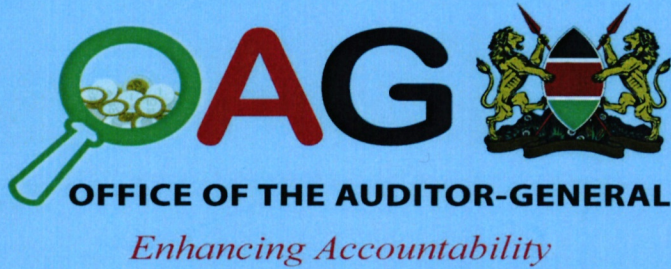



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THE AUDITOR-GENERAL

ON

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

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



Revised Template 30th June 2019

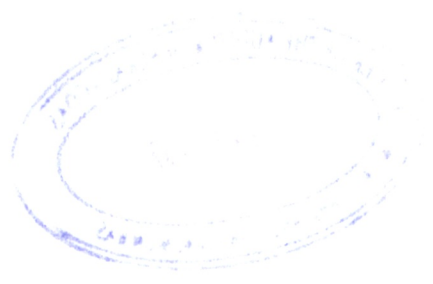


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –KILIFI SOUTH
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KILIFI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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 KILIFI SOUTH 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 30th June 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Mwalim Rashid Mrafi
2.	Sub-County Accountant	Margaret Mwanyiro
3.	Chairman NGCDFC	Raymond Tinga
4.	Member NGCDFC	Essau Chando

(d) Fiduciary Oversight Arrangements

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

P.O. BOX 1368 -80108
RADA HOUSE
MOMBASA – MALINDI HIGHWAY
MOMBASA, KENYA

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

(f) NGCDF KILIFI SOUTH Constituency Contacts

Telephone: (254) 722461195
E-mail: cdfkilifisouth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KILIFI SOUTH Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Cooperative Bank of Kenya
Mtwapa Branch
Mtwapa, 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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I wish to take this opportunity on behalf of Kilifi South NG-CDFC to present the Financial Reports and Statements for the period ending June 30 2019.

Kilifi South Constituency is in Kilifi County. The constituency borders Kaloleni Constituency to the west, Kilifi North to the north, Kisauni Constituency to the south and the Indian Ocean to the east. It borders Mombasa County and Mombasa City (the second largest metropolis in the country) and Kenya's main seaport of Kilindini which is the center of trade and commerce for east and central Africa.

Prior to the 2012 delimitation of boundaries by the Independent Boundaries and Electoral Commission (IBEC) Kilifi South constituency was part of Bahari constituency. At that time, Bahari constituency was ranked the poorest in the country a fact that made it receive the largest amount of CDF allocation in the country.

The constituency occupies an area of 401 square kilometres and its geographical position puts it in a strategic location for Agricultural, Tourism and Industrial Growth. Administratively, it is divided into Shimo la Tewa, Mtepeni, Mwarakaya, Junju and Chasimba wards. Each of these wards is divided into sub-locations. It has an estimated population of 181,556 people.

Program Budget

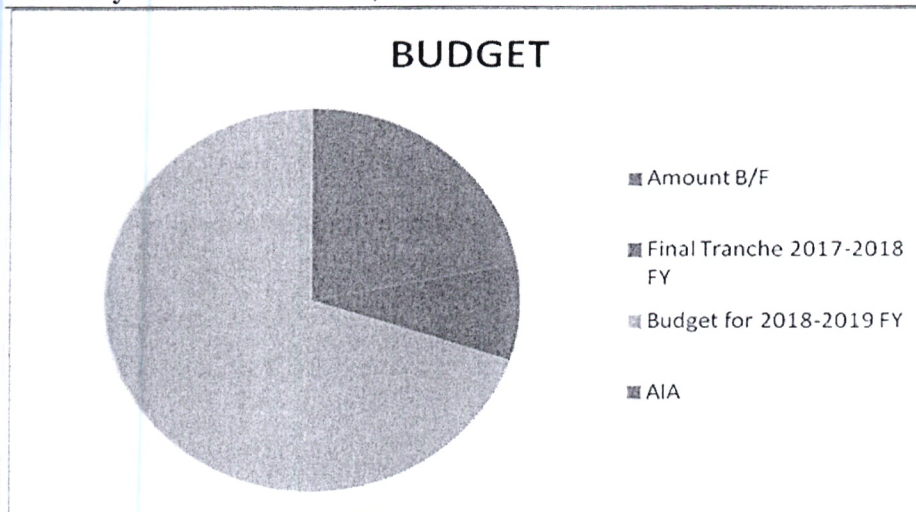
The final budget for the year, which consists of all the funds available for use, was Kshs. 156,017,009.82. This amount was made up of the following:

ITEM	AMOUNT
Amount B/F(Cash Book Balances)	34,326,618.22
Final Tranche 2017-2018 FY	12,615,516.35
Budget for 2018-2019 FY	109,040,875.25
AIA(from sale of tenders)	34,000.00
Total	156,017,009.82

This included the allocation of Kshs. 109,040,875.52 for the 2018-2019 financial year, Kshs. 34,326,618.22 being cash book balances brought forward from 2017-2018 financial year and Kshs. 12,615,516.35 being funds that had not been received during the 2017-2018 financial year and Kshs. 34,000 collected as AIA from sale of tender documents.

The following is a graphical presentation of the final budget as depicted above:

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



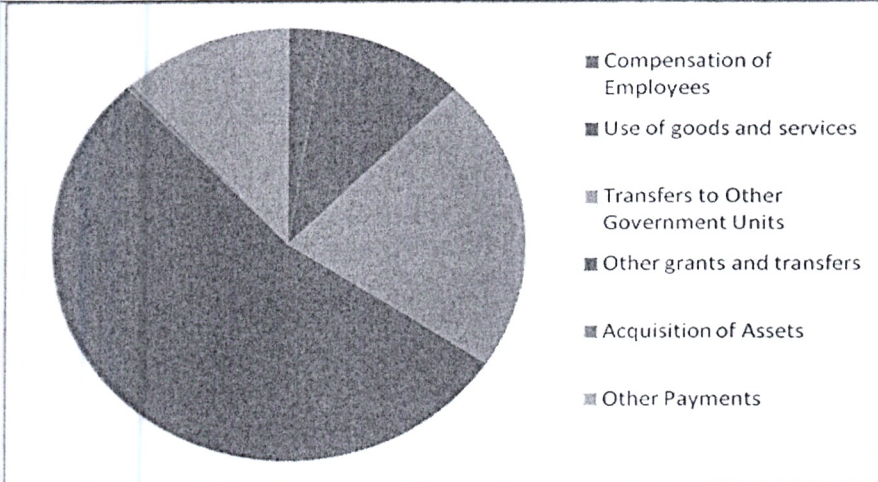
Expenditure

The constituency spent Kshs.91, 849,227.30 about 68% of the funds available against the budget of Kshs. 156,017,009.82 for the year as follows:

