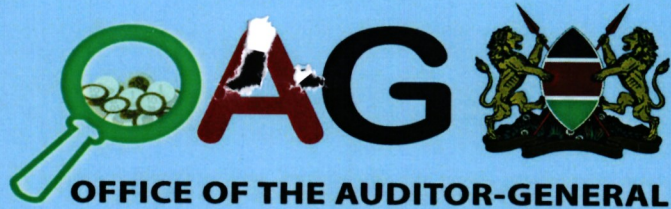


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY

DATE: 08 FEB 2022

DAY

Tuesday

PARLIAMENT  
OF KENYA  
LIBRARY

OF

TABLED  
BY:

LOM

CLERK-AT  
THE-TABLE:

Benson

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2018**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
MACHAKOS HUB.

*Revised Template 30<sup>th</sup> June 2018*



RECEIVED



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
KILOME CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2018**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILOME CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILOME CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

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

**KILOME CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

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**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 KILOME 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:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Robert Maingi Kioko
3.	Sub-County Accountant	Lawrence M. Otundo
4.	Chairman NGCDFC	Raphael Kongu Kamayu
5.	Member NGCDFC	Simon Muthiani Tama

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 163-90134  
NG-CDF Kilome Building,  
Mukaa Sub-County HQtrs  
Yoani-Salama.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILOME CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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**(f) NG-CDF KILOME Constituency Contacts**

Telephone: (254) 720 090 730  
E-mail: kilome@ng-cdf.go.ke  
Website: www.go.ke

**(g) NG-CDF KILOME Constituency Bankers**

1. Kenya Commercial Bank  
Emali Branch  
P.O. Box 4076-90121  
Emali, Kenya  
Acc. No. 1124880895

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILOME CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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

- NG-CDF Kilome Constituency is located in Makueni County with a strategic vision “To be the leading Public Institution in management of development funds”. The Constituency expects to achieve its vision by providing optimal utilization of the NG-CDF funds disbursed by the NG-CDF Board, for equitable development and poverty reduction at the community level. In this respect, NG-Kilome CDFC has for the last FY 2017/18 accomplished its mandate on the development agenda, that saw the Education sector, Security and others i.e. bursary, emergency, Sports and environment funds being disbursed on time, efficient utilization of funds and transparency from projects implementation, during and on completion.
- The overall budget performance against actual utilization for the current year was at 51% rating, which was observed to be above average.
- Compensation to employees performed at 55%, use of goods and services at 93%, transfer to other Govt units at 12%, other grants and transfers at 65%.
- The fund experienced a great challenge in timely payment and implementation of projects more so in the Education Sector which holds a bigger share of funds, following the National Elections held between 8<sup>TH</sup> August and 26<sup>TH</sup> October 2017, and thereafter the transition processes. Development Funds were received late towards the close of the Financial Year and this resulted to a lower percentage of utilized funds by close of the Financial Year, unlike the previous FY 2016/17 whereby, by close of the Financial Year, at least all projects had been paid and implemented on time. Please note that no assets were acquired during the Financial Year.
- Other grants and transfers comprised of bursaries to needy students within the Constituency, activity that was a priority for the fund and posted 76%. Others included preparation of a 5-Year Strategic Plan, Sports and Environment activities and were all paid and implemented on time.

***Key achievements for the NG-CDF,***

- Having Water, Health and Roads functions being devolved, Education Sector has quite benefitted from the kitty as most of the projects that benefitted during the Financial Year are of Education Sector.
- On proper utilisation, the kitty shall facilitate construction of new classrooms, dormitories and several primary schools shall undergo a complete facelift through infrastructural renovations, closely supervised by the Sub County Public Works Officer.
- During the Financial Year, the NGCDF-Kilome saw completion of one of the Constituencies’ mega projects, “Mukaa AP Camp” implemented during FY 2016/17. This was noted to be a great achievement to the Fund and to the Community in general.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KILOME CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2018**

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***Image: Mukaa AP Camp Housing Project (Completion Date 30/6/2018)***

**Emerging issues related to the CDF,**

- The shift of some functions formerly funded by the CDF, being devolved to the County Govt i.e. Water, Roads and Health Sectors, was a very untimely idea though a relief to the Fund, since they took the largest share of the Constituency total allocation. Several projects especially water projects that were still ongoing by time of devolution came to a standstill to date. The NG-CDF Kilome therefore requests the NG-CDF Board to consider funding the incomplete projects to aid the suffering communities, who have no access of clean water.

