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TABLED BY:	WILLIAM WANJAU
CLERK AT THE TABLE:	J. GIMOND

THE AUDITOR-GENERAL

ON

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

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



1954



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - RANGWE
CONSTITUENCY**

AMENDED REPORTS AND FINANCIAL STATEMENTS

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

RANGWE 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 RANGWE 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	Charles M. Omosa
2.	Sub-County Accountant	Michael Gudah
3.	Chairperson NGCDFC	Mercy Okombo
4.	Member NGCDFC	Carolyne A. Otieno

(d) Fiduciary Oversight Arrangements

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

P.O. Box 63 Rangwe 40303
NG-CDF Rangwe Hall / Office
Orero - Market Way
Rangwe, KENYA

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

RANGWE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF RANGWE Constituency Contacts

Telephone: (254) 729 495 375

E-mail: cdfrangwe@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF RANGWE Constituency Bankers

1. Equity Bank (K) Limited
Bank Road
A/c No. 0980261940653
P.O. Box 75104 – 40300,
Homa Bay, Kenya

(h) Independent Auditors

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

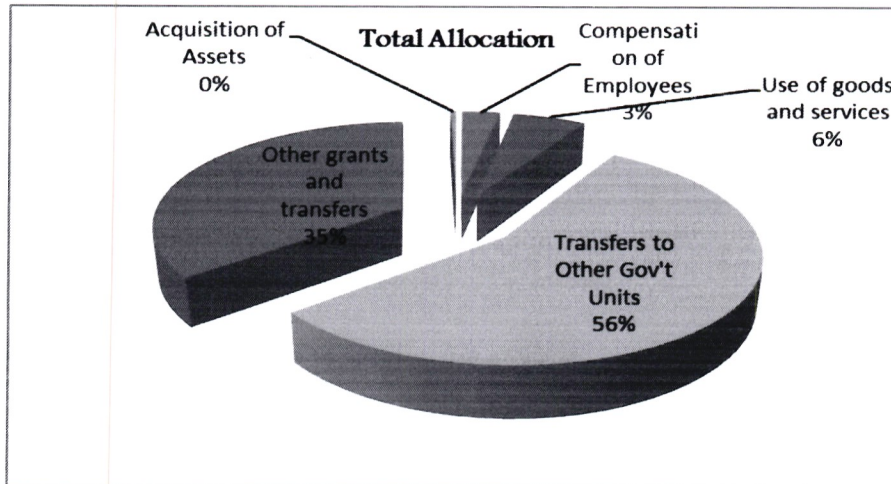
(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NG-CDF Rangwe is grateful for the financial year that has been. The committee had a budget of Kes. 109,040,875.52, which is an increase from the previous financial year's 86,810,345. This was to finance National Government projects besides office administration and other statutory. As at 30th June, 2019, the NG-CDF Board had dispersed Kes. 54,000,000.00 which translates to 49.5%.

The total allocation was to fund projects in Education, Security, Bursaries, etc as presented below;



The NG-CDF has improved education and security infrastructure in Rangwe besides bursaries allocation to needy and deserving students. This is evidenced by comparison on bursary allocation and disbursed of the last financial year.

However, emerging issues like political, economic, social, legal and global challenges influence the implementation of NG-CDF projects. Other issue include late disbursement of funds, re-allocation and late approval of project. As at 30th June, 2019, projects worth 28,100,000.00 had not been approved.

It is understood that projects proposal was submitted late thus the NG-CDFC did not receive its allocation in time which translated into delayed implementation of projects. The unutilized funds still remain with the NG-CDF Board.

(Handwritten signature)

.....
Sign

5/05/2020

.....
Date

**Ms. Mercy Adhiambo Okombo,
NG-CDFC Chairperson.**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
RANGWE CONSTITUENCY**

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

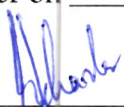
The Accounting Officer in charge of the NGCDF-Rangwe Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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-Rangwe 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-Rangwe 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.

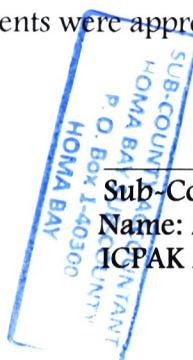
The Accounting Officer in charge of the NGCDF-Rangwe Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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-Rangwe Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.



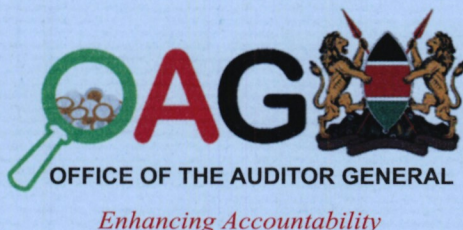
Fund Account Manager
Name: Charles Omosa



Sub-County Accountant
Name: Michael Gudah
ICPAK Member Number: 20477

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – RANGWE 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 - Rangwe Constituency set out on pages 6 to 38, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement 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 - Rangwe 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. Transfers to Other Government Units

1.1. Disbursements to Secondary Schools

The statement of receipts and payments reflects expenditure of Kshs.29,900,000 under transfers to other government units. As disclosed under Note 6 to the financial statements, Kshs.13,500,000 was transferred to secondary schools of which Kshs.12,000,000 was incurred on purchase of school buses and construction of administration blocks in four (4) secondary schools as shown below:

Beneficiary	Activity	Amount (Kshs.)
Nyawita Mixed Secondary School	Purchase of 33-Seater Bus	5,000,000
Omoche Mixed Secondary School	Purchase of 33-Seater Bus	5,000,000

Beneficiary	Activity	Amount (Kshs.)
God Marera Mixed Secondary School	Construction of Administration Block	500,000
Wicoteng Mixed Secondary School	Construction of Administration Block	1,500,000
Total		12,000,000

However, details of the Project Management Committees (PMC) membership, procurement records, certificates of interim payments, certificate of completion, log books and payment vouchers in support of the expenditure were not provided. The Fund Management explained that the documents were stolen and the matter reported to the Police as per the Police Abstract dated 14 October, 2019.

