

REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

<b>REPORT</b>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 06 OCT 2021	DAY: WEDNESDAY
TABLED BY:	Mgundi whf
CLERK-AT THE-TABLE:	Lemwa M.M.

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – ISIOLO SOUTH CONSTITUENCY**

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

1952  
1953  
1954  
1955  
1956  
1957  
1958  
1959  
1960  
1961  
1962  
1963  
1964  
1965  
1966  
1967  
1968  
1969  
1970  
1971  
1972  
1973  
1974  
1975  
1976  
1977  
1978  
1979  
1980  
1981  
1982  
1983  
1984  
1985  
1986  
1987  
1988  
1989  
1990  
1991  
1992  
1993  
1994  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025

ISSUE TIME 10

1952  
1953  
1954  
1955  
1956  
1957  
1958  
1959  
1960  
1961  
1962  
1963  
1964  
1965  
1966  
1967  
1968  
1969  
1970  
1971  
1972  
1973  
1974  
1975  
1976  
1977  
1978  
1979  
1980  
1981  
1982  
1983  
1984  
1985  
1986  
1987  
1988  
1989  
1990  
1991  
1992  
1993  
1994  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025

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

---

*Revised Template 30<sup>th</sup> June 2019*



---

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND ISIOLO SOUTH  
CONSTITUENCY**

**AMENDED  
REPORTS AND FINANCIAL STATEMENTS**

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

---

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

POSITIVE

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

---

Table of Content  
Page

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	3
II.	FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	6
III.	STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES .....	7
IV.	STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 <sup>th</sup> JUNE 2019.....	8
V.	STATEMENT OF ASSET AND LIABILITIES AS AT 30 <sup>th</sup> JUNE 2019.....	9
VI.	STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30 <sup>th</sup> JUNE 2019 .....	10
VII.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE PERIOD ENDED 30 <sup>th</sup> JUNE 2019 .....	11
VIII.	SIGNIFICANT ACCOUNTING POLICIES .....	24
IX.	NOTES TO THE FINANCIAL STATEMENTS .....	28

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
ISILOLO SOUTH CONSTITUENCY**

**Reports and Financial Statements**

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

---

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
ISIOLO SOUTH CONSTITUENCY**

**Reports and Financial Statements**

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

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 Isiolo South day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Mwangi Chege
3.	Sub-County Accountant	G.N. KINUTHIA
4.	Chairman NGCDFC	Abdullahi Roba

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 11  
NGCDF Building  
Next to Garbatulla County Hall  
Garbatulla, KENYA

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

---

**(f) NGCDF ISIOLO SOUTH Constituency Contacts**

Telephone: (254) 724484407  
E-mail: [isiolosouth@ngcdf.go.ke](mailto:isiolosouth@ngcdf.go.ke)  
Website: [www.go.ke/isiolosouth.go.ke](http://www.go.ke/isiolosouth.go.ke)

**(g) NGCDF ISIOLO SOUTH Constituency Bankers**

1. Consolidated Bank  
Isiolo Branch

**(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)  
ISIOLO SOUTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

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

It gives me great pleasure to provide the foreword to the Isiolo South National Government Constituencies Development Fund Annual Reports and Financial Statements for 2018-19.

During the 2018-19 Financial Year, we set out to improve on our overall operations and on Education, we began to map out keenly the needs of our institutions of learning, both primary and secondary schools. This was aimed at ensuring that no single needy institution is left out in terms of infrastructural development. This has resulted in a more targeted approach to resource allocation. In doing this, we were also cognisant of the need to ensure that we don't spread our resources too thin as to make any meaningful impact.

Noting the demands of the constitution with respect to devolved functions, we found it prudent not to allocate more resources to Water and Roads sectors save for what was necessary to complete ongoing projects in those sectors. Going forward, the resources released from those devolved functions will go a long way in enhancing Security and Education projects.

Our absorption capacity continues to improve, driven largely by forward planning and stakeholder involvement well in advance of receipt of resources from the NGCDF Board. This has helped us to kick in the rolling out of projects as soon as funds are made available by the Board.

In line with our performance culture, we will continue to be responsive to the needs of our constituents and seek to be an example of best practice in the public sector.

