

REPUBLIC OF KENYA



*Enhancing Accountability*

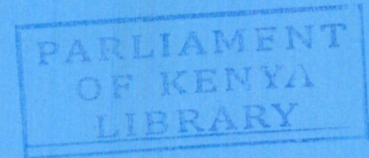
# REPORT

OF

|                           |        |
|---------------------------|--------|
| THE NATIONAL ASSEMBLY     |        |
| DATE: 08 FEB 2022 Tuesday |        |
| TABLED BY:                | Lom    |
| CLERK-AT THE-TABLE:       | Benson |

**THE AUDITOR-GENERAL**

ON



## **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MASINGA CONSTITUENCY**

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







OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
8 - MAY 2020  
**RECEIVED**



---

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

---

| Table of Content |   | Page |
|------------------|---|------|
| I.               | KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....                           | 1    |
| II.              | FORWARD BY THE CHAIRMAN NGCDF COMMITTEE .....                               | 4    |
| III.             | STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES .....                       | 13   |
| IV.              | STATEMENT OF RECEIPTS AND PAYMENTS.....                                     | 14   |
| V.               | STATEMENT OF ASSETS .....   | 15   |
| VI.              | STATEMENT OF CASHFLOW .....   | 16   |
| VII.             | SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED..... | 17   |
| VIII.            | SIGNIFICANT ACCOUNTING POLICIES .....                                       | 24   |





**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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



**Core Values**

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

**(b) Key Management**

The NGCDF MASINGA 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 30<sup>th</sup> June 2018 and who had direct fiduciary responsibility were:

| <b>No.</b> | <b>Designation</b>    | <b>Name</b>               |
|------------|-----------------------|---------------------------|
| 1.         | A.I.E holder          | <b>Aurelia M.Nyika</b>    |
| 2.         | Sub-County Accountant | <b>Michael M. Kairuhu</b> |
| 3.         | Chairman NGCDFC       | <b>Stephen Ndeto</b>      |
| 4.         | Member NGCDFC         | <b>Ruth Syombua</b>       |

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 121-90141,  
CDF Office  
Masinga Market  
KENYA

**(f) NGCDF MASINGA Constituency Contacts**

Telephone: (254) 722628554  
E-mail: [masingangcdf@ngcdf.go.ke](mailto:masingangcdf@ngcdf.go.ke)  
Website: [www.cdf.go.ke](http://www.cdf.go.ke)

**(g) NGCDF MASINGA Constituency Bankers**

1. Kenya Commercial Bank  
Matuu Branch  
P.O. Box  
Matuu Town

**(h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

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



**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

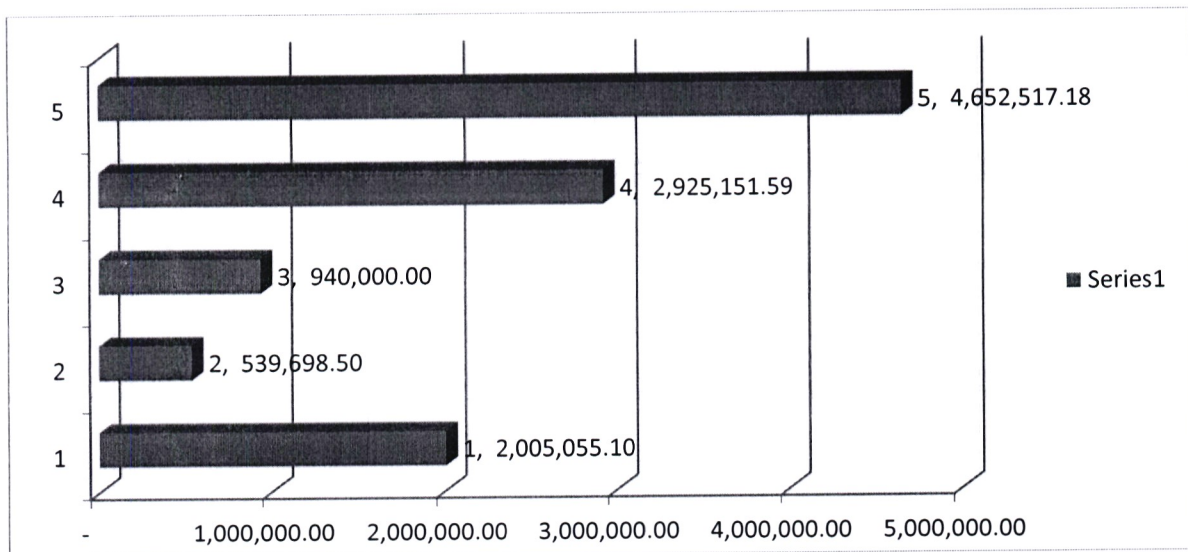
**INTRODUCTION**

MASINGA Constituency is in Masinga District, Machakos County, where it was created in 2009 from the larger Yatta District. The overall population by 1999 census figures were 125,940 with the population expected to grow in the next ten years.

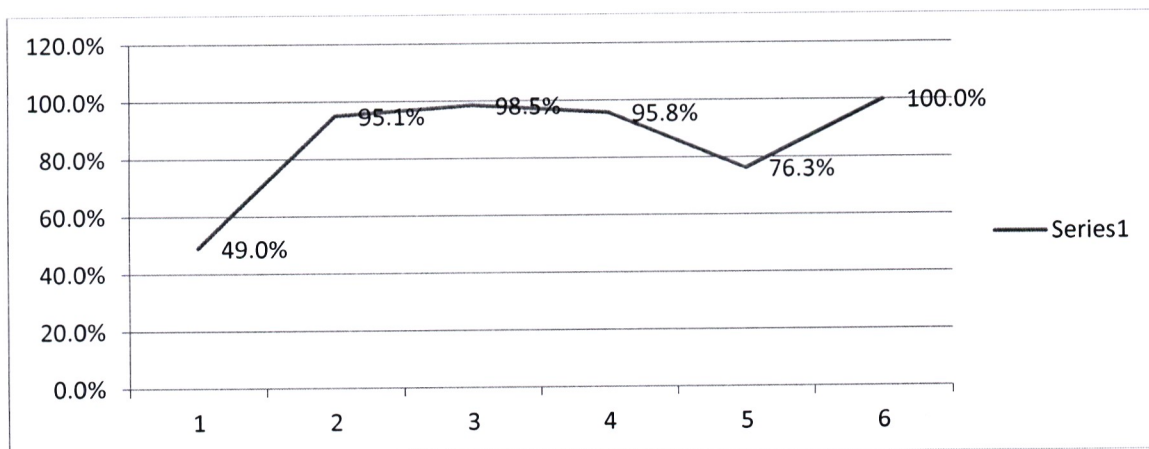
The NG-CDFC Masinga has always dedicated time to ensure prudent allocation of resources received from the NG-CDF board within the five wards of the constituency.

During the financial year 2018/2019, NG-CDF was able to utilize 80.6% of its allocated resources. At the closure of the financial year, the constituency had unutilised fund amounting to Kshs 14,

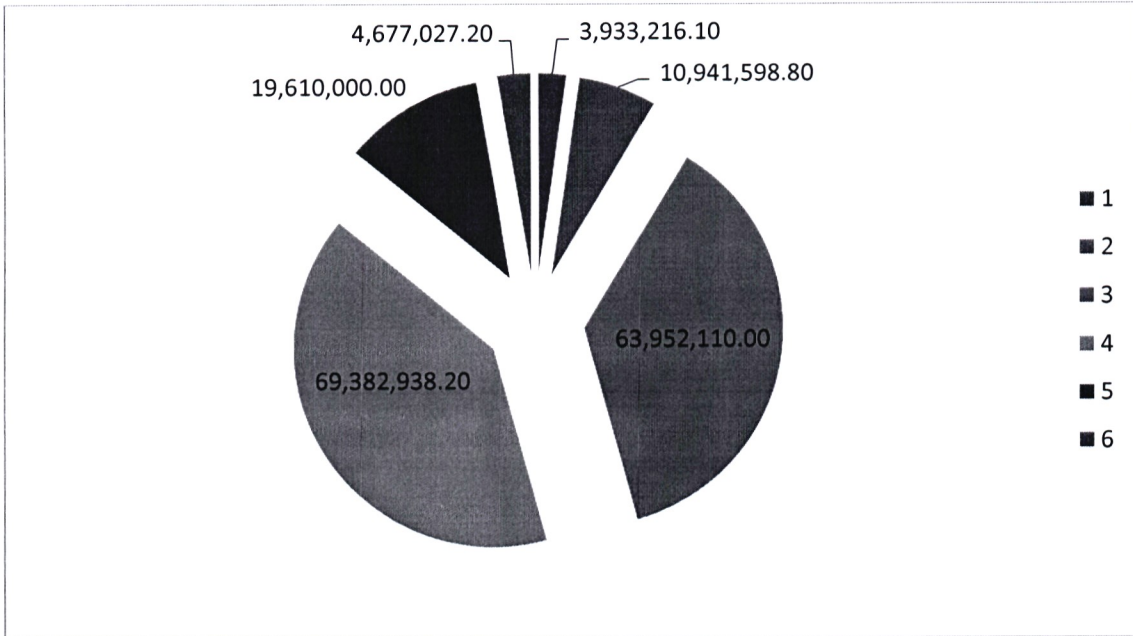
**Fig 1. Bar Graph of Budget absorption for FYR 2018-2019**