The amount of Kshs.13,500,000 also includes an expenditure of Kshs.1,500,000 relating to purchase of a pumping set and piping materials at Orero Secondary School. The project was approved during the 2017/2018 financial year and Kshs.1,500,000 was transferred to the PMC. However, the membership and bank account details of the PMC were not provided for audit. Further, audit inspection on 4 March, 2020, revealed that the funds were not received at the School. In addition, only two plastic tanks of a capacity of 10,000 litres each and a non-functional water pumping set had been procured. Procurement and payment documents supporting the expenditure were, however, not provided for audit.

In the circumstances, the regularity, completeness, accuracy and propriety of the transfers of Kshs.13,500,000 to secondary schools, could not be confirmed.

1.2. Transfers to Primary Schools

The expenditure of Kshs.29,900,000 under transfers to other government units, as disclosed under Note 6 to the financial statements, is an amount of Kshs.16,400,000 for transfers to primary schools. The following observations were made regarding the expenditure:

1.2.1. Unsupported Expenditure at God Marera Mixed Secondary School

An amount of Kshs.1,000,000 was disbursed in the financial year 2018/2019 for completion of an administration block at God Marera Mixed Secondary School of which a cumulative expenditure of Kshs.2,000,000 had been incurred on the project. However, the procurement and payment documents supporting the expenditure were not provided for audit.

In the circumstances, the regularity, propriety, completeness, accuracy and value for money on the expenditure of Kshs.2,000,000 could not be confirmed.

1.2.2. Completion of a Storey Building at Ondiche Primary School

The amount of Kshs.16,400,000 for transfers to primary schools includes an expenditure of Kshs.3,500,000 incurred on completion of a storey building at Ondiche Primary School. Audit inspection on 02 March, 2020, revealed that the ground floor of three (3) classrooms was completed and in use while the first floor was constructed up to the lintel level. The contractor was not on site and the project had stalled. Further, procurement and payment documents supporting the expenditure were not provided for the audit.

Consequently, the regularity, propriety, accuracy, completeness and value for money of the expenditure of Kshs.3,500,000 incurred on the project, could not be confirmed.

1.2.3. Drilling of a Borehole, Installation of a Pumping Set and Piping at Rang'i Primary School

An amount of Kshs.2,000,000 was disbursed for drilling of a borehole, installation of pumping set and piping of an ablution block at Rang'i Primary School. The Project was approved in financial year 2017/2018 at an estimated cost of Kshs.1,500,000. However, the details of the PMC membership and the bank account details were not provided for audit.

Further, procurement and payment documents supporting the expenditure were not provided for audit. In addition, audit inspection on 04 March, 2020 revealed that the borehole had not been drilled and the other works had also not been done. The School Management was not aware of the Project.

In the circumstances, the regularity, propriety, completeness, accuracy and value for money of the expenditure of Kshs.2,000,000 could not be confirmed.

1.2.4. Drilling of a Borehole at Yogo Primary School

An amount of Kshs.2,000,000 was disbursed for drilling of a borehole at Yogo Primary School. However, the procurement and payment documents supporting the expenditure were not provided for audit. Further, audit inspection on 02 March, 2020 revealed that the borehole had not been drilled and the School Management was not aware of the existence of the funds.

Consequently, the regularity, propriety, completeness, accuracy and value for money of the expenditure of Kshs.2,000,000 could not be confirmed.

1.2.5. Unsupported Expenditure on Renovation and Completion of Classrooms

The amount of Kshs.16,400,000 transferred to primary schools included expenditure totaling Kshs.2,800,000 incurred as follows:

Beneficiary	Activity	Amount (Kshs.)
Nyambare Primary School	Renovation of 4 No. classrooms and administration block: re-roofing, plastering, fitting, flooring and painting	800,000
Ondiche Primary School	Completion of 6 No. classrooms in a storey building	2,000,000
Total		2,800,000

However, according to the Management, supporting documents including the details of the PMC membership, procurement records, certificates of interim payments, certificate of practical completion and payment vouchers were stolen and the matter reported to the Police as per the Police Abstract dated 14 October, 2019.

In the absence of adequate relevant supporting documents, the regularity, propriety, accuracy, completeness and value for money of the expenditure of Kshs.2,800,000 could not be confirmed.

2. Unsupported Prior Year Adjustments

The statement of assets and liabilities reflects a prior year adjustment of Kshs.892,712 relating to reversal of cheques as disclosed under Note 14 to the financial statements. However, the details of the reversed cheques were not provided for the audit. In addition, Paragraph 47(a) of IPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors provides that an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by restating the comparative amounts for prior period presented in which the error occurred.

In the circumstances, the accuracy and completeness of the prior year adjustments balance of Kshs.892,712 could not be ascertained.

3. Fixed Assets Register

Disclosed under Annex 4 to the financial statements, is a summary of fixed assets register reflecting a historical cost assets balance of Kshs.16,470,286 as at 30 June, 2019. However, the fixed assets register was not provided for audit.

In the absence of the assets register, the existence, completeness and accuracy of the fixed assets balance of Kshs.16,470,286 as at 30 June, 2019, could not be ascertained.

4. Unreconciled Variances on Unutilized Funds

The summary statement of appropriation - recurrent and development combined, reflects a budget under-utilization of Kshs.62,899,045. However, Note 15.3 to the financial statements and Annex 3 reflect an unutilized funds balance of Kshs.62,859,995 resulting into an unreconciled variance of Kshs.39,050.

In the circumstances, the accuracy of the unutilized funds balance 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 - Rangwe Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of

Kshs.164,017,466 and Kshs.108,976,590 respectively, resulting to an under-funding of Kshs.55,040,876 or 34% of the budget. Similarly, the Fund expended Kshs.101,118,421 against an approved budget of Kshs.164,017,466 resulting to an under-expenditure of Kshs.62,899,045 or 38% of the budget

The underutilization of the approved budget negatively affected the effectiveness and efficiency in the delivery of services to the constituents of Rangwe Constituency.