Final Budget	156,017,009.88		% of Utilization
Payments		91,849,227.30	59%
- Explained as			
Compensation of Employees	4,708,629.00	2,192,496.48	58%
Use of goods and services	10,393,816.71	9,137,310.00	96%
Transfers to Other Government Units	54,141,379.31	20,141,379.31	37%
Other grants and transfers	59,023,156.96	49,352,042.51	81%
Acquisition of Assets	11,800,000.00	400,000.00	3%
Other Payments	15,950,027.20	10,625,999.00	68%

The high expenditure of over 81% of the available funds in other grants and transfers is attributed to bursary disbursement which accounted for about 30,000,000.00. This was a deliberate and conscious move to address the plights of the thousands of needy students who were facing challenges in continuing with their education early during the 2019 calendar year. Other payments of Kshs. 15,711,027.20 include Kshs. 10.6 Million spent on the completion of the NG-CDF office and the preparation of Constituency Strategic Plan.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KILIFI SOUTH CONSTITUENCY
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Overall the slightly above average performance in terms of funds utilization is as a result of a number of factors. First, there was late disbursement of the 2018-2019 funds which started streaming in early 2019. And secondly the constituency prioritised disbursement of bursaries and this action delayed clearance of funds from the bank to reach the required threshold for requisition of the second tranche.

Program Implementation Status

Despite the delays the constituency managed to implement a number of projects particularly in the development of school infrastructure. These include construction of two classrooms in Sirini Primary School, Mafisini Primary School, Mtomondoni Primary School, Junju Primary School and Kaole Primary School. Under the emergency program the constituency is doing toilets at Mwarakaya Secondary School and Mbuyuni Secondary School. Other projects that have been done include the completion of the NG-CDF office at Vipingo, Strategic Plan for 2017-2022 and completion of Chonyi Police Station.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KILIFI SOUTH CONSTITUENCY
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Some of the projects implemented have been sampled below:

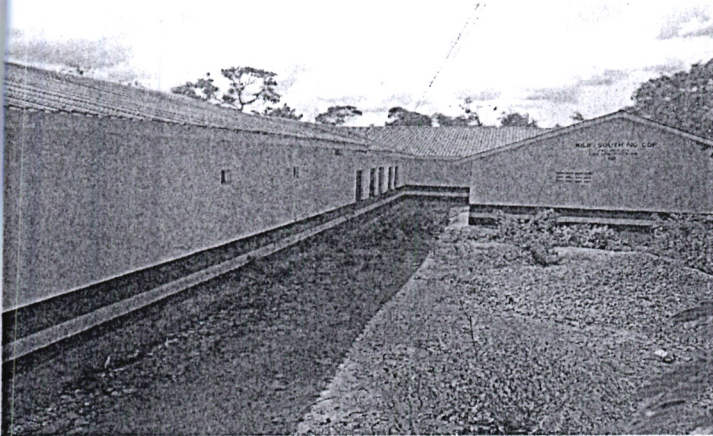
1. Junju Primary School – Construction of two classrooms



Two classrooms have been constructed and completed. This will go a long way in easing congestion in classrooms and offer enabling and improved learning environment.

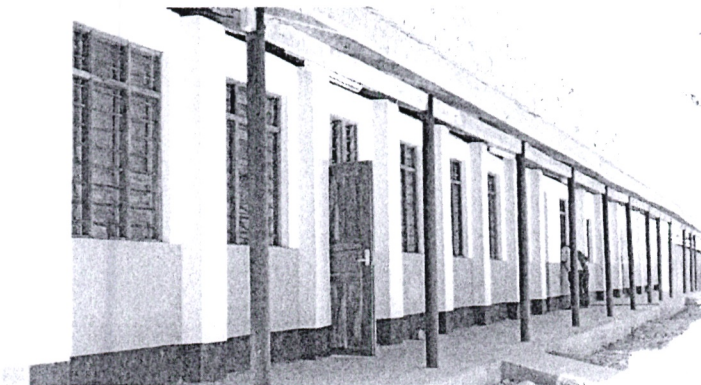
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KILIFI SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

2. Completion of Chonyi Police Station



The main structure of the police station is complete and ready for occupation. The NG-CDF Kilifi South is planning to fence the facility and do some landscaping to provide conducive environment for the police officers and citizens seeking services.

3. Dindiri Secondary School – Construction of laboratory



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

4. Completion of NG-CDF Office Block



Challenges

The only challenge was with regard to disbursement of funds from the NG-CDF Board. Consequently many activities started late in the middle of the financial year.

Way Forward

There was enormous support from the political office and from government departments which made our work very easy. We will seek to enhance these relations and also appeal to the Government and the NG-CDF Board to sync our program with the financial year so that activities start during the first quarter of the year.

Sign

Raymuga Raymond Tinga
CHAIRMAN NGCDF COMMITTEE

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

III. STATEMENT OF NGCDF KILIFI SOUTH 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-KILIFI 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-KILIFI 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 NG-CDF Kilifi SOUTH 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-KILIFI SOUTH Constituency further confirms the completeness of the accounting records maintained for the NGCDF-KILIFI SOUTH, 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-KILIFI 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-KILIFI SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 21st Dec 2019.