In closing, I would like to thank all our staff for their ongoing efforts and achievement. Their dedication, from top to bottom, is extraordinary. I would also like to thank my engaged and capable NGCDF Committee Members as well as the Fund Account Manager for their tireless effort during the past year. It would not have been possible to attain the performance we have had without their support.

I look forward to a challenging and exciting year ahead.



.....  
**CHAIRMAN ISIOLO SOUTH NGCDFC**

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

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

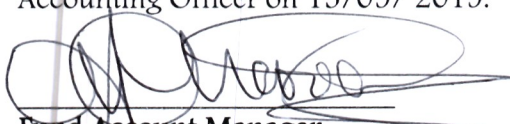
The Accounting Officer in charge of the NGCDF-ISIOLO SOUTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30,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

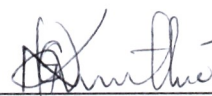
The Accounting Officer in charge of the NGCDF-ISIOLO SOUTH Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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**

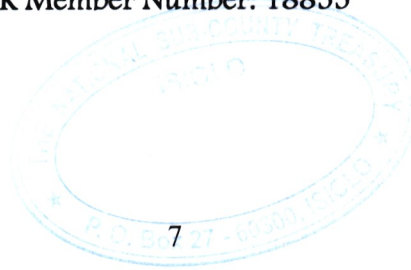
The NGCDF-ISIOLO SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 15/09/ 2019.



**Fund Account Manager  
Name: MWANGI CHEGE**

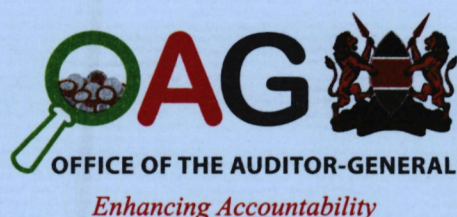


**Sub-County Accountant  
Name: G.N KINUTHIA  
ICPAK Member Number: 18855**



# 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 – ISIOLO SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

---

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Isiolo South Constituency set out on pages 8 to 42, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect 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 the National Government Constituencies Development Fund – Isiolo South Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **1. Inaccuracies of Financial Statements**

###### **1.1 Statement of Receipts and Payments**

The statement of receipts and payments reflects total receipts amount of Kshs.5,474,000 instead of a total of Kshs.54,740,000 resulting to an uncorrected error totalling Kshs.49,266,000.

In the circumstances, the accuracy of the total receipts totalling to Kshs.5,474,000 reflected in the statement of receipts and payments for year ended 30 June, 2019 could not be confirmed.

## 1.2 Statement of Assets and Liabilities

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.780,076 held in one bank account. However, the respective bank reconciliation statement reflects unrepresented cheques totalling to Kshs.3,516,320 which further includes six (6) stale cheques totalling to Kshs.24,583 and which had not been replaced or reversed in the cash book as at 30 June, 2019 thereby understating the cash and cash equivalents balance.

In view of above, the accuracy of cash and cash equivalents balance of Kshs.780,076 reflected in the statement of assets and liabilities as at 30 June, 2019 could not be ascertained.

## 2. Unsupported Committees Bank Account

Notes 6, 7 and 8 to the financial statements reflects an amount of Kshs.9,500,000; Kshs.18,992,384; and Kshs.11,486,000 all totalling to Kshs.39,978,384 in respect to transfers to other government entities, other grants and other payments and acquisition of assets respectively being development funds disbursed to various Project Management Committees (PMC) bank accounts. However, Note 15.4 to the financial statements reflects a nil balance in respect to the PMC bank account balances as at 30 June, 2019. Further, bank statements and bank balance confirmation certificates for all PMCs bank accounts were not provided.

In the circumstances, the accuracy and completeness of the nil balances in the PMCs bank accounts as at 30 June, 2019 could not be confirmed.

## 3. Unsupported Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.22,276,278. However, Management did not provide supporting documents for the balances shown below:

No.	Item	Unsupported Amount (Kshs.)	Missing Supporting Documents
1.	Domestic Travel and Subsistence	1,250,000	Invitation letters, program of activities, evidence of travel and back to office reports
2.	Training Expenses	3,785,000	Invitation letters, program of activities, attendance schedules, evidence of travel, certifications awarded and back to office reports.