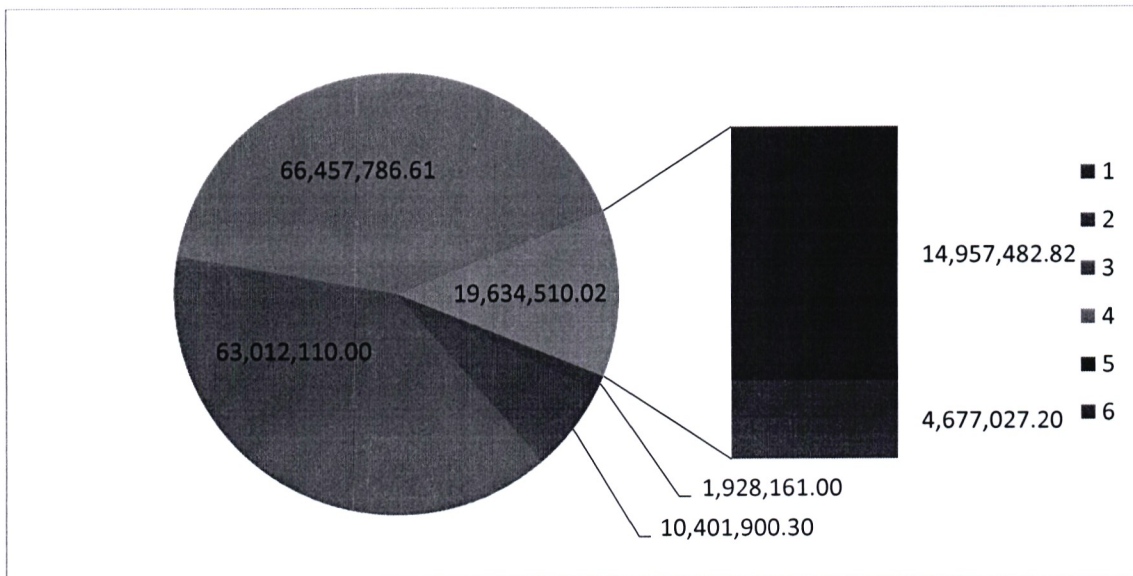
**Fig 2. Line Graph of Utilization of Funds**



**Fig. 3 Final Budget**

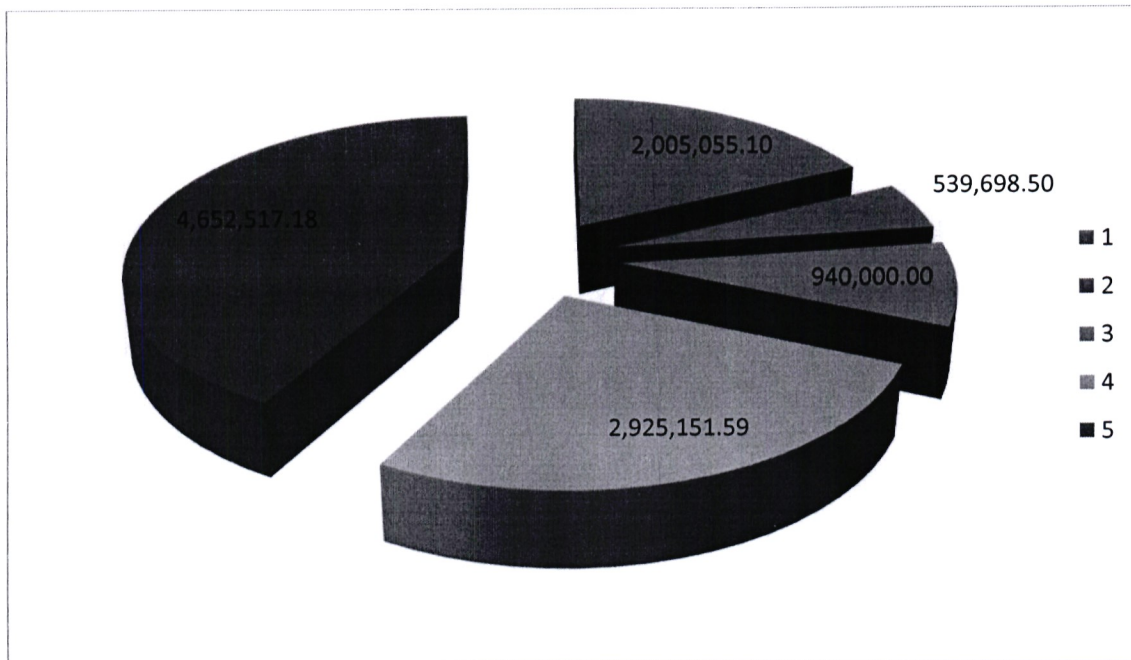


**Fig 4. Actual on Comparable analysis**





**Fig 5. Budget Utilisation Difference**



The implementation of funded projects is satisfactory.

**FINANCIAL YEAR ACHIEVEMENTS**

During the financial year 2018/2019, NG-CDF Masinga was able to undertake various projects including Launch of the strategic plan, construction of New Ng-CDF Office block, capacity building and Bursary distribution and project implementation in schools and in security.

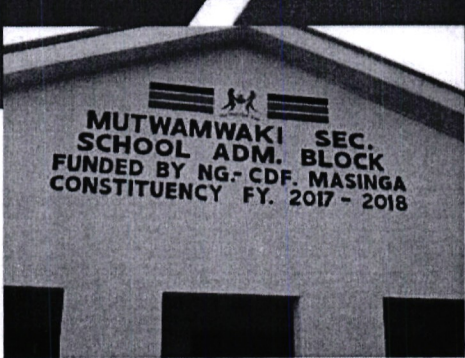
The Photos below highlight some of the activities undertaken within the financial year as follows:

1. Launch of the strategic plan
2. NG- CDF new office block site hand over and completed office.
3. Emergency projects – Mutwamwaki secondary School- 4 door toilet and Kaseve primary school - 6 door toilet.
4. Primary Projects – Kwambengei Primary School – Construction of 2 classrooms and equipping with desks and construction of a four door toilet.
5. Bursary Distribution
6. Bench Marking – NG-CDF Changamwe
7. PMC & CDFC Training at Holiday Guest House Matuu

