


REPUBLIC OF KENYA



Enhancing Accountability

| | |
|---|------------------------|
|  THE NATIONAL ASSEMBLY REPORT | |
| DATE: 08 FEB 2022 | DAY: <i>Tuesday</i> |
| TABLED BY: <i>Lom</i> | OF |
| CLERK-AT THE-TABLE: <i>Benson</i> | |

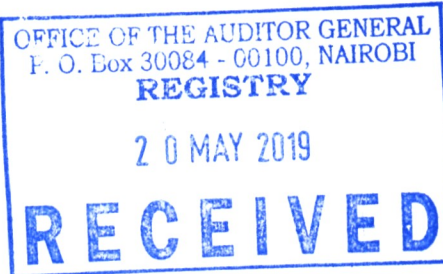
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THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND MAKUENI CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2018

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

MAKUENI CONSTITUENCY

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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 MAKUENI day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

| <u>No.</u> | <u>Designation</u> | <u>Name</u> |
|------------|-----------------------|-----------------------|
| 1. | Accounting Officer | Yusuf Mbuno |
| 2. | A.I.E holder | Daniel Maluki |
| 3. | Sub-County Accountant | Julius Muchohi |
| 4. | Chairman NGCDFC | Titus Munuve |
| 5. | Member NGCDFC | Esther Nzula |

(d) Fiduciary Oversight Arrangements

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

P.O. Box 409-90300
Next to Huduma Centre
Wote, Makueni

(f) NGCDF MAKUENI Constituency Contacts

Telephone: (254) 720 792 224
E-mail: dmaluki@ngcdf.go.ke
Website: www.makueningcdf.go.ke

(g) NGCDF Makueni Constituency Bankers

The Cooperative Bank of Kenya
A/C No. 01120539316700
Wote Branch
P.O. Box 537- 90300
Tel: 020259465
Mobile: 0732 520 845, 0708223372
Wote, Makueni
Email: wotebr@co-opbank.co.ke

(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

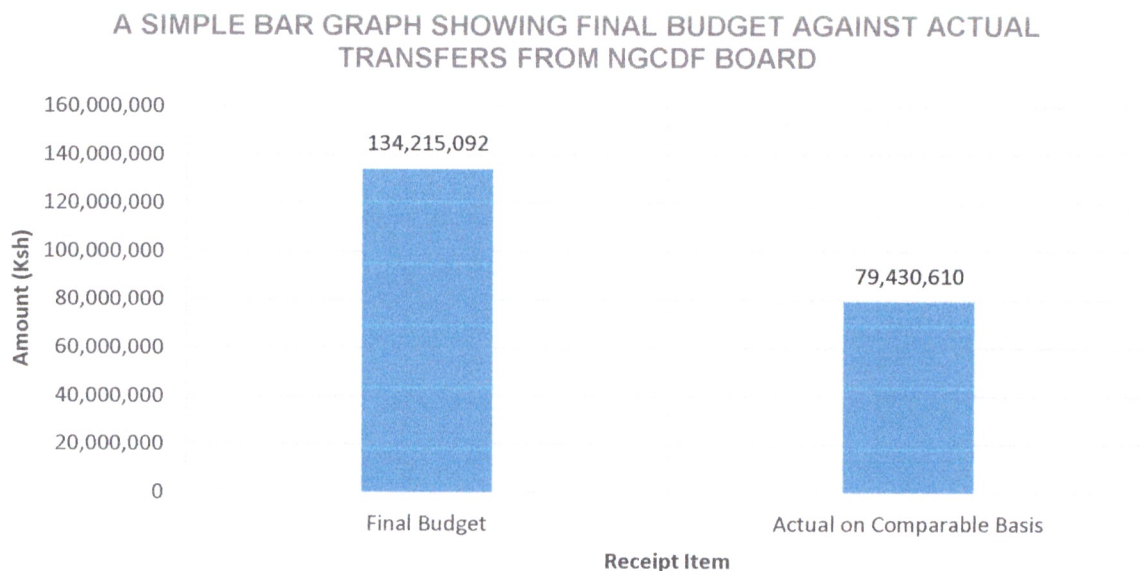
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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

