000		2,000,000	-	2,000,000
Mungao Ass. Chiefs Office	2,000,000		2,000,000	-	2,000,000
Yiro East ASS. Chiefs	2,000,000		2,000,000	-	



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

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Office					2,000,000
East Uholo Chiefs Office	2,000,000		2,000,000	-	2,000,000
Got Osimbo Ass. Chiefs Office	2,000,000		2,000,000	-	2,000,000
Umina Police Post	1,000,000		1,000,000	-	1,000,000
11.0 Acquisition of assets					
11.1 Motor Vehicles					
11.2 Construction of CDF office					
Ugunja NG-CDF OFFICE	2,500,000		2,500,000	2,500,000	-
Ugunja NG-CDF OFFICE	2,781,654		2,781,654	2,781,654	-
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub					
12.2 TIVET					
	109,040,876	19,425,551	128,466,427	71,705,120	56,761,305

(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 Treas

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
UGUNJA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

TRIAL BALANCE AS AT 30TH JUNE 2019			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	47,953,305	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	2,887,020	
	Use of goods and services	5,968,664	
	Transfers to Other Government Units	18,327,027	
	Other grants and transfers	39,240,757	
	Acquisition of Assets	5,281,654	-
	Other Payments	-	
Receipts			
	Transfers from the Board		112,620,186
	Proceeds from sale of assets		-
	Others receipts		-
Prior Year Adjustment			-
Receivables			
Payables			
Fund Balance b/f			7,038,241
TOTAL		119,658,427	119,658,427

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

Reports and Financial Statements

For the year ended June 30, 2019

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-UGUNJA 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.

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 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.

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
UGUNJA 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 1st 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 (NGCDF) –
UGUNJA 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.B005089	11,379,310	
	AIE NO. B005398	1,000,000	
	AIE NO. B030127	10,000,000	
	AIE NO. B006252	14,000,000	
	AIE NO.A699001	6,000,000	
	AIE NO.B042639	11,000,000	
	AIE NO.B042854	13,000,000	
	AIE NO.B047584	46,240,876	
	AIE NO.A892535		5,500,000
	AIE NO.A892804		37,905,172
	AIE NO.A896865		42,405,173
TOTAL		112,620,186	85,810,345

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) –
UGUNJA CONSTITUENCY**
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	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	2,313,000	1,838,903
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-Paid	552,420	1,673,210
Gratuity-Accrued	-	-
Other personnel payments	-	-
Employer contribution to NSSF	21,600	20,600
Total	2,887,020	3,532,713



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5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	2,011,760	1,681,140
Utilities, supplies and services	43,853	113,265
Communication, supplies and services	-	-
Domestic travel and subsistence	232,400	108,800
Printing, advertising and information supplies & services	549,840	-
Rentals of produced assets	-	-
Training expenses	1,792,800	610,600
Hospitality supplies and services	165,215	195,205
Fuel , oil & lubricants	200,000	974,568
Specialized materials and services	-	-
Office and general supplies and services	369,836	328,695
Other operating expenses	70,689	1,258,700
Routine maintenance -- vehicles and other transport equipment	532,271	182,751
Routine maintenance -- other assets	-	26,680
Total	5,968,664	5,480,404

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019 Kshs	2017-2018 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	6,700,000	13,830,000
Transfers to secondary schools (see attached list)	10,427,027	12,230,282
Transfers to tertiary institutions (see attached list)	1,200,000	7,999,277
Transfers to health institutions (see attached list)	-	-
TOTAL	18,327,027	34,059,559

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bursary – secondary schools (see attached list)	16,190,000	11,810,000
Bursary – tertiary institutions (see attached list)	11,071,000	10,590,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	4,431,757	9,991,712
Sports projects (see attached list)	1,500,000	1,500,000
Environment projects (see attached list)	-	1,050,000
Emergency projects (see attached list)	6,048,000	4,568,966
Total	39,240,757	39,510,678

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8. ACQUISITION OF ASSETS

Non Financial Assets

	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	2,500,000.00	-
Construction of Car Park and Landscaping	2,781,654.00	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	5,281,654	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-
	-	-
	-	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank, Siaya Branch . Ugunja NG-CDF A/C no.0970261942309</i>	47,953,305	7,038,241
Total	47,953,305	7,038,241
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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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>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	-	-	-
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	-	-	-
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
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) --
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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	7,038,241	3,811,250
Cash in hand	-	-
Imprest	-	-
Total	7,038,241	3,811,250
<i>[Provide short appropriate explanations as necessary]</i>		