*Launch of Masinga Strategic plan*

**2018-2022**

**NG-CDF MASINGA**



Hon. Joshua Mbithi Mwalyo  
MP Masinga Constituency

**Equitable and Sustainable socio-economic development at the grassroots level**

**VISION 2030**

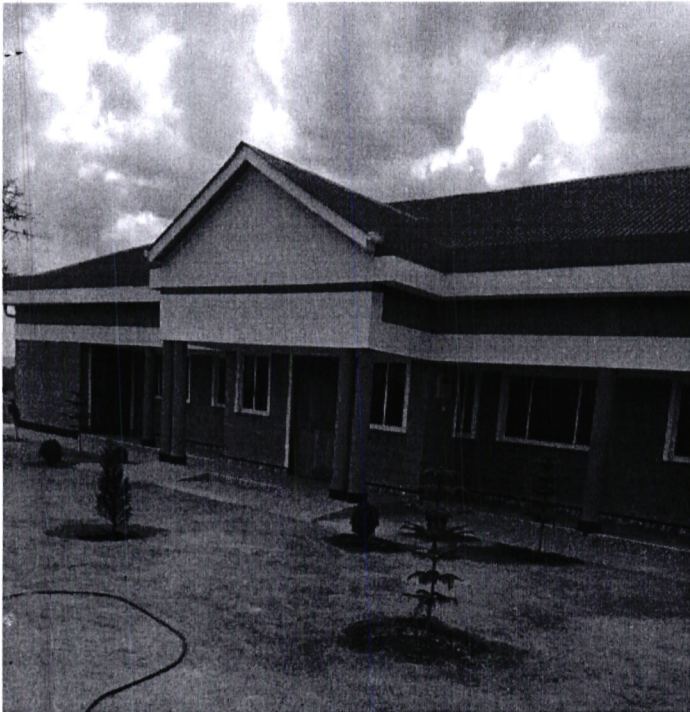




***NEW NG-CDF OFFICE- SITE HANDOVER***



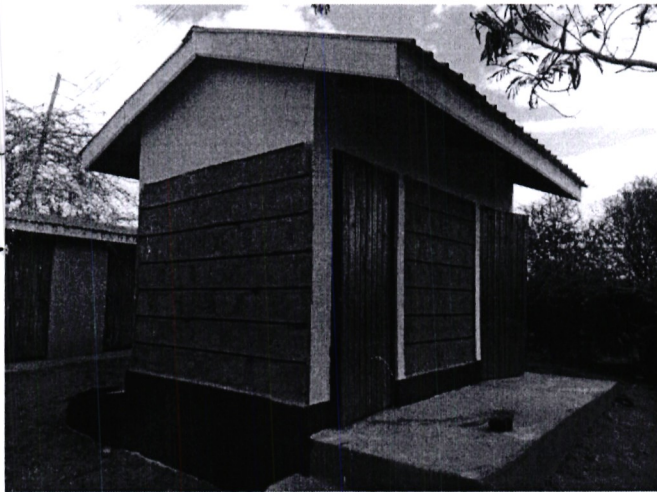
***OFFICE COMPLETED***





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

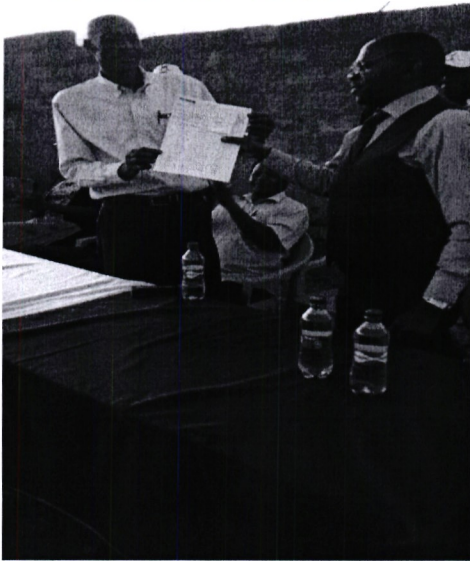
**PROJECTS**



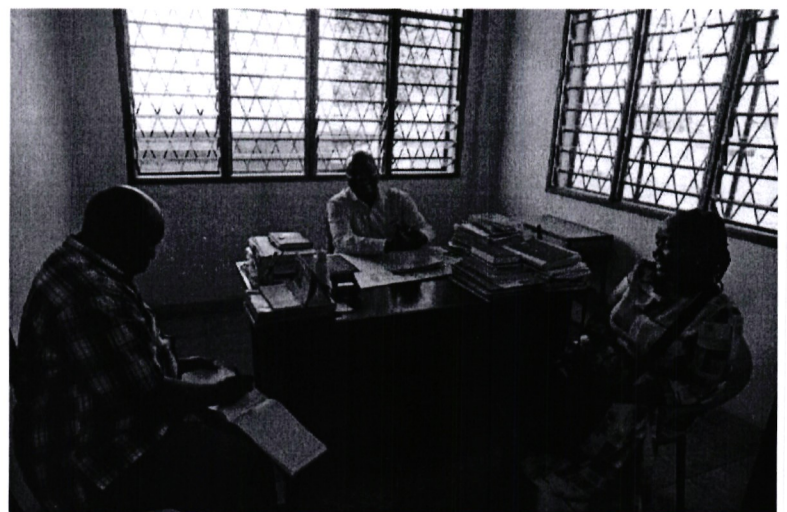


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MASINGA CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**BURSARY DISTRIBUTION**



**BENCHMARKING –CHANGAMWE NG-CDF**





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

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

**PMC & CDFC TRAINING AT HOLIDAY GUEST HOUSE MATUU**





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

---

- The key emerging issues are;
- The cost incurred during bursary vetting process which is unavoidable due to the influx of other constituents who want to get a share of NG-CDF Masinga Bursary Allocation.
  - Arising from the impact so far created at the grassroots level and the high expectation from the local community there is need for the Government to consider an increase of the NG-CDF kitty from 2.5%.
- The following are implementation challenges and recommendations way forward;

The challenges are similar to aforementioned key emerging issues and thus the following are the recommendation and what the committee is doing to overcome them;

- In relation to the cost of bursary process the committee has selected a lean team per ward to undertake the vetting of the process. They have been trained on best practises of vetting and a criteria set to ensure standard vetting procedure.
- The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDFC. The NG - CDF Board should have its own technical experts to enhance efficiency in project implementation.
- Lack of an efficient process of identification of the needy cases to benefit from the bursary kitty. The Board should issue a bursary policy to ensure that the money allocated for bursary kitty is allocated to the very needy.

We humbly look forward to working very closely with the NG – CDF Board with a view to enhancing accountability and efficiency in project management

**Name Stephen M. Ndeto**  
**Designation Chairman NG- CDFC**

Sign.....*Stephen M. Ndeto*.....

Date.....*20/09/2019*.....

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MASINGA 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-MASINGA 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, 200.00. 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-MASINGA 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, 200.00, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MASINGA 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-MASINGA 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-MASINGA Constituency financial statements were approved and signed by the Accounting Officer on .....<sup>26</sup> September 2019.



\_\_\_\_\_  
Fund Account Manager  
AURELIA NYIKA



\_\_\_\_\_  
Sub-County Accountant  
Name: Michael M. Kairuhu  
ICPAK Member Number: 11631



# 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 – MASINGA 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 – Masinga Constituency set out on pages 14 to 43, which comprise of the statement of assets as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 – Masinga Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the 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. Inaccuracies in Bank Balances**

As disclosed in Note 10A to the financial statements, the statement of assets reflects bank balances totalling to Kshs.6,362,422. The bank reconciliation statements presented were for seven (7) months (December 2018 to June, 2019) leaving out five (5) months unreconciled. In addition, the bank reconciliation statements revealed that



eighty-eight (88) unrepresented cheques totalling to Kshs.1,507,000 which were stale. However, the cheques had not been written back into the cashbook.

Consequently, the accuracy, completeness and validity of the reported bank balances totalling to Kshs.6,362,422 reflected in the statement of assets as at 30 June, 2019 could not be confirmed.

## **2. Inaccuracy in Compensation of Employees**

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects compensation of employees totalling to Kshs.1,928,161. The balance included basic wages for contractual employees amounting to Kshs.1,713,541. However, the supporting payrolls and ledger amounted to Kshs.1,847,500 resulting to an unexplained variance amounting to Kshs.133,959.

In the circumstances, the accuracy, completeness and validity of compensation of employees totalling to Kshs.1,928,161 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

## **3. Misclassification of Expenditure**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.10,401,900. Included in the training expenses amount is misclassified committee expenses totalling to Kshs.520,000. The error was not corrected.

In the circumstances, the accuracy, completeness and validity of training and committee allowance expenses amounting to Kshs.803,100 and Kshs.1,700,000 respectively for the year ended 30 June, 2019 could not be confirmed.

## **4. Unsupported Bursaries**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers totalling to Kshs.66,457,787. However, bursaries amounting to Kshs.4,079,991 were not supported by detailed beneficiaries' listing.

Consequently, the accuracy, completeness and validity of bursaries amounting to Kshs.4,079,991 for the year ended 30 June, 2019 could not be confirmed.

## **5. Land without Title Deed**

Annex 4 - summary of fixed asset register to the financial statements reflects historical cost of fixed assets totalling to Kshs.25,117,947 as at 30 June, 2019. Included in the balance is land parcel with a cost of Kshs.200,000 whose title deed was not provided.

In the circumstances, the ownership of the land parcel with a cost of Kshs.200,000 could not be established.



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

### **Unresolved Prior Year Matters**

In the audit report of the previous year, two issues were raised. However, the Management has not included progress on audit recommendations, resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Public Participation in Projects Implementation**

The Management did not provide evidence of public participation for the projects implemented during the financial year. This is contrary to Regulation 27(1) of National Government Constituencies Development Fund Regulations, 2016 requires open public meeting forums to be held in every ward in the constituency to deliberate on development matters in the ward and in the constituency within the first year of the commencement of a new parliament and at least once every two (2) years thereafter.

In the circumstances, the Management is in breach of the law.

## **2. Delays in Project Implementation**

### **2.1. Construction of Laboratory in Kiseuni Secondary School**

The Management budgeted for construction of laboratory at Kiseuni Secondary School during the financial year 2014/2015 and a sum of Kshs.1,000,00 disbursed to the project. Physical verification of the project in February, 2020 revealed the that it had stalled at 50% completion level. Plastering of the floor, verandah and walls were not done while the doors and windows had not been fixed. The project had not been prioritized hence the delay in completing the project within the stipulated time frame of three (3) years. This is contrary to Section 22 (i) and (j) of the National Government Constituencies Development Fund Act, 2015, requires the Project Management Committee (PMC) to rank project proposals in order of priority while ensuring on-going projects take precedence and also ensure that all projects receive adequate funding and are completed within three (3) years.

### **2.2. Construction of Fund Offices**

The contract for construction of Fund offices was signed on 14 December, 2018 at contract sum of Kshs.17,560,138. The contract period was sixteen (16) weeks up to 2 May, 2019. However, physical verification in February, 2020 revealed the project was incomplete with project completion status estimated at 90%, nine (9) months after expiry of the contract period.

### **2.3. Projects Not Started**

The project implementation status as of 30 June, 2019 indicated that three (3) projects with a budget allocation totalling to Kshs.1,062,262 had not commenced in the year as detailed below;

| <b>Beneficiary</b>         | <b>Project Description</b> | <b>Amount (Kshs.)</b> |
|----------------------------|----------------------------|-----------------------|
| Luuma Secondary School     | Construction of Lab        | 440,000               |
| Ekalakala Secondary School | Renovation of Dormitory    | 500,000               |
| Katulye Chiefs Office      | Renovation Toilets         | 122,262               |
|                            |                            | <b>1,062,262</b>      |

No explanations were provided for the delays in implementation of the projects.

Consequently, I am unable to confirm whether the public will obtain value for money on the delayed projects.



### **3. Unsatisfactory Implementation of Projects**

#### **3.1. Projects without Signage and Branding**

Project verification in February, 2020 revealed that three (3) on-going projects did not have signage providing information on the scope, funding and contractors. The projects were: - Masinga Constituency Boys Secondary School-Construction of School Library; Kivaa Secondary School-Construction of School Dining hall and Kyeeteni Secondary School-Completion of Administration Block and staff quarters at Kithyoko police post.

This is contrary to Regulation 15 of the National Government Constituencies Development Fund Regulation, 2016, thus denying the stakeholders information regarding projects being implemented by the Fund.

#### **3.2. Construction of Kaewa Assistant Chief's Office**

The construction of Kaewa assistant Chief's Office was completed on 16 January, 2019 and full contract amount inclusive of the retention monies totalling to Kshs.1,500,000 paid out. However, physical verification of the project in February, 2020 revealed that the floor was not tiled as provided for in the bill of quantities and there were major cracks on the walls and the floor.

