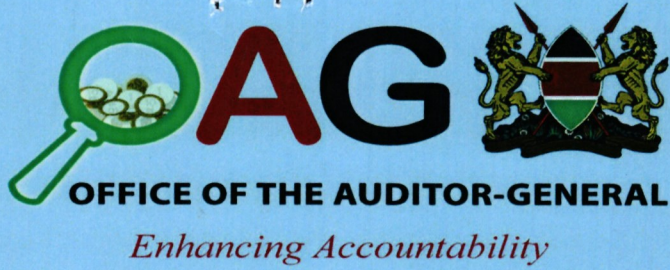



REPUBLIC OF KENYA



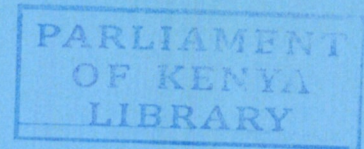
# REPORT

OF

THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY PARLIAMENT OF KENYA	
DATE: 08 FEB 2022	DAY: Tuesday
TABLED BY:	Lom
CLERK-AT THE-TABLE:	Benson

ON



**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
KWANZA CONSTITUENCY**

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



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –KWANZA  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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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 (NG CDF)  
KWANZA CONSTITUENCY  
Report and Financial Statement  
For the year ended June 30, 2020

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**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 KWANZA Constituency day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	MATHEW K. TANUI
2.	Sub-County Accountant	PHILEMON KITUM
3.	Chairman NGCDFC	NANCY K.IMALI
4.	Member NGCDFC	JOSEPHAT MASABA

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 2015-30200  
KWANZA NG CDF BUILDING  
KWANZA CENTRE  
KITALE, KENYA

**(f) NGCDF KWANZA Constituency Contacts**

Telephone: (254) 0725732332  
E-mail: [kwanza@cdf.go.ke](mailto:kwanza@cdf.go.ke)  
Website: [www.kwanza.cdf.go.ke](http://www.kwanza.cdf.go.ke)

**(g) NGCDF KWANZA Constituency Bankers**

1. Co-operative Bank of Kenya  
P.O. Box 1050-30200  
KITALE, KENYA

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

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

The Kwanza NG-CDF in the financial year 2018/2019 was allocated Kshs.109, 040,875.52. During the financial year 49.5% of the allocation was disbursed to the constituency. Therefore the constituency received a total amount of Kshs 54,000,000.

The constituency receipt a total of Kshs 108,793,028 representing 66.4% of the final budget. This is inclusive of Kshs 54,000,000 which was disbursed in the financial year 2018/2019 and Kshs 54,784,482 relating to financial year 2017/2018 but disbursed in financial year 2018/2019.

The constituency opening balance at the beginning of the year was Kshs 8,545 and it further receipt a total of Kshs 54,784,482 owed to the constituency from the board at the close of the financial year 2017/2018.

The constituency percentage of utilization in the financial year is as follows:

- i) Compensation of employees 78.1%
- ii) Use of goods and services 94.8%
- iii) Transfer to other government units 50%
- iv) Other grants and transfers 90.7%
- v) Other payments 67.4%

The constituency utilized 64.9% of its final budget in the financial year. The under-utilization was as a result of non-disbursement of all the funds to the constituency by NG-CDF Board at the close of financial year.

The NG-CDFC was able to timely transfer the disbursed funds to project management committees. The NG-CDFC has also been able to carry out monitoring and evaluation to over 80% of the funded projects.

**Kwanza NG-CDF key Achievements**

1. Access of education by poor and needy students through bursary
2. Improvement of learning facilities
3. Increased enrolment in schools and improved performance through creation of conducive learning environment
4. Community empowerment through community employment in full And labour-based contracts

**Implementation challenges and way forward**

1. Insufficient funds to cater for the community demands. NG-CDF funds should be increased.
2. Inadequacy of qualified NG-CDF staff. The NG-CDFC Board should employ and deploy more staff to constituencies to assist the fund account manager in project implementation and reports preparation.
3. Inadequate NG-CDF facilitation. Sitting allowances for committees to be revised to improve motivation.

SIGN   
CHAIRPERSON NG CDF COMMITTEE

# **KWANZA NG CDF PROJECTS**

## **NAMANJALALA SECONDARY SCHOOL (SCHOOL BUS)**





# GIDEA GIRLS SECONDARY SCHOOL (SCHOOL BUS )



# BIKETI SECONDARY SCHOOL

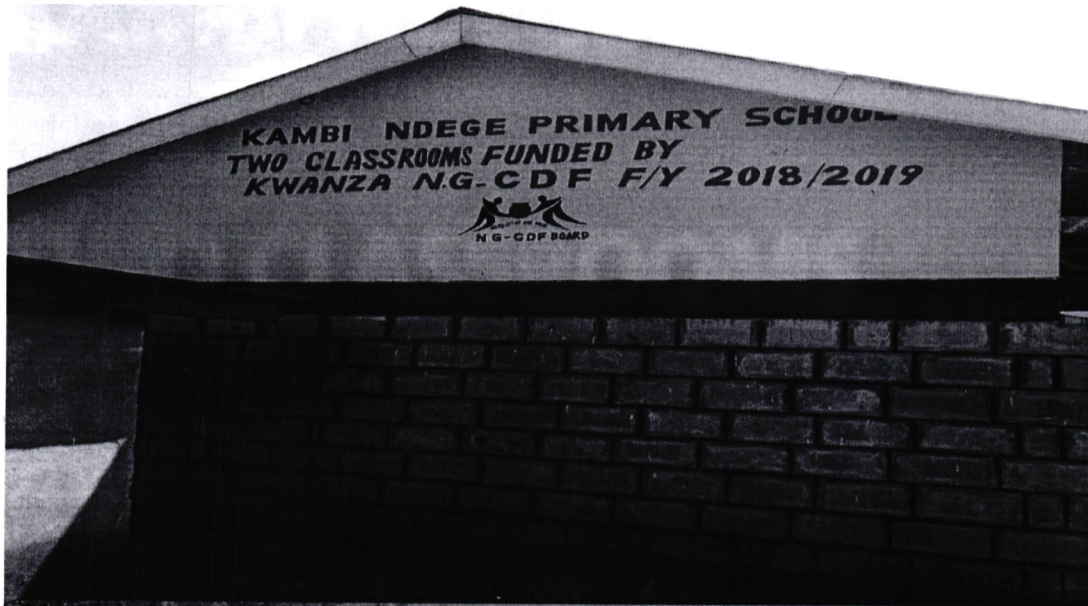
## TWIN LAB



# **ST. MONICAS GIRLS SECONDARY SCHOOL TWIN LAB (ON GOING)**



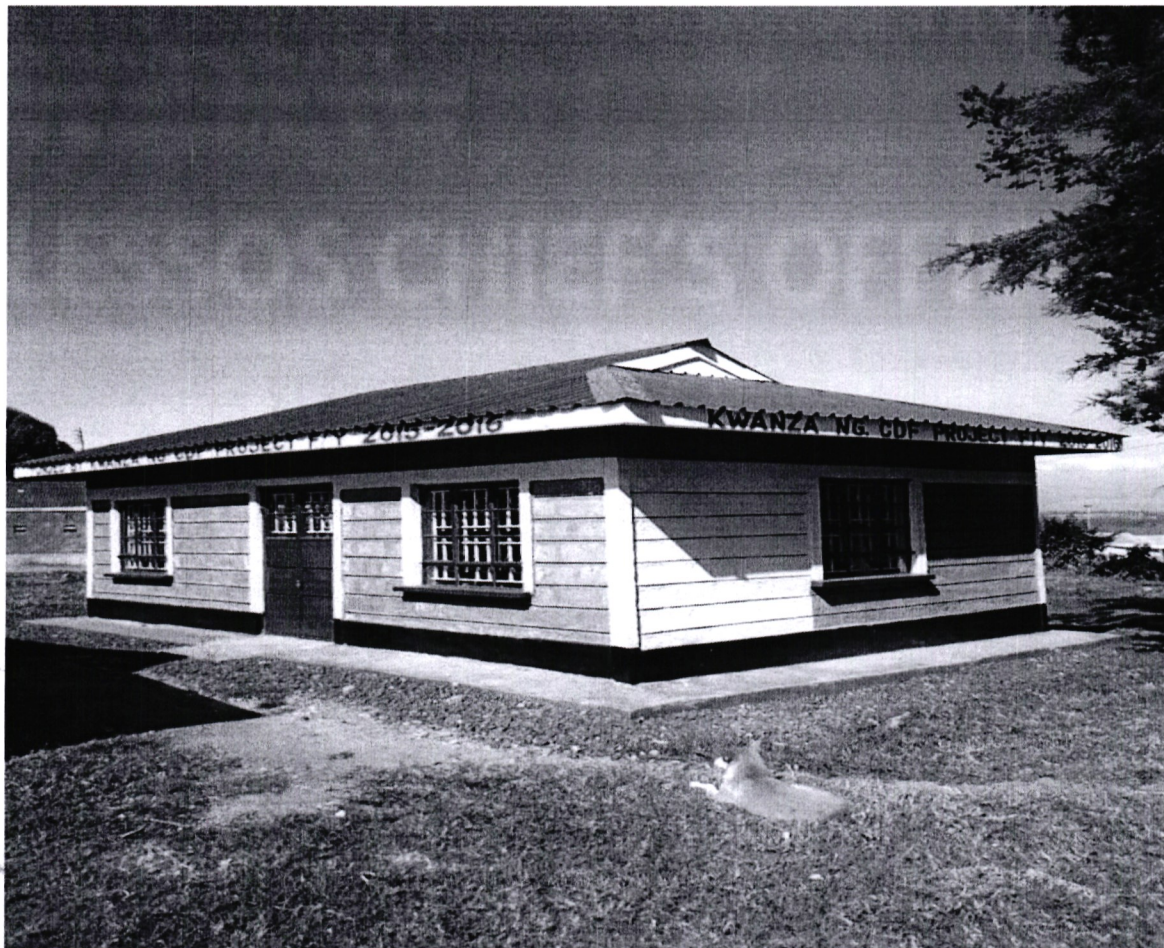
# **KAMBI NDEGE PRIMARY SCHOOL TWO CLASSROOMS**