14. PRIOR YEAR ADJUSTMENTS

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

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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 (specify)	-	-
	-	-
	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	465,904	554,007
Use of goods and services	3,829,892	2,783,795
Amounts due to other Government entities (see attached list)	38,600,150	8,750,150
Amounts due to other grants and other transfers (see attached list)	13,865,359	2,660,572
Acquisition of assets	-	-
Others (ICT HUBS)	-	4,677,027
	56,761,305	19,425,551

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	14,325,527.45	28,764,557.40
	14,325,527.45	28,764,557.40

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Co
	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	Cc
Senior Management		a	b	c	d=a-c	
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 (NGCDF) –
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Paying Salaries of NG-CDFC Staff	465,904	554,007	Implementation on-going
Use of goods & services	Purchasing of Goods and Services in the Office	3,829,892	2,783,795	Implementation on-going
Amounts due to other Government entities				
Got Osimbo Primary	Construction of One Classroom		850,150	Funds disbursed and it is now complete
Ngunya Secondary	Purchasing of one and Half Ha. Piece of land		1,200,000	Funds disbursed and Land Purchased
Simenya Secondary	Construction of a twin laboratory		6,700,000	Funds disbursed and it is now complete
Transfers to Primary Schools				
Rangala Boys Primary	Construction of two Classroom	1,700,000		Fund had not been disbursed to the PMC
Simerro Primary School	Renovations of three Classrooms	1,000,000		Fund had not been disbursed to the PMC
Umina Primary School	Renovations of three Classrooms	1,000,000		Fund had not been disbursed to the PMC
Naya Primary School	Construction of One Classroom	850,000		Fund had not been disbursed to the PMC
Siror Primary School	Renovations of three Classrooms	1,000,000		Fund had not been disbursed to the PMC
Ugunja Primary School	Construction of One Classroom	850,000		Fund had not been disbursed to the PMC
Luoka Primary School	Construction of computer laboratory	1,000,000		Fund had not been disbursed to the PMC
Ulumba Primary	Completion of one Classroom	800,000		Fund had not been disbursed to the PMC

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Hawagaya Primary School	Construction of one foot Bridge	1,200,000		Fund had not been disbursed to the PMC
Ichinga Primary School	Construction of one classroom	800,000		Fund had not been disbursed to the PMC
Got Osimbo Primary	Completion of one classroom	150		Construction is Complete
Transfers to Secondary Schools				
Moi Uloma Secondary School	Purchasing of 51 Seater School Bus	7,000,000		Purchasing of the Bus had not been done
Sidindi Secondary School	Purchasing of 51 Seater School Bus	7,000,000		Purchasing of the Bus had not been done
Uluthe Secondary School	Construction of a twin Laboratory	2,000,000		Fund had not been disbursed to the PMC
Madungu Secondary School	Purchasing of Two (2) Ha. Piece of land	2,000,000		Fund had not been disbursed to the PMC
Ukalama Secondary School	Completion of one classroom	(600,000)		Completion Works is Complete it is negative since it re-allocated figure
Simerro Secondary School	Construction of one Classroom	1,000,000		Fund had not been disbursed to the PMC
Transfers to Tertiary Institutions				
Ugunja KMTC Campus	Purchasing Of Five(5) Ha Pieces of land	5,000,000		Fund had not been disbursed to the PMC
Ugunja KMTC Campus	Construction of Five(5) Classrooms	5,000,000		Funds have not disbursed by the NGCDF Board
Sub Total		42,895,946	12,087,952	
Amounts due to other grants and other transfers				
Ugunja Sub-County offices	Completion of Ugunja Sub-County Offices		1,036,207	The project is now complete
Ugunja Sub-County Offices	Completion of Ugunja Sub-County Offices		1,000,000	The Project is now Complete
Emergency	Taking care of emergency needs	315,359	624,365	Fund had not been disbursed to the PMC

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For the year ended June 30, 2019 (Kshs)