**Implementation challenges and recommended way forward.**

- The NG-CDFC observes that the amount allocated during the financial Year was inadequate considering the poverty level and poor infrastructure in most schools within the Constituency. Members of the NG-CDFC and the general Public therefore requests that the amount for the new Financial Year 2018/19 be increased in order to adequately meet the desired development targets of the Constituency.

Finally, I now forward the NG-Kilome Financial Statements for FY 2017/18 and appreciate the inputs of the NG-CDF Board in all aspects towards achieving our mission. It is through the efforts of teamwork that these Financial Statement have been a success.

*Sign*

**CHAIRMAN NGCDF COMMITTEE  
RAPHAEL K. KONGU**



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

**KILOME CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 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.

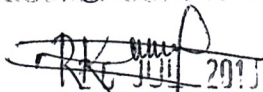
The Accounting Officer in charge of the NGCDF-KILOME Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-KILOME 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, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KILOME 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-KILOME 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-KILOME Constituency financial statements were approved and signed by the Accounting Officer on 30<sup>TH</sup> June, 2018.



Fund Account Manager  
Name: Robert M. Kioko

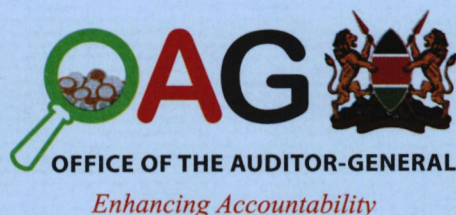


Sub-County Accountant  
Name: Lawrence M. Otundo  
ICPAK Member Number:

**SUB-COUNTY ACCOUNTANT**  
**MUKAA SUB-COUNTY**

# REPUBLIC OF KENYA

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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 - KILOME CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2018**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kilome Constituency set out on pages 7 to 32, which comprise the statement of Assets as at 30 June, 2018, and the statement of receipts and payments, statement of changes in net assets, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kilome Constituency as at 30 June, 2018 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

## **Other Matter**

### **1. Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.102,673,656 and Kshs.66,205,172 respectively resulting to an under-funding of Kshs.36,468,474 or 36% of the budget. Similarly, the Fund spent Kshs.52,703,554 against an approved budget of Kshs102,673,646 resulting to an under-expenditure of Kshs.49,970,092 or 49% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kilome Constituency.

### **2. Implementation of Projects**

Verification of the implementation status report for the year ended 30 June, 2018 revealed that 28 projects with disbursements of Kshs.30,464,356 were ongoing but a project for Installation of ICT Hub at the Kilome Constituency ICT Hub worth Kshs.4,677,027 had not started due to delay in funds disbursements from the NGCDF Board. Further, audit inspection during the month of March, 2019 revealed that some of the projects were not branded as proof and confirmation of having been undertaken by the Fund and to curb duplication.

Although Management explained that the delay to complete the ongoing projects was occasioned by late disbursements of approved amounts by the NGCDF Board, failure to implement projects on time could lead to cost escalation and may attract litigations by the contractors.

Consequently, the public did not benefit from the intended services that were to be offered by these projects had they been completed.

## **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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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 INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 (Accrual 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 sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 Fund 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 Gatungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**29 December, 2021**

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

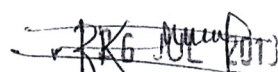
**Reports and Financial Statements  
For the year ended June 30, 2018**