No.	Item	Unsupported Amount (Kshs.)	Missing Supporting Documents
3.	Committee Allowances and Expenses	8,655,000	Programme of activities showing dates the projects were visited, mode of transport, minutes/resolutions and back to office report
4.	Security Operations	1,370,000	Documentation of the nature of the security operations undertaken
5.	Fuel, Oil & Lubricants	2,162,421	Fuel register, detail orders, delivery notes, invoices and vehicle work tickets
	<b>Total</b>	<b>17,222,421</b>	

Further, the approved budget for the use of goods and services totalled to Kshs.18,202,953 whereas the expenditure amounted to Kshs.22,276,278 resulting to unapproved expenditure amount of Kshs.4,073,325.

In the circumstances, the accuracy, completeness and validity of use of goods and services unsupported expenditure totalling to Kshs.17,222,421 and unapproved expenditure of Kshs.4,073,325 for the year ended 30 June, 2019 could not be ascertained.

#### **4. Unsupported Disbursements for Projects Implementation**

Note 6, 7 and 8 to the financial statements reflects balances of Kshs.9,500,000, Kshs.18,992,384 and Kshs.11,486,000 in respect to transfers to other Government entities, other grants and other payments and acquisition of assets respectively all totalling to Kshs.39,978,384 which was disbursed to various institutions to implement projects during the year. However, it was not possible to ascertain the level of implementation in terms of number of projects completed and in use, projects in progress, stalled projects and projects not started since the Management did not avail the project implementation status for the year under review for audit.

In the circumstances, the propriety and value for money for the Kshs.39,978,384 disbursed during year ended 30 June 2019 could not be ascertained.

#### **5. Other Grants and Other Payments**

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.18,992,384. The following observations were made:

## **5.1 Unsupported Bursaries**

The balance includes an amount of Kshs.2,477,484 and Kshs.6,068,000 both totalling to Kshs.8,545,484 in respect to bursaries disbursed to secondary schools and tertiary institutions respectively during the year. However, a balance amounting to Kshs.5,553,484 was not supported by records such as; bursary applications forms, lists of all applicants, successful applicants, criteria used when awarding the bursary and the vetting committees' minutes.

In the circumstances, the accuracy, completeness and validity of balance totalling to Kshs.5,553,484 for the year ended 30 June, 2019 could not be confirmed.

## **5.2 Unsupported Security Projects**

Further, the balance includes security projects amounting to Kshs.3,443,900. However, supporting documents such as; bank statements, project management committee minutes, bills of quantities, quotations/tenders, evaluation committee minutes and inspection and acceptance committee minutes, partial and final completion certificates from the department of public works were not provided.

In the circumstance, the accuracy, completeness and validity of balance totalling to Kshs.3,443,900 for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Isiolo South 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 final receipts budget and actual on comparable basis of Kshs.119,117,500 and Kshs.64,076,624 respectively resulting to an under-funding of Kshs.55,040,876 or 46% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.118,377,500 and Kshs.63,296,548 respectively resulting to an under expenditure of Kshs.55,080,952 or 47% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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

### Conclusion

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

### Basis for Conclusion

#### 1. Non-compliance with Public Sector Accounting Standards Board Requirements

The annual report and financial statements were submitted to the Auditor-General on 18 October, 2019 instead of 30 September, 2019 which was eighteen (18) days after the constitutional deadline contrary to Section 47(1) of Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate.

Further, the financial statements did not include individual statements of appropriation for recurrent and development, documentary evidence showing how and when prior year audit recommendations issues were resolved were not provided and the cover page indicates the title as 'amended report and financial statements for the year ended June 30 2019 instead of for the financial year ended 30 June, 2019. This is contrary to the template Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

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

#### 2. Non-Implementation of Projects

Note 6 to the financial statements reflects Kshs.9,500,000 in respect to transfers to other government entities which includes Kshs.2,000,000 and Kshs.2,300,000 both totalling to Kshs.4,300,000 disbursed to Algani Secondary School for construction of a chemistry/physics laboratory and Gafarsa Secondary School for completion of administration during the year. However, physical inspection done in November, 2019 for the two projects revealed that the work had not started and the contractors were not on site and procurement documents were not provided.