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. Transfers to Other Government Units

1.1. Construction of an Administration Block at Rabuor Kaura Primary School

As disclosed at Note 6 to the financial statements, an amount of Kshs.16,400,000 was allocated for transfers to primary schools of which Kshs.1,500,000 was paid to a contractor for completion of an administration block at Rabuor Kaura Primary School.

The contracted works consisted of plastering, fitting, electrification, flooring and painting for which the contractor was paid the full contract sum. However, audit inspection of the project on 02 March, 2020, revealed that painting works and electrical works valued at approximately Kshs.85,000 and Kshs.150,000 respectively, were not done.

Consequently, the value for money and regularity of the expenditure of Kshs.1,500,000 could not be confirmed.

2. Other Grants Transfers

2.1. Delayed Completion of Works and Irregular Use of Emergency Funds

The statement of receipts and payments reflects expenditure of Kshs.58,327,094 under other grants and transfers. As disclosed under Note 7 to the financial statements, an amount of Kshs.13,526,000 was allocated for emergency projects of which an expenditure of Kshs.2,585,000 was incurred on renovation of the Constituency Development Fund Office at Rangwe. However, the scope of the renovation works could not be ascertained because the bill of quantities was not prepared by a technical department of the Government. Further, audit inspection on 04 March, 2020 revealed that the renovation works had commenced and the painting work had been partially done (approximately 40%), more than eight (8) months after the funds were transferred to the PMC account.

In addition, the expenditure was contrary to 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.

Consequently, the value for money and regularity of the expenditure Kshs.2,585,000 could not be confirmed.

2.2. Unapproved Reallocation of Funds

Included in the amount of Kshs.13,526,000 for emergency projects is an amount of Kshs.3,700,000 allocated for completion of the administration block at Wikoteng Mixed Secondary School. However, audit inspection on 03 March, 2020 revealed that the School Management was not aware of the disbursements and no such Project had been undertaken in the School. Although the Fund management explained that the funds were reallocated to construction of Wikoteng Dispensary, the approval of the Board to reallocate the funds as required under Section 6(2) of the National Government Constituencies Development Fund Act, 2015, was not provided.

In the circumstances, the regularity of the expenditure of Kshs.3,700,000 could not be confirmed.

2.3. Unapproved Project Variation and Houses not Put to Use

The amount of Kshs.13,526,000 for emergency projects includes an amount of Kshs.1,500,000 disbursed for the construction of East Gem Administration Police Staff Houses. The tender for the construction was awarded at a contract sum of Kshs.1,499,985. However, the certificate of completion dated 10 December, 2018 provided in support of the payments did not originate from the County Works Office - Homa Bay. Further, audit inspection on 03 March, 2020 revealed that three (3) door houses were constructed instead of five (5) door houses. In addition, the ceiling boards were not fitted and the houses had not been occupied hence not serving the intended purposes.

Consequently, the regularity and value for money of the expenditure of Kshs.1,500,000 could not be confirmed.

2.4. Construction of Roads

The expenditure of Kshs.13,526,000 on emergency projects also includes an amount of Kshs.5,000,000 which was allocated for rehabilitation of two roads namely: Cinema -Rangii Primary School Road at a cost of Kshs.2,000,000 and Nyandara - Wikoteng Secondary School Road at a cost of Kshs.3,000,000.

The scope of the works included opening up of the access roads and building culverts along the roads. However, audit revealed that the Fund Management spent the funds on the road projects which were not under the National Government as provided in the Fourth Schedule of the Constitution of Kenya and contrary to the provisions of Section 24(a) of National Government Constituencies Development Fund Act, 2015 which provides that projects should only be in respect of works and services falling within the functions of the National Government under the Constitution.

Further, procurement and payment documents supporting the expenditure were not provided for audit review. In addition, audit inspection of the projects on 03 March, 2020 revealed that the culverts had not been installed.

Consequently, the value for money and regularity of the expenditure of Kshs.5,000,000 could not be confirmed.

2.5. Incomplete Works and Unaccounted for Provisional Sums

The expenditure of Kshs.58,327,094 under other grants and transfers includes an amount of Kshs.3,500,000 for security projects as disclosed at Note 7 to the financial statements. An amount of Kshs.1,500,000 was allocated for construction of five (5) staff houses at Rangwe Administration Police Lines. However, audit inspection on 03 March, 2020, revealed that the ceiling boards were not fitted and the provisional sum of Kshs.75,000 for electrical works and administration was not accounted for.

Consequently, the value for money and regularity of the expenditure of Kshs.1,500,000 incurred on the project could not be confirmed.

3. Implementation of Projects

3.1. Projects Implemented Without the Involvement of Institutional Project Management Committees

Section 36 (1) of the National Government Constituencies Development Fund Act, 2015 provides that projects under the Act shall be implemented by the project management committee appointed in accordance with the Regulations. Regulation 16 (1) of the National Government Constituencies Development Fund Regulations, 2016 further provides that the management committees of institutions in which funded projects are undertaken shall serve as the project management committees for such institutions and shall open separate bank accounts for the said funds. However, the projects listed below were implemented without the involvement of the institutional project management committees. The beneficiary institutions were not involved in the entire projects' cycles and only ad hoc project management committees were formed to manage the projects.