**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	66,205,172	80,096,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	-
<b>TOTAL RECEIPTS</b>		<b>66,205,172.00</b>	<b>80,096,552.00</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,305,324.00	1,520,031.00
Use of goods and services	5	6,321,326.00	7,108,730.00
Transfers to Other Government Units	6	3,650,000.00	29,900,000.00
Other grants and transfers	7	40,426,904.00	69,549,927.00
Acquisition of Assets	8	-	2,908,500.00
Other Payments	9		-
<b>TOTAL PAYMENTS</b>		<b>52,703,554.00</b>	<b>110,987,188.00</b>
<b>SURPLUS/ (DEFICIT)</b>		<b>13,501,618.00</b>	<b>(30,890,636.00)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILOME Constituency financial statements were approved on 30<sup>TH</sup> June, 2018 and signed by:

KILOME CONSTITUENCY



Fund Account Manager  
Name: Robert M. Kioko



Sub-County Accountant  
Name: Lawrence M. Otundo  
ICPAK Member Number:

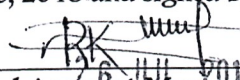
**SUB COUNTY ACCOUNTANT  
MUKAA SUB COUNTY**

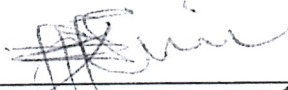
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KILOME CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018**

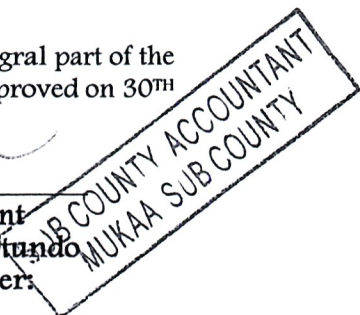
**V. STATEMENT OF ASSETS**

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalentents</b>			
Bank Balances ( as per the cash book)	10A	16,185,609	2,683,991
Cash Balances (cash at hand)	10B	=	=
Outstanding Imprests	11	=	=
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>16,185,609.00</u></b>	<b><u>2,683,991.00</u></b>
<b>REPRESENTED BY</b>			
Retention	12	-	-
Fund balance b/fwd 1st July...	13	2,683,991.00	33,574,627.00
Surplus/Defict for the year		13,501,618.00	(30,890,636)
Prior year adjustments	14	=	=
<b>NET LIABILITIES</b>		<b><u>16,185,609.00</u></b>	<b><u>2,683,991.00</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILOME Constituency financial statements were approved on 30<sup>TH</sup> June, 2018 and signed by:

  
 Fund Account Manager  
 Name: Robert M. Kioko

  
 Sub-County Accountant  
 Name: Lawrence M. Otundo  
 ICPAK Member Number:





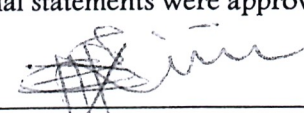
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**VI. STATEMENT OF CASHFLOW**

		2017 - 2018	2016 - 2017
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	66,205,172.00	80,096,552.00
Other Receipts	3	-	-
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,305,324.00	1,520,000.00
Use of goods and services	5	6,321,326.00	7,108,730.00
Transfers to Other Government Units	6	3,650,000.00	29,900,000.00
Other grants and transfers	7	40,426,904.00	69,549,927.00
Other Payments	9	-	-
		52,703,554.00	108,078,688.00
<b>Adjusted for:</b>			
Adjustments during the year	14	-	-
<b>Net cash flow from operating activities</b>		<b>13,501,618.00</b>	<b>(27,982,136.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	2,908,500.00
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>2,908,500.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>13,501,618.00</b>	<b>(30,890,636.00)</b>
Cash and cash equivalent at BEGINNING of the year	13	2,683,991.00	33,574,627.00
Cash and cash equivalent at END of the year		<u>16,185,609.00</u>	<u>2,683,991.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILOME Constituency financial statements were approved on 30<sup>TH</sup> June, 2018 and signed by:

  
Fund Account Manager  
Name: Robert M. Kioko

  
Sub-County Accountant  
Name: Lawrence M. Otundo  
ICPAK Member Number: \_\_\_\_\_