Fund Account Manager
Name:

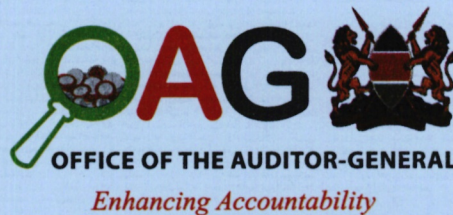

George Juma

Sub-County Accountant

Name: Margaret Nyirya
ICPAK Member Number: 5986

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 – KILIFI 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 – Kilifi South Constituency set out on pages 11 to 41, which comprise the statement of assets and liabilities 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, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Kilifi 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

1.0 Inaccurate Comparative Balances and Net Liabilities

The summary of fixed assets register at Annex 4 to the financial statements reflects a fixed assets balance of Kshs.34,171,440 as at 30 June, 2018 which differs with the audited balance of Kshs.11,315,127 by Kshs.22,856,313 which has not been explained or reconciled. Further, Annex 5 to the financial statements reflects, comparative Project Management Committee (PMC) bank balances of Kshs.10,727,433 which differed with the audited 2017/2018 PMC bank balances of Kshs.7,127,433 resulting to a variance of Kshs.3,600,000 which has not been explained or reconciled. In addition, the net financial position of Kshs.9,126,907 was erroneously shown as net liabilities in the statement of assets and liabilities.

Consequently, the accuracy of the financial statements could not be confirmed.

2.0 Unsupported Committee Allowances

The statement of receipts and payments reflects use of goods and services of Kshs.9,137,310. As disclosed at Note 5 to the financial statements, Kshs.4,461,000 of the expenditure was in respect of committee allowances of which Kshs.1,126,000 and Kshs.835,000 related to benchmarking activities and monitoring and evaluation of projects respectively, all totaling to Kshs.1,961,000. However, approved minutes of meetings, attendance registers, work tickets or bus tickets in support of the payments were not provided for audit.

Consequently, the propriety and accuracy of committee allowances of Kshs.1,961,000 could not be confirmed.

3.0 Unconfirmed Bursary Awards

The statement of receipts and payments reflects other grants and transfers of Kshs.49,352,043 which as disclosed at Note 7 to the financial statements, included Kshs.30,321,000 and Kshs.8,928,000 being bursaries to secondary schools and tertiary institutions respectively, all totaling to Kshs.39,249,000. However, bursaries totaling to Kshs.25,123,000 were not supported by acknowledgments of receipt by the beneficiary institutions. Also, the bursary applications register showing applicants' names, identification details and the schools or colleges attended were not provided for audit. It was therefore, not possible to confirm whether the beneficiaries had applied for the bursaries.

Further, a review of the bursaries schedule provided for audit revealed that, admission or registration numbers to the respective schools or institutions for seventy-seven (77) students awarded bursaries amounting to Kshs.1,687,000 were not included.

In addition, the following anomalies were noted regarding bursaries amounting to Kshs.278,000 awarded to twelve (12) beneficiaries:

- i. Four (4) students awarded bursaries of Kshs.20,000 had similar admission/registration numbers from two institutions.
- ii. Seven (7) students were awarded two bursaries for two different institutions (one for each) totaling to Kshs.223,000.
- iii. According to the bursaries schedule, one male student awarded a bursary of Kshs.35,000 was attending a girl's secondary school.

Consequently, the propriety and accuracy of the bursaries payments of Kshs.39,249,000 could not be confirmed.

4.0 Misclassification of Acquisition of Assets and Inaccurate Summary of Fixed Assets Register

The statement of receipts and payments reflects acquisition of assets of Kshs.400,000. However, audit established that the funds were transferred to the Sub-County Education

Office Project Management Committee and should therefore have been classified as transfers to other Government units.

Further, the summary of fixed assets register at Annex 4 reflects assets additions of Kshs.30,000 during the year which differs with the assets acquisition cost of Kshs.400,000 reflected in the statement of receipts and payments by Kshs.370,000. The variance has not been explained or reconciled. In addition, the assets historical cost of Kshs.34,201,440 reflected in the summary of fixed assets register, excluded the value of the land parcel along Mombasa-Malindi Road where the constituency offices are situated. Further, ownership documents for the land were not provided for audit.

Consequently, the accuracy and completeness of the balance of Kshs.34,201,440 reflected in the summary of fixed assets register could not be confirmed. The Management had also, not properly safeguarded the assets of the Fund.

5.0 Unconfirmed Bank Reconciliation Items

The statement of assets and liabilities reflects a bank balance of Kshs.9,126,907. Audit review of the bank reconciliation statement for the month of June, 2019 reflected payments in cash book not in bank statement (un-presented cheques) of Kshs.4,960,367 and payments in bank statement not yet recorded in cash book amounting to Kshs.10,000. However, bank reconciliation statements and bank statements for the subsequent months to confirm clearance of the un-presented cheques were not provided for audit verification. Further, the amount of Kshs.10,000 in respect of payments in bank statement not yet recorded in cashbook was indicated as an error dated 29 March, 2019 yet it had not been corrected as at 30 June, 2019.

Consequently, the accuracy, validity and completeness of the bank balance of Kshs.9,126,907 could not be confirmed.

6.0 Unutilized Funds Variance

The summary statement of appropriation - recurrent and development combined reflects unutilized funds of Kshs.64,167,783 which is in agreement with the balance at Annex 3 where the details of the unutilized funds are provided. However, Note 15.3 to the financial statements reflects unutilized funds of Kshs.9,126,907, resulting into a variance of Kshs.55,040,876 which has not been explained or reconciled.

7.0 Unsupported Project Management Committee Bank Balances

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances of Kshs.7,728,610 as at 30 June, 2019 for twenty-two (22) projects. However, the certificates of bank balances in support of the balances were not provided for audit verification.

Further, quarterly reports tabled before the Constituency Committee on the status of the PMC accounts as required under Regulation 15(10) (b) of the National Government Constituencies Development Fund Regulations, 2016 were not provided for audit. the Regulation requires the Officer of the Board seconded to the Constituency to table a quarterly report to a Constituency Committee on the status of the PMC accounts.

Consequently, the accuracy, existence and completeness of the PMC bank account balances of Kshs.7,728,610 as at 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 – Kilifi 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

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.156,017,010 and Kshs.100,976,134 respectively resulting to an under-funding of Kshs.55,040,876 or 35% of the budget. Similarly, the Fund spent Kshs.91,849,227 against an approved budget of Kshs.156,017,010 resulting to an under-expenditure of Kshs.64,167,783 or 41% of the budget. The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the constituents.

2.0 Prior Year Audit Matters

Some of the prior years' audit matters were not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board. It could therefore not be confirmed whether all the prior year audit matters had been resolved as at 30 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Projects Implementation Status

The Fund's projects implementation status report as at 30 June, 2019 provided for audit review showed cumulative disbursements of Kshs.34,244,422 to twenty-three (23) projects. However, the status of the projects; whether complete and in use; in progress; stalled or not started was not indicated in the implementation status report.

