


REPUBLIC OF KENYA



*Enhancing Accountability*

 <b>THE NATIONAL ASSEMBLY</b> <b>REPORT</b>	
<b>DATE:</b> 21 OCT 2021	<b>DAY:</b> Thursday
<b>TABLED BY:</b>	LOMP
<b>CLERK-AT THE-TABLE:</b>	Maira Wanjiku

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**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – KITUTU CHACHE  
SOUTH CONSTITUENCY**

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



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KITUTU  
CHACHE SOUTH CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**(b) Key Management**

The NGCDF KITUTU CHACHE 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 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Edwin K. Rutto
2.	Sub-County Accountant	Benjamin E. Oino
3.	Chairman NGCDFC	James M.Maobe
4.	Member of NGCDFC	James O.Orito

**(d) Fiduciary Oversight Arrangements**

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

Kitutu Chache South NG-CDF Office Building  
Monarch Building-Opposite ACC's Office Mosocho  
P.O. Box 2223-40200  
KISII

**(f) NGCDF KITUTU CHACHE SOUTH Constituency Contacts**

Telephone: (254) 720140374  
E-mail: [cdffkitutuchachesouth@ngcdf.go.ke](mailto:cdffkitutuchachesouth@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(g) NGCDF KITUTU CHACHE SOUTH Constituency Bankers**

Co-operative Bank of Kenya  
Kisii Branch  
P.O. Box 2469  
KISII, KENYA

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

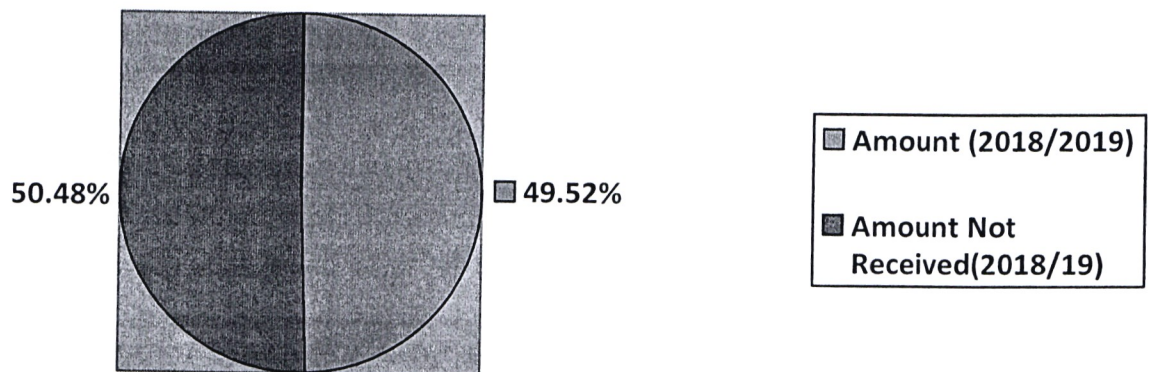
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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

During the financial year 2018/2019 Kitutu Chache South Constituency was allocated a total allocation of Ksh. 109,040,875. The total amount was budgeted for in the proposal for the financial year and it was approved in totality. The constituency received a total of Ksh.107, 048, 274.The amount received was a summation of all receipts during which included amount relating to previous years.

On appropriation the constituency utilization was average, the constituency was able to absorb more than 63% of the total available funds. This was somehow higher than previous years; this higher absorption was attributed to improved performance by both NG-CDF Committee and Project Management Committees in use of funds after being trained.

About 50% of funds allocated during the financial year was received. The chart below shows a representation of amount received from board the financial year in comparison to the amount not yet received is represented by the pie chart below; This representation is for 2018/2019 funds