In the circumstances, the value for money for total expenditure of Kshs.4,300,000 for the year ended 30 June, 2019 could not be ascertained.

### **3. Irregular Summary Statement of Appropriation**

The summary statement of appropriation: recurrent and development combined reflects a total approved revenue of Kshs.119,117,500 and an expenditure budget of Kshs.118,377,500 resulting to a difference of Kshs.740,000 being receipts without a corresponding budget contrary to Section 33(c) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that budget revenue and expenditure appropriation shall be balanced.

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

### **4. Irregular Procurement**

The Management incurred an expenditure totalling to Kshs.300,000 which comprised of office consumables amounting to Kshs.100,000 spent on and uniforms, shoes, nets, netball and football amounting to Kshs.200,000 under use of goods and services. However, the Management used direct procurement method contrary to the threshold matrix for low value procurement for Class C entities of the Public Procurement and Disposal (Amendment) Regulations, 2013 which pegs to maximum of Kshs.5,000 per procurement per item.

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

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Untagged Fixed Assets**

Annex 4 to the financial statements reflects fixed assets totalling to Kshs.15,787,000 as at 30 June, 2019 which comprised transport equipment and Information Communication Technology (ICT) equipment, software & other ICT assets having a historical value of



Kshs.14,246,000 and Kshs.1,541,000 respectively. However, assets valued at Kshs.1,541,000 were not tagged for ease of tracking, security and identification.

In the circumstances, I am unable to confirm existence of effective internal controls on the assets.

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

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

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

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

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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


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

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

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

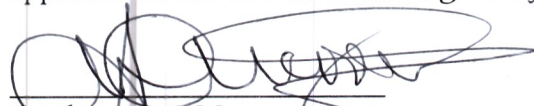
**22 September, 2021**

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

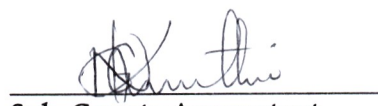
**IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2019.**

	Note	2018 - 2019	2017 - 2018
<b>RECEIPTS</b>			
Transfers from CDF board	1	54,000,000	86,310,345
Proceeds from Sale of Assets	2	740,000	-
Other Receipts	3		174,907
<b>TOTAL RECEIPTS</b>		<b>54,740,00</b>	<b>86,485,252</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,041,886	1,072,880
Use of goods and services	5	22,276,278	5,499,760
Transfers to Other Government Units	6	9,500,000	33,025,364
Other grants and transfers	7	18,992,384	37,550,624
Acquisition of Assets	8	11,486,000	
Other Payments	9	-	
<b>TOTAL PAYMENTS</b>		<b>63,296,548</b>	<b>77,148,628</b>
<b>SURPLUS/DEFICIT</b>		<b>(8,556,548)</b>	<b>9,336,624</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ISIOLO SOUTH Constituency financial statements were approved on 15/09/ 2019 and signed by:



**Fund Account Manager**  
**Name: MWANGI CHEGE**

**Sub-County Accountant**  
**Name: G.N KINUTHIA**  
**ICPAK Member Number: 18855**



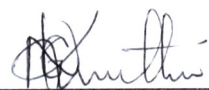
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 ISIOLO SOUTH CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2019**

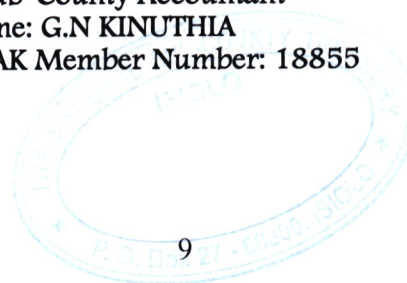
**V. STATEMENT OF ASSET AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2019**