Further, the report indicated that one project had an over-expenditure of Kshs.18,880. However, the Management did not explain the source of funds for the excess expenditure on the project. According to the report, five (5) projects for which a total of Kshs.6,077,024 had been disbursed, had a total unspent balance of Kshs.63,045. However, the balance was omitted from the balance of Kshs.7,728,610 reflected under Annex 5 being the total balance held in Project Management Committee (PMC) bank accounts as at 30 June, 2019. Further, Annex 5 to the financial statements, reflected Kshs.619,052 being the PMC bank balances relating to five (5) projects. However, the projects were omitted in the implementation status report provided.

In addition, the projects implementation status report reflected a total of Kshs.539,145 being the balance for seventeen (17) projects with total disbursements of Kshs.27,026,019 while Annex 5 reflected a balance of Kshs.7,109,558 for the same projects, resulting to a variance of Kshs.6,570,413 which was not explained or reconciled.

Consequently, the status of the implementation of the projects of the Fund could not be confirmed.

2.0 Verification of Projects

Audit inspection in the month of December 2019, of five (5) projects with total disbursements of Kshs.17,727,868 had anomalies as detailed below:

No.	Details	Project	Project Amount (Kshs.)	Physical Verification
1.	Dindiri Secondary School	Construction of a laboratory	4,414,171.20	<ul style="list-style-type: none">• 21 sinks installed instead of 24.• 3 manholes verified instead of 4.• The worktops were measuring 30 square meters instead of 35 square meters
2.	Sirini Primary Schools	Construction of 2 Classrooms	2,999,414.30	<ul style="list-style-type: none">• Items M on page 5 of the Bills of Quantities: long mild steel bolt with nut and washer was not done.

				<ul style="list-style-type: none"> • Items D and G on page 7 of the Bills of Quantities heavy gauge welded mesh fixed on windows and window wire mesh were not done
3.	Junju Primary School	Construction of 2 Classrooms	2,995,700.00	<ul style="list-style-type: none"> • Item M on page 5 of the Bills of Quantities called long mild steel bolt with nut and washer was not done
4.	Mtomondoni Primary School	Construction of 2 Classrooms	2,998,156.80	<ul style="list-style-type: none"> • Walling on both ends were existing yet they were provided as part of the Bills of Quantities
5.	Mtomondoni Secondary School	Construction of a laboratory	4,320,425.80	<ul style="list-style-type: none"> • 21 sinks installed instead of 24. • 21 taps installed instead of 24 • Sockets verified were 14 instead of 25. • Ceiling was found to be try ply instead of chip board. • Items D to I on page 8 of the Bills of Quantities called rain water goods were not done.
Total			17,727,868.10	

Consequently, the propriety and value for money amounting to Kshs.17,727,868 spent on the five (5) projects could not be confirmed.

3.0 Use of Goods and Services

3.1 Use of Wrong Procurement Method for Training Expenses

The statement of receipts and payments reflects use of goods and services of Kshs.9,137,310. Included in the balance is Kshs.1,115,000 in respect to training expenses as disclosed in Note 5 to the financial statements, out of which Kshs.872,000 was spent on hire of hotels for training and whose procurement was done using request for quotations method. However, the hotels invited to submit quotations were not in the list of registered suppliers as required under Section 105 of the Public Procurement and Asset Disposal Act, 2015 which provides that a procuring entity may use a request for quotations from the register of suppliers for a procurement.

Consequently, the lawfulness and value for money on training expenses of Kshs.872,000 could not be confirmed.

3.2 Irregular Procurement - Other Committee Expenses

The statement of receipts and payments reflects use of goods and services of Kshs.9,137,310, out of which Kshs.1,434,600 was in respect to other committee expenses as disclosed at Note 5 to the financial statements. The expenditure included an amount of Kshs.550,000 spent on hire of tents and refreshments. However, a list of those who attended the events and details of how the service providers were identified, selected and awarded the contracts were not provided for audit.

Further, the other committee expenses balance includes Kshs.364,000 paid to four (4) service providers selected through request for quotations method of procurement though they were not in the list of registered suppliers, contrary to Section 105 of the Public Procurement and Asset Disposal Act, 2015.

Consequently, the propriety and lawfulness of committee expenses of Kshs.914,000 could not be ascertained.

4.0 Purchase of Lockers and Chairs

The statement of receipts and payments reflects transfers to other government units of Kshs.20,141,379 which as disclosed at Note 6 to the financial statements, included transfers of Kshs.5,700,000 to secondary schools. An amount of Kshs.700,000 was disbursed to Vipingo Secondary School Project Management Committee for purchase of lockers and chairs. However, audit revealed that the procurement was done through request for quotations method and awarded to a supplier at a contract sum of Kshs.678,100, contrary to the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 which sets the maximum amount for procurement of goods through requests for quotations at Kshs.500,000, for Class C procuring entities.

Consequently, the Fund was in breach of the Law.

5.0 Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers of Kshs.49,352,043. The following observations were made:

5.1 Scholarships to National Secondary School Students

Note 7 to the financial statements reflects an amount of Kshs.30,321,000 in respect of bursaries to secondary schools of which Kshs.6,980,000 were scholarships to three hundred and ninety-three (393) students in national secondary schools. The records indicated that, out of the three hundred and ninety-three (393) students, one hundred and eighty-six (186) were awarded scholarships worth Kshs.15,000 each; two hundred and two (202) students Kshs.20,000 each; while five (5) students were awarded Kshs.30,000 each, all totaling to Kshs.6,980,000. However, details of how the students were identified, vetted and the criteria used for award to the beneficiaries were not provided for audit review. The awards were therefore contrary to Circular/VOL1/111 dated 13 September,

2010 issued by the Constituencies Development Fund Board which requires the bursary committee to vet, identify and categorize needy students according to established criteria.

Consequently, the Fund management was in breach of the Law.

5.2 Emergency Projects

Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which provides that, emergency shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. However, included in the balance of Kshs.49,352,043 for other grants and transfers and as disclosed at Note 7 to the financial statements, is Kshs.6,686,019 spent on emergency projects. However, records provided for audit, indicated that the funds were spent on construction of toilets, septic tank and office renovations which did not appear urgent or unforeseen in nature.