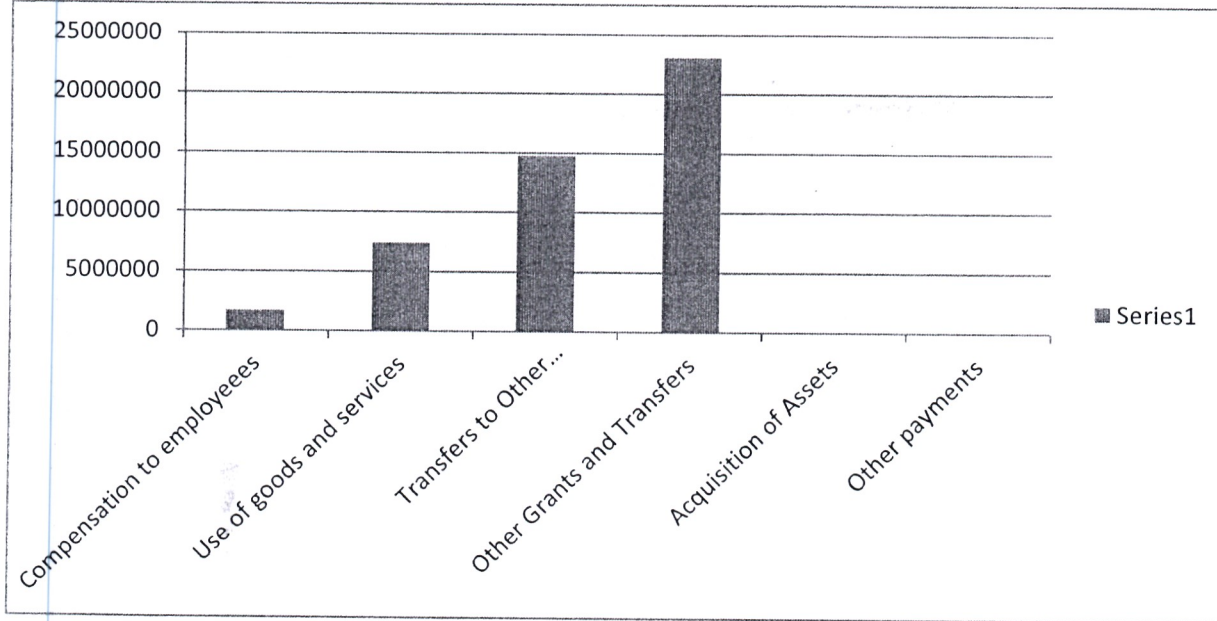
From the chart it can be seen that slightly more than 50% of the 2018/2019 funds were still with the board at the end of the financial year.

The NG-CDF Committee prioritized the funds which were received and gave priority to projects in Other Grants and Transfers and Transfers to other government entities as well as transfers to other government entities. Most of these projects were done to satisfaction. The bulk of funds utilized in the financial were in bursary, education projects and other grants and transfers.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KITUTU CHACHE SOUTH CONSTITUENCY**

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The table below shows the utilization proportion of various votes during the financial year.



Kitutu Chache South National Government Constituency Development Fund Committee (NGCDF) projects were implemented through Project Management Committees. Some of the projects implemented during the year are represented pictorially below.

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.