# KWANZA OCPD'S OFFICE



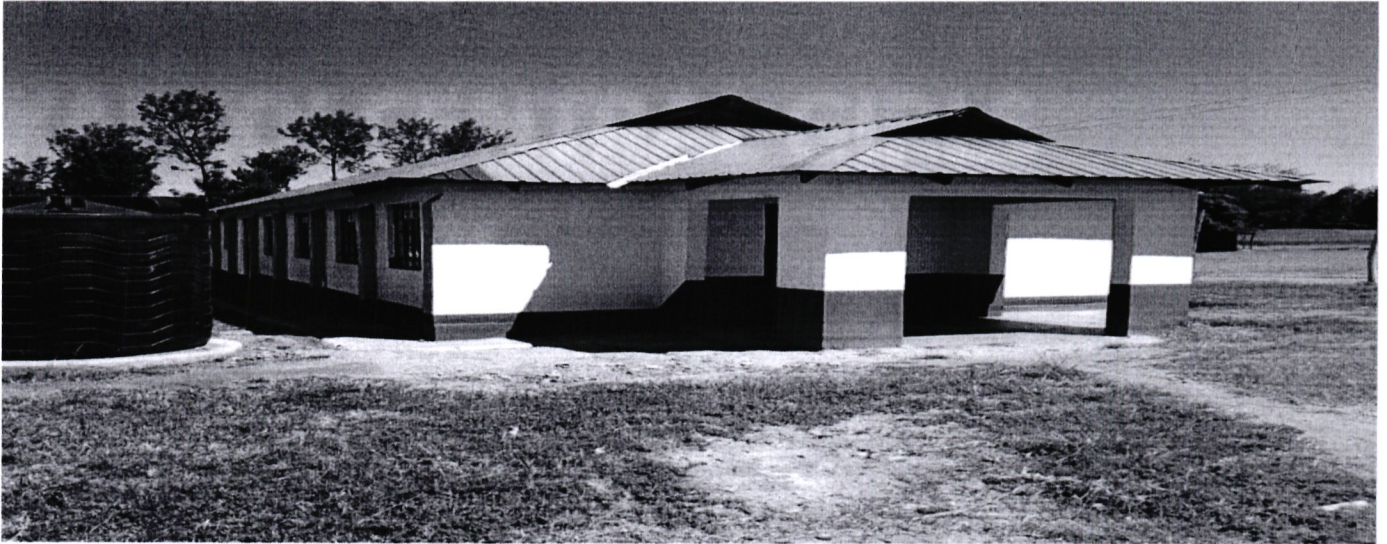
# LESSOS CHIEF'S OFFICE



# MARIDADI SECONDARY SCHOOL DOMITORY

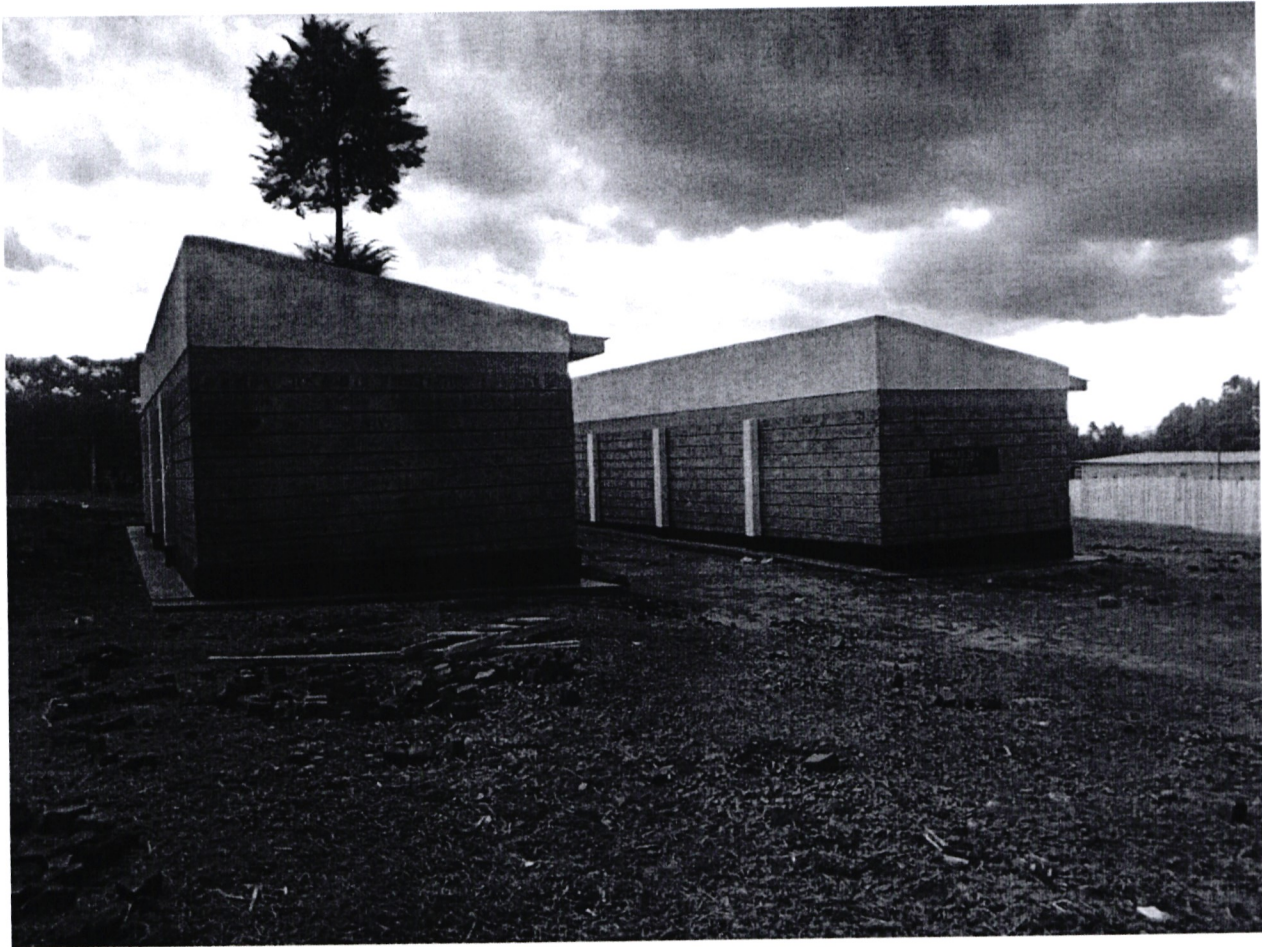


# KAPKOI CENTRAL GIRLS DOMITORY

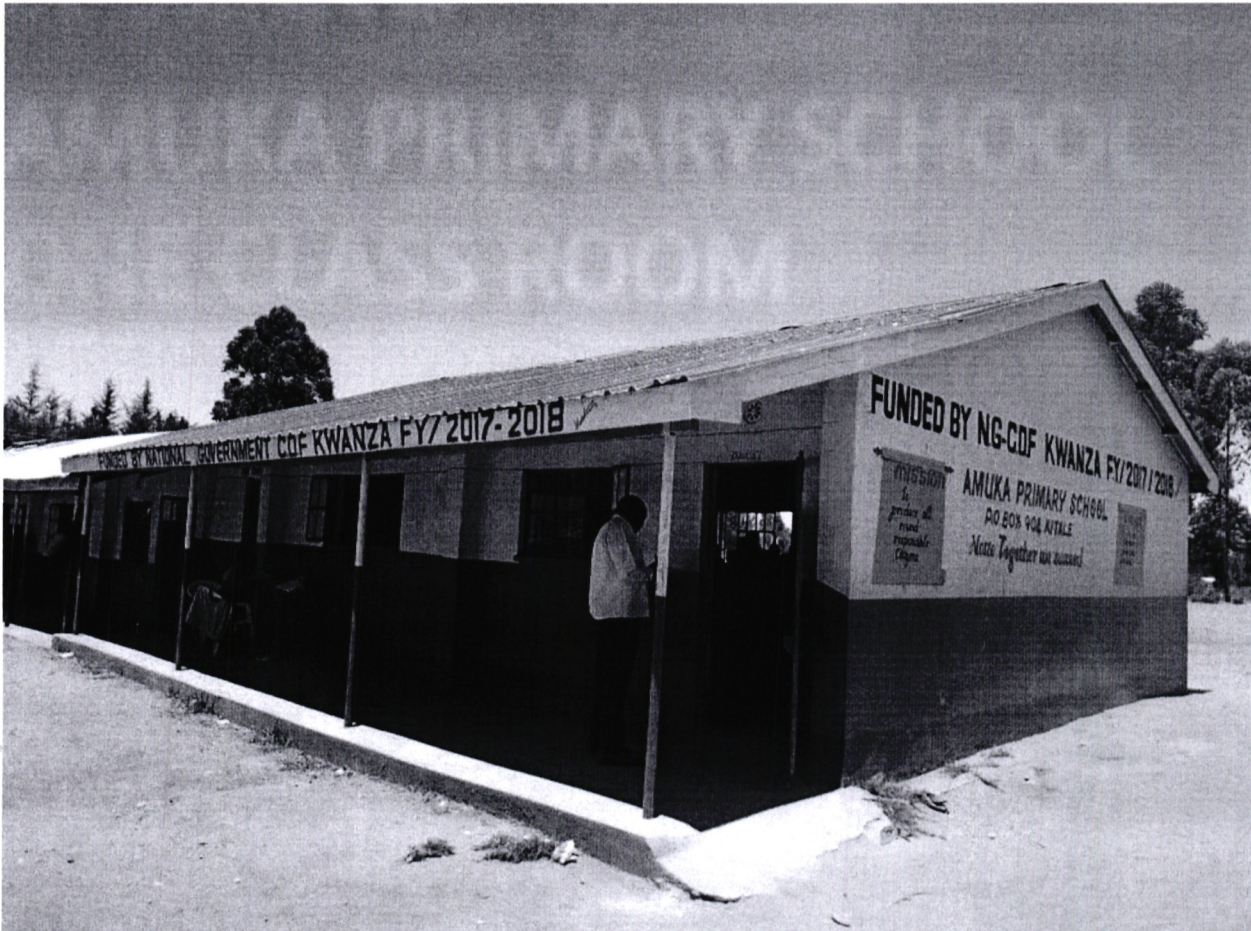




# **KWANZA ADMINISTRATION POLICE RESIDENTIAL UNITS**



# AMUKA PRIMARY SCHOOL ONE CLASS ROOM



# **ST. MARTINS MAKHONGE SECONDARY SCHOOL TWIN LAB (ON GOING)**



# **ST. LWANGA CYPRUS PRIMARY SCHOOL TWO CLASSROOMS**



# BIDII FOOTBALL CLUB PURCHASE OF SPORT UNIFORM, FOOT BALLS AND FIRST AID KITS



**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

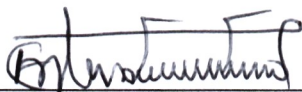
The Accounting Officer in charge of the NGCDF-KWANZA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

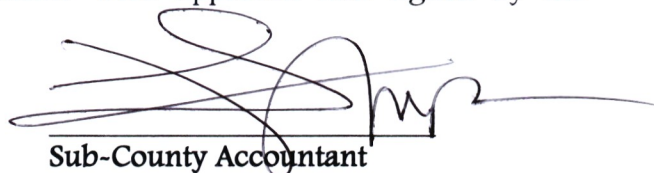
**Approval of the financial statements**

The NGCDF-KWANZA Constituency financial statements were approved and signed by the Accounting Officer on 28/8/2019.



**Fund Account Manager**

**MATHEW K. TANUI**



**Sub-County Accountant**

**PHILEMON KITUM**

**ICPAK Member Number; 17617**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KWANZA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kwanza Constituency set out on pages 1 to 39, which comprise the statement of financial assets as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### Basis for Opinion

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

### **Budgetary Control and Performance**

During the year under review, the Fund had an approved budget of Kshs.163,833,903 for both development and recurrent expenditure. In the year the Fund recorded a total expenditure of Kshs.106,430,520 representing 65% of the budgeted amount resulting to an under expenditure of Kshs.57,403,393 or 35% of the budgeted amount.

The under expenditure was mainly on transfers to other government units where the Fund recorded under expenditure of Kshs.49,720,000 representing 50% of the budgeted amount of Kshs.99,360,000.

Non-utilization of all the funds budgeted for is an indication that services and approved projects/programmes were not delivered to the residents of Kwanza Constituency and therefore the budget did not meet the intended objectives of improving the service delivery to the residents.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Project Implementation**

According to the project implementation status report provided for audit review, the Fund planned to implement one hundred and thirty-four (134) projects during the year under review at a total cost of Kshs.68,050,000 under various sectors. As at 30 June, 2019, only sixteen (16) projects costing Kshs.4,990,000 had been completed, twenty one (21) projects costing Kshs.28,450,000 were on-going at various levels of completion while ninety-seven (97) projects costing Kshs.34,620,000 had not started as shown below:



Sector	Complete			On-going			Not started		
	No	Amount (Kshs)	%	No	Amount (Kshs)	%	No	Amount (Kshs)	%
Primary	3	800,000	8.3	1	1,200,000	2.8	32	23,450,000	88.9
Secondary	2	430,000	5.7	20	27,250,000	57.1	13	8,770,000	37.1
Security	2	1,100,000	50	0	-	0.00	2	1,400,000	50
Environment	0	-	0	0	-	0.00	50	1,000,000	100
Emergency	9	2,650,000	100	0	-	0.0	0	-	0
<b>Total</b>	<b>16</b>	<b>4,990,000</b>	<b>11.9</b>	<b>21</b>	<b>28,450,000</b>	<b>15.7</b>	<b>97</b>	<b>34,620,000</b>	<b>72.4</b>