Further, anomalies on the implementation of the projects were noted as detailed below:

No	Project Name	Amount (Kshs.)	Observations
1	Construction of 2 Blocks 3 door pit latrine at Mbuyuni Secondary School	1,200,000	<ul style="list-style-type: none"> The tender was opened on 14 March, 2018 while evaluation was done on 15 March, 2019, about a year later, contrary to Section 80 (6) of the Public Procurement and Asset Disposal Act, 2015 which requires tenders be to evaluated within thirty (30) days after opening. Further, as at 30 June, 2019, only Kshs.193,187 or 16.8% of the work had been certified against a contract sum of Kshs.1,147,260. No justification was provided for the urgency of the project.
2	Construction of 2 Blocks 3 door pit latrine at Mwarakaya Secondary School	1,200,000	<ul style="list-style-type: none"> The tender was opened on 21 June, 2019 but could not be traced in the tender register. Further, the value of work certified as at 30 June, 2019 was Kshs.325,560 or 28.36% against a contract sum of Kshs.1,147,760 with no justifications provided as to the urgency of the project.
3	Construction of a septic tank and a soak pit at	1,326,019	<ul style="list-style-type: none"> The contract was awarded on 11 August, 2018 at a contract sum of Kshs.1,195,647 and varied by

No	Project Name	Amount (Kshs.)	Observations
	Ng'ombeni Secondary School		<p>Kshs.178,930 on 31 August, 2018, contrary to Section 139 (4) of the Public Procurement and Asset Disposal Act, 2015 which requires variations to be considered after twelve (12) months of signing of the contract.</p> <ul style="list-style-type: none"> • Further, drawings of the project which informed the preparation of the bill of quantities were not provided for audit.
4	Renovation of Deputy County Commissioner's Office	660,000	The contract was awarded at a contract sum of Kshs.659,495. However, the contractor was paid the full amount inclusive of VAT amount which was supposed to be withheld thereby exposing the Fund to penalties for failure to withhold VAT.
5	Construction of 2 Blocks 3 door pit latrine at Vwevwesi Primary School	900,000	The contract was awarded on 20 July, 2018 at a contract sum of Kshs.895,860 which included a provisional sum of Kshs.72,000 whose purpose was not indicated or disclosed.
6	Construction of 2 Blocks 3 door pit latrine at Dindiri Primary school	900,000	The contract was awarded at a contract sum of Kshs.870,030 which included a provisional sum of Kshs.72,000 whose purpose was not indicated
7	Renovation of roof at Mbuyuni Primary School	500,000	Project file was not availed for audit review
Total		6,686,019	

In addition, evidence was not provided for audit that the emergency projects were reported to the Board within thirty (30) days after the occurrence of the emergency as provided under Regulation 20 (2) of the National Government Constituencies Development Fund Regulations, 2016 which requires that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

Consequently, the propriety, validity and lawfulness of emergency projects expenditure of Kshs.6,686,019 could not be confirmed.

6.0 Procurement of Works for Proposed Alteration and Completion of Constituency Office at Vipingo

Note 9 to the financial statements reflects Kshs.6,625,999 in respect to completion of NG-CDF Constituency office, out of which Kshs.2,652,012 was paid to a contractor for proposed alterations and completion of the office. However, although records provided for audit, indicated that the contract was procured through open tender and awarded at a

contract sum of Kshs.5,809,141, evidence of the tender advertisement was not provided for audit verification. It could therefore not be confirmed that the Fund had complied with Section 96(2) of the Public Procurement and Asset Disposal Act, 2015 which provides that, if the estimated value of the goods, works or services being procured is equal to, or more than the prescribed threshold for county, national and international advertising, the procuring entity shall advertise in the dedicated Government tenders' portals or in its own website, or a notice in at least two daily newspapers of nationwide circulation.

Consequently, value for money and lawfulness of the expenditure of Kshs.2,652,012 on the proposed alteration and completion of the constituency office could not be confirmed.

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 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

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

Responsibilities of Management and those Charged with Governance

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

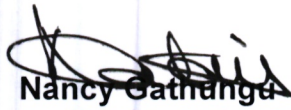
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the 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 National Government Constituencies Development Fund – Kilifi South Constituency'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 National Government Constituencies Development Fund - Kilifi South Constituency 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 National Government Constituencies Development Fund – Kilifi South Constituency 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

21 September, 2021

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

IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	66,615,516	81,574,139
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	34,000	100,000
TOTAL RECEIPTS		66,649,516	81,674,139
PAYMENTS			
Compensation of employees	4	2,192,496	2,273,647
Use of goods and services	5	9,137,310	4,568,100
Transfers to Other Government Units	6	20,141,379	15,137,930
Other grants and transfers	7	49,352,043	32,512,189
Acquisition of Assets	8	400,000	-
Other Payments	9	10,625,999	-
TOTAL PAYMENTS		91,849,227	54,491,866
SURPLUS/DEFICIT		(25,199,711)	27,182,273

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILIFI SOUTH Constituency financial statements were approved on 30th Dec 2019 and signed by:

Fund Account Manager
Name:

George Juma

Sub-County Accountant
Name:
ICPAK Member Number:

Margaret Nyiro
5786

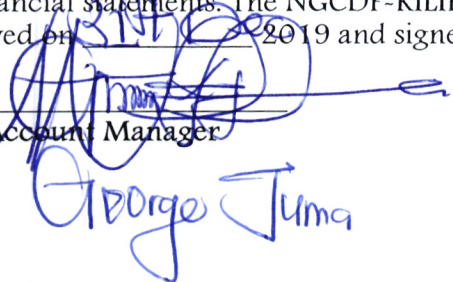
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KILIFI SOUTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

V. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2019

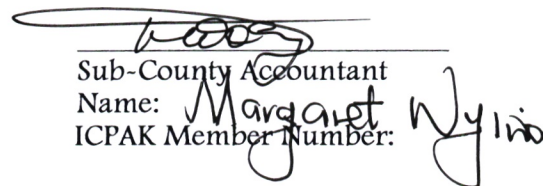
	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,126,907	34,326,618
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		9,126,907	34,326,618
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		9,126,907	34,326,618
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>9,126,907</u>	<u>34,326,618</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	34,326,618	7,106,565
Surplus/Deficit for the year		(25,199,711)	27,182,273
Prior year adjustments	14	-	37,780
NET LIABILITIES		9,126,907	34,326,618

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILIFI SOUTH Constituency financial statements were approved on 30th June 2019 and signed by:

Fund Account Manager
Name:


George Juma

Sub-County Accountant
Name:
ICPAK Member Number:


Margaret Nyirio

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

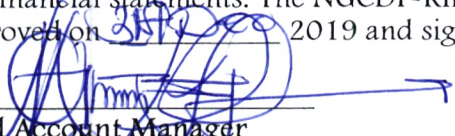
VI STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2019

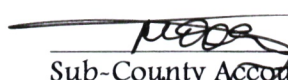
CASH FLOWS FROM OPERATING ACTIVITIES			2018 - 2019	2017 - 2018
Receipts				
Transfers from CDF Board	1		66,615,516	81,574,139
Other Receipts	3		34,000	100,000
Total Receipts			66,649,516	81,674,139
Payments				
Compensation of Employees	4		2,192,496	2,273,647
Use of goods and services	5		9,137,310	4,568,100
Transfers to Other Government Units	6		20,141,379	15,137,930
Other grants and transfers	7		49,352,043	32,512,189
Other Payments	9		10,625,999	-
Total Payments			91,449,227	54,491,866
Total Receipts Less Total Payments			(24,799,711)	27,182,273
Adjusted for:				
Outstanding Imprest	11	-		
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		37,780
Net Adjustments			-	37,780
Net cash flow from operating activities			(24,799,711)	27,220,053
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	8		(400,000)	
Net cash flows from Investing Activities				

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

NET INCREASE IN CASH AND CASH EQUIVALENT			(25,199,711)	27,220,053
Cash and cash equivalent at BEGINNING of the year	13		34,326,618	7,106,565
Cash and cash equivalent at END of the year			9,126,907	34,326,618

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KILIFI SOUTH Constituency financial statements were approved on 31/7/2019 and signed by:


 Fund Account Manager
 Name: George Juma


 Sub-County Accountant
 Name: Margaret Nyiro
 ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2019

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	46,942,134	155,983,010	100,942,134	55,040,876	64.7%
Proceeds from Sale of Assets	-		-		-	
Other Receipts	-	34,000	34,000	34,000	-	100.0%
TOTAL RECEIPTS	109,040,876	46,976,134	156,017,010	100,976,134	55,040,876	64.7%
PAYMENTS						
Compensation of Employees	2,571,666	2,136,964	4,708,630	2,192,496	2,516,133	46.6%
Use of goods and services	7,242,013	3,151,804	10,393,817	9,137,310	1,256,507	87.9%
Transfers to Other Government Units	41,500,000	12,641,379	54,141,379	20,141,379	34,000,000	37.2%
Other grants and transfers	43,327,197	15,695,960	59,023,157	49,352,043	9,671,114	83.6%
Acquisition of Assets	11,400,000	400,000	11,800,000	400,000	11,400,000	3.4%
Other Payments	3,000,000	12,950,027	15,950,027	10,625,999	5,324,028	66.6%
TOTAL	109,040,876	46,976,134	156,017,010	91,849,227	64,167,783	58.9%

The NGCDF, KILIFI SOUTH Constituency financial statements were approved on 29th Dec 2019 and signed by:

Fund Account Manager
Name:

George Juma

Sub-County Accountant

Name:

ICPAK Member Number:

Margaret Nyiro

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
Employees Salaries	2,571,666	1,692,015	4,263,681	1,977,964	2,285,716
NSSF	-	238,599	238,599	154,032	84,567
NHIF	-	206,350	206,350	60,500	145,850
Goods and Services	2,270,787	682,000	2,952,787	2,934,610	18,177
Committee Expenses	1,700,000	699,614	2,399,614	2,233,000	166,614
Goods and Services	800,000	623,529	1,423,529	1,345,000	78,529
Committee Expenses	1,000,000	699,670	1,699,670	1,200,500	499,170
CDFC/PMC Capacity Building	1,471,226	196,884	1,668,110	1,424,200	243,910
Emergency	5,738,993	5,138,006	10,877,000	6,686,019	4,190,981
Bursary Secondary Schools	21,552,761	5,705,440	27,258,201	27,258,201	-
Bursary Tertiary Institutions	9,812,807	3,866,414	13,679,221	11,990,799	1,688,422
Carry out Constituency Sports tournament	2,180,818	-	2,180,818	2,180,818	-
Environment	-	1,236,206	1,236,206	1,236,206	-
Planting trees in Chasimba Primary School	100,000	-	100,000	-	100,000
Planting trees in Mitulani Primary School	100,000	-	100,000	-	100,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
Planting trees in Mwenzangombe Primary School	100,000	-	100,000	-	100,000
Planting trees in Kaole Primary School	100,000	-	100,000	-	100,000
Planting trees in Ziani Primary School	100,000	-	100,000	-	100,000
Planting trees in Karimboni Primary School	100,000	-	100,000	-	100,000
Planting trees in Mtundani Primary School	100,000	-	100,000	-	100,000
Planting trees in Bungu Primary School	100,000	-	100,000	-	100,000
Planting trees in M'bomoni Primary School	100,000	-	100,000	-	100,000
Planting trees in Sirini Primary School	100,000	-	100,000	-	100,000
Planting trees in Junju Primary School	100,000	-	100,000	-	100,000
Planting trees in Muhomukulu Primary School	100,000	-	100,000	-	100,000
Planting trees in Shariani Primary School	100,000	-	100,000	-	100,000
Planting trees in Bodoi Primary School	100,000	-	100,000	-	100,000
Planting trees in Kolewa Primary School	100,000	-	100,000	-	100,000
Planting trees in Kapecha Primary School	100,000	-	100,000	-	100,000
Planting trees in Barani Primary School	100,000	-	100,000	-	100,000
Planting trees in Kikambala Primary School	100,000	-	100,000	-	100,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
Planting trees in Bomani-Kireme Primary School	100,000	-	100,000	-	100,000
Planting trees in Mapawa Primary School	80,818	-	80,818	-	80,818
Planting trees in Mtomondoni Secondary School	100,000	-	100,000	-	100,000
Planting trees in Junju Secondary School	100,000	-	100,000	-	100,000
Mtomondoni Primary School	3,000,000	-	3,000,000	1,500,000	1,500,000
Mafisini Primary School	3,000,000	-	3,000,000	1,500,000	1,500,000
Kaole Primary School	3,000,000	-	3,000,000	1,500,000	1,500,000
Sirini Primary School	3,000,000	-	3,000,000	1,500,000	1,500,000
Junju Primary School	3,000,000	-	3,000,000	1,500,000	1,500,000
Mwezang'ombe Primary School	3,000,000	-	3,000,000	-	3,000,000
Kolewa primary School	1,000,000	-	1,000,000	-	1,000,000
Bomani Kireme primary School	1,000,000	-	1,000,000	-	1,000,000
Gandini primary School	1,000,000	-	1,000,000	-	1,000,000
Ziani Primary School	1,000,000	-	1,000,000	-	1,000,000
Kidutani Primary school	1,000,000	-	1,000,000	-	1,000,000
Primary Schools' desks	1,800,000	-	1,800,000	-	1,800,000
Gandini primary School	4,000,000	-	4,000,000	-	4,000,000