	Note	2018-19	2017-18
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	780,076	9,336,624
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>780,076</b>	<b>9,336,624</b>
Current Receivables			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>780,076</b>	<b>9,336,624</b>
<b>FINANCIAL LIABILITES</b>			
Accounts Payable			
Retention	12A		
Gratuity	12B		-
<b>Total Financial Liabilities</b>		-	-
<b>NET FINANCIAL ASSETS</b>		<b>780,076</b>	<b>9,336,624</b>
<b>REPRESENTED BY</b>			
Retention			
Fund balance b/fwd. 1st July...	13	9,336,624	174,907
Surplus/Defict for the year		( 8,556,548)	9,161,717
Prior year adjustments		-	-
<b>NET LIABILITIES</b>		<b>780,076</b>	<b>9,336,624</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ISIOLO SOUTH Constituency financial statements were approved on 15/09/ 2019 and signed by:

  
**Fund Account Manager**  
 Name: MWANGI CHEGE

  
**Sub-County Accountant**  
 Name: G.N KINUTHIA  
 ICPAK Member Number: 18855



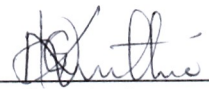
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 ISIOLO SOUTH CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2019**

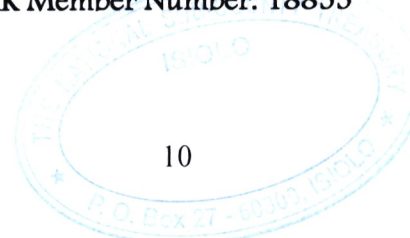
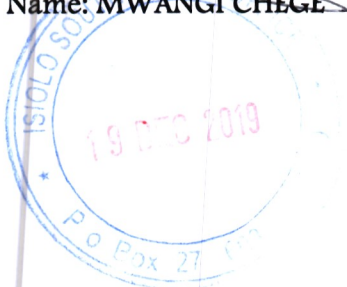
**VI. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>2018 - 2019</b>	<b>2017 - 2018</b>
<b>Receipts</b>			
Transfers from CDF Board	1	54,000,000	86,310,345
Other Receipts	3	740,000	-
<b>Total Receipts</b>		<b>54,740,000</b>	<b>86,310,345</b>
<b>Payments</b>			
Compensation of Employees	4	1,041,886	1,072,880
Use of goods and services	5	22,276,278	5,499,760
<b>Transfers to Other Government Units</b>	<b>6</b>	<b>9,500,000</b>	<b>33,025,364</b>
Other grants and transfers	7	18,992,384	37,550,624
Other Payments	9	-	-
<b>Total Payments</b>		<b>51,810,548</b>	<b>77,148,628</b>
Total Receipts Less Total Payments		2,929,452	9,161,717
<b>Adjusted for:</b>			
Outstanding Imprest	11		
Retention	12A		
<b>Gratuity Payable</b>	<b>12B</b>		
Prior Year adjustment	14		
Net Adjustments		-	-
<b>Net cash flow from operating activities</b>		<b>2,929,452</b>	<b>9,161,717</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	740,000	-
Acquisition of Assets	8	(11,486,000)	-
Net cash flows from Investing Activities		(10,746,000)	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(8,556,548)</b>	<b>9,161,717</b>
Cash and cash equivalent at BEGINNING of the year	13	9,336,624	174,907
<b>Cash and cash equivalent at END of the year</b>		<b>780,076</b>	<b>9,336,624</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-ISIOLO SOUTH Constituency financial statements were approved on 15/09/2019 and signed by:

  
 Fund Account Manager  
 Name: MWANGI CHEGE

  
 Sub-County Accountant  
 Name: G.N KINUTHIA  
 ICPAK Member Number: 18855



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ISIOLO SOUTH CONSTITUENCY**

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

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2019**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,875.52	9,336,624	118,377,500	63,336,624	55,040,876	53.5%
Proceeds from Sale of Assets		740,000	740,000	740,000	-	
Other Receipts		-	-		-	
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>10,076,624</b>	<b>119,117,500</b>	<b>64,076,624</b>	<b>55,040,876</b>	<b>53.8%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,765,537	-	1,765,537	1,041,886	723,651	59.0%
Use of goods and services	18,202,953		18,202,953	22,276,278	(4,073,325)	122.4%
Transfers to Other Government Units	58,965,000	-	58,965,000	9,500,000	49,465,000	16.1%
Other grants and transfers	24,607,386	0	24,607,386	18,992,384	5,615,002	77.2%
Acquisition of Assets	5,500,000	9,336,624	14,836,624	11,486,000	3,350,624	77.4%
Other Payments						
<b>TOTAL</b>	<b>109,040,876</b>	<b>9,336,624</b>	<b>118,377,500</b>	<b>63,296,548</b>	<b>55,080,952</b>	<b>53.5%</b>