**SUB-COUNTY ACCOUNTANT  
MUKAA SUB-COUNTY**

Reports and Financial Statements  
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	86,810,345.00	15,863,301.00	102,673,646.00	66,205,172.00	36,468,474.00	64
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>PAYMENTS</b>						
Compensation of Employees	2,508,620.00	1,683,991.00	4,192,611.00	2,305,324.00	1,887,287.00	55
Use of goods and services	5,304,310.00	1,000,000.00	6,304,310.00	5,851,326.00	452,984.00	93
Transfers to Other Government Units	24,895,390.00	4,550,000.00	29,445,390.00	3,650,000.00	25,795,390.00	12
Other grants and transfers	54,102,025.00	8,629,310.00	62,731,335.00	40,896,904.00	21,834,431.00	65
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
<b>TOTALS</b>	86,810,345.00	15,863,301.00	102,673,646.00	52,703,554.00	49,970,092.00	51

*Commentary on significant underutilization (below 90% of utilization)*

- i. **Compensation of Employees**-Performed at 55% - This is a recurrent budget catering for NG-CDFC staff salaries and service gratuity. In addition, the NG-CDFC recruited Staff late during the Year, hence posting less expenditure on Admin-Salaries Account.
- ii. **Transfer to other Government** Units posted underutilization rated at 12%-NG-CDFC acknowledges delayed disbursement and implementation of development projects during the year. The underutilization has been solely blamed on the prolonged transition processes experienced, following the National Elections held in August 2017, hence the Fund experienced delay of Funds from the NG-CDF Board, and thus 90% of projects monies hadn't been disbursed to the PMC Accounts by close of the Financial Year.
- iii. **Other Grants and Transfers** – performed at 65% which was noted to be Above average, however posted as underutilization. Projects under this category involves Proper Procurement Procedures that MUST be undertaken before payment and implementation, hence by close of the Financial Year, some processes hadn't been concluded and thus led to delayed disbursement of funds.

*Changes between the original and final budget*

- Variations noted between the Original and Final Budget are as a result of Ksh. 1,800,000.00 2016/17 re-submission, approved during the Financial Year 2017/18 and other Ksh. 11,379,310.34 received as supplementary funds from the NG-CDF Board.


The NGCDF-KILOME Constituency financial statements were approved on 30<sup>TH</sup> June, 2018 and signed by:

FUND ACCOUNTANT  
KILOME CONSTITUENCY



Fund Account Manager  
Name: Robert M. Kioko

Sub-County Accountant  
Name: Lawrence M. Otundo  
ICPAK Member Number: \_\_\_\_\_



UB COUNTY ACCOUNTANT  
MUKAA SUB COUNTY

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**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-KILOME 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.

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2018**

**SIGNIFICANT ACCOUNTING POLICIES**

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**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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2018.

**14. Errors**

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

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) –  
KILOME CONSTITUENCY  
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**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2017-2018	2016-2017
	Kshs	Kshs
AIE NO A829607		4,094,827.6
AIE NO A839601		36,853,449
AIE NO A855627		39,148,275.10
AIE NO A855865	5,500,000.00	
AIE NO A892831	37,905,172.00	
AIE NO A896832	21,000,000.00	
AIE NO A892733	1,800,000.00	
<b>TOTAL</b>	<b>66,205,172.00</b>	<b>80,096,551.70</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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

**3. OTHER RECEIPTS**

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
<b>Total</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

	2017-2018	2016-2017
	Kshs	Kshs
	2,217,814.00	
Basic wages of contractual employees		1,393,868
Basic wages of casual labour		
<b>Personal allowances paid as part of salary</b>		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		
Other personnel payments (NSSF)	87,510	126,163
<b>Total</b>	<b>2,305,324.00</b>	<b>1,520,031.32</b>

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

**5. USE OF GOODS AND SERVICES**

	2017-2018 Kshs	2016-2017 Kshs
Committee Expenses	2,222,000	1,964,000
Utilities, supplies and services	-	241,344
Communication, supplies and services	10,960	6,960
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	116,000
Office rent	-	-
Training expenses	1,219,000	750,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	2,239,399	3,822,417
Other operating expenses	629,967	50,000
Routine maintenance – vehicles and other transport equipment	-	
Routine maintenance – other assets		
<b>Total</b>	<b>6,321,326</b>	<b>6,950,721</b>