Non-implementation or delay in implementation of projects as planned may result to loss of public funds through price variations and poor workmanship thus denying the residents of Kwanza constituency the benefits accruing from such incomplete projects.

## 2. Project Verification

During the audit in July, 2020, fourteen (14) projects costing Kshs.18,250,000 were verified and found to be at various levels of completion as detailed in Appendix 1.

Delay in completion of the projects denied the residents of Kwanza Constituency the benefits that would have been accrued from projects.

## 3. Unsatisfactory Work at Pombo Primary School

The transfers to primary schools figure of Kshs.16,410,000 as disclosed in Note 4 to the financial statements include an amount of Kshs.700,000 disbursed to Pombo Primary School for construction of one classroom. Although the classroom was constructed and put to use, it was noted that water was oozing from the painted walls, a clear indication of substandard work done. Information available indicated that a report was done by the head teacher informing the Public Works Officer of his dissatisfaction with the work that was being done then. However, no action appeared to have been taken to have the contractor rectify the poor work done. In addition, there was no evidence that the school recovered and retained retention money of 10% as required, which would have otherwise used to repair the classroom.

Consequently, the constituents may not have obtained value for money on Kshs.700,000 spent on the classroom.

## 4. Variation of Contract Amount at Kambi Ndege Primary School

The transfers to primary schools figure of Kshs.16,410,000 included a transfer of Kshs.1,200,000 to Kambi Ndege Primary School for construction of two classrooms to completion. Information available indicates that a local construction company was engaged to construct the classrooms for a contract sum of Kshs.1,131,011. However, tender opening minutes, tender evaluation minutes, notification of award and form of

agreement availed indicated that the contract amount had been altered from Kshs.1,200,000 to Kshs.1,131,011 and there was no documentation indicating that the contract sum had been negotiated downwards.

Consequently, the validity and lawfulness on the contact sum of Kshs.1,131,011 could not be confirmed.

#### **5. Unauthorized Reallocation of Funds - Maili Saba Assistant County Commissioner's Office**

The security projects figure of Kshs.4,550,000 as disclosed in Note 5 to the financial statements include an amount of Kshs.600,000 disbursed towards the construction of Maili Saba Assistant County Commissioner's office. However, the funds were re-allocated and applied towards the construction of a 5 roomed residential house with 3 toilets and a kitchen. Although the works were ongoing as at the time of audit in July, 2020, no documentary evidence was availed for audit in support of the approval by the National Government Constituencies Development Fund Board to re-allocate the funds. In addition, there was no information to confirm that the funds shall be sufficient to complete the house or when the same shall be completed.

Consequently, the Management breached the National Government Constituencies Development Fund Act and the residents of Kwanza may not get value for the money spent on the project.