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Transfers to Security Institutions				
Umina Police Post	Construction of Police Offices and A pit Latrine	1,200,000		Fund had not been disbursed to the PMC
Umina Police Post	Drilling of shallow well	350,000		Fund had not been disbursed to the PMC
Asango West Ass. Chiefs Office	Construction of the Ass. Chiefs Office	2,000,000		Fund had not been disbursed to the PMC
Mungao Ass. Chiefs Office	Construction of the Ass. Chiefs Office	2,000,000		Fund had not been disbursed to the PMC
Yiro East ASS. Chiefs Office	Construction of the Ass. Chiefs Office	2,000,000		Fund had not been disbursed to the PMC
East Uholo Chiefs Office	Construction of Chiefs office	2,000,000		Fund had not been disbursed to the PMC
Got Osimbo Ass. Chiefs Office	Construction of the Ass. Chiefs Office	2,000,000		Fund had not been disbursed to the PMC
Umina Police Post	Construction of Police Cells	1,000,000		Fund had not been disbursed to the PMC
Environment Projects				
Masamra Primary school	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Ninga Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Orao Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Sango Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Sigomre Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Naya Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Ambira Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Mudhiero Primary School	Planting of Tree	50,000		Fund had not been disbursed to the PMC

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
	Seedlings			
Mahingo Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Wangotong Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Ulanda Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Sikang Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Umina Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Markuny Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Raduodi Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Siror Primary School	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Ugunja DCC Office Compound	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Sigomre Police Station	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Ugunja Police Station	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
Ugunja CDPC Offices Compound	Planting of Tree Seedlings	50,000		Fund had not been disbursed to the PMC
	Sub Total	13,865,359	2,660,572	
	Sub Total	56,761,305	14,748,524	
Acquisition of assets				
Others (specify)			4,677,027	
Ugunja NGCDFC Offices ICT HUB	Implementation of constituency innovation hub		1,169,257	Funds re-allocated

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Sigomre Administration Centre ICT HUB	Implementation of constituency innovation hub		1,169,257	Funds re-allocated
Ambira Administration Centre ICT HUB	Implementation of constituency innovation hub		1,169,257	Funds re-allocated
Sikalame Administration Centre ICT HUB	Implementation of constituency innovation hub		1,169,257	Funds re-allocated
Sub Total		56,761,305	4,677,027	
Grand Total		56,761,305	19,425,551	

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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	10,500,000	5,281,654	-	15,781,654
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,360,000	-	-	1,360,000
ICT Equipment, Software and Other ICT Assets	200,000	-	-	200,000
Other Machinery and Equipment	5,581,530	-	-	5,581,530
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	17,641,530			22,923,184

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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
Ugenya High School	KCB Ugunja	1124999957	0.0	28,430.00
Uriya Magoya Primary School	KCB Ugunja	1116903873	0.0	200,790.00
Madungu Primary School	KCB Ugunja	1110229844	0.0	200,259.10
Siror Primary School	KCB Ugunja	1134806604	0.0	1,000,872.00
Ambira Primary School	KCB Ugunja	1134807139	0.0	39,342.00
Ukalama Primary School	KCB Ugunja	1117029476	0.0	805,831.00
Sigomre Administration Police Post	KCB Ugunja	1169889794	5,383.35	800,700.00
Madungu Secondary School	KCB Ugunja	1133598927	0.0	5,641,956.00
St. Augustine's Ogeda	KCB Ugunja	1133642608	0.0	8,591.00
Sidindi Secondary School	KCB Ugunja	1134806949	0.0	324,338.00
Markuny Primary School	KCB Ugunja	1109525575	0.0	1,697,781.25
Mauna Primary School	KCB Ugunja	1110306350	0.0	251,010.75
Lunjre Primary School	KCB Ugunja	1156596890	1,166,286.00	55,683.00
Ulwani Primary School	KCB Ugunja	1124637044	0.0	515,393.40
Sigomre Primary School	KCB Ugunja	1116895463	0.0	197,670.00
Ogeda Primary School	KCB Ugunja	1226386105	0.0	199,500.00
Ulumba Primary School	KCB Ugunja	1154823237	0.0	202,836.00
Ugunja ASS. County Residence	KCB Ugunja	1157666116	0.0	29,237.70