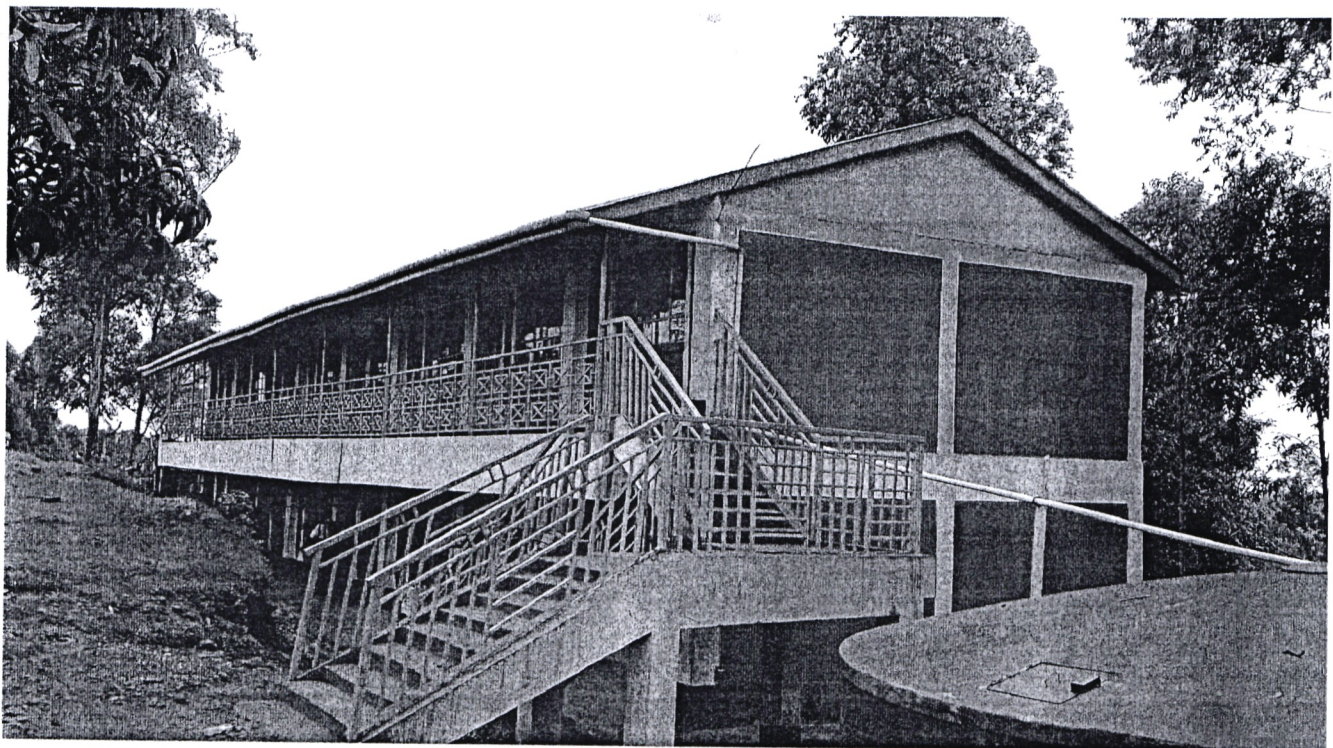


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**KITUTU CHACHE SOUTH NG CDF PROJECT-7 UNITS OF STAFF HOUSES CONSTRUCTED BY NG-CDF AT RUGA AP. LINE**



**KITUTU CHACHE SOUTH NG CDF PROJECT-8 CLASSROOMS CONSTRUCTED BY NG-CDF AT KIANYABINGE PRIMARY SCHOOL**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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The major challenge faced by Kitutu Chache South NG-CDF Committee lack of capacity by Project Management Committees to implement NG-CDF Projects, this led to delay in project implementation lifecycle and sometimes poor workmanship. This challenge has been partially solved by having continuous training of PMC members and regular training by NG-CDF Committee Members.

It is our hope that these challenges will be handled effectively in future through proper planning on priority areas.

*Nakanya*

**James Mokaya Maobe  
CHAIRMAN NGCDF COMMITTEE**

**III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the NGCDF-KITUTU CHACHE 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-KITUTU CHACHE 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-KITUTU CHACHE 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-KITUTU CHACHE 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-KITUTU CHACHE SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 30.09 2019.



Fund Account Manager  
Name: Edwin K. Rutto



Sub-County Accountant  
Name: Benjamin Oino  
ICPAK Member Number: 20476

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KITUTU CHACHE SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

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

#### **Qualified Opinion**

I have audited the financial statements of National Government Constituencies Development Fund - Kitutu Chache South Constituency set out on pages 9 to 42, 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 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 - Kitutu Chache 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

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

##### **1. Inaccuracy in the Financial Statements**

The statement of assets and liabilities reflects a cash and cash equivalents balance of Kshs.11,733,302 as at 30 June, 2019. However, the balance excludes an amount of Kshs.225,622 in relation to retention money as disclosed under Note 12A to the financial statements.

Further, the bank reconciliation statement as at 30 June, 2019, reflects unrepresented cheques totalling Kshs.4,322,092, out of which cheques amounting to Kshs.1,176,650 had become stale with some dating back to December, 2018.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.11,733,302 as at 30 June, 2019, could not be confirmed.

## **2. Unsupported Adjustments in the Summary Statement of Appropriations**

Included in the summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2019, are adjustments of Kshs.69,432,161 for both receipts and payments. The adjustments are in respect of payments for use of goods and services of Kshs.3,302,409, transfers to other government units of Kshs.30,300,000, other grants and transfers of Kshs.25,652,725, acquisition of assets of Kshs.5,000,000 and other payments of Kshs.5,177,027. However, a detailed schedule of the projects and programmes in the approved code list in the prior year which were to be funded during the 2018/2019 financial year was not provided for audit review.

In the circumstances, the validity, accuracy and completeness of the adjustments of Kshs.69,432,161 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 - Kitutu Chache 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**

#### **Budget Control and Performance**

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.178,473,036 and Kshs.121,695,954 respectively, resulting to an under-funding of Kshs.56,777,082 or 38% of the budget.

Further, the Fund had a total approved expenditure budget of Kshs.178,473,036 while the actual expenditure incurred during the year was Kshs.112,456,339. The difference of Kshs.66,016,697 or 37% of the budget represents the under-expenditure.

The underutilization of allocated funds negatively affected achievement of some of the core objectives of the Fund and denied the constituents efficient and effective service delivery.

## **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 matter 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**

### **Un-branded Projects**

The statement of receipts and payments reflects an expenditure of Kshs.40,400,000 under transfers to other government units for the year ended 30 June, 2019. The expenditure includes an amount of Kshs.4,750,000 which was incurred on three emergency projects, ten primary schools projects, two security projects and ten secondary schools projects.