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 such 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services and disclosing as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to liquidate 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the

compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 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 cease 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

**Nairobi**

**29 December, 2021**

## Appendix 1: Verified Status of Projects

No	Project	Project Activities	Expenditure (Kshs.)	Remarks
1	Kambi Ndege Primary School	Construction of 2 classrooms to completion	1,200,000	Workmanship was okay except for the verandah floor that was not levelled well resulting in water stagnating every time there is rainfall.
2	Pombo Primary School	Construction of 2 classrooms to completion	700,000	Poor workmanship with oozing and stained walls especially at the lintel. Windows were also small resulting in poor lighting of the classroom.
3	Aic Kobos Boys Secondary School	Construction of dining hall & kitchen (Roofing, plastering, fixing shutters)	900,000	Roofing done, plastering done but fixing shutters was not complete. Project was ongoing and awaiting more funding to be completed.
4	Aic Kobos Girls Secondary School	Construction of twin lab (Roofing, flooring, Plastering, gas and water installation, side benches and worktops)	2,000,000	Project was ongoing. Floor rough cast done, plastering done, gas and water installed, side benches and worktops done pending finishes for the physics lab. Chemistry lab was incomplete.
5	Kobos Girls Secondary School	Construction of twin lab (Construction to roofing)	1,800,000	Construction up to roofing was complete.
6	St Francis Kolongolo Girls Secondary School	Construction of twin lab (Construction to roofing)	1,800,000	Construction up to roofing was complete.
7	St Francis Kolongolo Girls Secondary School	Construction of twin lab (Roofing, flooring, Plastering, gas and water installation, side benches and worktops)	2,000,000	Project was ongoing. Floor rough cast done, plastering done, gas and water were not installed, side benches not fixed and worktops not done.
8	St Francis Kolongolo Secondary School	Completion of multipurpose hall (Roofing, plastering and fixing of shutters)	700,000	Project was ongoing. Roofing done. Plastering and fixing of shutters was not done.
9	St Martins Makhonge Secondary School	Construction of twin lab (Construction to roofing)	1,800,000	Construction up to roofing was complete.
10	St Martins Makhonge Secondary School	Construction of twin lab (Roofing, flooring, Plastering, gas and water installation, side benches and worktops)	2,000,000	Project was ongoing. Floor rough cast done, plastering done, gas and water installed, side benches fixed, worktops were not done.

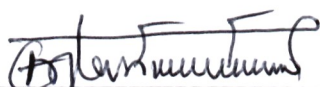
No	Project	Project Activities	Expenditure (Kshs.)	Remarks
11	Maili Saba Assistant County Commissioner	Construction of Assistant County Commissioner's office to completion	600,000	Money used for construction of a 5 roomed house with 3 toilets and a kitchen. However, there was no authority from the board to authorize change of project. ·Project was incomplete.
12	Kwanza AP Camp	Construction of five (5) Administration Police Houses	1,650,000	-The funds were used for construction of 8 AP houses although the BQs indicated 10 A.P houses. -8 houses had been completed but had no ceiling which had an estimated cost of Ksh.73,570 as per the BQs. -Report of inspection and acceptance committee not availed. -Completion certificates not provided.
13	Kwanza Community Policing		600,000	The project was complete and work was well done. However, inspection and acceptance certificates were not provided.
14	Kwanza Community Policing	Purchase of Furniture	500,000	Furniture purchased and in use.
	<b>Total</b>		<b>18,250,000</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 KWANZA CONSTITUENCY  
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**V. STATEMENT OF RECEIPTS AND PAYMENT**

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
<b>RECEIPTS</b>			
Transfers from NG CDF board	1	108,784,483	43,405,172
<b>TOTAL RECEIPTS</b>		<b>108,784,483</b>	<b>43,405,172</b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,295,150	2,513,692
Use of goods and services	3	8,285,228	5,337,318
Transfers to Other Government Units	4	49,640,000	17,350,000
Other grants and transfers	5	41,371,628	26,383,000
Other Payments	6	<u>4,838,514</u>	-
<b>TOTAL PAYMENTS</b>		<b>106,430,520</b>	<b>51,584,011</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>2,353,963</u></b>	<b><u>(8,178,838)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KWANZA Constituency financial statements were approved on 28/8/2019 and signed by:



**Fund Account Manager  
 MATHEW K. TANUI**



**Sub-County Accountant  
 PHILEMON KITUM  
 ICPAK Member Number: 17617**

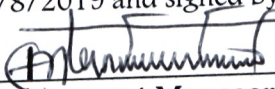


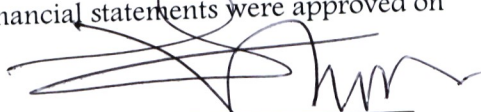
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**VI. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018-2019 Kshs	2017-2018 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	7	2,362,508	8,544
<b>Total Cash and Cash Equivalents</b>		<b>2,362,508</b>	<b>8,544</b>
		<hr/>	<hr/>
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,362,508</b>	<b>8,544</b>
<b>FINANCIAL LIABILITIES</b>			
<b>TOTAL FINANCIAL LIABILITES</b>			
		<hr/>	<hr/>
<b>NET FINANCIAL ASSETS</b>		<b>2,362,508</b>	<b>8,544</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	8	8,545	8,187,382
Surplus/Defict for the year		2,353,963	(8,178,838)
		<hr/>	<hr/>
<b>NET FINANCIAL POSITION</b>		<b>2,362,508</b>	<b>8,544</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF KWANZA Constituency financial statements were approved on 28/8/2019 and signed by:

  
**Fund Account Manager**  
**MATHEW K.TANUI**

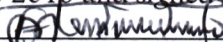
  
**Sub-County Accountant**  
**PHILEMON KITUM**  
**ICPAK Member Number: 17617**

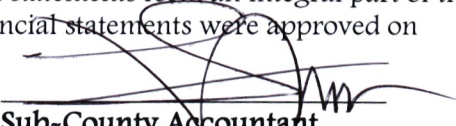
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KWANZA CONSTITUENCY**  
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**VII. STATEMENT OF CASHFLOW**

CASH FLOWS FROM OPERATING ACTIVITIES		2018- 2019	2017 - 2018
<b>Receipts</b>			
Transfers from NGCDF Board	1	108,784,483	43,405,172
<b>Total receipts</b>			
		<b>108,784,483</b>	<b>43,405,172</b>
<b>Payments</b>			
Compensation of Employees	2	2,295,150	2,513,692
Use of goods and services	3	8,285,228	5,337,318
Transfers to Other Government Units	4	49,640,000	17,350,000
Other grants and transfers	5	41,371,628	26,383,000
Other Payments	6	4,838,514	-
<b>Total payments</b>			
		<b>106430520</b>	<b>51,584,010</b>
<b>Total Receipts Less Total Payments</b>			
		<b>2,353,964</b>	<b>(8,178,838)</b>
<b>Net cash flow from operating activities</b>			
		<b>2,353,964</b>	<b>(8,178,838)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>2,353,964</b>	<b>(8,178,838)</b>
Cash and cash equivalent at BEGINNING of the year	8	8,544	8,187,382
Cash and cash equivalent at END of the year		<u>2,362,508</u>	<u>8,544</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KWANZA Constituency financial statements were approved on 28/8/2019 and signed by:

  
Fund Account Manager  
**MATHEW K. TANUI**

  
Sub-County Accountant  
**PHILEMON KITUM**  
ICPAK Member Number: 17617

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KWANZA CONSTITUENCY**  
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**VIII. 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	109,040,876	54,793,027	163,833,903	108,793,028	55,040,875	66.4%
Proceeds from Sale of Assets						
Other Receipts						
<b>PAYMENTS</b>						
Compensation of Employees	2,850,000	90,000	2,940,000	2,295,150	644,850	78.1%
Use of goods and services	6,951,882	1,784,440	8,736,332	8,285,228	451,094	94.8%
Transfers to Other Government Units	61,900,000	37,460,000	99,360,000	49,640,000	49,720,000	50%
Other grants and transfers	37,338,993	8,281,560	45,620,553	41,371,628	4,248,925	90.7%
Other Payments		7,177,027	7,177,028	4,838,514	2,338,514	67.4%
<b>TOTALS</b>	109,040,876	54,793,027	163,833,903	106,430,520	57,403,383	64.9%

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

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


- i. There was no ALA during the financial year
- ii. There was underutilization on transfer to other government units because of non-disbursement of all funds by NG-CDF Board at the close of the financial year.
- iii. There was underutilization on transfer to other payments because of non-disbursement of all the funds by NG-CDF Board at the close of the financial year.