Reports and Financial Statements

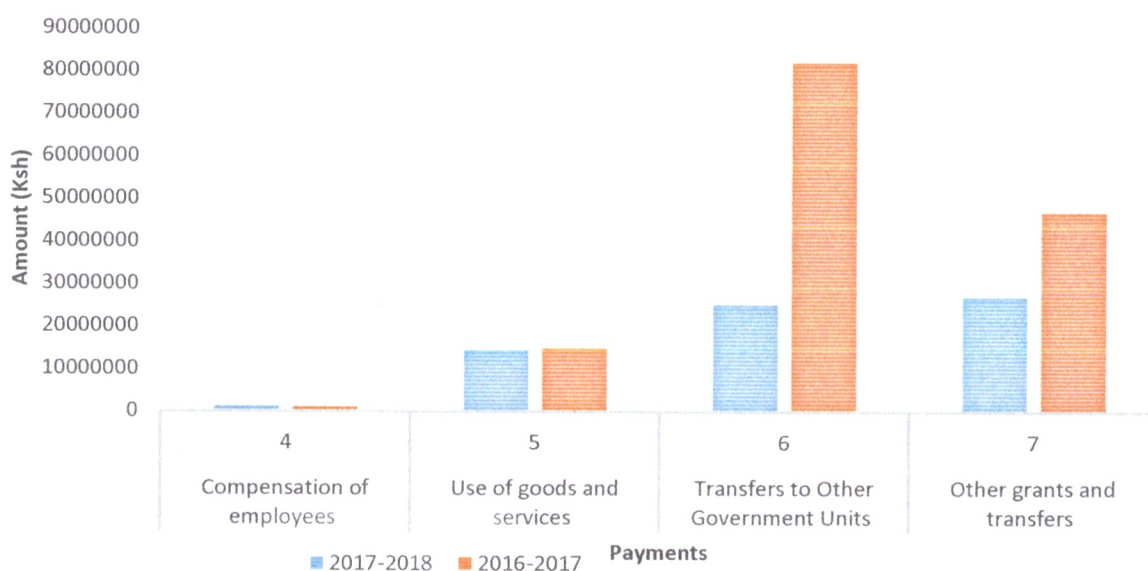
For the year ended June 30, 2018

**II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE ON BUDGET PERFORMANCE AGAINST
ACTUAL AMOUNTS**



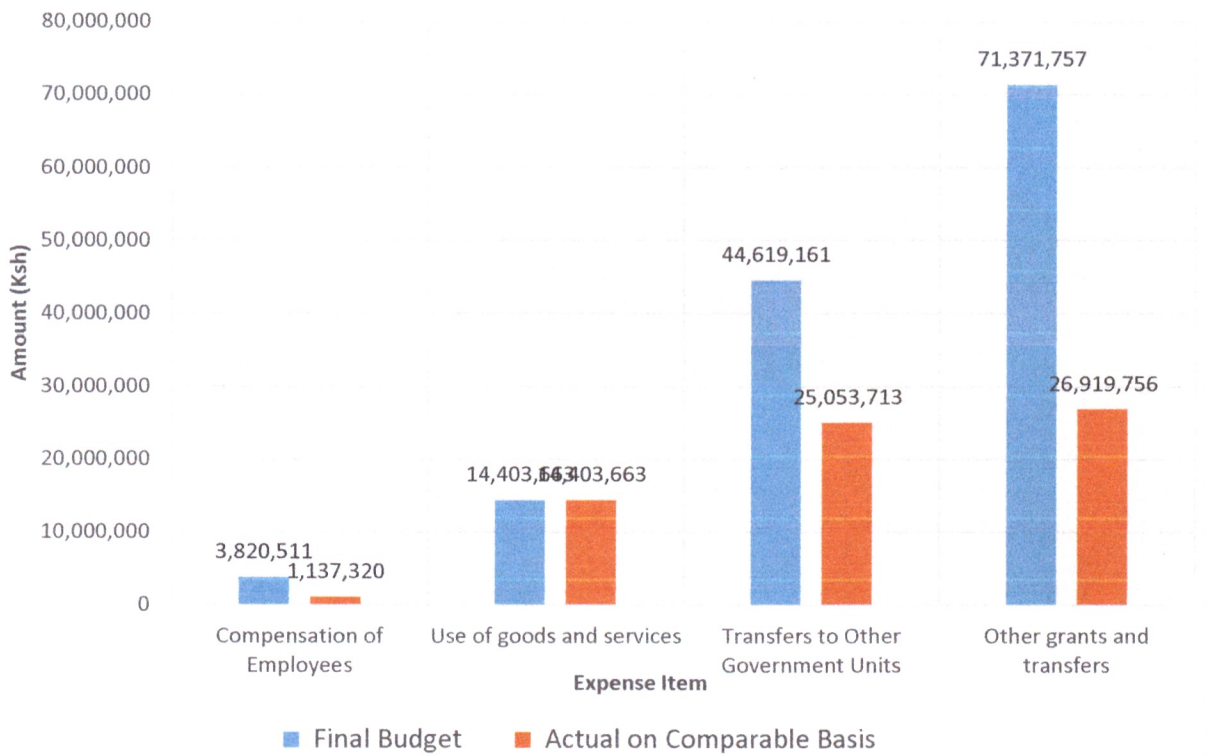
The variance between final budget and actual receipts is what the constituency owes from the board. i.e $134,215,092 - 79,430,610 = 54,784,482$