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	2,150,000	26,050,000
Transfers to secondary schools (see attached list)	1,500,000	2,900,000
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)		950,000
<b>TOTAL</b>	<b>3,650,000</b>	<b>29,900,000</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,687,620	15,200,000
Bursary – tertiary institutions (see attached list)	8,694,000	10,500,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	2,500,000	17,600,000
Sports projects (see attached list)	1,736,206	1,556,035
Environment projects (see attached list)	1,736,206	1,556,035
Emergency projects (see attached list)	1,572,872	4,275,000
Agriculture/markets project	-	-
Water	-	18,433,500
Roads	-	429,357
Strategic Plan	3,500,000	-
<b>Total</b>	<b>40,426,904</b>	<b>69,549,927</b>

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

**8. ACQUISITION OF ASSETS**

**Non Financial Assets**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	1,000,000
Refurbishment of Buildings	-	887,500
Purchase of Vehicles and Other Transport Equipment	-	221,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	800,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
<b>Total</b>	-	<b>2,908,500</b>

**9. OTHER PAYMENTS**

	<b>2017-2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	3,500,000	-
ICT Hub	-	-
TIVET	-	-

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

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

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>KENYA COMMERCIAL BANK</i>	16,185,609	2,683,991
<i>A/C NO. 1124880895</i>		
<b>Total</b>	16,185,609	2,683,991
<b>10B: CASH IN HAND</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>specify</i> )		
<b>Total</b>		
<i>[Provide cash count certificates for each]</i>		

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

**11: OUTSTANDING IMPRESTS**

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

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

**12RETENTION**

	2017 - 2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	xx	xx
Supplier 2	xx	xx
Supplier 3	xx	xx
<b>Total</b>	<b>XX</b>	<b>XX</b>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	2017-2018	2016-2017
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts (1/07/2018)	2,683,991.00	33,574,627.00
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>2,683,991.00</b>	<b>33,574,627.00</b>

*[Provide short appropriate explanations as necessary]*

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

**14. PRIOR YEAR ADJUSTMENTS**

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	XX	XX
Cash in hand	XX	XX
Imprest	XX	XX
<b>Total</b>	<b>XX</b>	<b>XX</b>

**15. OTHER IMPORTANT DISCLOSURES**

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

	2017- 2018 Kshs	2016-2017 Kshs
Construction of buildings	XX	XX
Construction of civil works	XX	XX
Supply of goods	XX	XX
Supply of services	XX	XX
	<b>XX</b>	<b>XX</b>

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

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

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

	Kshs	Kshs
Compensation of employees	1,887,287	XX
Use of goods and services	452,984	XX
Amounts due to other Government entities (see attached list)	25,795,390	XX
Amounts due to other grants and other transfers (see attached list)	21,834,431	XX
Acquisition of assets	00	XX
Others ( <i>specify</i> )		XX
	<b>49,970,092</b>	<b>XXX</b>

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

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

	<b>2017- 2018</b>	<b>2016-2017</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances	0	



**NATIONAL GOVERNMENT ENTITY – KILIMBE**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (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 ENTITY – KILILIME**  
**Reports and Financial Statements**  
**For the year ended June 30, 2018 (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.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