#### **3.3. Kithyoko Police Post**

Expenditure returns for Kithyoko Police Post were not filed. This is contrary to the provisions of section 15(d & f) of National Government -CDF Act, 2015 which requires the project management committee to prepare returns and file them with constituency committee on a timely basis and also undertake project closure, labelling and hand over upon completion.

In the circumstances, I am unable to confirm the validity and value for money for the unsatisfactory implemented projects.

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

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

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

to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

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

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or



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

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

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

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

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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.

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**29 December, 2021**




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

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

|                                     | Note | 2018-2019          | 2017-2018         |
|-------------------------------------|------|--------------------|-------------------|
|                                     |      | Kshs               | Kshs              |
| <b>RECEIPTS</b>                     |      |                    |                   |
| Transfers from the NG- CDF Board    | 1.   | 160,425,359        | 61,353,447        |
| Proceeds from Sale of Assets        | 2.   | -                  | -                 |
| Other Receipts                      | 3.   | -                  | -                 |
| <b>TOTAL RECEIPTS</b>               |      | <b>160,425,359</b> | <b>61,353,447</b> |
| <b>PAYMENTS</b>                     |      |                    |                   |
| Compensation of Employees           | 4    | 1,928,161          | 1,118,064         |
| Use of goods and services           | 5    | 10,401,900         | 5,511,365         |
| Transfers to other Government Units | 6    | 63,012,110         | 25,139,999        |
| Other Grants and transfers          | 7    | 66,457,787         | 26,849,745        |
| Acquisition of Assets               | 8    | 14,957,482         | -                 |
| Other Payments                      | 9    | 4,677,027          | 749,817           |
| <b>TOTAL PAYMENTS</b>               |      | <b>161,434,467</b> | <b>59,368,990</b> |
| <b>DEFICIT</b>                      |      | <b>(1,009,109)</b> | <b>1,984,457</b>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The MASINGA NG-CDF financial statements were approved on.....<sup>26th</sup>September 2019 and signed by:

  
 Fund Account Manager  
 AURELIA NYIKA


  
 Sub-County Accountant  
 Name: Michael M. Kairuhu  
 ICPAK Member Number: 11631

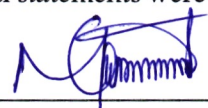
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**MASINGA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

V. STATEMENT OF ASSETS

|  | Note | 2018 - 2019<br>Kshs     | 2017 - 2018<br>Kshs     |
|--|------|-------------------------|-------------------------|
| <b>FINANCIAL ASSETS</b>                |      |                         |                         |
| <b>Cash and Cash Equivalents</b>       |      |                         |                         |
| Bank Balances ( as per the cash book)  | 10A  | 6,362,422               | 6,465,817               |
| Cash Balances (cash at hand)           | 10B  | -                       | -                       |
| <b>Total Cash and Cash Equivalents</b> |      | <b>6,362,422</b>        | <b>6,465,817</b>        |
| <b>Current Receivables</b>             |      |                         |                         |
| Outstanding Imprests                   | 11   | -                       | -                       |
| <b>TOTAL FINANCIAL ASSETS</b>          |      | <b>6,362,422</b>        | <b>6,465,817</b>        |
| <b>FINANCIAL LIABILITES</b>            |      |                         |                         |
| <b>Accounts Payable</b>                |      |                         |                         |
| Retention                              | 12A  | -                       | -                       |
| Gratuity                               | 12B  | -                       | -                       |
| <b>Total Financial Liabilities</b>     |      | <b>-</b>                | <b>-</b>                |
| <b>NET FINANCIAL ASSETS</b>            |      | <b><u>6,362,422</u></b> | <b><u>6,465,817</u></b> |
| <b>REPRESENTED BY</b>                  |      |                         |                         |
| Fund balance b/fwd 1st July...         | 13   | 6,465,817               | 3,925,801               |
| Surplus/Defict for the year            |      | (1,009,109)             | 1,984,457               |
| Prior year adjustments                 | 14   | 905,714                 | 555,559                 |
| <b>NET LIABILITIES</b>                 |      | <b><u>6,362,422</u></b> | <b><u>6,465,817</u></b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MASINGA Constituency financial statements were approved on 26<sup>th</sup> September 2019 and signed by:

  
 Fund Account Manager  
 Name: AURELIA NYIKA

  
 Sub-County Accountant  
 Name: Michael M. Kairuhu  
 ICPAK Member Number: 11631





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

**VI. STATEMENT OF CASHFLOW**

| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |    | <b>2018 - 2019</b>  | <b>2017 - 2018</b> |
|--|----|---------------------|--------------------|
| <b>Receipts</b>  |    |                     |                    |
| Transfers from CDF Board                                 | 1  | 160,425,359         | 61,353,447         |
| Other Receipts   | 3  | -                   |                    |
| <b>Total Receipts</b>                                    |    | <b>160,425,359</b>  | <b>61,353,447</b>  |
| <b>Payments</b>  |    |                     |                    |
| Compensation of Employees                                | 4  | 1,928,161           | 1,118,064          |
| Use of goods and services                                | 5  | 10,401,900          | 5,511,365          |
| Transfers to Other Government Units                      | 6  | 63,012,110          | 25,139,999         |
| Other grants and transfers                               | 7  | 66,457,787          | 26,849,745         |
| Other Payments   | 9  | 4,677,027           | 749,817            |
| <b>Total Payments</b>                                    |    | <b>146,476,985</b>  | <b>59,368,990</b>  |
| <b>Total Receipts Less Total Payments</b>                |    | <b>13,948,374</b>   | <b>1,984,457</b>   |
| <b>Adjusted for:</b>                                     |    |                     |                    |
| Prior Year adjustment                                    | 14 | 905,714             | 555,559            |
| <b>Net Adjustments</b>                                   |    | <b>905,714</b>      | <b>555,559</b>     |
| <b>Net cash flow from operating activities</b>           |    | <b>14,854,087</b>   | <b>2,540,016</b>   |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |    |                     |                    |
| Acquisition of Assets                                    | 8  | 14,957,482          | -                  |
| <b>Net cash flows from Investing Activities</b>          |    | <b>(14,957,482)</b> | <b>-</b>           |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |    | <b>(103,395)</b>    | <b>2,540,016</b>   |
| <b>Cash and cash equivalent at BEGINNING of the year</b> | 13 | <b>6,465,817</b>    | <b>3,925,801</b>   |
| <b>Cash and cash equivalent at END of the year</b>       |    | <b>6,362,422</b>    | <b>6,465,817</b>   |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MASINGA Constituency financial statements were approved on 26<sup>th</sup> September 2019 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: AURELIA NYIKA

  
\_\_\_\_\_  
Sub-County Accountant  
Name: Michael M. Kairuhu  
ICPAK Member No. 11631

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

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

**II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINE**

| 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 %          |
| <b>RECEIPTS</b>                     |                    |                   |                    |                            |                               |                  |
| Transfers from CDF Board            | 109,040,875        | 58,756,015        | 167,796,890        | 167,796,890                | 0                             | 97.3%            |
| Proceeds from Sale of Assets        |                    |                   |                    |                            | -                             |                  |
| Other Receipts                      |                    |                   | -                  |                            | -                             |                  |
| <b>TOTAL RECEIPTS</b>               | <b>109,040,875</b> | <b>58,756,015</b> | <b>167,796,890</b> | <b>167,796,890</b>         | <b>-</b>                      | <b>100.0%</b>    |
| <b>PAYMENTS</b>                     |                    |                   |                    |                            |                               |                  |
| Compensation of Employees           | 2,422,080          | 1,511,136         | 3,933,216          | 1,928,161                  | 2,005,055                     | 49.0%            |
| Use of goods and services           | 6,941,599          | 3,500,000         | 10,441,598         | 10,401,900                 | 39,798                        | 99.6%            |
| Transfers to Other Government Units | 41,780,000         | 22,172,110        | 63,952,110         | 63,012,110                 | 940,000                       | 98.5%            |
| Other grants and transfers          | 50,567,197         | 18,815,741        | 69,382,939         | 66,457,786                 | 2,925,052                     | 95.8%            |
| Acquisition of Assets               | 7,330,000          | 8,080,000         | 15,410,000         | 14,957,483                 | 452,518                       | 97.1%            |
| Other Payments                      | -                  | 4,677,027         | 4,677,027          | 4,677,027                  | -                             | 100.0%           |
| <b>TOTAL</b>                        | <b>109,040,876</b> | <b>58,756,015</b> | <b>167,796,890</b> | <b>161,434,467</b>         | <b>6,362,423</b>              | <b>96.2%</b>     |

The NGCDF-MASINGA Constituency financial statements were approved on <sup>26<sup>th</sup></sup> September 2019 and signed by:



Fund Account Manager  
Name: AURELIA NYIKA

Sub-County Accountant  
Name: Michael M. Kairuhu  
ICPAK Member Number: 11631



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

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

| BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES | Original Budget     | Adjustments         | Final Budget         | Actual on comparable basis | Budget utilization difference |
|---|---------------------|---------------------|----------------------|----------------------------|-------------------------------|
|   |                     |                     |                      |                            |                               |
| Programme/Sub-programme                           | Kshs                | Kshs                | Kshs                 | Kshs                       | Kshs                          |
| <b>1.0 Administration</b>                         |                     |                     |                      |                            |                               |
| Employees' Salaries                               | 2,422,080.00        | 1,511,136.10        | 3,933,216.10         | 1,928,161.00               | 2,005,055.10                  |
| Goods and Services                                | 1,970,372.53        |                     | 1,970,372.53         | 1,938,024.03               | 32,348.50                     |
| Committee Expenses                                | 1,700,000.00        |                     | 1,700,000.00         | 1,700,000.00               | 0.00                          |
| Strategic Plan                                    |                     | 3,500,000.00        | 3,500,000.00         | 3,492,650.00               | 7,350.00                      |
| <b>Sub-Total</b>                                  | <b>6,092,452.53</b> | <b>5,011,136.10</b> | <b>11,103,588.63</b> | <b>9,058,835.03</b>        | <b>2,044,753.60</b>           |
| <b>2.0 Monitoring and Evaluation</b>              |                     |                     |                      |                            |                               |
| Goods and Services                                | 523,226.27          |                     | 523,226.27           | 523,226.27                 | 0.00                          |
| Committee Expenses                                | 1,248,000.00        |                     | 1,248,000.00         | 1,248,000.00               | 0.00                          |
| Capacity Building of NG-CDFs/PMCs                 | 1,500,000.00        |                     | 1,500,000.00         | 1,500,000.00               | 0.00                          |
| <b>Sub-Total</b>                                  | <b>3,271,226.27</b> | <b>-</b>            | <b>3,271,226.27</b>  | <b>3,271,226.27</b>        | <b>0.00</b>                   |
| <b>3.0 Emergency</b>                              |                     |                     |                      |                            |                               |
| Emergency   | 5,738,993.45        | 812,931.03          | 6,551,924.48         | 6,663,993.40               | -112,068.92                   |
| <b>Sub-Total</b>                                  | <b>5,738,993.45</b> | <b>812,931.03</b>   | <b>6,551,924.48</b>  | <b>6,663,993.40</b>        | <b>-112,068.92</b>            |
| <b>4.0 Bursary and Social Security Programme</b>  |                     |                     |                      |                            |                               |
| Bursary Secondary Schools                         | 23,164,306.43       | 2,530,049.43        | 25,694,355.86        | 25,692,089.70              | 2,266.16                      |
| Bursary Tertiary Schools                          | 15,000,000.00       | 3,467,000.00        | 18,467,000.00        | 22,194,080.00              | (3,727,080.00)                |
| Unvoted Balance                                   |                     | 3,300,000.00        | 3,300,000.00         |                            | 3,300,000.00                  |
| Unvoted Balance (prior year)                      |                     | 1,953,141.07        | 1,953,141.07         |                            | 1,953,141.07                  |
|   |                     | 905,713.95          | 905,713.95           |                            | 905,713.95                    |

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

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

|                                    |                      |                      |                      |                      |                     |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>Sub-Total</b>                   | <b>38,164,306.43</b> | <b>12,155,904.45</b> | <b>50,320,210.88</b> | <b>47,886,169.70</b> | <b>2,434,041.18</b> |
| <b>5.0 Sports</b>                  |                      |                      |                      |                      |                     |
| Sports Activity                    | 480,817.51           | 1,646,906.00         | 2,127,723.51         | 2,127,623.51         | 100.00              |
| <b>Sub-Total</b>                   | <b>480,817.51</b>    | <b>1,646,906.00</b>  | <b>2,127,723.51</b>  | <b>2,127,623.51</b>  | <b>100.00</b>       |
| <b>6.0 Environment</b>             |                      |                      |                      |                      |                     |
| Environment Project                | 480,817.51           |                      | 480,817.51           | 0                    | 480,817.51          |
| <b>Sub-Total</b>                   | <b>480,817.51</b>    | <b>-</b>             | <b>480,817.51</b>    | <b>0.00</b>          | <b>480,817.51</b>   |
| <b>7.0 Primary School Projects</b> |                      |                      |                      |                      |                     |
| Kathukini Primary School           | 3,600,000.00         |                      | 3,600,000.00         | 3,600,000.00         | 0.00                |
| Kasvilo Primary School             | 1,850,000.00         |                      | 1,850,000.00         | 1,850,000.00         | 0.00                |
| Mukengesya Primary School          | 2,400,000.00         |                      | 2,400,000.00         | 2,400,000.00         | 0.00                |
| Kivuthi Primary School             | 1,200,000.00         |                      | 1,200,000.00         | 1,200,000.00         | 0.00                |
| Mukayauni Primary School           | 620,000.00           |                      | 620,000.00           | 620,000.00           | 0.00                |
| Isyukoni Primary School            | 4,140,000.00         |                      | 4,140,000.00         | 4,140,000.00         | 0.00                |
| Kwambengei Primary School          | 3,150,000.00         |                      | 3,150,000.00         | 3,150,000.00         | 0.00                |
| Kyaani Kivaa Primary School        | 2,400,000.00         |                      | 2,400,000.00         | 2,400,000.00         | 0.00                |
| Kikomba Primary School             | 1,200,000.00         |                      | 1,200,000.00         | 1,200,000.00         | 0.00                |
| Kwakalunde Primary School          | 1,860,000.00         |                      | 1,860,000.00         | 1,860,000.00         | 0.00                |
| Tulimyumbu Primary School          | 1,200,000.00         |                      | 1,200,000.00         | 1,200,000.00         | 0.00                |
| Kwamulinga Primary School          | 800,000.00           |                      | 800,000.00           | 800,000.00           | 0.00                |
| Itooma Primary School              |                      | 1,200,000.00         | 1,200,000.00         | 1,200,000.00         | 0.00                |
| Misewani Primary School            |                      | 700,000.00           | 700,000.00           | 700,000.00           | 0.00                |
| Kingutheni Primary School          |                      | 1,800,000.00         | 1,800,000.00         | 1,800,000.00         | 0.00                |
| Kivani Primary School              |                      | 1,800,000.00         | 1,800,000.00         | 1,800,000.00         | 0.00                |
| Kaluluni Primary School            |                      | 400,000.00           | 400,000.00           | 400,000.00           | 0.00                |
| Kaliluni Primary School            |                      | 1,200,000.00         | 1,200,000.00         | 1,200,000.00         | 0.00                |
| Tumutumu Primary School            |                      | 400,000.00           | 400,000.00           | 400,000.00           | 0.00                |
| Kikomba Primary School             |                      | 200,000.00           | 200,000.00           | 200,000.00           | 0.00                |



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

|                                      |                      |                      |                      |                      |                      |             |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| Kathiani Primary School              |                      | 400,000.00           | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| Kyaani Primary School                |                      | 400,000.00           | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| Munandani Primary School             |                      | 400,000.00           | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| Kyaani Primary School                |                      | 1,800,000.00         | 1,800,000.00         | 1,800,000.00         | 1,800,000.00         | 0.00        |
| Lulumba Primary School               |                      | 500,000.00           | 500,000.00           | 500,000.00           | 500,000.00           | 0.00        |
| Kimuuni Primary School               |                      | 600,000.00           | 600,000.00           | 600,000.00           | 600,000.00           | 0.00        |
| Ikatini Primary School               |                      | 700,000.00           | 700,000.00           | 700,000.00           | 700,000.00           | 0.00        |
| Ndungoni Primary School              |                      | 1,800,000.00         | 1,800,000.00         | 1,800,000.00         | 1,800,000.00         | 0.00        |
| Masinga Primary School               |                      | 1,572,110.00         | 1,572,110.00         | 1,572,110.00         | 1,572,110.00         | 0.00        |
| Kyaani Primary School                |                      | 400,000.00           | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| <b>Sub-Total</b>                     | <b>24,420,000.00</b> | <b>16,272,110.00</b> | <b>40,692,110.00</b> | <b>40,692,110.00</b> | <b>40,692,110.00</b> | <b>0.00</b> |
| <b>8.0 Secondary School Projects</b> |                      |                      |                      |                      |                      |             |
| Nzukini Secondary School             | 1,500,000.00         |                      | 1,500,000.00         | 1,500,000.00         | 1,500,000.00         | 0.00        |
| Masinga Boys Secondary School        | 5,000,000.00         |                      | 5,000,000.00         | 5,000,000.00         | 5,000,000.00         | 0.00        |
| Kithoni Secondary School             | 400,000.00           |                      | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| Kakuku Secondary School              | 400,000.00           |                      | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| Kyeeteni Secondary School            | 800,000.00           |                      | 800,000.00           | 800,000.00           | 800,000.00           | 0.00        |
| Mutwamwaki Secondary School          | 2,000,000.00         |                      | 2,000,000.00         | 2,000,000.00         | 2,000,000.00         | 0.00        |
| Milaani Secondary School             | 760,000.00           |                      | 760,000.00           | 760,000.00           | 760,000.00           | 0.00        |
| St Johns Secondary School(Iiani)     | 500,000.00           |                      | 500,000.00           | 500,000.00           | 500,000.00           | 0.00        |
| Kangonde Secondary School            | 1,500,000.00         |                      | 1,500,000.00         | 1,500,000.00         | 1,500,000.00         | 0.00        |
| Kivaa Secondary School               | 2,210,000.00         |                      | 2,210,000.00         | 2,210,000.00         | 2,210,000.00         | 0.00        |
| Kamunyu Secondary School             | 400,000.00           |                      | 400,000.00           | 400,000.00           | 400,000.00           | 0.00        |
| Iuuma Secondary School               | 440,000.00           |                      | 440,000.00           | 440,000.00           | 440,000.00           | 0.00        |
| Kaonyweni Secondary School           | 500,000.00           |                      | 500,000.00           | 500,000.00           | 500,000.00           | 0.00        |
| Kyondoni Secondary School            | 500,000.00           |                      | 500,000.00           | 500,000.00           | 500,000.00           | 0.00        |
| Kituneni Secondary School            | 450,000.00           |                      | 450,000.00           | 450,000.00           | 450,000.00           | 0.00        |
| Musingini Secondary School           |                      | 900,000.00           | 900,000.00           | 900,000.00           | 900,000.00           | 0.00        |