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

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- iv. *There was underutilization on compensation of employees because of reduction in the number of employees.*
- v. *The changes between the original and the final budget is as a result of opening balances at the start of the financial year and the funds owed to the constituency by NG-CDF Board at the close of the financial year but disbursed in the current year.*  
*(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*

The NGCDF-KWANZA Constituency financial statements were approved on 28/8/2019 and signed by:

  
**Fund Account Manager  
MATHEW K. TANUI**

  
**Sub-County Accountant  
PHILEMON KITUM  
ICPAK Member Number:17617**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KWANZA CONSTITUENCY**  
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**VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	2,850,000	90,000	2,940,000	2,295,150	644,850	
1.2 Committee allowances	2,000,000	552,046	2,552,046	2,552,046	0	
1.3 Use of goods and services	1,692,453	278,160	1,970,613	1,725,238	245,375	
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,100,000	237,675	1,337,675	1,140,000	197,675	
2.2 Committee allowances	1,100,000	430,000	1,530,000	1,530,000	0	
2.3 Use of goods and services	1,059,430	278,014	1,337,444	1,337,444	0	
<b>3.0 Emergency</b>						
3.1 Primary Schools	3,285,993	1,521,477	4,807,470	3,750,000	1,057,470	
3.2 Secondary schools	950,000		950,000	950,000	0	
3.3 Tertiary institutions						
3.4 Security projects	983,000	-	983,000	983,000	0	
3.5 others	520,000	-	520,000	520,000	0	
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools						
4.2 Secondary Schools	15,300,000	405,000	17,705,000	15,705,000	0	
4.3 Tertiary Institutions	12,000,000	2,413,628	14,413,628	14,413,628	0	
4.4 Universities						
4.5 Social Security						
<b>5.0 Sports</b>						
5.1 sports	800,000	500,000	1,300,000	-	1,300,000	
<b>6.0 Environment</b>						

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

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	Original Budget 2018/2019	Adjustments 2018/2019	Final Budget 2018/2019	Actual on comparable basis 30/06/2019
6.1 Environment	1,000,000	-	1,000,000	500,000
				1,500,000
<b>7.0 Primary Schools Projects (List all the Projects)</b>				
7.1 kwanusu primary school	1,200,000	-	1,200,000	1,200,000
7.2 water supply primary school	600,000	-	600,000	600,000
7.3 mugumo primary school	1,500,000	-	1,500,000	1,500,000
7.4 Mirembe primary school	1,200,000	-	1,200,000	1,200,000
7.5 Milima A primary school	1,200,000	-	1,200,000	1,200,000
7.6 Sande primary school	600,000	-	600,000	600,000
7.8 Korosiot primary school	600,000	-	600,000	600,000
7.9 Lunyu primary school	600,000	-	600,000	600,000
7.10 Ukingoni primary school	600,000	-	600,000	600,000
7.11 milimani junior 1 primary school	1,200,000	-	1,200,000	1,200,000
7.12 Muungano primary school	600,000	-	600,000	600,000
7.13 Kapkoi Central primary school	600,000	-	600,000	600,000
7.14 Dr. Noah Wekesa primary school	600,000	-	600,000	600,000
7.15 Gesarate primary school	600,000	-	600,000	600,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KWANZA CONSTITUENCY**  
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7.16 Koros primary school	1,200,000	-	1,200,000	-	1,200,000
7.17 St Lwanga Cyprus primary school	1,200,000	-	1,200,000	1,200,000	0
7.18 FK1 Mandarara primary school	750,000	-	750,000		750,000
7.19 KambiNdege primary school	1,200,000	-	1,200,000	1,200,000	0
7.20 Chief Mtende primary school	750,000	-	750,000	-	750,000
7.21 Mugeiyot primary school	600,000	-	600,000	-	600,000
7.22 Mwangaza primary school	600,000	-	600,000	-	600,000
7.23 Ndalala primary school	750,000	-	750,000	750,000	0
7.24 Misanga primary school	600,000	-	600,000	-	600,000
7.25 Webuyeprimary school	600,000	-	600,000	-	600,000
7.26 Bondeni primary school	600,000	-	600,000	-	600,000
7.27 Lijavoprimay school	600,000	-	600,000	-	600,000
7.28 Section Six primary school	500,000	-	500,000	-	500,000
7.29 Lessos primary school	500,000	-	500,000	-	500,000
7.30 Bidii primary school	500,000	-	500,000	-	500,000
7.30 Maridadi primary school	500,000	-	500,000	-	500,000
7.31 Tembelela primary school	400,000	-	400,000	400,000	0
7.32 keese primary school	500,000	-	500,000	-	500,000
7.33 Goseta Primary School	500,000	-	500,000	-	500,000
7.34 Bwayi primary school	500,000	-	500,000	-	500,000
7.35 Soymining primary school	200,000	-	200,000	200,000	0
7.36 Gesarate primary school	200,000	-	200,000	200,000	0
7.37 KAPKOI CENTRAL PRIMARY	-	500,000	500,000	500,000	0
7.38SECTION SIX PRIMARY SCHOOL	-	550,000	550,000	550,000	0

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

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Program/Sub-program	Original Budget	Adjustment	Final Budget	2018/2019	2019/2020	Balance
7.39 SECTION SIX PRIMARY SCHOOL	-	200,000	200,000	200,000	200,000	0
7.40 MAZIWA PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.41 PENGI PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.42 SIAMBE PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.43 FK1 MANDARARA PRIMARY SCHOOL	-	600,000	600,000	600,000	600,000	0
7.44 FK1 MANDARARA PRIMARY SCHOOL	-	210,000	210,000	210,000	210,000	0
7.45 MUKUYUNI PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.46 POMBO PRIMARY SCHOOL	-	700,000	700,000	700,000	700,000	0
7.47 MUGEIYOT PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.48 CHIEF MUTENDE PRIMARY SCHOOL	-	700,000	700,000	700,000	700,000	0
7.49 KAMBI NAIROBI PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.50 AMUKA PRIMARY SCHOOL	-	700,000	700,000	700,000	700,000	0
7.51 BUNGOMA B PRIMARY SCHOOL	-	400,000	400,000	400,000	400,000	0
7.52 TEMBELELA PRIMARY SCHOOL	-	400,000	400,000	400,000	400,000	0
7.53 ST EMMANUEL PRIMARY SCHOOL	-	600,000	600,000	600,000	600,000	0
7.54 KIPKORION PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.55 MIREMBE PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.56 MARAMU PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.57 MILIMANI JUNIOR PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.58 MALOMONYE PRIMARY SCHOOL	-	500,000	500,000	500,000	500,000	0
7.59 TUIYOBELI PRIMARY SCHOOL	-	1,400,000	1,400,000	1,400,000	1,400,000	0
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1 AIC Lessos secondary school	1,000,000	-	1,000,000	-	1,000,000	1,000,000
8.2 Namanjalala secondary school	1,600,000	-	1,600,000	-	1,600,000	1,600,000
8.3 Kwanza Girls secondary school	1,500,000	-	1,500,000	-	1,500,000	1,500,000



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8.4 Biketi Friends secondary school	1,100,000	-	1,100,000	-	1,100,000
8.5 St AnnesUmoja Girls Sec school	1,100,000	-	1,100,000	-	1,100,000
8.6 St. Pauls Bwayi secondary school	1,100,000	-	1,100,000	-	1,100,000
8.7 Luuyasecondary school	1,000,000	-	1,000,000	-	1,000,000
8.8 St Michaels Liyavo Girls secondary school	1,200,000	-	1,200,000	-	1,200,000
8.9 St. Cecilia Marinda girls secondary school	1,200,000	-	1,200,000	-	1,200,000
8.10 Korosiot Secondary school	1,300,000	-	1,300,000	-	1,300,000
8.11 St. Monica Girls secondary school	1,500,000	-	1,500,000	-	1,500,000
8.12 St. Francis kolongolo Boys secondary school	1,500,000	-	1,500,000	-	1,500,000
8.13 Kwanza Friends secondary school	2,000,000	-	2,000,000	-	2,000,000
8.14 Milimani Secondary school	1,500,000	-	1,500,000	-	1,500,000
8.15 St.Franciskolongolo secondary school	2,000,000	-	2,000,000	2,000,000	0
8.16 St. Martin Makhonge secondary school	2,000,000	-	2,000,000	2,000,000	0
8.17 AIC Kobos Girls secondary school	2,000,000	-	2,000,000	2,000,000	0
8.18 AIC Kobos secondary school	1,400,000	-	1,400,000	-	1,400,000
8.19 Namanjala secondary school	215,000	-	215,000	215,000	0
8.20 Gidea Girls secondary school	215,000	-	215,000	215,000	0
8.21 Maridadi Secondary school	500,000	-	500,000	-	500,000
8.22 Mukuyuni secondary school	600,000	-	600,000	600,000	0
8.23 AIC Mwangaza secondary school	600,000	-	600,000	600,000	0