**NATIONAL GOVERNMENT ENTITY – KILIMBE**  
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**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
<b>Compensation of employees</b>				
<i>i.</i> Salaries	Payment of staff salaries and PAYE.	1,799,377		This is a recurrent budget catering for NG-CDFC staff salaries and service gratuity. In addition, the NG-CDFC recruited Staff late during the Year, hence posting less expenditure on Admin-Salaries Account.
<i>ii.</i> NSSF	Payment of staff NSSF.	42,490.00		
<i>iii.</i> NHIF	Payment of staff NHIF.	45,420.00		
	<b>Sub-Total</b>	<b>1,887,287</b>		
<b>Use of goods &amp; services</b>	Purchase of fuel, repairs and maintenance, printing, stationery, Telephone, travel and subsistence, Office Newspapers, Office Tea e.t.c	452,984		
<b>Amounts due to other Government entities</b>				
<i>i.</i> Kasikeu Girls Secondary School	Completion of a storey Building housing Admin Block and Classrooms- 1 <sup>st</sup> Floor walling construction & roofing.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>ii.</i> ABC Muua Secondary School	Construction of 4 (No.) classrooms to completion Foundation, walling, Roofing and General Finishing.	3,500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>iii.</i> Mukaa Secondary School	Construction of a masonry Water Preservation Tank- 150m <sup>3</sup> (150,000Ltrs).	2,500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>iv.</i> Mukaa Girls Secondary School	Construction of a Dormitory (Storey building) - Foundation/Slab, Walling (Phase 1 Funding).	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>v.</i> Uvunye Secondary School	Construction of a Classroom to completion (800,000.00), Construction of a Science Lab- Foundation only (200,000.00) Phase 1 Funding	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>vi.</i> AIC Township Primary School	Completion of a classroom-Fitting of Doors and Windows, Flooring, Plastering, painting and General finishing	250,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>vii.</i> St. Peter's Kwandeke Primary School	Completion of (2) no. classrooms-Roofing, Fitting of Doors and Windows, Flooring, Plastering, painting and General finishing	600,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>viii.</i> Ndemiu Primary School	Renovation of (5) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>ix.</i> Kandolo Primary School	Renovation of (3) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
x. Muani Primary School	Renovation of (3) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xi. Kathikwani Primary School	Renovation of (3) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xii. Kea Primary School	Construction of a classroom-Foundation, Walling & Roofing.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xiii. Kilome S.A Primary School	Renovation of (3) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xiv. Mathunzuni Primary School	Renovation of (5) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xv. Kwale Primary School	Renovation of (5) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xvi. Kitumbini Primary School	Construction of 2 (No.) classrooms to completion.	2,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xvii. Masaani Primary School	Renovation of (5) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xviii. Mumela Primary School	Renovation of (4) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	545,390.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xix. Musaani Primary School	Renovation of (5) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xx. Lumu Primary School	Construction of a Dormitory to completion.	2,400,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xxi. Nzeveni Primary School	Renovation of (3) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xxii. Enguli Primary School	Renovation of (5) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	1,000,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
xxiii. Kiou Primary School	Renovation of (3) No. classroom Block i.e. Re-roofing, Door and window fitting, Flooring, Plastering and Re-painting.	500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
xiv. Kwambeu Primary School	Construction of a water pipeline from Kiumoni Pr. School to Kwambeu Pr. School- 10 km from Kiumoni pr. School.	500,000.00		Procurement processes delayed payment of project on time.
xv. Kwakalelo Primary School	Construction of a water pipeline from main pipeline to the School.-3km from main pipeline	500,000.00		Procurement processes delayed payment of project on time.
xvi. Kiumoni Primary School	Construction of a water pipeline from Kwakalelo Pr. School to Kiumoni Pr. School-5km from Kwakalelo Pr. Sch.	500,000.00		Procurement processes delayed payment of project on time.
<b>Sub-Total</b>		<b>25,795,390</b>		
<b>Amounts due to other grants and other transfers</b>				
<i>i.</i> Emergency Funds	To cater for any unforeseen occurrences in the constituency during the financial year	3,769,197.03		This is a reserve kitty, to cater for unseen occurrences in the constituency.
<i>ii.</i> Mukaa AP Camp	Completion of storey building and Fencing.	2,500,000.00		Funds were received late towards close of Financial Year, hence delayed disbursement to PMC.
<i>iii.</i> ICT Hub	Installation of ICT HUB at the Constituency Level to extend ICT knowledge at grassroots level as well as provide the youth with a platform for digital opportunities including online jobs.	4,677,027.00		NG-CDFC delayed disbursement of Funds waiting for implementation guidelines from the NG-CDF Board.
<i>iv.</i> Constituency Vehicle	Purchase of a Constituency Vehicle for coordination of M&E Projects activities at ground.	5,538,276.00		Procurement processes delayed payment of project on time.
<i>v.</i> Muua AP Camp	Construction of Administrative Police Quarters.	500,000.00		Funds received late after close of Financial Year 2017/18, as supplementary/Additional allocation for the Year.
<i>vi.</i> Bursary-Sec Schools	Payment of bursary to needy students	1,594,758.62		Funds received late after close of Financial Year 2017/18, as supplementary/Additional allocation for the Year.
<i>vii.</i> Bursary-Tertiary	Payment of bursary to needy students	2,800,000.00		Funds received late after close of Financial Year 2017/18, as supplementary/Additional allocation for the Year.
<i>viii.</i> Environment	Erection of Water Gabions for earth retention, erosion control and soil stabilization at the river. <b>Location: Near Mangala Drift, 22km from Main Road)</b>	227,586.20		Funds received late after close of Financial Year 2017/18, as supplementary/Additional allocation for the Year.
<i>ix.</i> Sports	To organize and facilitate a Sports Tournament at the Constituency and the winning teams/schools to be awarded with trophies	227,586.20		Funds received late after close of Financial Year 2017/18, as supplementary/Additional allocation for the Year.