**SIMPLE BAR GRAPH SHOWING COMPARISON OF PAYMENTS
BETWEEN 2017-2018 & 2016-2017 FY**

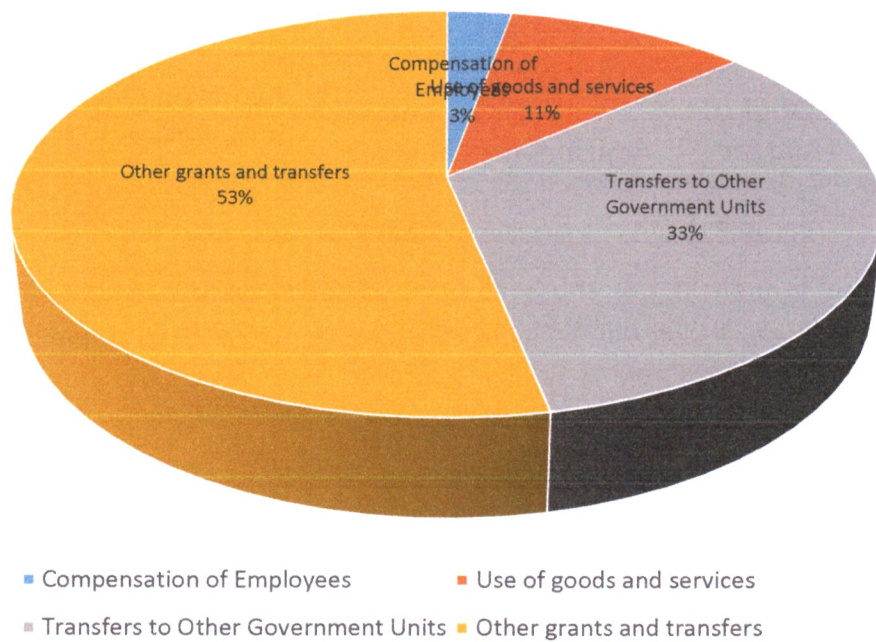


Funds for the current financial year weren't released in time leading to the variance in payments between 2017-2018 and 2016-2017

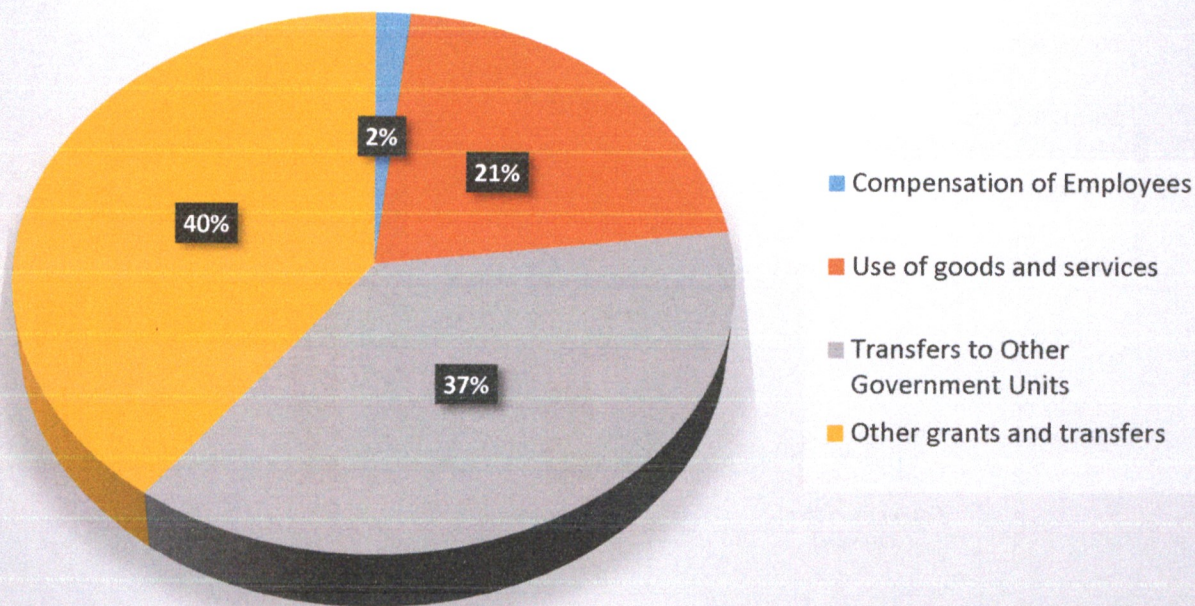
A GRAPH SHOWING BUDGET PERFORMANCE AGAINST ACTUAL



A PIE CHART SHOWING FINAL BUDGET



A PIE CHART SHOWING ACTUAL PERFORMANCE ON COMPARABLE BASIS



1. Compensation of employees

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
| Compensation of Employees | 2,499,355 | 1,321,156 | 3,820,511 | 1,137,320 | 2,683,191 | 30% |

There was underutilization in this sub-head. This is because we had planned to engage more workers during the financial year but did not do so since we had not yet occupied the new offices by the close of the year. The constituency will engage more employees in the 2018-2019 financial year.

2. Use of goods and services

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|---------------------------|-----------------|-------------|--------------|----------------------------|-------------------------------|------------------|
| Use of goods and services | 5,313,576 | 9,090,087 | 14,403,663 | 14,403,663 | 0 | 100% |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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The constituency managed to absorb all the funds budgeted for use of goods and services.

3. Transfer to other government units

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-------------------------------------|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|-------------------------|
| Transfers to Other Government Units | 31,613,161 | 13,006,000 | 44,619,161 | 25,053,713 | 19,565,448 | 56% |

Under this vote head, there was underutilization because of lack of adequate time to disburse the funds to the PMCs given that the board released funds late in the financial year and also because the new committee didn't assume office in good time following the electioneering period.

4. Other grants and transfers

| Receipt/Expense Item | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|-----------------------------|------------------------|--------------------|---------------------|-----------------------------------|--------------------------------------|-------------------------|
| Other grants and transfers | 47,384,252 | 23,987,505 | 71,371,757 | 26,919,756 | 44,452,001 | 38% |

There was underutilization occasioned by delay in release of funds to the constituency.