Physical verification which was done on 13 February, 2020 revealed that although these projects had been completed and put to use, they were not branded as having been funded by the National Government Constituencies Development Fund. This omission creates the risk of overlap of projects especially where there is multi-funding.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 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 Financial Reporting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of

effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund 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 sustaining 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**

**01 October, 2021**



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

**KITUTU CHACHE SOUTH CONSTITUENCY**

**Reports and Financial Statements**

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

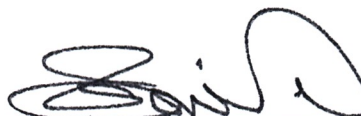
**IV. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	107,048,274	53,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>107,048,274</b>	<b>53,405,172</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,459,577	1,442,996
Use of goods and services	5	11,122,830	8,210,346
Transfers to Other Government Units	6	40,400,000	14,750,000
Other grants and transfers	7	59,473,932	22,510,080
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>112,456,339</b>	<b>46,913,422</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(5,408,065)</b>	<b><u>6,491,750</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 30.09.2019 and signed by:



**Fund Account Manager**  
**Name: Edwin K. Rutto**




**Sub-County Accountant**  
**Name: Benjamin E. Oino**  
**ICPAK Member Number:20476**

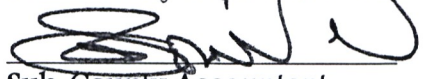
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For the year ended June 30, 2019**

**V. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018-2019 Kshs	2017-2018 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (as per the cash book)	10A	11,733,302	14,647,780
Cash Balances (cash at hand)	10B		-
<b>Total Cash and Cash Equivalents</b>		<b>11,733,302</b>	<b>14,647,780</b>
Current Receivables - Outstanding Imprests	11		-
<b>TOTAL FINANCIAL ASSETS</b>		<b>11,733,302</b>	<b>14,647,780</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable		-	-
Retention	12A	225,622	-
Gratuity	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>225,622</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>11,507,680</b>	<b>14,647,780</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	14,647,780	7,456,030
Surplus/Deficit for the year		(5,408,065)	<b>6,491,750</b>
Prior year adjustments	14	2,267,965	700,000
<b>NET FINANCIAL POSITION</b>		<b>11,507,680</b>	<b>14,647,780</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 30.09.2019 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Edwin K. Rutto

  
\_\_\_\_\_  
Sub-County Accountant  
Name: Benjamin E. Oino  
ICPAK Member Number:20476


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KITUTU CHACHE SOUTH CONSTITUENCY**

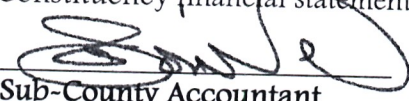
**Reports and Financial Statements  
For the year ended June 30, 2019**

**VI. STATEMENT OF CASHFLOW**

CASH FLOWS FROM OPERATING ACTIVITIES		2018 – 2019	2017 - 2018
<b>Receipts</b>			
Transfers from NGCDF Board	1	107,048,274	53,405,172
Other Receipts	3	-	-
<b>Total receipts</b>		<b>107,048,274</b>	<b>53,405,172</b>
<b>Payments</b>			
Compensation of Employees	4	1,459,577	1,442,996.00
Use of goods and services	5	11,122,830	8,210,000
Transfers to Other Government Units	6	40,400,000	14,750,000
Other grants and transfers	7	59,473,932	22,510,080.
Other Payments	9	-	-
<b>Total payments</b>		<b>112,456,339</b>	<b>46,913,422</b>
<b>Total Receipts Less Total Payments</b>		<b>(5,408,065)</b>	<b>6,491,750</b>
<b>Adjusted for:</b>			
Outstanding imprest	11		
Retention Payable	12A	225,622	
Gratuity Payable	12B		
Prior year adjustments	14	2,267,965	700,000.00-
<b>Net Adjustments</b>			<b>(-)</b>
<b>Net cash flow from operating activities</b>		<b>(2,914,478)</b>	<b>7,191,750</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	-	
<b>Net cash flows from Investing Activities</b>			<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(2,914,478)</b>	<b>7,191,750</b>
Cash and cash equivalent at BEGINNING of the year	13	14,647,780	7,456,030
Cash and cash equivalent at END of the year		<b>11,733,302</b>	<b>14,647,780</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 30.09.2019 and signed by:

  
Fund Account Manager  
Name: Edwin K. Rutto

  
Sub-County Accountant  
Name: Benjami E. Oino  
ICPAK Member Number: 20476

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	109,040,876.00	69,432,161	178,473,037	121,695,954	56,777,083	68.20%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	-
<b>TOTAL</b>	109,040,876	69,432,161	178,473,037	121,695,954	56,777,082	68.20%
<b>PAYMENTS</b>						
Compensation of Employees	2,391,694.00		2,391,694	1,459,577	932,117	61.00%
Use of goods and services	7,421,985.00	3,302,409.00	10,724,394	11,122,830	(398,436)	103.00%
Transfers to Other Government Units	40,450,000.00	30,300,000.00	70,750,000	40,400,000	30,650,000	57.10%
Other grants and transfers	49,777,196.00	25,652,725.00	75,429,921.00	59,473,932	15,881,611	78.80
Acquisition of Assets	9,000,000.00	5,000,000.00	14,000,000	-	14,000,000	0.00%
Other Payments		5,177,027.00	5,177,027		5,177,027	0.00%
<b>TOTALS</b>	109,040,875.00	69,432,161	178,473,036	112,456,339	66,016,697	63.00%


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

- i. Adjustment refers to balances brought forward from 2017/18, receipts from the Board relating to previous financial years
- ii. Compensation to employees is at 61% because staff gratuity had not been paid.
- iii. Use of goods is at 103.00 % this was occasioned by increases in public participation cost
- iv. Transfers to government entities is at 57.10 % because all funds for the year had not been received.
- v. Other grants and transfers are at 78.80 % because projects were funded based on priority on needs as total funds had not been received.
- vi. Acquisition of assets and other payments projects are still at the procurement stage of implementation

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

The NGCDF-KITUTU CHACHE SOUTH Constituency financial statements were approved on 30.09. 2019 and signed by:

  
Fund Account Manager  
Name: Edwin K. Rutto

  
Sub-County Accountant  
Name: Benjamin E. Oino  
ICPAK Member Number: 20476

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU CHACHE 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 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	2,391,694	-	2,391,694	1,549,577	932,117
1.2 Committee allowances	2,000,000		2,000,000	3,200,000	-1200000
1.3 Use of goods and services	2,450,759	2,000,000	4,450,758	2,450,759	2000000
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	993,640		993,640	993,640	0
2.2 Committee allowances	1,200,000		1,200,000	1,600,000	-400000
2.3 Use of goods and services	1,077,586	1,102,409	2,179,995	1,379,995	800,000
<b>3.0 Emergency</b>					
Getembe Primary School	39,508		39,508	39,508.00	0
Getembe Primary School	729,000		729,000	729,000.00	0
Getembe Primary School	90,000		90,000	90,000.00	0
Getembe Primary School	27,000		27,000	27,000.00	0
Getembe Primary School	54,000		54,000	54,000.00	0
Getembe Primary School	310,269		310,269	310,269.00	0
Getembe Primary School	37,917		37,917	37,917.00	0
Getembe Primary School	11,375		11,375.00	11,375.00	0
Getembe Primary School	19,612		19,612.00	19,612.00	0

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Getembe Primary School	10,800		10,800.00	10,800.00	0
Kiamwasi primary	300,000		300,000.00	300,000.00	0
Nyaore primary	200,000		200,000.00	200,000.00	0
Kiamwasi T.T.I	364,399		364,399.00	364,399.00	0
Kiogo primary school	50,000.		50,000.00	50,000.00	0
Getembe Primary	174,489		174,489.00	174,489.00	0
Getembe Primary	21,324		21,324.00	21,324.00	0
Getembe Primary	6,397		6,397.00	6,397.00	0
Getembe Primary	11,030		11,030.00	11,030.00	0
Nyagisai secondary sch	500,000		500,000.00	500,000.00	0
St. Mary's boys primary	500,000		500,000.00	500,000.00	0
Kanyimbo primary	250,000		250,000.00	250,000.00	0
Nyamondo primary	400,000		400,000.00	400,000.00	0
Getembe Primary	625,017		625,017.00	625,017.00	0
Getembe Primary	22,915		22,915.00	22,915.00	0
Getembe Primary	76,382		76,382.00	76,382.00	0
Kiamwasi T.T.I	194,000		194,000.00	194,000.00	0
Emergency	400,000		400,000.00	400,000.00	0
<b>3.1 Primary Schools</b>					
Bokeabu Primary School	500,000		500,000	300000	200000
Bototo Primary School	500,000		500,000	300000	200000
Daraja Mbili Primary School	800,000		800,000	500000	300000
Getembe Primary School	1,000,000		1,000,000	500000	500000
Jogoo Primary School	500,000		500,000	400000	100000
Kianyabinge Primary School	800,000		800,000	400000	400000
Kiogo Primary School	500,000		500,000	300000	200000