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
Kilifi Sub-county education Office	2,500,000	-	2,500,000	-	2,500,000
Paul Harris Secondary	3,500,000	-	3,500,000	-	3,500,000
Mwarakaya Secondary School	1,600,000	-	1,600,000	-	1,600,000
Msumarini Secondary School	2,500,000	-	2,500,000	-	2,500,000
Junju Secondary School	1,600,000	-	1,600,000	-	1,600,000
Chasimba Secondary School	1,000,000	-	1,000,000	-	1,000,000
Chonyi Police Station	1,861,000	-	1,861,000	-	1,861,000
NG-CDF Motor vehicle	9,000,000	-	9,000,000	-	9,000,000
NG - CDF Motor Bike	400,000	-	400,000	-	400,000
NG-CDF Office	3,000,000	-	3,000,000	2,652,012	347,988
NG-CDF Office	2,000,000	-	2,000,000	-	2,000,000
makata Primary School		2,600,000	2,600,000	2,600,000	-
strategic plan		4,000,000	4,000,000	4,000,000	-
innovation hubs		4,677,027	4,677,027	-	4,677,027
bembo Primary School		400,000	400,000	400,000	-
muhomkulu Primary School		600,000	600,000	600,000	-
mwangaza Primary School		100,000	100,000	100,000	-
mtomondoni secondary school		4,500,000	4,500,000	4,500,000	-
dindiri secondary school		500,000	500,000	500,000	-
vipingo secondary school		700,000	700,000	700,000	-

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019	2018/2019	2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
sub county education office		400,000	400,000	400,000	-
Primary School desks		2,100,000	2,100,000	2,100,000	-
NG-CDF Office		4,000,000	4,000,000	3,973,987	26,013
mbuyuni primary school		1,141,379	1,141,379	1,141,379	-
AIA		239,000	239,000	-	239,000
AIA		34,000	34,000	-	34,000
TOTAL	109,040,876	46,976,134	156,017,010	91,849,227	64,167,783

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

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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th 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) –
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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.

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 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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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	B005188	12,615,516	
	B030073	10,000,000	
	B030442	12,000,000	
	B006385	8,000,000	
	A699131	11,000,000	
	B042912	13,000,000	
	A855864		5,500,000
	A892771		37,905,172
	A896886		38,168,967
Total		66,615,516	81,574,139

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Sale of Tender Documents	34,000	100,000
TOTAL	34,000	100,000

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	2,192,496	1,130,845
Personal allowances paid as part of salary		
Employer contribution to NSSF		76,536
Gratuity-Paid		1,066,266
Gratuity-Accrued		
TOTAL	2,192,496	2,273,647

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

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	-	1,750
Office rent	385,000	
Communication, supplies and services	137,100	186,041
Domestic travel and subsistence	169,200	237,600
Rentals of produced assets	-	355,000
Training expenses	1,115,000	411,000
Other committee expenses	1,434,600	
Committee allowance	4,461,000	2,136,500
Office and general supplies and services	806,730	340,550
Fuel , oil & lubricants	200,000	600,000
Bank service commission and charges	97,930	
Routine maintenance - vehicles and other transport equipment	120,800	299,659
Routine maintenance- other assets	209,950	
TOTAL	9,137,310	4,568,100

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	14,441,379	8,337,930
Transfers to Secondary schools	5,700,000	6,800,000
TOTAL	20,141,379	15,137,930

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	30,321,000	10,606,038
Bursary -Tertiary	8,928,000	6,769,945
Security		13,400,000
Sports	2,180,817	1,736,206
Environment	1,236,206	
Emergency Projects	6,686,019	
TOTAL	49,352,043	32,512,189

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets		2018-2019	2017 - 2018
		Kshs	Kshs
Purchase of office furniture and fittings		400,000	
TOTAL		400,000	-

9. OTHER PAYMENTS

Strategic Plan		4,000,000	-
NG-CDF Office Completion		6,625,999	-
TOTAL		10,625,999	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Cooperative Bank, Mtwapa Branch</i>	<i>A/C no. 01141143001500</i>	9,126,907	34,326,618
Total		9,126,907	34,326,617.95
10B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-	-
TOTAL		-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2019)</i>
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		-	-	-
		-	-	-

12A. RETENTION

	2018 - 2019 Kshs	2017-2018 Kshs
Supplier 1		
Supplier 2		
Supplier 3		
Total		

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019 Kshs	2017-2018 Kshs
Name 1		
Name 2		
Name 3		
Add as appropriate		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	Kshs	Kshs
Bank accounts	34,326,618	7,106,565
TOTAL	34,326,618	7,106,565

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017 - 2018
	Kshs	Kshs
Bank accounts	-	37,780
TOTAL		37,780

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		

15.2: PENDING STAFF PAYABLES (See Annex 2)

	2018-2019	2017-2018
	Kshs	Kshs
Senior management		
Middle management		
Unionisable employees		
Others (<i>specify</i>)		

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities	9,126,907	16,267,398
Amounts due to other grants and other transfers	-	18,059,219
Acquisition of assets	-	
	9,126,907	34,326,617.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019 Kshs	2017-2018 Kshs
PMC account Balances (see attached list)	7,728,610	10,727,433
	<hr/>	<hr/>
	7,728,610	10,727,433

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY
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ANNEX 2 - 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	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