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

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KEY ACHIEVEMENTS FOR MAKUENI NG-CDF

Makueni NGCDF has successfully implemented several projects some of which are as shown below.

PROJECT NAME: MAKUENI NG-CDF OFFICE IN WOTE TOWN



Makueni NGCDF has managed to build a modern office from where we can serve the constituents better. No more expenditure on office rent.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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PROJECT NAME: MWAANI BOYS HIGH SCHOOL DINING HALL



We are finishing the construction of a spacious dining hall and kitchen at Mwaani Boys High school. Students no longer dine under trees. This has enhanced improved hygiene and better performance in national exams.



A modern laboratory at St John Malivani Secondary School has enabled students to study sciences with ease since its equipped with laboratory equipment.

EMERGING ISSUES RELATED TO MAKUENI NG-CDF

1. The rapidly increasing population in the constituency demanding for more expenditure on projects eg more classrooms
2. Declining sources of income for constituents leading to more needy students for bursary

3. Increasing emergency cases due to heavy rainfall and frequent wind storms
4. The rapid rate of inflation. This leads to more expenditure on projects than previously projected

IMPLEMENTATION CHALLENGES

- I. Lack of knowledge on the part of PMCs on procurement procedures and guidelines. Makueni NG-CDF is conducting frequent PMC training in all the wards to enhance skills for the PMCs.
- II. Inadequate funds for emergency projects. Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency cases due to heavy rainfall and frequent wind storms.

The constituency usually seeks support from other government and non-governmental entities to fund all or some of the emergency cases not factored by Makueni NG-CDF.

- III. Delay in disbursement of funds from the board leading to delayed project implementation. The board should ensure that funds reach the constituency in time.

Sign



Titus K Munuve

CHAIRMAN NG-CDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MAKUENI 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-MAKUENI 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-MAKUENI 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-MAKUENI 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-MAKUENI 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-Makueni Constituency financial statements were approved and signed by the Accounting Officer on June 30, 2018.



Fund Account Manager

Daniel Maluki



Sub-County Accountant

Julius Muchohi

ICPAK Member Number:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAKUENI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Makueni Constituency set out on pages 13 to 37, which comprise the statement of assets and liabilities as at 30 June, 2018, and the statement of receipts and payments, statement of cashflow 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 matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Makueni 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 (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. Long Outstanding Items in Bank Reconciliation Statement

The statement of assets and liabilities reflects a bank balance of Kshs.11,916,158. However, the bank reconciliation statement for the month of June 2018, reflected unrepresented cheques amounting to Kshs.7,350,251 out of which cheques worth Kshs.2,189,946 were stale with some dating as far back as 2015 and 2016.

In the circumstances, the accuracy of the reported bank balance of Kshs.11,916,158 as at 30 June, 2018 could not be confirmed.

2. Unsupported Sports Expenses

The statement of receipts and payments reflects Kshs.26,919,756 in respect of other grants and transfers which as disclosed at Note 7 to the financial statements, included Kshs.300,000 on sports projects. However, supporting documents showing how the equipment was received and distributed was not provided for audit.

Consequently, the accuracy and validity of the expenditure of Kshs.300,000 on sports equipment could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.134,215,092 and Kshs.79,430,610 respectively, resulting into an underfunding of Kshs.54,784,482 or 41 % of the budget. Further, of the receipts of Kshs.79,430,610 realized, only Kshs.67,700,640 was utilized resulting into under absorption of Kshs.11,729,970 or 15% of the receipts.

The under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the constituents of Makueni.

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 and Qualified Opinion 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.

Delayed Completion of Projects

According to the projects implementation status report as at 30 June, 2018, twenty-six (26) projects with a combined budget of Kshs.27,983,491 were still ongoing, while another fifty-three (53) projects allocated Kshs.36,559,987 had not started due to delay in funds disbursements from the National Government Constituencies Development Fund Board.

Delayed completion of projects denied the residents of Makueni Constituency the benefits that would have accrued from the projects and might also lead to loss of public funds through cost escalations and variations.

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 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 governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

09 November, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MAKUENI CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

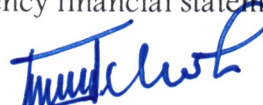
| | Note | 2017 - 2018 | 2016 - 2017 |
|-------------------------------------|------|-------------------|---------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from NGCDF board | 1 | 72,632,519 | 128,692,459 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| TOTAL RECEIPTS | | 72,632,519 | 128,692,459 |
| PAYMENTS | | | |
| Compensation of employees | 4 | 1,137,320 | 1,069,333 |
| Use of goods and services | 5 | 14,403,663 | 14,889,161 |
| Transfers to Other Government Units | 6 | 25,053,713 | 81,900,142 |
| Other grants and transfers | 7 | 26,919,756 | 46,779,915 |
| Acquisition of Assets | 8 | - | - |
| Other Payments | 9 | - | - |
| TOTAL PAYMENTS | | 67,514,452 | 144,638,551 |
| SURPLUS/(DEFICIT) | | 5,118,067 | (15,946,092) |

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



Fund Account Manager

Daniel Maluki



Sub-County Accountant

Julius Muchohi

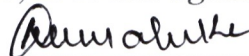
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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For the year ended June 30, 2018


V. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2017 - 2018 | 2016 - 2017 |
|--|------|--------------------------|-------------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 11,916,158 | 6,798,091 |
| Cash Balances (cash at hand) | 10B | - | |
| Total Cash And Cash Equivalents | | 11,916,158 | 6,798,091 |
| Current receivables-Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 11,916,158 | 6,798,091 |
| FINANCIAL LIABILITIES | | | |
| Accounts payable-Retention | 12 | - | - |
| NET FINANCIAL ASSETS | | <u>11,916,158</u> | <u>6,798,091</u> |
| REPRESENTED BY: | | | |
| Fund balance b/fwd 1st July... | 13 | 6,798,091 | 22,744,182 |
| Surplus/Deficit for the year | | 5,118,067 | (15,946,092) |
| Prior year adjustments | 14 | - | - |
| NET LIABILITIES | | <u>11,916,158</u> | <u>6,798,091</u> |

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


 Fund Account Manager

Daniel Maluki


 Sub-County Accountant

Julius Muchohi

ICPAK Member Number:

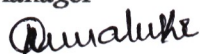
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**MAKUENI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018****VI. STATEMENT OF CASHFLOW**

| Receipts for operating income | | 2017 - 2018 | 2016 - 2017 |
|--|-----------|--------------------|---------------------|
| Transfers from NGCDF Board | 1 | 72,632,519 | 128,692,459 |
| Other Receipts | 3 | - | - |
| | | 72,632,519 | 128,692,459 |
| Payments for operating expenses | | | |
| Compensation of Employees | 4 | 1,137,320 | 1,069,333 |
| Use of goods and services | 5 | 14,403,663 | 14,889,161 |
| Transfers to Other Government Units | 6 | 25,053,713 | 81,900,142 |
| Other grants and transfers | 7 | 26,919,756 | 46,779,915 |
| Other Payments | 9 | - | - |
| | | 67,514,452 | 144,638,551 |
| Adjusted for: | | | |
| Adjustments during the year | 14 | - | - |
| Net cash flow from operating activities | | 5,118,067 | (15,946,092) |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | - | - |
| Net cash flows from Investing Activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | 5,118,067 | (15,946,092) |
| Cash and cash equivalent at BEGINNING of the year | 13 | 6,798,091 | 22,744,182 |
| Cash and cash equivalent at END of the year | | 11,916,158 | 6,798,091 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Makueni Constituency financial statements were approved on June 30, 2018 and signed by;

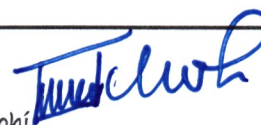
Fund Account Manager

Daniel Maluki



Sub-County Accountant

Julius Muchohi



ICPAK Member Number:

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

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 Utilization Difference e=c-d | % of Utilization f=d/c % |
|-------------------------------------|----------------------|-------------------|-----------------------|---------------------------------|--|-----------------------------|
| RECEIPTS | | | | | | |
| Transfers from NGCDF Board | 86,810,344 | 47,404,748 | 134,215,092 | 79,430,610 | 54,784,482 | 59% |
| Proceeds from Sale of Assets | 0 | 0 | 0 | 0 | 0 | |
| Other Receipts | 0 | 0 | 0 | 0 | 0 | |
| PAYMENTS | 86,810,344 | 47,404,748 | 134,215,092 | 79,430,610 | 54,784,482 | 59% |
| Compensation of Employees | 2,499,355 | 1,321,156 | 3,820,511 | 1,137,320 | 2,683,191 | 30% |
| Use of goods and services | 5,313,576 | 9,090,087 | 14,403,663 | 14,403,663 | 0 | 100% |
| Transfers to Other Government Units | 31,613,161 | 13,006,000 | 44,619,161 | 25,053,713 | 19,565,448 | 56% |
| Other grants and transfers | 47,384,252 | 23,987,505 | 71,371,757 | 26,919,756 | 44,452,001 | 38% |
| Acquisition of Assets | 0 | 0 | 0 | 0 | 0 | |
| Other Payments | 0 | 0 | 0 | 0 | 0 | |
| TOTALS | 86,810,344 | 47,404,748 | 134,215,092 | 67,514,452 | 66,700,640 | 50% |

Commentary

Underutilization in compensation of employees, transfer to other government units and other grants was caused by:

- i. Transition from the former to the new NGCDF Committee*
- ii. The electioneering period*
- iii. Delay in release of funds to the constituency*

The NGCDF-Makueni Constituency financial statements were approved on June 30, 2018 and signed by:



Fund Account Manager

Daniel Maluki

Sub-County Accountant

Julius Muchohi

ICPAK Member Number:

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized 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.