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

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


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

- i. Xxxx
- ii. Xxxx
- iii. Xxxx
- iv. Xxxx
- v. Xxxx

*(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-ISIOLO SOUTH Constituency financial statements were approved on 15/09/ 2019 and signed by:

  
Fund Account Manager  
Name: MWANGI CHEGE

  
Sub-County Accountant  
Name: G.N KINUTHIA  
ICPAK Member Number: 18855





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

---

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

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

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

**Transfers from the Exchequer**

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

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

---

**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.

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

---

**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Funds**

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

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

---

**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

**14. Errors**

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

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

**15. Related Party Transactions**

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

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

**IX. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Normal Allocation	B042999	13,000,000	
	A699109	11,000,000	
	B030406	12,000,000	
	B006347	8,000,000	
	B030176	10,000,000	
	A855824		5,500,000
	A825560		2,000,000
	A896800		37,905,172
	A896930		40,905,173
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
<b>TOTAL</b>		<b>54,000,000</b>	<b>86,310,345</b>

**2. PROCEEDS FROM SALE OF ASSETS**

Description	2018-2019	2017 - 2018
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	740,000	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of Office and General Equipment	-	-
<b>TOTAL</b>	<b>740,000</b>	

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

Description	2018-2019	2017 - 2018
Basic wages of contractual employees	1,041,886	729,120
Basic wages of casual labour		
<b>Personal allowances paid as part of salary</b>		
House allowance	-	180,000
Transport allowance	-	
Leave allowance		60,760
Other personnel payments	-	
Employer contribution to NSSF	-	103,000
Gratuity-Paid	-	
Gratuity-Accrued	-	
<b>TOTAL</b>	<b>1,041,886</b>	<b>1,072,880</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
Utilities, supplies and services	670,000	150,000
Electricity	0	
Water & sewerage charges	0	-
Office rent	0	-
Communication, supplies and services	160,000	259,000
Domestic travel and subsistence	1,450,000	1,000,000
Printing, advertising and information supplies & services	300,000	450,000
Rentals of produced assets	0	
Training expenses	4,665,000	980,000
Hospitality supplies and services	0	
Other committee expenses	1,505,000	
Committee allowance	7,150,000	3,000,000
Insurance costs	316,458	160,760
Specialised materials and services	0	
Office and general supplies and services	265,000	500,000
Fuel , oil & lubricants	2,610,625	1,000,000
Other operating expenses	20,199	
Bank service commission and charges	43,996	
Security operations	1,370,000	
Routine maintenance - vehicles and other transport equipment	0	1,000,000
Routine maintenance- other assets	0	
Strategic Plan	1,750,000	
<b>TOTAL</b>	<b>22,276,278</b>	<b>5,499,760</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
Transfers to Primary schools		16,425,364
Transfers to Secondary schools	9,500,000	16,600,000
Transfers to Tertiary institutions	-	
TIVET		
<b>TOTAL</b>	<b>9,500,000</b>	<b>33,025,364</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
Bursary –Secondary	2,477,484	10,000,000
Bursary –Tertiary	6,068,000	6,745,451
Bursary-Special schools	-	
Mocks & CAT	-	
Security	3,443,900	14,500,000
Sports	227,000	1,736,207
Environment	-	
Emergency Projects	6,776,000	4,568,960
<b>TOTAL</b>	<b>18,992,384</b>	<b>37,550,624</b>



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<b>Non-Financial Assets</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	9,986,000	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipment	1,500,000	-
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>11,486,000</b>	

**9. OTHER PAYMENTS**

	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	XX	XX
ICT Hub	XX	XX
TIVET	XX	XX
	<b>xxx</b>	<b>xxx</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
<i>Consolidated bank, isiolo branch, isiolo south ngcdf</i>	<i>A/C no.1146215614</i>	780,076	<b>9,336,625</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