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

|   |                      |                     |                      |                      |                   |
|---|----------------------|---------------------|----------------------|----------------------|-------------------|
| Mutwamwaki Secondary School                             |                      | 1,500,000.00        | 1,500,000.00         | 1,500,000.00         | 0.00              |
| Ekalakala Secondary School                              |                      | 1,500,000.00        | 1,500,000.00         | 1,500,000.00         | 0.00              |
| Liani Secondary School                                  |                      | 400,000.00          | 400,000.00           | 400,000.00           | 0.00              |
| Kyondani Mixed Secondary School                         |                      | 200,000.00          | 200,000.00           | 200,000.00           | 0.00              |
| Kithoni Secondary School                                |                      | 400,000.00          | 400,000.00           | 400,000.00           | 0.00              |
| Nzukini Secondary School                                |                      | 500,000.00          | 500,000.00           | 500,000.00           | 0.00              |
| Ekalakala Secondary School                              |                      | 500,000.00          | 500,000.00           | 500,000.00           | 0.00              |
| <b>Sub-Total</b>  | <b>17,360,000.00</b> | <b>5,900,000.00</b> | <b>23,260,000.00</b> | <b>22,320,000.00</b> | <b>940,000.00</b> |
| <b>9.0 Security Projects</b>                            |                      |                     |                      |                      |                   |
| Kithyoko Police Post                                    | 1,860,000.00         |                     | 1,860,000.00         | 1,860,000.00         | 0.00              |
| Kiatineni/Ndithini Ward-Administration Police Residence | 760,000.00           |                     | 760,000.00           | 760,000.00           | 0.00              |
| Ekalakala ACCS Office                                   | 1,760,000.00         |                     | 1,760,000.00         | 1,760,000.00         | 0.00              |
| District Commissioners Residence                        | 1,200,000.00         |                     | 1,200,000.00         | 1,200,000.00         | 0.00              |
| Katulye chiefs office                                   | 122,261.82           |                     | 122,261.82           |                      | 122,261.82        |
| Kithyoko Police Post                                    |                      | 1,500,000.00        | 1,500,000.00         | 1,500,000.00         | 0.00              |
| Kaewa Assistant Chief's                                 |                      | 1,500,000.00        | 1,500,000.00         | 1,500,000.00         | 0.00              |
| Musingini Assistant Chief's                             |                      | 500,000.00          | 500,000.00           | 500,000.00           | 0.00              |
| Katulye Asst chiefs office                              |                      | 300,000.00          | 300,000.00           | 300,000.00           | 0.00              |
| Ndithini Chiefs Office                                  |                      | 400,000.00          | 400,000.00           | 400,000.00           | 0.00              |
| <b>Sub-Total</b>  | <b>5,702,261.82</b>  | <b>4,200,000.00</b> | <b>9,902,261.82</b>  | <b>9,780,000.00</b>  | <b>122,261.82</b> |
| <b>10.0 Acquisitions of Assets</b>                      |                      |                     |                      |                      |                   |
| NG- CDF office  | 6,880,000.00         | 8,000,000.00        | 14,880,000.00        | 14,879,482.82        | 517.18            |
| Purchase of Photocopier                                 | 450,000.00           |                     | 450,000.00           |                      | 450,000.00        |
| Purchase of Computers and Photocopier                   |                      | 80,000.00           | 80,000.00            | 78,000.00            | 2,000.00          |
| Purchase of office furniture and fittings               |                      |                     |                      |                      | 0.00              |



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

|                              |                       |                      |                       |                       |                     |
|------------------------------|-----------------------|----------------------|-----------------------|-----------------------|---------------------|
| <b>Sub-Total</b>             | <b>7,330,000.00</b>   | <b>8,080,000.00</b>  | <b>15,410,000.00</b>  | <b>14,957,482.82</b>  | <b>452,517.18</b>   |
| <b>11.0 Others</b>           |                       |                      |                       |                       |                     |
| <b>Constituency ICT Hubs</b> |                       | <b>4,677,027.20</b>  | <b>4,677,027.20</b>   | <b>4,677,027.20</b>   |                     |
| <b>Sub-Total</b>             | <b>0.00</b>           | <b>4,677,027.20</b>  | <b>4,677,027.20</b>   | <b>4,677,027.20</b>   | <b>0.00</b>         |
| <b>UNVOTED AMOUNT</b>        |                       |                      | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>         |
| <b>GRAND TOTAL</b>           | <b>109,040,875.52</b> | <b>58,756,014.78</b> | <b>167,796,890.30</b> | <b>161,434,467.93</b> | <b>6,362,422.37</b> |

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

| <b>TRIAL BALANCE AS AT 30TH JUNE 2019</b> |                       |                       |
|---|-----------------------|-----------------------|
|   | <b>DR</b>             | <b>CR</b>             |
| <b>Cash and Cash equivalents</b>          |                       |                       |
| Bank Balances                             | 6,362,422.37          |                       |
| Cash Balances                             | -                     |                       |
| Outstanding Imprest                       | -                     |                       |
| <b>Payments</b>                           |                       |                       |
| Compensation of Employees                 | 1,928,161.00          |                       |
| Use of goods and services                 | 10,401,900.05         |                       |
| Transfers to Other Government Units       | 63,012,110.00         |                       |
| Other grants and transfers                | 66,457,786.61         |                       |
| Acquisition of Assets                     | 14,957,482.12         |                       |
| Other Payments                            | 4,677,027.20          |                       |
| <b>Receipts</b>                           |                       |                       |
| Transfers from the Board                  |                       | 160,425,358.65        |
| Proceeds from sale of assets              |                       | -                     |
| Others receipts                           |                       | -                     |
| Prior Year Adjustment                     |                       | 905,713.95            |
| Receivables                               |                       | -                     |
| Payables                                  |                       | -                     |
| <b>Fund Balance b/f</b>                   |                       | 6,465,817.00          |
| <b>TOTAL</b>                              | <b>167,796,889.35</b> | <b>167,796,889.60</b> |



### **VIII. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **1. Statement of Compliance and Basis of Preparation**

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

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

#### **2. Reporting Entity**

The financial statements are for the NGCDF-MASINGA 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 30<sup>th</sup> 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 Funds**

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) 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 1<sup>st</sup> July 2018 to 30<sup>th</sup> 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 30<sup>th</sup> 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) –  
MASINGA CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

| Description     |   | 2018-2019          | 2017-2018         |
|-----------------|---|--------------------|-------------------|
|                 |   | Kshs               | Kshs              |
| NGCDF Board     |   |                    |                   |
| AIE NO. B005118 | 1 | 48,084,483         |                   |
| AIE NO. B005316 | 2 | 3,300,000          |                   |
| AIE NO. B030099 | 3 | 10,000,000         |                   |
| AIE NO. B005401 | 4 | 20,000,000         |                   |
| AIE NO. B006408 | 5 | 6,000,000          |                   |
| AIE NO. A754476 |   | 11,000,000         |                   |
| AIE NO. B042800 |   | 7,000,000          |                   |
| AIE NO. B047571 |   | 55,040,876         |                   |
| AIE NO. A855925 | 1 |                    | 5,500,000         |
| AIE NO. A892599 | 2 |                    | 17,648,275        |
| AIE NO.         | 3 |                    | 300,000           |
| AIE NO. A892628 | 4 |                    | 37,905,172        |
| <b>TOTAL</b>    |   | <b>160,425,359</b> | <b>61,353,447</b> |

**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 | 0.00        | 0.00        |
| Receipts from sale of office and general equipment         | 0.00        | 0.00        |
| Receipts from the Sale Plant Machinery and Equipment       | 0.00        | 0.00        |
| <b>Total</b>   | <b>0.00</b> | <b>0.00</b> |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

|   | <b>2018- 2019</b> | <b>2017-2018</b> |
|---|-------------------|------------------|
|   | <b>Kshs</b>       | <b>Kshs</b>      |
| Interest Received                       | 0                 | 0                |
| Rents                                   | 0                 | 0                |
| Receipts from Sale of tender documents  | 0                 | 0                |
| Other Receipts Not Classified Elsewhere | 0                 | 0                |
| <b>Total</b>                            | <b>0</b>          | <b>0</b>         |

**4. COMPENSATION OF EMPLOYEES**

|   | <b>2018-2019</b> | <b>2017-2018</b> |
|---|------------------|------------------|
|   | <b>Kshs</b>      | <b>Kshs</b>      |
| Basic wages of contractual employees              | 1,713,541        | 847,959          |
| Basic wages of casual labour                      |                  |                  |
| NHIF  | 59,100           | 19,250           |
| <b>Personal allowances paid as part of salary</b> |                  |                  |
| House allowance                                   | 0.00             | 0.00             |
| Transport allowance                               | 0.00             | 0.00             |
| Employer contribution to NSSF                     | 155,520          | 250,855          |
| Staff Gratuity                                    | 0.00             | 0.00             |
| Other personnel payments                          | 0.00             | 0.00             |
| <b>Total</b>                                      | <b>1,928,161</b> | <b>1,118,064</b> |