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 1st July 2017 to 30th 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 30th 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
MAKUENI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2017-2018 | 2016-2017 |
|--------------|---------|-------------------|-----------------------|
| | | Kshs | Kshs |
| NGCDF Board | | | |
| AIE NO | A892597 | 24,729,561 | |
| AIE NO | A892626 | 37,905,172 | |
| AIE NO | A892626 | 4,497,786 | |
| AIE NO | A855914 | 5,500,000 | |
| AIE NO | A825979 | | 72,744,182.50 |
| AIE NO | A829906 | | 4,094,827.60 |
| AIE NO | A855669 | | 36,853,449 |
| AIE NO | A839733 | | 15,000,000 |
| | | | |
| TOTAL | | 72,632,519 | 128,692,459.10 |

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 | - | - |
| | | |
| Total | - | - |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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 | - | - |
| Total | - | - |

4. COMPENSATION OF EMPLOYEES

| | 2017-2018 | 2016-2017 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Basic wages of contractual employees | 1,127,720 | 1,069,333 |
| Basic wages of casual labour | - | - |
| Personal allowances paid as part of salary | - | - |
| House allowance | - | - |
| Transport allowance | - | - |
| Leave allowance | - | - |
| Gratuity | - | - |
| Other personnel payments-Employer contribution to NSSF | 9,600 | - |
| Total | 1,137,320 | 1,069,333 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| | 2017-2018 | 2016-2017 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Committee Expenses | 6,058,374 | 5,245,700 |
| Utilities, supplies and services | 0 | 0 |
| Communication, supplies and services | 12,270 | 66,000 |
| Domestic travel and subsistence | 0 | 101,450 |
| Printing, advertising and information supplies & services | 0 | 0 |
| Rentals of produced assets | 0 | 0 |
| Training expenses | 2,794,200 | 2,292,700 |
| Hospitality supplies and services | 0 | 0 |
| Insurance costs | 0 | 0 |
| Specialized materials and services | 0 | 0 |
| Office and general supplies and services | 4,967,119 | 5,169,560 |
| Other operating expenses | 0 | 0 |
| Routine maintenance – vehicles and other transport equipment | 571,700 | 2,013,751 |
| Routine maintenance – other assets | 0 | 0 |
| Total | 14,403,663 | 14,889,161 |
| | | |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2017-2018 | 2016-2017 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to National Government entities | 0 | 0 |
| Transfers to primary schools (see attached list) | 14,653,713 | 41,327,064 |
| Transfers to secondary schools (see attached list) | 10,400,000 | 33,833,077.82 |
| Transfers to tertiary institutions (see attached list) | 0 | 0 |
| Transfers to health institutions (see attached list) | 0 | 6,740,000 |
| TOTAL | 25,053,713 | 81,900,142 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2017-2018 | 2016- 2017 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 9,338,500 | 7,052,414 |
| Bursary – tertiary institutions (see attached list) | 5,529,100 | 4,779,158 |
| Bursary – special schools (see attached list) | 0 | 0 |
| Mock & CAT (see attached list) | 0 | 0 |
| Water projects (see attached list) | 0 | 1,500,000 |
| Agriculture projects (see attached list) | 0 | 200,000 |
| Security projects (see attached list) | 8,100,000 | 10,041,000 |
| Roads projects | 0 | 12,695,200 |
| Sports projects (see attached list) | 300,000 | 2,625,540 |
| Environment projects (see attached list) | 1,302,156 | 3,578,836 |
| Emergency projects (see attached list) | 2,350,000 | 4,307,767 |
| | 0 | 0 |
| Total | 26,919,756 | 46,779,915 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

| Non -Financial Assets | 2017-2018 | 2016-2017 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Purchase of Buildings | - | - |
| Construction of Buildings | - | - |
| Refurbishment of Buildings | - | - |
| Purchase of Vehicles and Other Transport Equipment | - | - |
| Overhaul of Vehicles and Other Transport Equipment | - | - |
| Purchase of Household Furniture and Institutional Equipment | - | - |
| Purchase of Office Furniture and General Equipment | - | - |
| 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 | - | - |
| | | |
| Total | | - |

9. OTHER PAYMENTS

| | 2017-2018 | 2016-2017 |
|----------------|------------------|------------------|
| | Kshs | Kshs |
| Strategic plan | - | - |
| ICT Hub | - | - |
| TIVET | - | - |
| | - | - |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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>The Cooperative Bank of Kenya</i> A/C No. 01120539316700 Wote Branch. | 11,916,158 | 6,798,091 |
| | - | - |
| | - | - |
| | | |
| Total | 11,916,158 | 6,798,091 |
| | | |
| 10B: CASH IN HAND | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other Locations | - | - |
| | | |
| Total | - | - |
| | | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MAKUENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12 RETENTION

| | 2017 - 2018 | 2016-2017 |
|--------------|--------------------|------------------|
| | Kshs | Kshs |
| Supplier 1 | ~ | ~ |
| Supplier 2 | ~ | ~ |
| Total | ~ | ~ |

13. BALANCES BROUGHT FORWARD

| | 2017-2018 | 2016-2017 |
|---------------|------------------|-------------------|
| | Kshs | Kshs |
| Bank accounts | 6,798,091 | 22,744,182 |
| Cash in hand | - | |
| Imprest | - | |
| Total | 6,798,091 | 22,744,182 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**MAKUENI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2018***NOTES TO THE FINANCIAL STATEMENTS (Continued)***14. PRIOR YEAR ADJUSTMENTS**

| | 2017- 2018 Kshs | 2016-2017 Kshs |
|---------------|--------------------|-------------------|
| Bank accounts | - | - |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | - | - |

15. OTHER IMPORTANT DISCLOSURES**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

| | 2017- 2018 Kshs | 2016-2017 Kshs |
|-----------------------------|--------------------|-------------------|
| Construction of buildings | - | - |
| Construction of civil works | - | - |