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

	Original Budget	Adjusted Budget	Actual to Date	Original Budget	Adjusted Budget	Actual to Date	Original Budget	Adjusted Budget	Actual to Date
08.24 Mutua secondary school	600,000	-	600,000	600,000	-	600,000	600,000	-	0
8.25 Kapkai secondary school	600,000	-	600,000	600,000	-	600,000	600,000	-	600,000
8.26 Gidea Boys secondary school	600,000	-	600,000	600,000	-	600,000	600,000	-	600,000
8.27 Soymining secondary school	600,000	-	600,000	600,000	-	600,000	600,000	-	600,000
8.28 Misanga S.A secondary school	600,000	-	600,000	600,000	-	600,000	600,000	-	600,000
8.29 Bishop Alexander Muge secondary school	750,000	-	750,000	750,000	-	750,000	750,000	-	750,000
8.30 St. Augustine Maziwa secondary school	500,000	-	500,000	500,000	-	500,000	500,000	-	500,000
8.31 St. Maurice Lunyu Girls secondary school	500,000	-	500,000	500,000	-	500,000	500,000	-	500,000
8.32 Keese secondary school	500,000	-	500,000	500,000	-	500,000	500,000	-	500,000
8.33 St Peters Kapomboi secondary school	500,000	-	500,000	500,000	-	500,000	500,000	-	500,000
8.34 NGENY SECONDARY SCHOOL	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
8.35 MUTUA SECONDARY SCHOOL	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
8.36 KEESE SECONDARY SCHOOL	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
8.37 ST MAURICE LUNYU SEC SCHOOL	-	700,000	700,000	700,000	700,000	700,000	700,000	700,000	0
8.38 KWANZA FRIENDS SECONDARY SCH	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	0
8.39 AIC MWANGAZA SECONDARY SCHOOL	-	400,000	400,000	400,000	400,000	400,000	400,000	400,000	0
8.40 AIC KAPSITWET SEC SCHOOL	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
8.41 ST FRANCIS KOLONGOLO SEC	-	700,000	700,000	700,000	700,000	700,000	700,000	700,000	0
8.42 ST AUGUSTINE MAZIWA SEC SCH	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
8.43 MARIDADI SEC SCHOOL	-	700,000	700,000	700,000	700,000	700,000	700,000	700,000	0
8.44 KAPKOI CENTRAL GIRLS SEC SCH	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
8.45 AIC KOBOS BOYS SECONDARY SCH	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	0
8.46 KARAU SEC SCHOOL	-	300,000	300,000	300,000	300,000	300,000	300,000	300,000	0
8.47 NAMANJALALA SECONDARY SCH	-	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	0
8.48 ST FRANCIS KOLONGOLO GIRLS	-	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KWANZA CONSTITUENCY**  
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8.49 ST MARTINS MAKHONGE SEC SCH	-	1,800,000	1,800,000	1,800,000	0
8.50 KOBOS GIRLS SECONDARY SCHOOL	-	1,800,000	1,800,000	1,800,000	0
8.51 GIDEA SECONDARY SCHOOL	-	6,000,000	6,000,000	6,000,000	0
8.52 St.Mauricelunyu Boys secondary school	600,000	-	600,000	-	600,000
8.53 Kapkoi Girls secondary school	1,970,000	-	1,970,000	-	1,970,000
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>					
9.1					
<b>10.0 Security Projects</b>					
10.1 Kapitwet Assistant Chiefs office	700,000	-	700,000	-	700,000
10.2 Kaisagat Assistant Chiefs Office	700,000	-	700,000	-	700,000
10.3 Kwanza OCPD Office	600,000	-	600,000	600,000	0
10.4 Kwanza OCPD Office	500,000	-	500,000	500,000	0
10.5 KEIYO ASSISTANT CHIEFS OFFICE	-	600,000	600,000	600,000	0
10.6 MAILI SABA A.C.C	-	600,000	600,000	600,000	0
10.7 KWANZA CHIEFS OFFICE	-	100,000	100,000	100,000	0
10.8 LESSOS CHIEFS OFFICE	-	300,000	300,000	300,000	0
10.9 LESSOS CHIEFS OFFICE	-	100,000	100,000	100,000	0
10.11 KOLONGOLO ASSISTANT CHIEF OFFICE	-	100,000	100,000	100,000	0
10.12 KWANZA AP CAMP	-	1,650,000	1,650,000	1,650,000	0
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-

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

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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual to comparable 2018/2019	Unrealized utilization at 30/06/2019
11.4 Purchase of computers	-	-	-	-	-
<b>Sub-Total</b>					
<b>12.0 Others</b>					
12.1 Strategic Plan	-	2,500,000	2,500,000	2,500,000	0
12.2 Innovation Hub	-	4,677,027	4,677,027	2,338,514	2,338,514
<b>Sub-Total</b>					
<b>GRAND TOTALS</b>	<b>109,040,876</b>	<b>54,793,027</b>	<b>163,833,903</b>	<b>106,430,520</b>	<b>57,403,383</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity’s budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-KWANZA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

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

#### **Transfers from the Exchequer**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

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

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

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

During the year ended 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

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

## **b) Recognition of payments**

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

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **5. In-kind contributions**

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

### **6. Cash and Cash Equivalents**

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

### **7. Accounts Receivable**

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

### **8. Accounts Payable**

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

### **9. Pending Bills**

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

### **10. Unutilized Fund**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 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 2019.

### **14. Errors**

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

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

### **15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.



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

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2018-2019</b>	<b>2017-2018</b>
		<b>Kshs</b>	<b>Kshs</b>
NGCDF Board			
AIE NO. A855891	1		5,500,000
AIE NO. A896760	2		20,000,000
AIE NO. A892958	3		17,905,172
AIE NO. B005111	1	54,784,483	
AIE NO. B030083	2	10,000,000	
AIE NO. B030466	3	20,000,000	
AIE NO. A006413	4	6,000,000	
AIE NO. A699149	5	11,000,000	
AIE NO. B042783	6	7,000,000	
<b>TOTAL</b>		<b>108,784,483</b>	<b>43,405,172</b>

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

**2. COMPENSATION OF EMPLOYEES**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	1,869,890	1,894,590
<b>Personal allowances paid as part of salary</b>		
Employer contribution to NSSF	108,060	-
Gratuity – paid	317,200	619,102
<b>Total</b>	<b>2,295,150</b>	<b>2,513,692</b>

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

**3. USE OF GOODS AND SERVICES**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	5,802,600	3,729,300
Utilities, supplies and services	247,820	20,000
Communication, supplies and services	78,027	-
Domestic travel and subsistence	268,202	109,798
Training expenses	636,000	436,800
Hospitality supplies and services	24,433	-
Office and general supplies and services	216,981	893,000
Fuel, Oil & Lubricants	522,290	100,000
Routine maintenance – vehicles and other transport equipment	447,225	28,420
Routine maintenance – other assets	41,650	20,000
<b>Total</b>	<b>8,285,228</b>	<b>5,337,318</b>

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

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019 Kshs	2017-2018 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	16,410,000	5,400,000
Transfers to secondary schools (see attached list)	33,230,000	11,950,000
<b>TOTAL</b>	<b>49,640,000</b>	<b>17,350,000</b>

**5. OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019 Kshs	2017-2018 Kshs
Bursary – secondary schools (see attached list)	15,705,000	12,380,000
Bursary – tertiary institutions (see attached list)	14,413,628	8,003,000
Security projects (see attached list)	4,550,000	3,300,000
Sports projects (see attached list)	-	-
Environment projects (see attached list)	500,000	-
Emergency projects (see attached list)	6,203,000	2,700,000
<b>Total</b>	<b>41,371,628</b>	<b>26,383,000</b>

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

**6. OTHER PAYMENTS**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
ICT Hub	2,338,514	-
Strategic plan	2,500,000	-
<b>TOTAL</b>	<b>4,838,514</b>	<b>-</b>

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

**7. Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>CO-OPERATIVE BANK-KITALE BRANCH A/C NUMBER 01141268429300</i>	2,362,508	8,544
<b>Total</b>	<b>2,362,508</b>	<b>8,544</b>

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

**8. BALANCES BROUGHT FORWARD**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	8,545	8,187,382
<b>Total</b>	<u>8,545</u>	<u>8,187,382</u>
<i>[Provide short appropriate explanations as necessary]</i>		

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

**9. OTHER IMPORTANT DISCLOSURES**

**9.1 PENDING STAFF PAYABLES (See Annex 1)**

	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff Gratuity	163,200	410,000
	<b>163,200</b>	<b>410,000</b>

**9.2 UNUTILIZED FUND (See Annex 2)**

	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	644,850	90,000
Use of goods and services	451,094	4,284,440
Amounts due to other Government entities (see attached list)	49,720,000	37,460,000
Amounts due to other grants and other transfers (see attached list)	4,248,925	8,281,560
Other payments	2,338,514	4,677,027
	<b>57,403,383</b>	<b>54,793,027</b>



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

**9.3 PMC account balances (See Annex 4)**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	8,671,711.41	9,977,751.75
	<b>8,671,711.41</b>	<b>9,977,751.75</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KWANZA CONSTITUENCY**  
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**ANNEX 1 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
<b>Others (NG-CDFC Staff gratuity)</b>						
1. TITUS CHESOLI	J	48,000	01-FEB-21	-	48,000	
2. METRINE WAMALWA	G	45,600	01-APR-20	-	45,600	
3. KENNEDY KARIUKI	E	40,800	01-JUL-20	-	40,800	
4. MICHAEL MASIBO	E	28,800	01-AUG-20	-	28,800	
<b>Sub-Total</b>						
<b>Grand Total</b>					<b>163,200</b>	