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Lolwe Primary School	KCB Ugunja	1139559591	0.0	2,468.00
Konjra Primary School	KCB Ugunja	1126412279	0.0	1,411.00
Ugunja Primary School	KCB Ugunja	1125736623	0.0	200,976.00
St. Francis Rangala Girls Secondary School	KCB Ugunja	1126139882	4,423,531.80	3,423,531.80
Ambira Administration pololice	KCB Ugunja	1204507473	2,785.00	1,508,998.00
Suwinga primary school	KCB Ugunja	1170644112	0.0	15,682.00
Daho primary school	KCB Ugunja	1110828403	0.0	204,235.70
Ngunya primary school	KCB Ugunja	1125418311	0.0	1,130,976.00
Musiko primary school	KCB Ugunja	1123171505	0.0	477,290.50
Equator Learning centre	KCB Ugunja	1182502482	0.0	178,862.00
Rambula secondary School	KCB Ugunja	1110658907	0.0	3,084,653.30
Sikalame Administration Centre	KCB Ugunja	1170150993	0.0	1,100,896.20
North Uholo Chiefs Office	KCB Ugunja	1208420135	0.0	230,978.70
Ugunja sub-county offices	KCB Ugunja	1211252922	1,785.00	5,003,377.00
Got Osimbo Primary School	KCB Ugunja	1207282839	47,725.00	0
Ulanda Primary School	KCB Ugunja	1110885547	15,018.00	0
Ninga Primary School	KCB Ugunja	1182460232	26,288.50	0
Masamra Primary School	KCB Ugunja	1134577036	51,854.50	0
Sikalame Primary School	KCB Ugunja	1110987536	432,944.80	0

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Ichinga Primary School	KCB Ugunja	1151779350	907,068.35	0
St. Domnic Uloma Primary School	KCB Ugunja	1117029719	1,702,626.00	0
Simerro Primary School	KCB Ugunja	1139251058	1,003,325.00	0
Simenya Secondary School	KCB Ugunja	1116606747	471,431.95	0
Ngunya Secondary School	KCB Ugunja	1138622982	635,469.50	0
Ukalama Secondary School	KCB Ugunja	1167985052	601,169.50	0
Ulwani Secondary School	KCB Ugunja	1165578794	445.85	0
Ugunja Technical Training Institute	KCB Ugunja	1234555808	82.00	0
Simenya Administration Police	KCB Ugunja	1151469807	29,755.00	0
Ugunja Police Station	KCB Ugunja	1249836972	860.00	0
Sikang Primary School	KCB Ugunja	1176488554	200,320.45	0
Umina Primary School	KCB Ugunja	1178420795	201,496.80	0
Ruwe Primary School	KCB Ugunja	1125370963	931,289.05	0
Kirind Primary School	KCB Ugunja	1110595735	1,008,155.00	0
Mbosie Primary School	KCB Ugunja	1117160947	201,253.00	0
Ulawe Primary School	KCB Ugunja	1117096572	256,820.05	0
Sidindi Administration Police Post	KCB Ugunja	1257557122	358.00	0
Total			14,325,527.45	28,764,557.40



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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.

Refere nce No. on the extern al audit Repor t	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Summary statement of appropriation</p> <p>Included in the summary of the statement of appropriation and recurrent and development of the final receipt of kshs. 102,008,905 is an adjustment of ksh. 15,198,560 which is however not supported by any documentary evidence.</p> <p>Consequently, the accuracy and validity of the financial statement could not be ascertained.</p>	<p>Ksh. 11,379,310 which was allocation for the current financial year 2017/2018 according to the allocation table attached had not been received and therefore it has been deducted from the adjustment column of the appropriation statement leaving a total figure of ksh. 3,811,250 balances brought forward from the financial year 2017/2018 Plus Un-Funded amount of ksh. 8,000 for the financial year 2017/2018 which translates to a total of ksh. 3,819,250.</p>	NGCDFC	Resolved	
	Emphasis of Matter				
1	Project Implementatio	Currently the five (5) projects that were on-	NGCDFC	Resolved	



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	<p>n Status</p> <p>Ugunja NG-CDF was to implement a total of 57 projects during the year 2017/18 valued at Kshs.82,647,413. Further analysis indicated that four (4) projects valued at Kshs.4,677,027 were not started; five (5) projects valued Kshs.10,609,600 were ongoing; and forty eight(48) projects valued Kshs.67,360,786 were completed as analyzed in the table below;</p>	<p>going at the time of audit have been completed and awaiting for the official handing over and the four (4) projects allocated kshs. 4,677,027 which were not yet started at the time of audit have been re-allocated to other projects.</p>			
2	<p>Budgetary Control Performance</p> <p>Ugunja NG-CDF incurred a total expenditure of Kshs.82,583,354 against a budgetary allocation of Kshs.102,008,905 representing 81% budget absorption as tabulated below:</p>	<p>NG-CDFC only disburses funds to projects once they have been released by the NG-CDF Board which at the end of the financial year stood at 81% and therefore if 100% absorption is to be achieved then NG-CDF Board should release all the funds before the end of the</p>	NG-CDF BOARD	Resolved	