	Budget Utilization Difference
	Kshs
1.0 Administration	
Employees Salaries	478,014.51
Monitoring and Evaluation	-
CDFC/PMC Capacity Building	47,026.26
Emergency	
Emergency	3,596,848.94
Bursary	-
Bursary Tertiary Institutions	1,519,047.10
Environment	
Planting trees in Chasimba Primary School	100,000.00
Planting trees in Mitulani Primary School	100,000.00
Planting trees in Mwenzangombe Primary School	100,000.00
Planting trees in Kaole Primary School	100,000.00
Planting trees in Ziani Primary School	100,000.00
Planting trees in Karimboni Primary School	100,000.00
Planting trees in Mtundani Primary School	100,000.00
Planting trees in Bungu Primary School	100,000.00
Planting trees in M'bomoni Primary School	100,000.00
Planting trees in Sirini Primary School	100,000.00
Planting trees in Junju Primary School	100,000.00
Planting trees in Muhomukulu Primary School	100,000.00
Planting trees in Shariani Primary School	100,000.00
Planting trees in Bodoi Primary School	100,000.00
Planting trees in Kolewa Primary School	100,000.00
Planting trees in Kapecha Primary School	100,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY

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	Budget Utilization Difference
	Kshs
Planting trees in Barani Primary School	100,000.00
Planting trees in Kikambala Primary School	100,000.00
Planting trees in Bomani-Kireme Primary School	100,000.00
Planting trees in Mapawa Primary School	80,817.51
Planting trees in Mtomondoni Secondary School	100,000.00
Planting trees in Junju Secondary School	100,000.00
Sub - Total	2,180,817.51
Education	
Mtomondoni Primary School	1,500,000.00
Mafisini Primary School	1,500,000.00
Kaole Primary School	1,500,000.00
Sirini Primary School	1,500,000.00
Junju Primary School	1,500,000.00
Mwezang'ombe Primary School	3,000,000.00
Kolewa primary School	1,000,000.00
Bomani Kireme primary School	1,000,000.00
Gandini primary School	1,000,000.00
Ziani Primary School	1,000,000.00
Kidutani Primary school	1,000,000.00
Primary Schools' desks	1,800,000.00
Gandini primary School	4,000,000.00
Kilifi Sub-county education Office	2,500,000.00
Paul Harris Secondary	3,500,000.00
Mwarakaya Secondary School	1,600,000.00
Msumarini Secondary School	2,500,000.00
Junju Secondary School	1,600,000.00

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	Budget Utilization Difference
	Kshs
Chasimba Secondary School	1,000,000.00
Sub - Total	34,000,000.00
Security	
Chonyi Police Station	1,861,000.00
Chonyi Police Station	4,000,000.00
Sub - Total	5,861,000.00
Other	
NG-CDF Motor vehicle	9,000,000.00
NG - CDF Motor Bike	400,000.00
NG-CDF Office	347,988.00
NG-CDF Office	2,000,000.00
Innovation Hubs	4,677,027.20
Other	34,000.00
NG-CDF Office	26,013.00
	16,485,028.20
TOTAL	64,167,782.52

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0.00			0.00
Buildings and structures	27,000,000.00			27,000,000.00
Transport equipment	5,200,000.00			5,200,000.00
Office equipment, furniture and fittings	251,944.90			251,944.90
ICT Equipment, Software and Other ICT Assets	180,000.00	30,000.00	0.00	210,000.00
Other Machinery and Equipment	1,539,495.00			1,539,495.00
Heritage and cultural assets	0.00			0.00
Intangible assets	0.00			0.00
Total	34,171,439.90	30,000.00	0.00	34,201,439.90

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIFI SOUTH CONSTITUENCY
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
Bembo Primary School	Co-operative Bank	1141144530000	32,885.00	2,199,325.00
Chonyi Police Station	Co-operative Bank	1141143937900	303,167.00	
Dindiri Primary School CDF PMC	Co-operative Bank	1141143577700	21,145.00	18,075.10
Dindiri Secondary School	Co-operative Bank	1141144545400	1,216,198.45	3,999,325.00
Junju Primary School	Co-operative Bank	1139143995000	1,501,682.50	
Kilifi Sub-County Education	Co-operative Bank	1141144603600	775.00	
Mafisini Primary School	Co-operative Bank	1141144850900	1,500,000.00	
Makata Primary School	Co-operative Bank	1141143765100	4,946.86	4,106.00
M'buyuni Secondary School	Co-operative Bank	1141144576100	61,598.70	
Msumarini Primary School CDF PMC	Co-operative Bank	1141143767500	1,969.50	
Msumarini Secondary School CDF PMC	Co-operative Bank	1141143615000	2,597.50	
Mtomondoni Primary School	Co-operative Bank	1139142935300	1,515,882.30	
Mtomondoni Secondary School	Co-operative Bank	1141142935400	417.55	417.00
Mtomondoni Secondary School CDF PMC	Co-operative Bank	1139143985400	310,543.00	
Muhomkulu Primary School	Co-operative Bank	1141144529400	999.00	1,999,325.00
Mwangaza Primary School	Co-operative Bank	1141143053000	2,139.00	2,500,338.00
Mwarakaya Secondary School	Co-operative Bank	1139142948000	1,202,379.75	
Ng'ombeni Girls Secondary School	Co-operative Bank	1141143179300	5,028.10	605.00
Primary School Desks	Co-operative Bank	1141143766900	4,657.00	3,557.00
Sirini Primary School CDF PMC	Co-operative Bank	1141143550000	2,083.00	
Vipingo Secondary School CDF PMC	Co-operative Bank	1141143339100	1,935.80	1,935.00

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PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
Vwevwesi Primary School	Co-operative Bank	1141144097900	35,580.00	425.00
			7,728,610.01	10,727,433.10

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)
	Basis for Qualified Opinion				
1.0	<p>Bank Balances – the statement of assets as at 30 June 2018 reflects Kshs. 34,326,618 in respect of bank balances. However, the bank reconciliation statement reflected errors and bank charges amounting to Kshs. 34,050 which had been outstanding for more than two months. Although the management indicates that the errors and bank charges were passed in the cash book in January 2019, the cashbook balance as at 30 June 2018 is still misstated to the extent of the uncorrected errors as at the same date.</p> <p>In addition, included in un-presented cheques of Kshs. 2,317,634 are sixty four (64) cheques which had not cleared in the bank as at the time of audit, February 2019 implying they were stale. However, the cheques had not been reversed in the cashbook and the management has not clearly explained why the cashbook had not been updated. Consequently, the accuracy and completeness of the bank balance of Kshs. 34,326,618 as at 30 June 2018 could not be confirmed.</p>	<p><i>The bank charges amounting to Kshs. 34,050 have been recorded in the cash book</i></p>	<p><i>Sub – County Accountant</i></p>	<p><i>Resolved</i></p>	