**CONSTITUENCY**

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Kisii Special School	800,000		800,000	400000	400000
Nyabigena Primary School	2,000,000		2,000,000	0	2000000
Nyabiyongo Primary School	500,000		500,000	3000000	200000
Gesarara Primary School	700,000		700,000	400000	300000
Nyakeogiro Primary School	500,000		500,000	400000	100000
Nyanbera Primary School	1,000,000		1,000,000	500000	500000
Nyanchogochi Primary School	500,000		500,000	400000	100000
Nyosia Primary School	500,000		500,000	300000	200000
Rera Primary School	300,000		300,000.00	0	300000
St. Joseph's Nyabururu Primary School	800,000		800,000.00	400000	400000
St. Patrick's Primary School-Mosocho	1,500,000		1,500,000.00	500000	1000000
Nyaore Primary School	500,000		500,000.00	300000	200000
St. Mary Boys Primary School-Mosocho	400,000		400,000.00	500000	100000
Riangoko primary		400,000		400,000	0
Nyanchogochi primary		300,000		300,000	0
Nyabundo prim		300,000		300,000	0
Nyanchogochi		400,000		400,000	0
Keore primary		400,000		400,000	0
Nyamondo Primary		400,000		400,000	0
Matioko primary		400,000		400,000	0
Nyankongo primary		300,000		300,000	0
Siara primary		500,000		500,000	0
Nyamorenyo primary		500,000		500,000	0
3.2 Secondary schools					
Bogeka Secondary School	800,000			400000	400,000



**COMMISSION**

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Getembe Secondary School	1,650,000			500000	1,150,000
Kanunda Secondary School	3,100,000			500000	2,600,000
Kanunda Secondary School	800,000			400000	400,000
Keore Secondary School	800,000			400000	400000
Nyakeogiro Secondary School	300,000			300000	0
Nyanguru Secondary School	800,000			400000	400000
Nyaore Secondary School	800,000			500000	300000
Nyatieko Secondary School	2,100,000			500000	160000
Ong'icha Secondary School	2,100,000			500000	160000
St. Catherine Iranda Secondary	1,500,000			1000000	500000
St. Patrick's Secondary School	1,100,000			500000	600000
Kanunda secondary		500,000		500000	
Nyatieko secondary		500,000		500000	
Getembe secondary		500,000		500000	
Ongicha secondary		500,000		500000	
St Patrick's sec		500,000		500000	
St Patrick's sec		500,000		500000	
Kiongongi secondary		500,000		500000	
Raganga sec		500,000		500000	
St. Patrick's's sec		500,000		500000	
Raganga secondary		400,000		500000	
St. Catherine Iranda		500,000		400000	
Nyanguru Sec		400,000		500000	
Raganga secondary		500,000		400000	
Kiongongi sec		500,000		500000	
Nyatieko secondary		500,000		500000	

**CONSTITUENCY**

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Ongicha secondary		500,000		500000	
Nyanguru secondary		400,000		400000	
Kioge girls secondary		500,000		500000	
Kanunda secondary		500,000		500000	
Getembe secondary		500,000		500000	
Iranda secondary		500,000		500000	
Raganga secondary		500,000		500000	
Getembe Secondary School		450,000		427272	
St. Patrick's Secondary School		450,000		427273	
Kanunda Secondary School		450,000		427272	
St. Catherine Iranda Secondary		450,000		427273	
Ong'icha Secondary School		450,000		427273	
Raganga Secondary School		450,000		427272	
Kiong'ongi Secondary School		450,000		427273	
Nyabururu National School		450,000		427273	
Cardinal Otunga High -Mosocho		450,000		427272	
DarajaMbili Secondary School		450,000		427273	
Nyatieko Secondary School		450,000		427273	
Kanyimbo Secondary School		450,000		427273	
Kiogo Secondary School		450,000		427272	
Nyakegiro Secondary School		450,000		427273	
Nyaore Secondary School		450,000		427273	
Nyagisai Secondary School		450,000		427273	
Riotero Secondary School		450,000		427273	
Keore Secondary School		450,000		427273	