School	Project
Omoche Primary School	Construction of toilets
Rabuor Kaura Primary School	Construction of administration block
Aoch Muga Primary School	Renovation of 8 classrooms and administration block (re-roofing, plastering, fitting, flooring and painting)
Ariwa Primary School	Construction of one model classroom.
Goga Primary School	Construction of one model classroom.
Got Marera Mixed Secondary School	Finishing of administration block (plastering, fitting, painting, ceiling and electrification)
Nyambare Primary School	Renovation of 4 classrooms and administration block (re-roofing, plastering, fitting, flooring and painting)
Nyaudho Primary School	Construction of one model classroom.
Nyawita Mixed Sec School	Purchase of 33-seater school bus

School	Project
Nyawita Primary School	Construction of one model classroom.
Odienya Primary School	Construction of administration block.
Omoche Mixed Sec School	Purchase of 33-seater school bus
Omoche Primary School	Renovation of 9 classrooms and administration block (re-roofing, plastering, fitting, flooring, painting and electrification).
Ondiche Primary School	Completion of 6 classrooms in a storey building (plastering, fitting, flooring and ceiling)
Onganga Primary	Construction of one model classroom.
Orero Primary School	Renovation of 8 classrooms and administration block (re-roofing, plastering, fitting, flooring and painting)
Orero Secondary School	Purchase of pumping set and piping to reservoir to an already existing school borehole.
Rabour Kaura Primary School	Construction of an administration block.
Rangi Primary School	Drilling of borehole, purchase and installation of pumping set and piping to ablution block.
Sota Primary School	Construction of one model classroom.
Wikoteng Secondary School	Construction of administration block.
Yogo Primary School	Drilling of borehole, purchase and installation of pumping set and piping to ablution blocks.

3.2. Projects Implemented Without Budget and Approval of the Board

Section 31 (2) of the National Government Constituencies Development Fund Act, 2015 provides that the Board shall scrutinize and approve for funding those project proposals that are consistent with the Act. However, audit revealed that projects costing Kshs.17,000,000 were implemented without relevant budgetary provisions and approval of the National Government Constituencies Development Fund Board as shown in the table below:

Project Location	Actual Expenditure (Kshs.)
Nyawita Secondary School	5,000,000
Omoche Secondary School	5,000,000
Rural Electrification	4,000,000
Gem East AP Line	1,500,000
Rangwe Police Station	1,500,000
Total	17,000,000

3.3. Projects Budgeted for but Not Implemented

Projects costing Kshs.64,866,349 were budgeted for and approved but were not implemented as shown in the table below:

Project Location	Final Budget (Kshs.)
Rangwe AP Line	266,349
Omoche Mixed Secondary School	500,000
Nyawita Mixed Secondary School	500,000
Nyakwadha Secondary School	500,000
Odiinya Primary School	1,000,000
Ondiche Primary School	1,000,000
Gul Kagembe Primary School	1,000,000
Onyege Primary School	1,000,000
Koyoo Mixed Secondary School	1,000,000
Nyachar Primary School	1,500,000
Aoch Muga Primary School	1,500,000
Aora Chak - Koga Primary School Rd	1,500,000
Store Pamba - Ongoro Primary School Rd	1,600,000
Nyandema Primary School	2,000,000
Sinogo Secondary School	2,000,000
Asumbi Teachers Training College	2,000,000
Rangwe Girls Secondary School	5,000,000
Nyandiwa Mixed Secondary School	5,000,000
Rabango Mixed Secondary School	5,500,000
Rangwe Girls Secondary School	5,500,000
Rangwe Sub-County Headquarters	25,000,000
Total	64,866,349

Non-implementation of approved projects negatively affects delivery of services to the constituents.

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

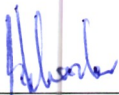
15 October, 2021

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

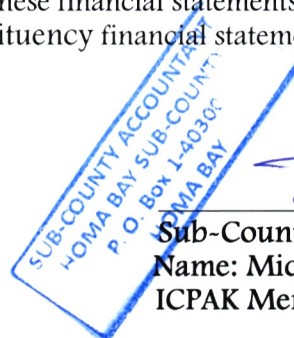
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019 Kshs	2017-2018 Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	102,484,483	44,605,172
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		102,484,483	44,605,172
PAYMENTS			
Compensation of employees	4	2,367,989	721,872
Use of goods and services	5	10,523,338	3,165,000
Transfers to Other Government Units	6	29,900,000	6,000,000
Other grants and transfers	7	58,327,094	28,278,447
Acquisition of Assets	8		
Other Payments	9		
TOTAL PAYMENTS		101,118,421	38,165,319
SURPLUS/DEFICIT		1,366,062	6,439,853

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



Fund Account Manager
Name: Charles Omosa




Sub-County Accountant
Name: Michael Gudah
ICPAK Member Number: 20477



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

RANGWE CONSTITUENCY

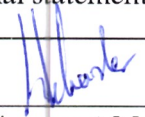
Reports and Financial Statements


For the year ended June 30, 2019

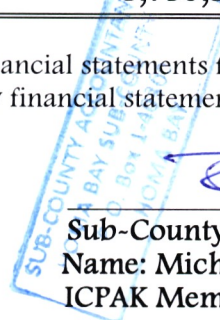
V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	8,750,881	6,492,107
Cash Balances (cash at hand)	10B		
Total Cash and Cash Equivalents		8,750,881	6,492,107
Current Receivables			
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		8,750,881	6,492,107
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A		
Gratuity	12B		
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		8,750,881	6,492,107
REPRESENTED BY			
Fund balance b/fwd	13	6,492,107	
Surplus/Defict for the year		1,366,062	6,439,853
Prior year adjustments	14	892,712	52,254
NET FINANCIAL POSITION		8,750,881	6,492,107