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

| <b>5. USE OF GOODS AND SERVICES</b>                          |                   |                  |
|--|-------------------|------------------|
| Utilities, supplies and services                             | 219,550           | 250,000          |
| Electricity  | 51,928            | -                |
| Water & sewerage charges                                     | 47,515            | -                |
| Office rent  | -                 | -                |
| Communication, supplies and services                         | 230,999           | 50,000           |
| Domestic travel and subsistence                              | 646,100           | 200,000          |
| Printing, advertising and information supplies & services    | 407,679           | 560,100          |
| Rentals of produced assets                                   | -                 | -                |
| Training expenses  | 803,100           | 786,000          |
| Hospitality supplies and services                            | 160,500           | 120,000          |
| Other committee expenses                                     | 2,071,000         | -                |
| Committee allowance  | 1,700,000         | 2,623,731        |
| Insurance costs  | -                 | -                |
| Specialized materials and services                           | -                 | -                |
| Office and general supplies and services                     | 75,000            | 450,000          |
| Fuel , oil & lubricants                                      | 57,600            | 312,000          |
| Other operating expenses                                     | -                 | -                |
| Bank service commission and charges                          | 45,651            | 130,365          |
| Security operations  | -                 | -                |
| Routine maintenance - vehicles and other transport equipment | 392,627           | 29,169           |
| Routine maintenance- other assets                            | -                 | -                |
| Strategic Plan   | 3,492,650         |                  |
| <b>TOTAL</b>   | <b>10,401,900</b> | <b>5,511,365</b> |

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

| Description  | 2018-2019         | 2017-2018         |
|--|-------------------|-------------------|
|  | Kshs              | Kshs              |
| Transfers to National Government entities              | 0                 | 0                 |
| Transfers to primary schools (see attached list)       | 40,692,110        | 10,762,068        |
| Transfers to secondary schools (see attached list)     | 22,320,000        | 10,937,931        |
| Transfers to tertiary institutions (see attached list) | 0                 | 3,440,000         |
| Transfers to health institutions (see attached list)   | 0                 | 0                 |
| <b>TOTAL</b>   | <b>63,012,110</b> | <b>25,139,999</b> |

**7. OTHER GRANTS AND OTHER PAYMENTS**

|   | 2018-2019         | 2017- 2018        |
|---|-------------------|-------------------|
|   | Kshs              | Kshs              |
| Bursary – secondary schools (see attached list)     | 25,692,090        | 5,198,445         |
| Bursary – tertiary institutions (see attached list) | 22,194,080        | 15,962,000        |
| Bursary – special schools (see attached list)       | 0                 | 0                 |
| Electricity project (see attached list)             | 0                 | 0                 |
| Security projects (see attached list)               | 9,780,000         | 1,600,000         |
| Sports projects (see attached list)                 | 2,127,624         | 89,300            |
| Environment projects (see attached list)            | 0                 | 0                 |
| Emergency projects (see attached list)              | 6,663,993         | 4,000,000         |
| <b>Total</b>  | <b>66,457,787</b> | <b>26,849,745</b> |



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

**Non-Financial Assets**

|  | 2018-2019         | 2017-2018 |
|--|-------------------|-----------|
|  | Kshs              | Kshs      |
| Purchase of Buildings  | 0                 | 0         |
| Construction of Buildings                                    | 14,879,482        | 0         |
| Refurbishment of Buildings                                   | 0                 | 0         |
| Purchase of Vehicles and Other Transport Equipment           | 0                 | 0         |
| Overhaul of Vehicles and Other Transport Equipment           | 0                 | 0         |
| Purchase of Household Furniture and Institutional Equipment  | 0                 | 0         |
| Purchase of Office Furniture and General Equipment           | 0                 | 0         |
| Purchase of ICT Equipment, Software and Other ICT Assets     | 78,000            | 0         |
| Purchase of Specialized Plant, Equipment and Machinery       | 0                 | 0         |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | 0                 | 0         |
| Acquisition of Land  | 0                 | 0         |
| Acquisition of Intangible Assets                             | 0                 | 0         |
| <b>Total</b>   | <b>14,957,482</b> | <b>0</b>  |

**9. OTHER PAYMENTS**

|  | 2018-2019        | 2017-2018      |
|--|------------------|----------------|
|  | Kshs             | Kshs           |
| Adjustment of omitted amount in the cash book total as at 30 <sup>th</sup> June 2017 |                  | 749,817        |
| ICT Hubs   | 4,677,027        | 0              |
|  | 0                | 0              |
|  |                  |                |
|  |                  |                |
|  |                  |                |
|  | <b>4,677,027</b> | <b>749,817</b> |

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: Bank Accounts (cash book bank balance)**

| Name of Bank, Account No. & currency              | 2018-2019        | 2017-2018        |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| <i>Kenya Commercial Bank Matuu 1105310906</i>     | 6,362,422        | 6,465,817        |
| <i>Name of Bank, Account No.</i>                  | 0                | 0                |
| <i>Name of Bank, Account No.</i>                  | 0                | 0                |
|   |                  |                  |
| <b>Total</b>                                      | <b>6,362,422</b> | <b>6,465,817</b> |
|   |                  |                  |
| <b>10B: CASH IN HAND</b>                          |                  |                  |
| Location 1  | 0                | 0                |
| Location 2  | 0                | 0                |
| Location 3  | 0                | 0                |
| Other Locations ( <i>specify</i> )                | 0                | 0                |
|   |                  |                  |
| <b>Total</b>                                      | <b>6,362,422</b> | <b>6,465,817</b> |
| <i>[Provide cash count certificates for each]</i> |                  |                  |



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

| <i>Name of Officer or Institution</i> | <i>Date Imprest Taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance</i> |
|---------------------------------------|---------------------------|---------------------|---------------------------|----------------|
|                                       |                           | <i>Kshs</i>         | <i>Kshs</i>               | <i>Kshs</i>    |
| <i>Name of Officer or Institution</i> | dd/mm/yy                  | 0                   | 0                         | 0              |
| <i>Name of Officer or Institution</i> | dd/mm/yy                  | 0                   | 0                         | 0              |
| <i>Name of Officer or Institution</i> | dd/mm/yy                  | 0                   | 0                         | 0              |
| <i>Name of Officer or Institution</i> | dd/mm/yy                  | 0                   | 0                         | 0              |
| <i>Name of Officer or Institution</i> | dd/mm/yy                  | 0                   | 0                         | 0              |
| <i>Name of Officer or Institution</i> | dd/mm/yy                  | 0                   | 0                         | 0              |
| <b>Total</b>                          |                           |                     |                           | <b>0</b>       |

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

**12. RETENTION**

|  | <b>2018 - 2019</b> | <b>2017-2018</b> |
|--|--------------------|------------------|
|  | <b>Kshs</b>        | <b>Kshs</b>      |
| Contractor 1 Gaps Engineering & Construction Co. Ltd | 1,331,556          | 0                |
| Supplier 2   | 0                  | 0                |
| Supplier 3   | 0                  | 0                |
| <b>Total</b>   | <b>1,331,556</b>   | <b>0</b>         |

*[Provide short appropriate explanations as necessary]*  
The retention money relates to NG-CDF Office building.

**13. BALANCES BROUGHT FORWARD**

|               | <b>2018-2019</b> | <b>2017-2018</b> |
|---------------|------------------|------------------|
|               | <b>Kshs</b>      | <b>Kshs</b>      |
| Bank accounts | 6,465,817        | 3,925,801        |
| Cash in hand  | 0                | 0                |
| Imprest       | 0                | 0                |
| <b>Total</b>  | <b>6,465,817</b> | <b>3,925,801</b> |

*[Provide short appropriate explanations as necessary]*

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

|               | 2018- 2019<br>Kshs | 2017-2018<br>Kshs |
|---------------|--------------------|-------------------|
| Bank accounts | 905,714            | 555,559           |
| Cash in hand  | 0                  | 0                 |
| Imprest       | 0                  | 0                 |
| <b>Total</b>  | <b>905,714</b>     | <b>555,559</b>    |

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

|                             | 2017- 2018<br>Kshs | 2017-2018<br>Kshs |
|-----------------------------|--------------------|-------------------|
| Construction of buildings   | 0                  | 0                 |
| Construction of civil works | 0                  | 0                 |
| Supply of goods             | 0                  | 0                 |
| Supply of services          | 0                  | 0                 |
|                             | <b>0</b>           | <b>0</b>          |

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

|                           | Kshs     | Kshs     |
|---------------------------|----------|----------|
| Senior management         | 0        | 0        |
| Middle management         | 0        | 0        |
| Unionisable employees     | 0        | 0        |
| Others ( <i>specify</i> ) | 0        | 0        |
|                           | <b>0</b> | <b>0</b> |

**15.3: UNUTILIZED FUNDS (See Annex 3)**

|   | Kshs             | Kshs              |
|---|------------------|-------------------|
| Compensation of employees   | 2,005,055        | 1,511,136         |
| Use of goods and services   | 39,798           | 3,500,000         |
| Amounts due to other Government entities (see attached list)        | 940,000          | 22,172,110        |
| Amounts due to other grants and other transfers (see attached list) | 2,925,052        | 18,815,741        |
| Acquisition of assets   | 452,518          | 8,080,000         |
| Others ( <i>specify</i> )   |                  | 4,677,027         |
|   | <b>6,362,422</b> | <b>58,756,015</b> |