15.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2017- 2018 Kshs | 2016-2017 Kshs |
|-------------------------------|--------------------|-------------------|
| Others –Contractual Employees | 448,931 | 448,931 |
| Total | 448,931 | 448,931 |

15.3: UNUTILIZED FUNDS (See Annex 3)

| | 2017-2018 | 2016-2017 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | 2,683,191 | 1,322,157 |
| Use of goods and services | 0 | 8,065,949 |
| Amounts due to other Government entities (see attached list) | 19,565,448 | 7,406,000 |
| Amounts due to other grants and other transfers (see attached list) | 44,452,001 | 23,850,046 |
| | 66,700,640 | 40,644,152 |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

MAKUENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

| | 2017- 2018 | 2016-2017 |
|--|----------------------|--------------------------|
| | Kshs | Kshs |
| PMC account Balances (see attached list) | 28,113 | 104,980.47 |
| | | |
| | <u>28,113</u> | <u>104,980.47</u> |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY

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

ANNEX 1 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Job Group | Original Amount | Date Payable Contracted | Amount Paid To-Date | Outstanding Balance 2018 | Outstanding Balance 2017 | Comments |
|---------------------------------------|-----------|-----------------|-------------------------|---------------------|--------------------------|--------------------------|----------|
| | | a | b | c | d=a-c | | |
| Others – Contractual employees | | | | | | | |
| 1. BONFACE MUIA | J | 252,292 | - | 0 | 252,292 | 252,292 | - |
| 2. FRANCISCA N. MULEI | G | 196,639 | - | 0 | 196,639 | 196,639 | - |
| | | - | - | - | - | - | - |
| Sub-Total | | | | | | | |
| Grand Total | | | | | | | |
| | | 448,931 | | | 448,931 | 448,931 | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUMI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2017

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Historical Cost b/f (Kshs) 2016/2017 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2017/18 |
|--|---|--|--|---|
| Land | - | - | - | - |
| Buildings and structures | - | - | - | - |
| Transport equipment | 3,502,650 | - | - | 3,502,650 |
| Office equipment, furniture and fittings | 600,000 | - | - | 780,000 |
| ICT Equipment, Software and Other ICT Assets | 180,000 | - | - | - |
| Other Machinery and Equipment | - | - | - | - |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 4,102,650 | | | 4,282,650 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2017

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

| PMC | Bank | Account number | Bank Balance 2017/18 | Bank Balance 2016/17 |
|-----------------------------|-------------|----------------|----------------------|----------------------|
| KwaKiilu Sand Dam | Equity | 0670172263435 | 0.0 | 300.00 |
| KwaMulwa Sand Dam | KCB | 1207003212 | 200 | 500.00 |
| KwaMungutiKathitu sand dam | Equity | 0670172449712 | 50 | 100.00 |
| Yamu Tree Planting | Equity | 0670172264601 | 0.00 | 0.00 |
| Kaasya Primary School | KCB | 1206879084 | 45 | 100.00 |
| Kalaani Primary School | Equity | 0670199827364 | 32 | 0.00 |
| Kaliini Primary School | KCB | 1125358467 | 2,000 | 999.50 |
| Kaluluini Primary School | Equity | 0670272135790 | 43 | 200.00 |
| Kathuma Primary School | Cooperative | 01117539402600 | 24 | 100.00 |
| Kavumbu Primary School | Equity | 0670273454227 | 0.00 | 1000.00 |
| Kiambani Primary School | Equity | 0670196850324 | 0.00 | 100.00 |
| Kiangini Primary School | Equity | 0670292189144 | 0.00 | 0.00 |
| Kiatine Primary School | Equity | 0670297060028 | 0.00 | 490.00 |
| Kikui Primary School | Equity | 0670197142341 | 0.00 | 100.00 |
| Kimuumo Primary School | Equity | 0670192883950 | 0.00 | 736.45 |
| Kithaathaini Primary School | KCB | 1145429483 | 345 | 200.00 |
| Kithaayoni Primary School | Equity | 0670198720440 | 56 | 0.00 |
| Kiumoni Primary School | Cooperative | 01139539499200 | 78 | 200.00 |
| Kwanzula Primary School | Equity | 0670197060588 | 0.00 | 840.00 |
| Kyuasini Primary School | Equity | 0670199707600 | 0.00 | 150.00 |
| Kyumbe Primary School | KCB | 1136514732 | 0.00 | 580.00 |