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


Fund Account Manager
Name: Charles Omosa

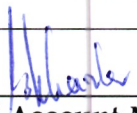

Sub-County Accountant
Name: Michael Gudah
ICPAK Member Number: 20477



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)**RANGWE 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
Receipts			
Transfers from CDF Board	1	102,484,483	44,605,172
Other Receipts	3	-	-
Total Receipts		102,484,483	44,605,172
Payments			
Compensation of Employees	4	2,367,989	721,872
Use of goods and services	5	10,523,338	3,165,000
Transfers to Other Government Units	6	29,900,000	6,000,000
Other grants and transfers	7	58,327,094	28,278,447
Other Payments	9	-	-
Total Payments		101,118,421	38,165,319
Total Receipts Less Total Payments		1,366,062	6,439,853
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	892,712	52,254
Net Adjustments		892,712	52,254
Net cash flow from operating activities		2,258,774	6,492,107
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		2,258,774	6,492,107
Cash and cash equivalent at BEGINNING of the year	13	6,492,107	-
Cash and cash equivalent at END of the year		8,750,881	6,492,107

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


Fund Account Manager
Name: Charles Omosa


Sub-County Accountant
Name: Michael Gudah

ICPAK Member Number: 20477



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY

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

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

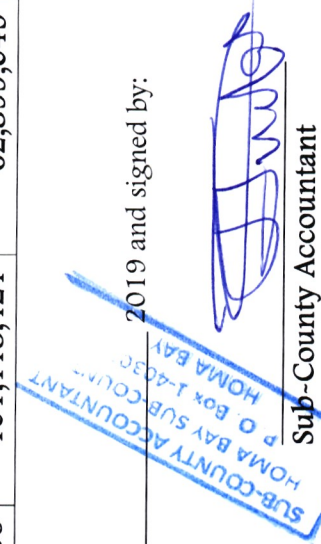
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	54,976,590	164,017,466	108,976,590	55,040,876	66.4%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTAL RECEIPTS	109,040,876	54,976,590	164,017,466	108,976,590	55,040,876	66.4%
PAYMENTS						
Compensation of Employees	3,175,000	632,011	3,807,011	2,367,989	1,439,022	62.2%
Use of goods and services	7,138,679	2,764,297	9,902,976	10,523,338	620,362	106.1%
Transfers to Other Gov't Units	35,600,000	25,313,933	60,913,933	29,900,000	31,013,933	49.8%
Other grants and transfers	62,627,197	26,266,349	88,893,546	58,327,094	30,566,452	67.0%
Acquisition of Assets	500,000	-	500,000	-	-	0.0%
Other Payments	-	-	-	-	-	
TOTAL	109,040,876	54,976,590	164,017,466	101,118,421	62,899,045	61.7%

Utilization is below 90% due to piece meal and late disbursement of funds.

The NGCDF-Rangwe Constituency financial statements were approved on _____ 2019 and signed by:



Fund Account Manager
Name: Charles Omosa



Sub-County Accountant
Name: Michael Gudah
ICPAK Member Number: 20477


05 MAY 2020
FUND ACCOUNT MANAGER
NATIONAL GOVERNMENT
RANGWE CONSTITUENCY
CONSTITUENCIES DEVELOPMENT FUND BOARD

NATIONAL DEVELOPMENT CONSULTANCY DEVELOPMENT FUND (NGCDF) KANGWE CONSULTANCY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

1.0 Administration and Recurrent									
1.1 Compensation of employees	3,175,000	632,011	3,807,011	2,367,989	1,439,022				
1.2 Committee allowances	1,367,453	559,986	1,927,439	1,718,800	208,639				
1.3 Use of goods and services	1,500,000	1,095,259	2,595,259	2,835,538	-240,279				
1.4 Acquisition of assets	500,000	-	500,000		500,000				
Sub - Total	6,542,453	2,287,256	8,829,709	6,922,327	1,907,382				
2.0 Monitoring and Evaluation									
2.1 Capacity building	571,226	709,052	1,280,278	710,000	570,278				
2.2 Committee allowances	1,400,000	400,000	1,800,000	1,570,000	230,000				
2.3 Use of goods and services	1,300,000	0	1,300,000	1,189,000	111,000				
Sub - Total	3,271,226	1,109,052	4,380,278	3,469,000	911,278				
3.0 Emergency									
3.1 Primary Schools	1,000,000	1,037,931	2,037,931	3,500,000	-1,462,069				
3.2 Secondary schools	1,000,000	1,100,000	2,100,000	5,200,000	-3,100,000				
3.3 Tertiary institutions	1,738,993	2,000,000	3,738,993	2,726,000	1,012,993				
3.4 Security projects	2,000,000	1,000,000	3,000,000	2,100,000	900,000				
Sub - Total	5,738,993	5,137,931	10,876,924	13,526,000	-2,649,076				
4.0 Bursary and Social Security									
4.1 Primary Schools	0	387,932	387,932	265,000	122,932				
4.2 Secondary Schools	14,000,000	5,754,419	19,754,419	14,000,000	5,754,419				
4.3 Tertiary Institutions	13,260,219	4,000,000	17,260,219	20,936,094	-3,675,875				
4.4 Universities	0	0	0	0	0				
4.5 Social Security	0	0	0	0	0				
Sub - Total	27,260,219	10,142,351	37,402,570	35,201,094	2,201,476				
5.0 Sports									