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	Consequently, failure to utilize all funds as budgeted for or as disbursed is an indication that programs and activities are not implemented as planned hence not achieving the intended objectives of improving delivery of service to the resident of Ugunja Constituency	financial year which did not take place in the current financial year 2017/2018.			
	Report on lawfulness in use of public money				
1.0	Irregular Procurement i. Included in the expenditure of Kshs.5,480,405 under use of goods and services is Kshs.974,568 paid to M/S Wells Oil Ltd in respect to the supply of fuel. However, it was not possible to	The management in the year 2015 floated quotations and identified the company through a competitive process having looked at the availability of fuel throughout the year then later an agreement with wells co. was signed which could only be revoked through minute resolution of the committee and to date	NG-CDFC	Resolved	



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	<p>ascertain how the firm was identified for the tender since the procurement process used to identify the firm was not made available for audit scrutiny. Consequently, the authenticity and propriety of the above expenditure amounting Kshs. 974,568 cannot be confirmed.</p> <p>ii. Ugunja NG-CDF awarded M/S Japco General Contractors tender to construct Ugunja Sub County Offices at a contract sum of Kshs.8,931,756 which was later revised upwards through a</p>	<p>the committee has not revoked the agreement</p> <p>The Project management committee used open tender method and they were guided by the prequalified list of the financial year 2016/2017 which was</p>			

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	<p>variation order by Kshs.2,200,000 resulting to a total contract amount of Kshs.11,131,756. A request for quotation was used and six (6) firms bids for the tender and quoted as follows; However, the following unsatisfactory issues were observed;</p> <p>a. The expenditure of Kshs.11,131,756 was beyond the maximum allowable for request for quotations under class C of the threshold matrix and therefore open tender should have been appropriate for</p>	<p>advertised in the local dailies. The project management committee is not tax withholding agents and therefore they could not make deduction being the implementers of the project. The project management committee retained some funds which were later paid after the lapse of six months from the date of the last certificate of payment and We also would want to vouch that value for money was achieved and the payments were not irregular.</p>			



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	<p>this procurement.</p> <p>b. Both 3% and 6% withholding Tax and VAT respectively were not deducted and submitted to KRA as required.</p> <p>c. The 10% retention was also not deducted</p> <p>In the circumstances, the value for money and the regularity of the expenditure of Kshs. 11,131,756 could not be ascertained.</p>				
2.0	<p>Emergency Expenditure</p> <p>Included in other grants and other payments figure of Kshs.39,510,678 is</p>	<p>The projects were emergency in nature since there were health reports presented to the NG-CDFC by the heads of those institutions before they</p>	NG-CDFC	Resolved	

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	Kshs.3,968,965 out of a total of Kshs.4,568,966 that Ugunja NG-CDF paid to three (3) Primary Schools under emergency funds as indicated in the table below. However, there was no proper proof that these expenditures qualify to be paid using emergency allocation as required by section 8(3) of the National Government Community Development Act, 2015) which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. Consequently, the value	made decision to implement those projects using the emergency vote because failure to comply would means these institutions would be closed indefinitely denying our pupils the opportunity to study. We also would want to vouch that value for money was achieved and the payments were not irregular.			



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	of money and the regularity of the above expenditure of Kshs. 3,968,965 could not be ascertained.				
3.0	Irregular Expenditure Included in other grants and transfers of Kshs.39, 510,678 is Kshs.944,491 out of a total of Kshs.9,991,712 paid in respect to construction of two (2) projects namely Ugunja sub county offices and Sikalame Chiefs office complex which however physical verification during the month of March 2019 revealed that some works were varied without approval and authority of the relevant committee and that partly done works were	The cost of those goods/services for both Ugunja Sub- County Offices and Sikalame Chiefs Complex had both been quoted in the financial year 2016/2017 and currently the costs are high making those services to be partly delivered resulting into those variations since all the variations had been exhausted and the committee could not vary them further and above all the two projects were being supervised by the works officer in charge of Ugunja Sub-	NG-CDFC	Resolved	

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	paid for fully. Consequently, the value for money and propriety of the expenditure of Kshs.944, 491 could not be ascertained.	County who authorized those expenditures. We also would want to vouch that value for money was achieved and the payments were not irregular.			



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