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| PMC | Bank | Account number | Bank Balance 2017/18 | Bank Balance 2016/17 |
|------------------------------|-------------|-----------------------|-----------------------------|-----------------------------|
| Kyunyu Primary School | KCB | 1174080280 | 0.00 | 0.00 |
| Maau-eli Primary School | Cooperative | 01139540023100 | 0.00 | 0.00 |
| Mathangathi Primary School | Equity | 0670263843832 | 0.00 | 0.00 |
| Mathemba Primary School | Equity | 0670272163718 | 789 | 200.00 |
| Matooni Primary School | KCB | 1125325968 | 351 | 351.00 |
| Mbeletu Primary School | KCB | 1136356835 | 1,720.00 | 1,720.00 |
| Muangeni Primary School | Equity | 0670270363840 | 0.00 | 0.00 |
| Mutanda Primary School | KCB | 1125241845 | 1,720.00 | 1,720.00 |
| Muthwani Primary School | Equity | 0670272214695 | 0.00 | 0.00 |
| Mwaani Primary School | Equity | 0670397828893 | 0.00 | 0.00 |
| Ng'aa Primary School | KCB | 1206635037 | 1,084.50 | 1,084.50 |
| Ngunguuni Primary School | Cooperative | 01139539669200 | 1,032.00 | 1,032.00 |
| Ngoi Primary School | Equity | 0670192898398 | 0.00 | 0.00 |
| Sia Primary School | Equity | 0670199809198 | 0.00 | 0.00 |
| Syandoo Primary School | Equity | 0670199798895 | 0.00 | 0.00 |
| Ukokolani Primary School | Equity | 0670196720580 | 0.00 | 0.00 |
| Unoa Primary School | Equity | 0670197060513 | 2,123.00 | 2,123.00 |
| Waimu Primary School | Cooperative | 01139539728100 | 2,222.50 | 2,222.50 |
| Yembondo Primary School | Cooperative | 01139539628400 | 843.00 | 843.00 |
| Gigiri Boys Secondary School | Equity | 0670272460045 | 700.00 | 700.00 |
| Kaliini Secondary School | KCB | 1182020542 | 490.00 | 490.00 |

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| PMC | Bank | Account number | Bank Balance 2017/18 | Bank Balance 2016/17 |
|---|-------------|-----------------------|-----------------------------|-----------------------------|
| Katangini Secondary School | Equity | 0670298722463 | 57 | 0.00 |
| Katithi Secondary School | Equity | 0670195249467 | 900 | 0.00 |
| Kimuumo Secondary School | KCB | 1124242066 | 123 | 73,411.50 |
| Kitise Secondary School | Equity | 0670292886439 | 0.00 | 0.00 |
| Maumba Secondary School | Equity | 0670293843078 | 520.00 | 520.00 |
| Mbuvo Secondary School | Equity | 0670294968828 | 342.00 | 342.00 |
| Muthyoi Secondary School | KCB | 1181960525 | 1,000.00 | 1,000.00 |
| Mwaani Boys High School | KCB | 1112473114 | 0.00 | 0.00 |
| Ngoto Boys High School | KCB | 1112729135 | 2,893.29 | 2,893.29 |
| Peter Kiilu Secondary School | Cooperative | 01139540283200 | 2,000.00 | 2,000.00 |
| St. Teresa Secondary School-Muuani | Cooperative | 01139539310200 | 1,238.68 | 1,238.68 |
| Yinthungu Secondary School | KCB | 1208256777 | 0.00 | 0.00 |
| Assistant County Commissioner's Mavindini staff house | Equity | 0670172121563 | 0.00 | 0.00 |
| Assistant County Commissioner's Office Wote | Cooperative | 01134540320500 | 500.00 | 1,500.00 |
| Assistant Chiefs Office Malivani | Equity | 0670173509510 | 200.00 | 200.00 |
| Chiefs Office Muusini | Cooperative | 01134540284800 | 0.00 | 0.00 |
| Kalamba AP Line | Cooperative | 01134540298600 | 50.00 | 50.00 |
| Kamunyolo Sub location Administration Block | Equity | 0670172554476 | 0.00 | 0.00 |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
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| PMC | Bank | Account number | Bank Balance 2017/18 | Bank Balance 2016/17 |
|------------------------|-------------|-----------------------|-------------------------------------|-------------------------------------|
| KwaKathoka Police Post | Equity | 0670292476219 | 505.55 | 505.55 |
| Makueni remand | Cooperative | 01134540222100 | 400 | 400.00 |
| Mbuvo Police Post | KCB | 1207110841 | 234 | 500.00 |
| Mumbuni AP Line | Equity | 0670164236258 | 710 | 710.00 |
| Nziu AP Line | Cooperative | 01134540035400 | 456 | 462.50 |
| Nziu chiefs office | Equity | 0670172463129 | 36 | 65.00 |
| Total | | | <u>28,113</u> | <u>104,980.47</u> |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
MAKUENI CONSTITUENCY**

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe : (Put a date when you expect the issue to be resolved) |
|--|--|--|--|-----------------------------------|---|
| EH/AUD/NG-CDF/MAKUENI/2015-2016/7 | Construction of Kivani Earth Dam Project-File unavailable and account frozen | -File was not available at the time of audit. The file was available and forwarded as Appendix 1 -Account frozen to allow transaction authority from the FAM | Daniel Maluki-Fund Account Manager | Resolved | Issue already resolved |
| | Prior year adjustments-Unexplained variance | Clarified as: 3,753,932-(16,457,984)+35,448,235= 22,744,182.50 | Daniel Maluki-Fund Account Manager | Resolved | Issue already resolved |
| | Budgetary control and performance-Unexplained expenditure | Funds shown as prior year adjustments. Funds released from the board on 23/08/2016-Appendix B-A825539 | Daniel Maluki-Fund Account Manager | Resolved | Issue already resolved |
| | Project implementation status-Delay of project implementation | Projects delayed due to the new NG-CDF Act 2015 which caused dissolution of all committees. | Daniel Maluki-Fund Account Manager | Resolved | Issue already resolved |