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

NG- CDF Sports Committee		2,180,818	900,000	3,080,818	900,000	2,180,818
Sub - Total		2,180,818	900,000	3,080,818	900,000	2,180,818
6.0 Environment						
NG-CDF Environment Committee		2,180,818	1,200,000	3,380,818	1,200,000	2,180,818
Sub - Total		2,180,818	1,200,000	3,380,818	1,200,000	2,180,818
7.0 Primary Schools Projects						
Ondiche Primary School		0	1,000,000	1,000,000	1,000,000	0
Yogo Primary School		0	2,000,000	2,000,000	2,000,000	0
Rabour Kaura Primary School		0	1,000,000	1,000,000	1,000,000	0
Omoche Primary School		0	1,000,000	1,000,000	1,000,000	0
Nyambare Primary School		0	800,000	800,000	800,000	0
Aoch Muga Primary School		0	500,000	500,000	500,000	0
Nyawita Primary School		0	300,000	300,000	300,000	0
Goga Primary School		0	300,000	300,000	300,000	0
Rangi Primary School		0	2,000,000	2,000,000	2,000,000	0
Oreoro Primary School		0	500,000	500,000	500,000	0
Mariga Primary School		0	300,000	300,000	300,000	0
Sota Primary School		0	800,000	800,000	800,000	0
Ariwa Primary School		0	800,000	800,000	800,000	0
Onganga Primary		0	800,000	800,000	800,000	0
Nyaudho Primary School		0	800,000	800,000	800,000	0
Omoche Primary School		2,500,000	0	2,500,000	1,000,000	1,500,000
Odienya Primary School		1,000,000	0	1,000,000	0	1,000,000
Nyachar Primary School		1,500,000	0	1,500,000	0	1,500,000
Aoch Muga Primary School		1,500,000	0	1,500,000	0	1,500,000
Rabour Kaura Primary School		1,500,000	0	1,500,000	1,500,000	0
Ondiche Primary School		1,000,000	0	1,000,000	0	1,000,000
Gul Kagembe Primary School		1,000,000	0	1,000,000	0	1,000,000
Aora Chak - Koga Primary School Rd		1,500,000	0	1,500,000	0	1,500,000
Store Pamba - Ongoro Primary School Rd		1,600,000	0	1,600,000	0	1,600,000
Onyege Primary School		1,000,000	0	1,000,000	0	1,000,000

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

Nyandema Primary School		2,000,000	0	2,000,000	0	2,000,000
Sub - Total	16,100,000	12,900,000	29,000,000	15,400,000	13,600,000	
8.0 Secondary Schools Projects						
Nyawita Secondary School	0	0	0	5,000,000	0	-5,000,000
Omoche Secondary School	0	0	0	5,000,000	0	-5,000,000
Rangwe Girls Secondary School	0	5,000,000	5,000,000	0	0	5,000,000
Nyandiwa Mixed Secondary School	0	5,000,000	5,000,000	0	0	5,000,000
Got Marera Mixed Secondary School	0	500,000	500,000	500,000	0	0
Orero Secondary School	0	1,500,000	1,500,000	1,500,000	0	0
Wikiteng Secondary School	0	500,000	500,000	500,000	0	0
Orero Secondary School	1,000,000	0	1,000,000	1,000,000	0	0
Wikiteng' Secondary School	1,000,000.00	0	1,000,000	1,000,000	0	0
Sinogo Secondary School	2,000,000.00	0	2,000,000	0	0	2,000,000
Omoche Mixed Secondary School	500,000.00	0	500,000	0	0	500,000
Nyawita Mixed Secondary School	500,000.00	0	500,000	0	0	500,000
Rabango Mixed Secondary School	5,500,000.00	0	5,500,000	0	0	5,500,000
Rangwe Girls Secondary School	5,500,000.00	0	5,500,000	0	0	5,500,000
Koyoo Mixed Secondary School	1,000,000.00	0	1,000,000	0	0	1,000,000
Nyakwadha Secondary School	500,000.00	0	500,000	0	0	500,000
Sub - Total	17,500,000.00	12,500,000	30,000,000	14,500,000	15,500,000	
9.0 Tertiary Institutions Projects						
Asumbi Teachers Training College	2,000,000	0	2,000,000	0	0	2,000,000
Sub - Total	2,000,000	0	2,000,000	0	2,000,000	
10.0 Security Projects						
Gem East AP Line	0	0	0	1,500,000.00	0	-1,500,000
Rangwe Police Station	0	0	0	1,500,000.00	0	-1,500,000
Gem central Chief's Office	0	0	0	200,000.00	0	-200,000
Gem Central Chief's Office	0	0	0	300,000.00	0	-300,000
Rangwe AP Line	266,349	0	266,349	0	0	266,349
Rangwe Sub-County Headquarters	25,000,000	0	25,000,000	0	0	25,000,000
Sub - Total	25,266,349	0	25,266,349	3,500,000	21,766,349	

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

11.0 Acquisition of assets							
11.1 Motor Vehicles	0	6,300,000	6,300,000	0	6,300,000	0	6,300,000
11.2 Construction of CDF office	0	0	0	0	0	0	0
11.3 Purchase of furniture and equipment	0	0	0	0	0	0	0
11.4 Purchase of computers	0	0	0	0	0	0	0
Sub - Total							
12.0 Others							
12.1 Strategic Plan	1,000,000	2,500,000	3,500,000	2,500,000	1,000,000	1,000,000	1,000,000
12.2 Innovation Hub	0	0	0	0	0	0	0
12.2 TIVET	0	0	0	0	0	0	0
Rural Electrification	0	0	0	4,000,000	-4,000,000	0	0
Sub - Total	1,000,000	8,800,000	9,800,000	6,500,000	3,300,000	3,300,000	3,300,000
TOTALS	109,040,876	54,976,590	164,017,466	101,118,421	62,899,045	62,899,045	62,899,045

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019 Kshs	2017-2018 Kshs
NGCDF Board			
AIE NO. A855987	1		5,500,000.00
AIE NO.	2		1,200,000.00
AIE NO. A896776	3		37,905,172.00
AIE NO. B005178	1	48,484,483.15	
AIE NO. B006274	2	15,000,000.00	
AIE NO. B007454	3	10,000,000.00	
AIE NO. B047502	4	29,000,000.00	
TOTAL		102,484,483.15	44,605,172

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019 Kshs	2017-2018 Kshs
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	-	-

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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	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2018-2019 Kshs	2017-2018 Kshs
Basic wages of contractual employees	2,367,989	891,872
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Total	2,367,989	891,872