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ANNEX 2 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
<b>Compensation of employees</b>				
<b>Use of goods &amp; services</b>				
<b>Amounts due to other Government entities</b>				
<b>PRIMARY SCHOOL PROJECTS</b>				
MAZIWA PRIMARY		-	500,000	
FENGI PRIMARY		-	500,000	
SIAMBE PRIMARY		-	500,000	
MUKUYUNI PRIMARY		-	500,000	
POMBO PRIMARY		-	700,000	
KAMBI NAIROBI PRIMARY		-	500,000	
AMUKA PRIMARY		-	700,000	
BUNGOMA B PRIMARY		-	400,000	
TEMBELELA PRIMARY		-	400,000	
ST EMMANUEL PRIMARY		-	600,000	
KIPKORION PRIMARY		-	500,000	
MARAMU PRIMARY		-	500,000	
MALOMONYE PRIMARY		-	500,000	
TUYOBEI PRIMARY		-	1,400,000	
KWANUSU PRIMARY		1,200,000	-	
WATER SUPPLY PRIMARY SCHOOL		600,000	-	
MUGUMO PRIMARY		1,500,000	-	
MIREMBE PRIMARY		1,200,000	500,000	
MILIMA A PRIMARY		1,200,000	-	
SANDE PRIMARY		600,000	-	
KOROSIOT PRIMARY		600,000	-	
LUNYU PRIMARY		600,000	-	
UKINGONI PRIMARY		600,000	-	
MILIMANI JUNIOR PRIMARY		1,200,000	500,000	
MUNGANO PRIMARY		600,000	-	
KAPKOI CENTRAL PRIMARY		600,000	500,000	
DR. NOAH WEKESA PRIMARY		600,000	-	
GESERATE PRIMARY		600,000	-	
KOROS PRIMARY		1,200,000	-	
FKI MANDARARA PRIMARY		750,000	810,000	
CHIEF MTENDE PRIMARY		750,000	700,000	

**Reports and Financial Statements  
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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
MUGEIYOT PRIMARY		600,000	500,000	
MWANGAZA PRIMARY		600,000	-	
MISANGA PRIMARY		600,000	-	
WEBUYE PRIMARY		600,000	-	
BONDENI PRIMARY		600,000	-	
LIYAVO PRIMARY		600,000	-	
SECTION SIX PRIMARY		500,000	750,000	
LESSOS PRIMARY		500,000	-	
BIDIH PRIMARY		500,000	-	
MARIDADI PRIMARY		500,000	-	
KEESE PRIMARY		500,000	-	
GOSETA PRIMARY		500,000	-	
BWAYI PRIMARY		500,000	-	
<b>SUB-TOTAL</b>		<b>21,500,000</b>	<b>12,460,000</b>	
<b>SECONDARY SCHOOL PROJECTS</b>				
NGENY SECONDARY		-	500,000	
MUTUA SECONDARY		-	500,000	
AIC MWANGAZA SECONDARY		-	400,000	
AIC KAPITWET SECONDARY		-	500,000	
KARAU SECONDARY		-	300,000	
ST FRANCIS KOLONGOLO GIRLS SEC		-	1,800,000	
ST MARTINS MAKHONGE SEC		-	1,800,000	
KOBOS GIRLS SEC		-	1,800,000	
AIC LESSOS SECONDARY		1,000,000	-	
NAMANJALALA SECONDARY		1,600,000	6,000,000	
KWANZA GIRLS SECONDARY		1,500,000	-	
BIKETI FRIENDS SECONDARY		1,100,000	-	
ST ANNES UMOJA SECONDARY		1,100,000	-	
ST PAULS BWAYI SECONDARY		1,100,000	-	
LUUYA SECONDARY		1,000,000	-	
ST MICHAEL LIYAVO GIRLS SECONDARY		1,200,000	-	
ST CECILIA MARINDA SECONDARY		1,200,000	-	
KOROSIOT SECONDARY		1,300,000	-	
ST MONICA GIRLS SECONDARY		1,500,000	-	
ST FRANCIS KOLONGOLO BOYS		1,500,000	700,000	
KWANZA FRIENDS SECONDARY		2,000,000	900,000	
MILIMANI SECONDARY		1,500,000	-	

**Reports and Financial Statements**  
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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
AIC KOBOS BOYS SECONDARY		1,400,000	900,000	
MARIDADI SECONDARY		500,000	700,000	
KAPKAI SECONDARY		600,000	-	
GIDEA BOYS SECONDARY		600,000	6,000,000	
SOYMINING SECONDARY		600,000	-	
MISANGA SA SECONDARY		600,000	-	
BISHOP ALEXANDER MUGE SEC		750,000	-	
ST AUGUSTINE MAZIWA SEC		500,000	500,000	
ST MAURICE GIRLS LUNYU SEC		500,000	-	
KEESE SECONDARY SCH		500,000	500,000	
ST PETER'S KAPOMBOI SEC		500,000	-	
ST MAURICE BOYS LUNYU SEC		600,000	700,000	
KAPKAI GIRLS SECONDARY		1,970,000	500,000	
<b>SUB-TOTAL</b>		<b>28,220,000</b>	<b>25,000,000</b>	
<b>Sub-Total</b>		<b>50,815,944</b>	<b>41,834,440</b>	
<b>Amounts due to other grants and other transfers</b>				
EMERGENCY		1,048,925	2,155,353	
SPORTS		800,000	500,000	
<b>SECURITY</b>				
KEYYO ASST CHIEFS OFFICE		-	600,000	
MAILI SABA A.C.C		-	600,000	
KWANZA CHIEFS OFFICE		-	100,000	
LESSOS CHIEFS OFFICE		-	300,000	
LESSOS CHIEFS OFFICE		-	100,000	
KOLONGOLO ASST CHIEFS OFFICE		-	100,000	
KWANZA AP CAMP		-	1,650,000	
ST MARYS ASST CHIEFS OFFICE		-	600,000	
NAMANJALALA ASST CHIEFS OFFICE		-	600,000	
KAPITWET ASST CHIEFS OFFICE		700,000	-	
KAISAGAT ASST CHIEFS OFFICE		700,000	-	
<b>SUB-TOTAL</b>		<b>1,400,000</b>	<b>4,650,000</b>	
ENVIRONMENT		1,000,000	-	
BURSARY		-	976,207	
<b>Sub-Total</b>		<b>4,268,993</b>	<b>8,281,560</b>	
<b>Acquisition of assets</b>		<b>-</b>	<b>-</b>	

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Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
<b>Others (specify)</b>				
CONSTITUENCY INNOVATION HUBS		2,338,514	4,677,027	
<b>Sub-Total</b>		-	4,677,027	
<b>Grand Total</b>		57,403,383	54,793,027	

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Costb/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	3,750,000	-	-	3,750,000
Transport equipment	8,793,870	-	-	8,793,870
Office equipment, furniture and fittings	1,335,167	-	-	1,335,167
ICT Equipment, Software and Other ICT Assets	173,989	-	-	173,989
Intangible assets	64,940	-	-	64,940
<b>Total</b>	<b>14,117,966</b>			<b>14,117,966</b>

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**ANNEX 4 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
KAPKOI CENTRAL PRIMARY SCHOOL	CO- OPERA TIVE BANK	01139694815600	3,067.50	50,917.50
SECTION SIX PRIMARY SCHOOL	CO- OPERA TIVE BANK	01141840100300	4,790	NIL
MAZIWA PRIMARY	CO- OP BANK	01139502971700	428,892.50	61,620.10
PENGI PRIMARY SCHOOL	CO- OP BANK	01139694130000	3,352.50	NIL
SIAMBE PRIMARY	CO- OP BANK	01139599000400	NIL	NIL
FK 1 MANDARARA PRIMARY SCHOOL	CO- OP BANK	01139599184400	4,870.50	NIL
MUKUYUNI PRIMARY SCHOOL	CO- OP BANK	01139599679100	1,841.50	NIL
POMBO PRIMARY SCHOOL	CO- OP BANK	0113959914700	119,494.50	NIL
MUGEIYOT PRIMARY SCHOOL	CO- OP BANK	01139840129100	1,040	NIL
CHIEF MUTENDE PRIMARY SCHOOL	CO- OP BANK	01139599053200	2,157.50	2,137.50
KAMBI NAIROBI PRIMARY SCHOOL	CO- OP BANK	01139694129500	3,453.50	NIL
AMUKA PRIMARY SCHOOL	CO- OP BANK	01139502954300	NIL	635.00
BUNGOMA B PRIMARY SCHOOL	CO- OP BANK	01139694982600	6,332.50	NIL
TEMBELELA PRIMARY SCHOOL	CO- OP BANK	01139599931900	49,789	NIL