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**15.4: PMC account balances (See Annex 5)**

|  | <b>2018- 2019</b> | <b>2017-2018</b> |
|--|-------------------|------------------|
|  | <b>Kshs</b>       | <b>Kshs</b>      |
| PMC account Balances (see attached list) | 20,397,100        | 0.00             |
|  |                   |                  |
|  | <b>20,397,100</b> | <b>0.00</b>      |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MASINGA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019 (Kshs'000)**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

| Supplier of Goods or Services      | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|------------------------------------|-----------------|-----------------|---------------------|--------------------------|--------------------------|----------|
|                                    | a               | b               | c                   | d=a-c                    |                          |          |
| <b>Construction of buildings</b>   |                 |                 |                     |                          |                          |          |
| 1.                                 |                 |                 |                     |                          |                          |          |
| 2.                                 |                 |                 |                     |                          |                          |          |
| 3.                                 |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Construction of civil works</b> |                 |                 |                     |                          |                          |          |
| 4.                                 |                 |                 |                     |                          |                          |          |
| 5.                                 |                 |                 |                     |                          |                          |          |
| 6.                                 |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Supply of goods</b>             |                 |                 |                     |                          |                          |          |
| 7.                                 |                 |                 |                     |                          |                          |          |
| 8.                                 |                 |                 |                     |                          |                          |          |
| 9.                                 |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Supply of services</b>          |                 |                 |                     |                          |                          |          |
| 10.                                |                 |                 |                     |                          |                          |          |
| 11.                                |                 |                 |                     |                          |                          |          |
| 12.                                |                 |                 |                     |                          |                          |          |
| <b>Sub-Total</b>                   |                 |                 |                     |                          |                          |          |
| <b>Grand Total</b>                 |                 |                 |                     |                          |                          |          |



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MASINGA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019 (Kshs'000)**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

| Name of Staff                | Job Group          | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2016 | Outstanding Balance 2014 | Comments |
|------------------------------|--------------------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
|                              |                    | a               | b                       | c                   | d=a-c                    |                          |          |
| <b>Senior Management</b>     |                    |                 |                         |                     |                          |                          |          |
| 1.                           |                    |                 |                         |                     |                          |                          |          |
| 2.                           |                    |                 |                         |                     |                          |                          |          |
| 3.                           |                    |                 |                         |                     |                          |                          |          |
|                              | <b>Sub-Total</b>   |                 |                         |                     |                          |                          |          |
| <b>Middle Management</b>     |                    |                 |                         |                     |                          |                          |          |
| 4.                           |                    |                 |                         |                     |                          |                          |          |
| 5.                           |                    |                 |                         |                     |                          |                          |          |
| 6.                           |                    |                 |                         |                     |                          |                          |          |
|                              | <b>Sub-Total</b>   |                 |                         |                     |                          |                          |          |
| <b>Unionisable Employees</b> |                    |                 |                         |                     |                          |                          |          |
| 7.                           |                    |                 |                         |                     |                          |                          |          |
| 8.                           |                    |                 |                         |                     |                          |                          |          |
| 9.                           |                    |                 |                         |                     |                          |                          |          |
|                              | <b>Sub-Total</b>   |                 |                         |                     |                          |                          |          |
| <b>Others (specify)</b>      |                    |                 |                         |                     |                          |                          |          |
| 10.                          |                    |                 |                         |                     |                          |                          |          |
| 11.                          |                    |                 |                         |                     |                          |                          |          |
| 12.                          |                    |                 |                         |                     |                          |                          |          |
|                              | <b>Sub-Total</b>   |                 |                         |                     |                          |                          |          |
|                              | <b>Grand Total</b> |                 |                         |                     |                          |                          |          |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MASINGA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019 (Kshs'000)**

**ANNEX 3 – UNUTILIZED FUNDS**

| Name   | Brief Transaction Description | Outstanding Balance 2018/19 | Outstanding Balance 2017/18 | Comments |
|--|-------------------------------|-----------------------------|-----------------------------|----------|
| Compensation of employees                              |                               | 2,005,055                   | 1,511,136                   |          |
| Use of goods & services                                |                               | 39,798                      | 3,500,000                   |          |
| <b>Amounts due to other Government entities</b>        |                               |                             | 22,172,110                  |          |
| Iuuma Secondary School                                 |                               | 440,000                     |                             |          |
| Ekalakala Secondary School                             |                               | 500,000                     |                             |          |
| <b>Sub-Total</b>                                       |                               | <b>2,984,853</b>            | <b>27,183,246</b>           |          |
| <b>Amounts due to other grants and other transfers</b> |                               |                             |                             |          |
| Bursary  |                               | 2,234,041                   | 18,815,742                  |          |
| Sports   |                               | 100                         |                             |          |
| Environment  |                               | 480,818                     |                             |          |
| Emergency  |                               | 87,931                      |                             |          |
| Security   |                               | 122,262                     |                             |          |
| <b>Sub-Total</b>                                       |                               | <b>2,925,052</b>            | <b>18,815,742</b>           |          |
| <b>Acquisition of assets</b>                           |                               |                             |                             |          |
| NG-CDF Office  |                               | 518                         | 8,080,000                   |          |
| Purchase of Photocopier                                |                               | 450,000                     |                             |          |
| Purchase of Computers and Photocopier                  |                               | 2,000                       |                             |          |
| <b>Others (specify)</b>                                |                               |                             |                             |          |
| Other payments – ICT Hubs                              |                               |                             | 4,677,027                   |          |
| <b>Sub-Total</b>                                       |                               | <b>452,518</b>              | <b>12,757,027</b>           |          |
| <b>Grand Total</b>                                     |                               | <b>6,362,423</b>            | <b>58,756,015</b>           |          |



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MASINGA CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019 (Kshs'000)**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

| <b>Asset class</b>                           | <b>Historical Cost<br/>b/f<br/>(Kshs)<br/>2017/18</b> | <b>Additions<br/>during the<br/>year (Kshs)</b> | <b>Disposals<br/>during the<br/>year (Kshs)</b> | <b>Historical<br/>Cost<br/>(Kshs)<br/>2018/19</b> |
|--|---|---|---|---|
| Land   | 200,000   |   |   | 200,000   |
| Buildings and structures                     |   | 14,879,482                                      |   | 14,897,482  |
| Transport equipment                          | 4,500,000   |   |   | 4,500,000   |
| Office equipment, furniture and fittings     | 4,370,000   | 25,000  |   | 4,395,000   |
| ICT Equipment, Software and Other ICT Assets | 1,065,465   | 78,000  |   | 1,143,465   |
| Other Machinery and Equipment                |   |   |   |   |
| Heritage and cultural assets                 |   |   |   |   |
| Intangible assets                            |   |   |   |   |
| <b>Total</b>                                 | <b>10,135,465</b>                                     | <b>14,982,482</b>                               |   | <b>25,117,947</b>                                 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
MASINGA CONSTITUENCY**  
Reports and Financial Statements  
For the year ended June 30, 2019 (Kshs'000)

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

| PMC                               | Bank | Account number | Bank Balance<br>2018/19 | Bank<br>Balance<br>2017/18 |
|-----------------------------------|------|----------------|-------------------------|----------------------------|
| Kyeeteni Secondary School         | KCB  | 1237827964     | 0                       |                            |
| Kyondoni Mixed Secondary School   | KCB  | 1257512668     | 500,000                 |                            |
| Iuuma Secondary School            | KCB  | 1257960911     | 0                       |                            |
| Kivaa Secondary School            | KCB  | 1257832581     | 0                       |                            |
| Kangonde Secondary School         | KCB  | 1258928205     | 0                       |                            |
| Kithoni Secondary School          | KCB  | 1257682369     | 0                       |                            |
| Kakuku Secondary School           | KCB  | 1258232375     | 0                       |                            |
| Kwamulinga Primary School         | KCB  | 1257837117     | 0                       |                            |
| Kwakalunde Primary School         | KCB  | 1253398313     | 1,860,074               |                            |
| Isyukoni Primary School           | KCB  | 1254397450     | 4,140,000               |                            |
| Nzukini Secondary School          | KCB  | 1258882396     | 0                       |                            |
| Kivuthi Primary School            | KCB  | 1252311796     | 1,200,000               |                            |
| Kathukini Primary School          | KCB  | 1239735693     | 0                       |                            |
| Kasuvilo Primary School           | KCB  | 1253087296     | 1,850,000               |                            |
| Mukuyauni Primary School          | KCB  | 1257850253     | 0                       |                            |
| Kikomba Primary School            | KCB  | 1258168065     | 1,198,975               |                            |
| St Johns Iiani Secondary School   | KCB  | 1258057441     | 500,000                 |                            |
| DCCS Residence                    | KCB  | 1258138921     | 1,200,000               |                            |
| ACC Ekalakala Office              | KCB  | 1257706284     | 0                       |                            |
| Kithyoko Police Post              | KCB  | 1259083039     | 0                       |                            |
| Kiatineni Police Post             | KCB  | 1258914778     | 0                       |                            |
| St Jude Kituneni Secondary School | KCB  | 1258174987     | 0                       |                            |
| Kwambengei Primary School         | KCB  | 1257878646     | 3,150,000               |                            |
| Mukengesya Primary School         | KCB  | 1257872885     | 2,398,975               |                            |
| Masinga Boys Secondary School     | KCB  | 1257448994     | 0                       |                            |



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 MASINGA CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2019 (Kshs'000)**

| PMC                         | Bank | Account number | Bank Balance<br>2018/19 | Bank<br>Balance<br>2017/18 |
|-----------------------------|------|----------------|-------------------------|----------------------------|
| Kamunyu Secondary School    | KCB  | 1257676792     | 0                       |                            |
| Tulimyumbu Primary School   | KCB  | 1252536054     | 200                     |                            |
| Kyaani Kivaa Primary School | KCB  | 1257874764     | 2,398,975               |                            |
| <b>Total</b>                |      |                | <b>20,397,199.00</b>    |                            |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 MASINGA CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2019 (Kshs'000)**

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Time frame: (Put date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|--|-----------------------------------|---|
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |
|  |                                   |                     |  |                                   |   |