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,288,800	2,995,000
Committee Allowance	4,734,538	
Utilities, supplies and services		-
Communication, supplies and services		-
Domestic travel and subsistence		-
Printing, advertising and information supplies & services		-
Rentals of produced assets		-
Training expenses		-
Hospitality supplies and services		-
Insurance costs		-
Specialized materials and services		-
Office and general supplies and services		-
Other operating expenses		-
Routine maintenance – vehicles and other transport equipment and fuel		-
Routine maintenance – other assets	-	-
Strategic plan	2,500,000	
Total	10,523,338	2,995,000

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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 National Government entities	-	-
Transfers to primary schools (see attached list)	16,400,000	4,500,000
Transfers to secondary schools (see attached list)	13,500,000	1,500,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	29,900,000	6,000,000

7. **OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,627,000	4,700,000
Bursary – tertiary institutions (see attached list)	12,309,094	21,278,447
Bursary – special schools (see attached list)	265,000	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	3,500,000	2,300,000
Sports projects (see attached list)	900,000	-
Environment projects (see attached list)	1,200,000	-
Emergency projects (see attached list)	13,526,000	-
Electricity Project	4,000,000	-
Total	58,327,094	28,278,447

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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 Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan		-
ICT Hub	-	-
TIVET	-	-
Rural Electrification		-
		-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank, 0980261940653, Kes.</i>	8,750,881	6,492,107
Total	8,750,881	6,492,107
10B: CASH IN HAND	-	-
Total	8,750,881	6,492,107

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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>Total</i>				-

12A. RETENTION

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

12B. STAFF GRATUITY OUTSTANDING

13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts		-
Cash in hand	6,492,107	
Imprest		
Total	6,492,107	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)**RANGWE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****14. PRIOR YEAR ADJUSTMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	892,712	301,550
Cash in hand		
Imprest		
Total	892,712	301,550

The adjustments are as a result of cheques that were reversed back to *cash book but not re-issued as tabled blow;*

S/No.	cheque No.	Amount
1	Rvsd Chq No. 3031	300,000.00
2	Rvsd Chq No. 3079	2,498.80
3	Rvsd Chq No. 3080	2,700.00
4	Rvsd Chq No. 3081	1,200.00
5	Rvsd Chq No. 3084	2,498.80
6	Rvsd Chq No. 3085	2,700.00
7	Rvsd Chq No. 3075	200,000.00
8	Rvsd Chq No. 3100	10,800.00
9	Rvsd Chq No. 3101	8,832.00
10	Rvsd Chq No. 3107	3,600.00
11	Rvsd Chq No. 3108	2,944.00
12	Rvsd Chq No. 3112	1,800.00
13	Rvsd Chq No. 3113	890.00
14	Rvsd Chq No. 3122	124,000.00
15	Rvsd Chq No. 3123 - 3127	99,129.95
16	Rvsd Chq No. 3128	70,000.00
17	Rvsd Chq No. 3126	9,120.00
18	Rvsd Chq No. 3110	50,000.00
TOTAL		892,712.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>) Service gratuity	948,600	-
	948,600	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	632,011	-
Use of goods and services	1,500,000	-
Amounts due to other Government entities (see attached list)	29,627,984	25,400,000
Amounts due to other grants and other transfers (see attached list)	31,100,000	22,825,863
Acquisition of assets	-	-
Others (<i>specify</i>)	-	11,746,218
	62,859,995	59,972,081

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	1,956,577.05	16,988.00

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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) RANGWE CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

S/No	Name	Original Amount	Amount Paid to date	Outstanding Balance	Comment
1	Barrack Omolo Ojala	48,800.00	0	148,800.00	Staff gratuity wasn't provided for this financial year. To be provided for at the end of contract period.
2	David Hamilton Odhiambo	74,400.00	0	74,400.00	
3	Patroba Agutu	55,800.00	0	55,800.00	
4	Monica Atieno	37,200.00	0	37,200.00	
5	Phoebe Okoth	37,200.00	0	37,200.00	
6	Felix Omulo	37,200.00	0	37,200.00	
7	Fedinal Omondi	37,200.00	0	37,200.00	
8	Eunice Otieno	37,200.00	0	37,200.00	
9	K. Ochieng Oketch	74,400.00	0	74,400.00	
10	Mary Onyango	37,200.00	0	37,200.00	
11	Peter Odhiambo	37,200.00	0	37,200.00	
12	Jane Owuor	148,800.00	0	148,800.00	
13	Rose Aoko	37,200.00	0	37,200.00	
14	Filgona Oluoch	37,200.00	0	37,200.00	
15	Nicholas Tindi	37,200.00	0	37,200.00	
16	Peter Agunyo	37,200.00	0	37,200.00	
17	Maxwel Omondi	37,200.00	0	37,200.00	
Total		948,600.00	0	948,600.00	

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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				
Buildings and structures	11,352,286			11,352,286
Transport equipment	4,200,000			4,200,000
Office equipment, furniture and fittings	700,000			700,000
ICT Equipment, Software and Other ICT Assets	210,000			210,000
Other Machinery and Equipment	8,000			8,000
Heritage and cultural assets	-			-
Intangible assets				
Total	16,470,286			16,470,286

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) RANGWE CONSTITUENCY

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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Omoche Primary School	Equity	0980277436678	1,000,200	
Oganga Primary School	Equity	0980277527466	300	
Orero Primary School	Equity	0980271247740	6,083	
Orero Secondary School	Equity	0980264685010	9,260	
Rangwe Police Station	Equity	0980277616039	1,520	
Rabuor Kaura Primary School	Equity	0980269143049	148,117	
Rangii Primary School	Equity	0980277709575	920	
Rangwe AP Line	Equity	0980271058309	760	
Rangwe Rural Electrification Project	Equity	0980277795402	260	
Sota Primary School	Equity	0980264560324	1,264.70	
Rangwe NG-CDF Sports Comm	Equity	0980271081544	2,339.90	
Ariwa Primary School	Equity	0980271899676	793	
Central Gem Chief's Office	Equity	0980277599460	4,880	
Gem East AP Line	Equity	0980277633113	6,450	
Gem East Chief's Office	Equity	0980271919401	8,030	
Yogo Primary School	Equity	0980277709690	920	
Omoche Primary School	Equity	0980277436678	79,031	
Ondiche Primary School	Equity	0980262487607	27,056	
Nyaundho Primary School	Equity	0980277526610	720	
Nyambare Primary School	Equity	0980277526444	640	
Nyawita Primary School	Equity	0980269154808	0.00	
Marienga Primary School	Equity	0980277441854	200	
Koga Primary School	Equity	0980262511857	20,422.45	
God Marera Mixed Secondary School	Equity	0980264535465	29,870	
NG-CDF Rangwe Environment Fund	Equity	0980277713979	880	