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Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Sub-Total		21,834,431		
Acquisition of assets		0.00		
Others ( <i>specify</i> )		0.00		
Sub-Total				
Grand Total		49,970,092		

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	10,487,253	-	-	10,487,253
Transport equipment	1,409,476	-	-	1,409,476
Office equipment, furniture and fittings	1,612,610	-	-	1,612,610
ICT Equipment, Software and Other ICT Assets	694,140	-	-	694,140
Other Machinery and Equipment	1,108,500	-	-	1,108,500
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>15,611,979</b>	<b>-</b>	<b>-</b>	<b>15,611,979</b>

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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2018**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2017/18</b>	<b>Bank Balance 2016/17</b>
S.A Kikongooni Primary School	KCB	1206683597	0.00	170,000.00
Katulyani Pr. School	KCB	1114263753	0.00	300,000.00
Kwakavita Primary School	KCB	1207302708	0.00	130,000.00
Kitivo Primary School	KCB	1114738050	0.00	100,000.00
Nguuni Primary School	KCB	1114662232	0.00	117,350.00
Masive Primary School	KCB	1127489070	0.00	120,000.00
Ianduini Primary School	KCB	1136915060	0.00	120,000.00
Ngiluni Pr. School	KCB	1132736099	0.00	79,710.00
Kwawala Pr. School	KCB	1137682264	0.00	50,000.00
Kwakyambu Primary School	KCB	1136740813	0.00	400,000.00
A.P Line House S.A S.H.G	KCB	1205934014	0.00	2,334,275.00
<b>Total</b>			<b>0.00</b>	<b>3,921,335.00</b>



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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4.1. Project Implementation- Transfer to other Government Entities	Delay in completion of projects	NG-CDFC notes the concern, however requests NG-CDFC Board to ensure timely release Development funds to facilitate timely implementation of projects.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.2. Budgetary Control and Performance	Incurred expenditure of Ksh. 110,987,188 against approved Budget of Ksh. 113,671,179	Un-absorbed rate of 2% for Admin budget was a reserve meant to facilitate payment of Staff gratuity.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.3. Inaccuracy in computation of Compensation of Employees	Overstatement of Ksh. 3,800 (Compensation of Employees	Overstatement of Ksh. 3,800 was due to NHIF Payment for June 2016 erroneously posted in the month of July 2017.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.4. Use of Goods and Services	Understatement of 3,163,450 expenditure	Correction done to Financial statements, Final copy re-submitted.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.5. Acquisition of Assets	Understatement of 221,000 expenditure	Correction done to Financial statements, Final copy re-submitted.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.6. Other Grants and Transfers	Understatement of 991,549 expenditure	Reconciliation Statements corrected. Corrected in Financial Statements re-submitted.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.7. Cash and Bank Balances	Overstatement of Ksh. 158,009 for Cash and Cash equivalents	Noted misreported figures for Goods and Services. Corrected in Financial Statements re-submitted.	Robert Kioko-Fund Account Manager	Resolved	30/6/218
4.8. Accuracy on the Financial Statements	Management to confirm accuracy of Financial Statements due to few anomalies noted	Financial Statements have been prepared in compliance with IPSAS format.	Robert Kioko-Fund Account Manager	Resolved	30/6/218