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

**12RETENTION**

	<b>2018 - 2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	xx	Xx
Supplier 2	xx	Xx
Supplier 3	xx	Xx
<b>Total</b>	<b>XX</b>	<b>XX</b>

*[Provide short appropriate explanations as necessary]*

**13. BALANCES BROUGHT FORWARD**

	<b>2018-2019</b>	<b>2017 - 2018</b>
Bank accounts	9,336,624	174,907
Cash in hand		-
Imprest		-
<b>TOTAL</b>	<b>9,336,624</b>	<b>174,907</b>

*[Provide short appropriate explanations as necessary]*

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

	2018- 2019	2017-2018
Bank accounts	Xx	xx
Cash in hand	Xx	xx
Imprest	Xx	xx
<b>Total</b>	<b>XX</b>	<b>XX</b>

**15. OTHER IMPORTANT DISCLOSURES**

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

	2018- 2019	2017-2018
Construction of buildings	Xx	xx
Construction of civil works	Xx	xx
Supply of goods	Xx	xx
Supply of services	Xx	xx
	<b>Xx</b>	<b>xx</b>

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

	Kshs	Kshs
Senior management	xx	xxx
Middle management	xx	xxx
Unionisable employees	xx	xxx
Others ( <i>specify</i> )	xx	xxx
	<b>xx</b>	<b>xxx</b>

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

	2018-2019	2017 - 2018
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities	-	11,800,000
Amounts due to other grants and other transfers	-	11,415,900
Acquisition of assets	-	-
	-	<b>23,215,900</b>

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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

			2018- 2019	2017-2018
<b>PMC</b>	<b>BANK</b>	<b>A/C NO</b>		
Algani Girls sec Sch	Consolidated Bank Isiolo	10111301000436		1,500,000
			-	1,500,000

**NATIONAL GOVERNMENT ENTITY – ISIOLO SOUTH**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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

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

**NATIONAL GOVERNMENT ENTITY – ISIOLO SOUTH**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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

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

**NATIONAL GOVERNMENT ENTITY – ISIOLO SOUTH**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance	
		2018/19	2017/18
Compensation of employees			
Use of goods & services			
Amounts due to other Government entities			11,800,000
Sub-Total			11,800,000
Amounts due to other grants and other transfers			11,415,935
Sub-Total			11,415,935
Acquisition of assets			
Others ( <i>specify</i> )			
Sub-Total			-
Grand Total			23,215,935



NATIONAL GOVERNMENT ENTITY – ISIOLO SOUTH  
 Reports and Financial Statements  
 For the year ended June 30, 2019

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f/f	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost
	(Kshs)			(Kshs)
	2017/18			2018/19
Land				
Buildings and structures				
Transport equipment	5,000,000	9,986,000	(740,000)	14,246,000
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	41,000	1,500,000		1,541,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>5,041,000</b>	<b>11,486,000</b>	<b>(740,000)</b>	<b>15,787,000</b>

**NATIONAL GOVERNMENT ENTITY – ISIOLO SOUTH**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Algani Girls Sec Sch	Consolidated	10111301000436		1,500,000
<b>Total</b>				<b>1,500,000</b>

**NATIONAL GOVERNMENT ENTITY – ISIOLO SOUTH**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**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)
Presentation of Financial statement	Financial statement not as per format	Issue not included have been included to conform with format	Fund Account Manager	Resolved	N/A
Unaccounted for Expenditure Fuel oil and Lubricants	Fuel registers, work tickets and detailed order	Variance has been explained Fuel register, work tickets and detailed orders are available	Fund Account Manager	Resolved	
Domestic Travel	Back to office report	Back to office report is now available	Fund Account Manager	Resolved	
Sports Activities	CDFC Minutes and projects files	CDFC Minutes and projects files are available	Fund Account Manager	Resolved	
Procurement of School bus	Procurement documents not provided	Procurement documents are available	Fund Account Manager	Resolved	
Fixed Assets	Discrepancy in fixed Assets	Fixed assets register has been updated	Fund Account Manager	Resolved	