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

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Kioge Secondary School		450,000		427,272	
Bogeka Secondary School		450,000		427,273	
Nyamatuta Secondary School		450,000		427,273	
Matieko Secondary School		450,000		427,273	
3.3 Tertiary institutions				9400000	
3.4 Security projects					
Nyatieko Chief office		4000,000	4000,000	4000,000	0
Mosocho A.C.C Office Fence	4,500,000		4,500,000	3,269,656	1,230,344
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools					
4.2 Secondary Schools	8,000,000				
4.3 Tertiary Institutions	19,676,568				
4.4 Universities					
<b>5.0 Sports</b>					
5.1 Constituency Sports Tournament	2,180,817	1,715,214		3,896,031	0
<b>6.0 Environment</b>					
6.1 Environmental Activities					
6.2. Bogeka Spring	2,180,875			300,000	1880,875
<b>12.0 Others</b>					
12.1 Strategic Plan		2,900,000	2,900,000	-	2,900,000
12.2 Innovation Hub		4,077,027	4,077,027	-	4,077,027
<b>Grand Total</b>	<b>109,040,875.00</b>	<b>69,432,161.00</b>	<b>178,473,036.00</b>	<b>112,456,339.00</b>	<b>66,016,697</b>

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

## **IX. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-KITUTU CHACHE 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.

## **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.

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law. 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) –  
KITUTU CHACHE SOUTH CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO. B005305	1	28,000,000.00	
AIE NO. B005279	2	25,048,274.35	
AIE NO. B030190	3	10,000,000.00	
AIE NO. B030460	4	15,000,000.00	
AIE NO. B006406	5	6,000,000.00	
AIE NO. A699145	6	11,000,000.00	
AIE NO. B042922	7	12,000,000.00	
AIE NO. A855884	1		5,500,000
AIE NO. A892735	2		9,500,000
AIE NO. A892668	3		500,000
AIE NO. A0089614	4		37,905,172
<b>TOTAL</b>		<b>107,048,274</b>	<b>53,405,172</b>

**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		
<b>Total</b>		



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

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	1,459,577	1,442,996
Basic wages of casual labour		
<b>Personal allowances paid as part of salary</b>		
House allowance		
Transport allowance		
Leave allowance		
Gratuity – paid		
- Accrued		
Other personnel payments		
<b>Total</b>	<b>1,459,577</b>	<b>1,442,996</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KITUTU CHACHE 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>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	4,800,000	3,285,000
Utilities, supplies and services	900,000	800,000
Communication, supplies and services	400,000	250,000
Domestic travel and subsistence	350,000	200,000
Printing, advertising and information supplies & services	400,000	-
Office Rent	208,000	180,000
Training expenses	900,000	850,000
Hospitality supplies and services	200,000	50,000
Insurance costs	-	-
Specialized materials and services	624,130	530,000
Office and general supplies and services	360,000	135,000
Other operating expenses	200,000	-
Routine maintenance – vehicles and other transport equipment	280,700	200,000
Oil, fuel and lubricants	1,150,000	1,360,000
Routine maintenance – other assets	350,000	100,000
<b>Total</b>	<b>11,122,830</b>	<b>8,210,346</b>

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6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019 Kshs	2017-2018 Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	15,400,000	6,850,000
Transfers to secondary schools (see attached list)	25,000,000	7,400,000
Transfers to tertiary institutions (see attached list)		500,000
Transfers to health institutions (see attached list)		
<b>TOTAL</b>	<b>40,400,000</b>	<b>14,750,000</b>

7. **OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019 Kshs	2017-2018 Kshs
Bursary – secondary schools (see attached list)	8,384,000	
Bursary – tertiary institutions (see attached list)	32,620,000	18,920,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)	7,269,656	967,000
Sports projects (see attached list)	3,896,032	400,000
Environment projects (see attached list)	300,000	943,080
Emergency projects (see attached list)	7,004,244	1,280,000
<b>Total</b>	<b>59,473,932</b>	<b>22,510,080</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<u>Non Financial Assets</u>	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	-	-

**9. OTHER PAYMENTS**

	2018-2019 Kshs	2017-2018 Kshs
Strategic plan		
ICT Hub		

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

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
Co-operative Bank, A/C No:01141423185500	11,733,302	14,647,780
<b>Total</b>		
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>		
<i>[Provide cash count certificates for each]</i>		

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

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

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

**12A. RETENTION**

	<b>2018 - 2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Phinya Limited		
Supplier 2		
Supplier 3		
<b>Total</b>	225,622.00	

*[Provide short appropriate explanations as necessary]*

**12B. STAFF GRATUITY OUTSTANDING**

	<b>2018 - 2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Name 1		
Name 2		
Name 3		
Add as appropriate		
<b>Total</b>		

*[Provide short appropriate explanations as necessary]*

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**13. BALANCES BROUGHT FORWARD**

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	14,647,680	7,456,030
Cash in hand		
Imprest		
<b>Total</b>	<u>14,647,680</u>	<u>7,456,030</u>
<i>[Provide short appropriate explanations as necessary]</i>		

**14. PRIOR YEAR ADJUSTMENTS**

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	2,267,965	
Cash in hand		
Imprest		
<b>Total</b>	<u>2,267,965</u>	

**Note**

Prior year adjustments refer to cheques which were reversed in the current financial year (2018/2019) and had been captured as expenditure in previous years.