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) RANGWE
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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Wikoteng' Mixed Secondary School	Equity	0980277463516	7,000	
Rangwe NG-CDF Strategic Plan	Equity	0980277509889	598,660	
Achego Primary School	Equity			460.00
Alara Korayo Primary School	Equity			780.00
Got Lwala Primary School	Equity			130.00
God Ponge Primary School	Equity			650.60
God Kado Primary School	Equity			380.00
Ang'iro Primary School	Equity			406.00
Chiepe Primary School	Equity			1,881.00
God Mony Primary School	Equity			450.00
Kuoyo Kochia Primary School	Equity			525.00
Landa Primary School	Equity			1,987.00
Nyando Primary School	Equity			330.00
Onganga Primary School	Equity			740.00
Orero Primary School	Equity			1,233.00
Tar Primary School	Equity			2,286.00
Wangapala Kolielo Primary School	Equity			364.50
Yogo Primary School	Equity			1,170.00
Genga Chief's Office	Equity			453.60
Nyokal ACC Residence	Equity			390.00
Loura Primary School	Equity			1,228.00
Ngegu Primary School	Equity			660.00
Pundo Primary School	Equity			243.00
Rangwe AP Line	Equity			240.00
Luora Secondary School	Equity			0.30
Total			1,956,577.05	16,988.00

***NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) RANGWE
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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)
NT/CSIA/H B/AR/VOL.I /02	<p>i. There was no evidence that M&E and Bursary sub-committees were appointed to provide oversight on the projects and effectly There was no evidence that M&E and Bursary sub-committees were appointed to provide oversight on the projects and effectly monitor disbursement of bursaries to actual beneficiaries</p>	<p><i>The Management has a monitoring & evaluation and bursary committees chaired by Sammy Ogola and Madam Jackline Mwombo respectively. Its other members constitute of;</i></p> <ul style="list-style-type: none"> - <i>Bursary committee;</i> <ul style="list-style-type: none"> o <i>Erick Odhiambo</i> o <i>Jared Alosi</i> o <i>Jasmine Musembi</i> - <i>Monitoring and Evaluation Committee;</i> <ul style="list-style-type: none"> o <i>Carolyn Otiemo</i> o <i>Joseph Ager</i> o <i>Dan Oginga</i> 	FAM, Charles Omosa	Not Resolved	November, 2019

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>There was no schedule for the meetings allegedly held during the period under review.</p>	<p><i>The management had resolved that it would be holding its meetings twice every month, the first and the last weeks of the month. The Secretary in consultation with the FAM, sends notifications via sms to members communicating dates of the meetings at least three days before the actual date</i></p>	<p>FAM, Charles Omosa</p>	<p>Not Resolved</p>	<p>November, 2019</p>
	<p>Unspent vote book balance as at 30th June, 2017 for financial year 2016/2017 totaling to Kshs. 1,699,388.20 were not carried forward to the respective vote items at the start of financial year 2017/2018.</p> <p>A further verification of the cash book balance as at 30th June, 2017 of Kshs. 310,550.00 against the vote book balance for the same period revealed a variance of Kshs. 1,397,838.20 not explained.</p> <p>It was also observed that the vote book balance for the period ending 30th June</p>	<p><i>The management has contacted the Sub-county Accountant on the same and are in the process of adjusting their books accordingly.</i></p>	<p>FAM, Charles Omosa</p>	<p>Not Resolved</p>	<p>November, 2019</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	2018 of Kshs. 103,426.84 was not reconciling with the cash book balance of Kshs. 6,492,107.00 for the same period leaving a variance of Kshs. 6,388,680.16 not explained.				
	A verification of cash book closing balance for the period ending 30 th June, 2017 was Kshs. 301,550, it was therefore expected that the same figure would be the cashbook opening balance for the period starting 1 st July, 2017. However, the said closing balance of Kshs. 301,550 was omitted and a nil opening balance was reflected instead thus causing an understatement of Kshs. 301,550 in the cash book which culminates into a shortage in the accounts.	<i>The management has contacted and notified the Sub-County Accountant who is in the process of adjusting his books to correct the misstatements.</i>	FAM, Charles Omosa	Not Resolved	November, 2019
	A verification of the cashbook for the period under audit review revealed that a total of Kshs. 41,175,408.00 and Kshs. 1,200,000.00 being bursary for needy	<i>The NGCDF Bursary Committee PMC Account inherited from the former committee has so far been closed and the management is currently paying</i>	FAM, Charles Omosa	Not Resolved	November, 2019

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>students had been paid to Rangwe NGCDF Bursary Committee PMC account and Rangwe NGCDF Secondary Schools Bursary PMC accounts respectively. The NGCDF Act 2015 does not provide for formation of a bursary PMC, instead envisages that bursary meant for needy students are paid direct from the main account to the beneficiary schools / institutions. There was no satisfactory explanation from the management on the necessity for the formation of Bursary PMC account. It is therefore not possible to confirm the propriety of expenditure of Kshs. 42,375,408.00 on bursary.</p>	<p><i>bursary to needy students through their institutions direct from the Rangwe NG-CDF main account. The management used the Rangwe NG-CDF Bursary Committee PMC Account due to time constraints.</i></p>			