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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
ST EMMANUEL PRIMARY SCHOOL	CO- OP BANK	01139096521200	9,567.50	NIL
KIPKORION PRIMARY SCHOOL	CO- OP BANK	01139599050700	2,512.50	NIL
MIREMBE PRIMARY SCHOOL	CO- OP BANK	011395029433700	NIL	NIL
MARAMU PRIMARY SCHOOL	CO- OP BANK	01139599176200	48,692.50	NIL
MILIMANI JUNIOR PRIMARY SCHOOL	CO- OP BANK	01139694829300	1,852.50	NIL
MALOMONYE PRIMARY SCHOOL	CO- OP BANK	01139599001300	2,247.50	NIL
GESERATE PRIMARY SCHOOL	CO- OP BANK	01139599757400	126,122.50	NIL
SOYMINING PRIMARY SCHOOL	CO- OP BANK	01139599753500	5,311.50	23,011.50
KAMBI NDEGE PRIMARY SCHOOL	CO- OP BANK	01139694205800	401,302.50	NIL
NDALALA PRIMARY SCHOOL	CO- OP BANK	01139599811400	752,668	NIL
ST CHARLES LWANGA PRIMARY SCHOOL	CO- OP BANK	01139599010900	3,003.50	NIL
NGENY SECONDARY SCHOOL	CO- OP BANK	01139599038201	3,655	NIL
MUTUA SECONDARY SCHOOL	CO- OP BANK	01139502826500	607,255.50	NIL
KEESE SECONDARY SCHOOL	CO- OP BANK	01139840106700	4,410	NIL
ST MAURICE LUNYU SEC SCHOOL	CO- OP BANK	01139599241900	7,285	NIL
KWANZA FRIENDS SEC SCHOOL	CO- OP	01139599154800	11,403.5	NIL

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
	BANK			
AIC KAPITWET SEC SCHOOL	CO- OP BANK	01139502806000	12,362.5	NIL
ST AUGUSTINE MAZIWA SEC SCHOOL	CO- OP BANK	01139599972000	13,462.5	NIL
MARIDADI SECONDARY SCHOOL	CO- OP BANK	01139502824900	456,353.50	5,353.50
AIC KOBOS BOYS SECONDARY SCHOOL	CO- OP BANK	01139268284702	1,722.50	NIL
KARAU SECONDARY SCHOOL	CO- OP BANK	01139502962400	1,120.00	NIL
NAMANJALALA SECONDARY SCHOOL	CO- OP BANK	01139599702800	7,226.50	6,207,776.50
ST FRANCIS KOLONGOLO GIRLS SEC SCHOOL	CO- OP BANK	01139599160700	908,929	NIL
ST MARTINS MAKHONGE SEC SCHOOL	CO- OP BANK	01139599849600	1,107,443.50	NIL
GIDEA SECONDARY SCHOOL	CO- OP BANK	01139502906300	1,667.50	NIL
MUTUA SECONDARY SCHOOL	CO- OP BANK	01139502826500	603,255.50	NIL
AIC MWANGAZA SECONDARY SCHOOL	CO- OP BANK	01139695139700	629,162.50	NIL
NAMANJALALA PRI SCHOOL	CO- OP BANK	01139268551400	3,505.00	NIL
UMOJA PRIMARY SCHOOL	CO- OP BANK	01139694971700	3,812.50	NIL
MAKHONGE PRIMARY SCHOOL	CO- OP BANK	01139599044700	7,752.50	NIL
KIPSOEN PRIMARY SCHOOL	CO- OP BANK	01139599227000	1,362.50	NIL

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
KARAUS PRI SCHOOL	CO- OP BANK	01139502975200	1,742.50	NIL
KOROSIOT PRIMARY SCHOOL	CO- OP BANK	01139085506700	1,437.50	NIL
ZIWAKATI PRIMARY SCHOOL	CO- OP BANK	01139599020200	203,613.50	NIL
WEBUYE PRIMARY SCHOOL	CO- OP BANK	01139599760100	100,262.50	NIL
LIAVO PRIMARY SCHOOL	CO- OP BANK	0113959972300	120,362.50	NIL
BIKETI ANTI STOCK THEFT UNIT	CO- OP BANK	01141840073700	3,343	NIL
KWANZA COMMUNITY POLICING	CO- OP BANK	01141694202000	611,019.50	304,882.50
KEIYO ASST CHIEFS OFFICE	CO- OP BANK	01141840099900	NIL	NIL
MAILI SABA A.C.C.	CO- OP BANK	01141840111300	54,325.00	NIL
KWANZA CHIEFS OFFICE	CO- OP BANK	01141695082600	NIL	NIL
KOLONGOLO ASST CHIEFS OFFICE	CO- OP BANK	01141695068200	16,248	NIL
ST MICHAEL GIRLS SEC SCHOOL	CO- OP BANK	01139502806300	279,769.00	273,681.68
KWANZA AP CAMP	CO- OP BANK	01134694980600	54,585.00	NIL
LESSOS CHIEFS OFFICE	CO- OP BANK	01134694202800	52,627.50	NIL
KOLONGOLO PRIMARY SCHOOL	CO- OP BANK	01139695020900	29,132.50	NIL
<b>TOTAL</b>			<b>8,671,711.41</b>	<b>9,977,751.75</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.

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)
1.0	Project Management Committee Bank Account balances noted 11 to the financial Statement reflects Project Management Committee Bank Account balances of Kshs 9,977,751.75 as at 30 June 2018 as disclosed under annex 4. However, Bank Reconciliation Statements, Bank Confirmation Certificates and Bank Statements in support of Kshs 9,977,751.75 were not availed for audit review. In the circumstance, the accuracy, validity and existence of the disclosed Project Management Committee Balances of Kshs 9,977,751.75 could not be confirmed.	The Project Management Committee Balances as at 30 June 2018 as reflected in note 11 to the Financial Statement reflects Project Management Committee Bank Account Balances of Kshs 9,977,715.75 as disclosed under annex 4. The Management confirms the accuracy, validity and existence of the disclosed account balances as reflected in the Certificate Bank Account Statements. The stated amount is as per the Bank Account Statements of the Project Management Committees Bank Accounts. The file of Project Management Committee Bank Accounts Statement is maintained at NG-CDFC office. The management will further ensure that the Project Management Committees, Cash Books and Bank Reconciliations Statements are availed to Auditors during audit in the subsequent audits.	MATHEW K. TANUI-F.A.M KWANZA CONSTITUENCY	RESPONDED AWAITING CLEARANCE	AWAITING CLEARANCE
2.0	<b>BUDGET CONTROL AND</b>	The Management of Kwanza	MATHEW K.	RESPONDED	AWAI

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	<p><b>PERFORMANCE.</b> During the financial year 2017/2018 Kwanza NG-CDF had approved a budget of Kshs 106,377,037 and the Constituency received Kshs 43,405,172 from NG-CDF Board, resulting to underfunding of Kshs 62,971,865. No satisfactory explanation was given for such underfunding. Out of the amount received of Kshs 43,405,172, the Constituency managed to spend a total of Kshs 51,584,010, resulting to under absorption of the budget.</p>	<p>NG-CDF was unable to implement its budget fully because of delay in disbursement of funds by NG-CDF Board. At the close of the Financial Year only Kshs 43,405,172 had been disbursed out of the approved budget of Kshs 106,377,037 resulting to underfunding. Non disbursement or delay in disbursement of funds is beyond the powers of the NG-CDFC Management. It's only the NG-CDFC Board that is vested with the authority of disbursing fund to the constituency.</p>	<p>TANUI-F.A.M KWANZA CONSTITUENC Y</p>	<p>D AWAITING CLEARANC E</p>	<p>TING CLEAR ANCE</p>
<p>3.0</p>	<p><b>PROJECT IMPLEMENTATION PERFORMANCE</b> Delay in the Projects-Kshs 177,587,931 Detailed analysis of Project Implementation Status of Kwanza Constituency reveals that the management of the fund had approved plan to implement Eight hundred (800). Projects between Financial Year 2013/2014 to 2017/2018 valued at Kshs 435,906,589. However Ninety Five (95) (i.e. 11.88% of the total Projects) valued at Kshs 4 million had not started, One Hundred and Seventy Nine (179) Or 22.38% of the total Projects valued at Kshs 177,587,931 were still</p>	<p>The project implementation status report presented to auditors during the audit was only showing the project status report per each financial year and not as per 30 June 2018. This lead to the scrutiny and analysis as stated above in the Audit finding. However the Management has amended the Project Implementation Status so as to show the Project Implementation Status Report as at 30 June 2018 and not as per each Financial Year.</p>	<p>MATHEW K. TANUI- F.A.M KWANZA CONSTITUENC Y</p>	<p>RESPONDE D AWAITING CLEARANC E</p>	<p>AWAI TING CLEAR ANCE</p>

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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)
	ongoing and five hundred and twenty six (526) or 65.75% of the total Projects valued at Kshs 254,318,658 were completed.				