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**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	-	-
	<u>-</u>	<u>-</u>

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

	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	<u>-</u>	<u>-</u>

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

	Kshs	Kshs
Compensation of employees	932,117	
Use of goods and services	(398,436)	3,302,409.00
Amounts due to other Government entities (see attached list)	30,650,000	30,300,000.00
Amounts due to other grants and other transfers (see attached list)	15,881,611	25,652,725.00
Acquisition of assets	14,000,000	5,000,000.00
Others ( <i>specify</i> )	5,177,027	5,177,027.00
	<u>66,016,697</u>	<u>69,432,161</u>



15.4: PMC account balances (See Annex 5)

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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15.4: PMC account balances (See Annex 5)

S/No	PMC Account Balance	2018-2019	2017-2018
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND(NG-CDF) - (KITUTU CHACHE 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	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND(NG-CDF) - (KITUTU CHACHE 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	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND(NG-CDF) - (KITUTU CHACHE SOUTH CONSTITUENCY)**

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		932,117	-	
Use of goods & services		(398,436)	3302409	
<b>Sub-Total</b>		<b>533,681</b>		
<b>Amounts due to other Government entities</b>				
Primary School Schools		16,700,000	14,800,000	
Secondary Schools		13,950,000	15,500,000	
<b>Sub-Total</b>		<b>30,650,000</b>	<b>30,300,000</b>	
<b>Amounts due to other grants and other transfers</b>				
Emergency		0	5,400,000	
Sports		0	1,800,000	
Bursary Secondary		5,832,032	8,500,000	
Bursary Tertiary			4,216,725	
Environment		2,549,576	1,736,000	
Security		7,500,000	4,000,000	
<b>Sub-Total</b>		<b>15,881,611</b>	<b>25,652,725</b>	
Acquisition of assets		14,000,000	5,000,000	
<b>Others (specify)</b>		5,177,027	5,177,027	
<b>Sub-Total</b>		<b>19,177,027</b>	<b>10,177,027</b>	
<b>Grand Total</b>		<b>66,016,697</b>	<b>69,432,161</b>	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures				
Transport equipment	4,300,000.00	-	-	4,300,000.00
Office equipment, furniture and fittings	251,400.00	-	-	251,400.00
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>4,551,400.00</b>	<b>-</b>	<b>-</b>	<b>4,551,400.00</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND(NG-CDF) -  
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**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
<b>Total</b>				

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.Funding of Devolved Government Functions	<p>Included in other grants and transfers balance of Kshs.48,567,233 is Kshs.25,000,000 and Ksh.600,000 allocated to water and agricultural projects respectively. However following the enactment of the NG-CDF Act ,2015 on 16<sup>th</sup> February 2016,the management continued to fund functions meant for the County Governments contrary to section 24 of the Act which states that the projects under this Act shall be respect of works,services falling within the functions of the national government under the constitution.</p>	<p><i>The funded water projects and agricultural project during the financial year 2016/2017 were project balances which had been approved in the year 2015/2016 and earlier which were ongoing.</i></p> <p><i>The Committee is now in process of handing over completed projects which fall under the county and at same time submit reports on incomplete devolve project so that the NG-CDF</i></p>	Fund Manager	Resolved	



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND(NG-CDF) -  
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**For the year ended June 30, 2019 (Kshs)**

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)
		<i>Board can make a decision on how the projects will be completed. the projects.</i>			
<b>2.0 Irregular use of Emergency</b>	Included under grants and transfers balance of Ksh.48,567,233 is Kshs.4,048,540 which in turn includes non emergency projects worth Kshs.2,500,000 disbursed to fund emergency projects .However,projects worth Kshs.2,500,000.00 did not qualify as emergencies in accordance with Section 8(3) of the Act.	<i>It was the in the opinion of the committee that this projects were emergency projects, since leaving them at the state they were would have been more costly in the long run, some required roofing and leaving them as were the project would have been more vulnerable to heavy rains and other harmful weather conditions. This project were implemented as</i>	Fund Manager and District Accountant	Resolved	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND(NG-CDF) -  
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**For the year ended June 30, 2019 (Kshs)**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timeframe: ( <i>Put a date when you expect the issue to be resolved</i> )
		<i>emergency projects as envisaged by Section 8(3) of the NG-CDF Act.</i>			