

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
KISAUNI CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 95202, MOMBASA

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND KISAUNI
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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



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

**Reports and Financial Statements
For the year ended June 30, 2018**

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 GILGIL 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 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	YUSUF MBUNO
2.	A.I.E holder	FATMA M ABUBAKAR
3.	Sub-County Accountant	ELIJAH ATAMBO
4.	Chairman NGCDFC	KHAMIS MWABASHIRI
5.	Member NGCDFC	MARTHA KAGORE

(d) Fiduciary Oversight Arrangements

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

P.O. Box 87910 -80100
Opp.Jocham Hospital
Karisa Maitha Road
Mombasa, KENYA

KISAUNI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF KISAUNI Constituency Contacts

Telephone: 020- 2630946
E-mail: cdfkisauni@gmail.com
Website: www.kisauni.cdf.go.ke

(g) NGCDF KISAUNI Constituency Bankers

1. Co- operative Bank
Kongowea Branch
A/C 01141547656500
P.O. Box 87910 -80100
Mombasa, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

**Reports and Financial Statements
For the year ended June 30, 2018**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

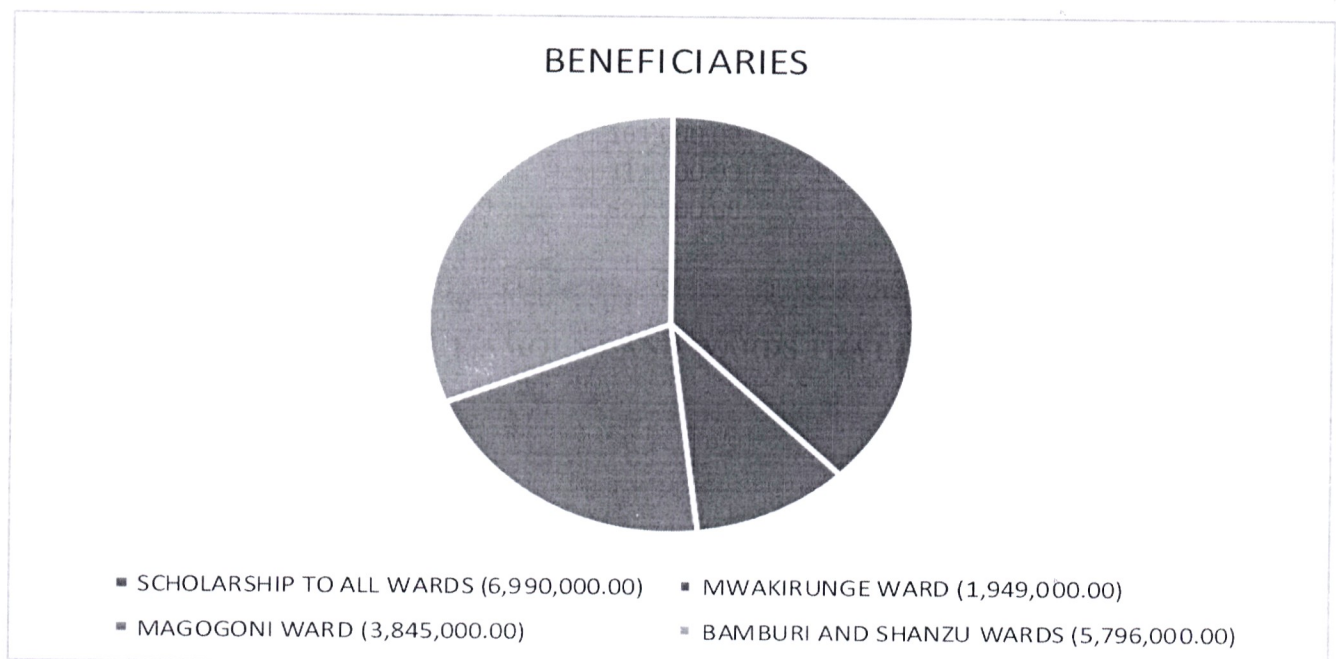
– Detail key achievements for the entity

The Scholarship programme for the best performance students. Mostly the students who scored more than 350 marks in the Kenya Certificate of Primary Education KCPE

SCHOLARSHIP AND BURSARIES TO DIFFERENT WARDS AS AT 30TH JUNE 2018

WARDS	SECONDARY SCHOOL	COLLEGES	UNIVERSITY	TOTAL
SCHOLARSHIP ALL WARDS	4,490,000.00			6,990,000
	2,500,000.00			
MWAKIRUNGE	1,594,000.00	161,000.00	194,000.00	1,949,000.00
MAGOGONI	2,778,000.00	411,000.00	656,000.00	3,845,000.00
BAMBURI & SHANZU	4,071,000.00	621,000.00	1,104,000.00	5,796,000.00
AS AT 30TH JUNE 2018				18,280,000.00

PIE CHART REPRESENTING THE AMOUNT AND WARDS THAT BENEFITED BURSARIES AS AT 30TH JUNE 2018





- *The constituency is vast with seven wards but the funds are limited thus not able to cover a larger area.*
- *Poverty level is too high thus making it difficult for us to allocate the amount.*
- *Delay of disbursement of funds.*
- *Change of office bearers. which result to time consumption in understanding the constituency environment with it operational challenges.*

Sign:.....

CHAIRMAN NGCDF COMMITTEE

.....

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

**Reports and Financial Statements
For the year ended June 30, 2018**

III. STATEMENT OF NG CDF MANAGEMENT COMMITTEE 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 Constituencies Development Fund (NG-CDF) - Kisauni shall prepare financial statements in respect of Kisauni Constituency. 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- Kisauni Constituency is responsible for the preparation and presentation of Kisauni Constituency's financial statements, which give a true and fair view of the state of affairs of Kisauni Constituency for and as at the end of the financial year (period) ended on June 30, 2018. 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 Kisauni Constituency; (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 Kisauni Constituency; (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-Kisauni Constituency accepts responsibility for the Kisauni Constituency'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 Kisauni Constituency's financial statements give a true and fair view of the state of Kisauni Constituency's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- KISAUNI Constituency further confirms the completeness of the accounting records maintained for the Kisauni Constituency which have been relied upon in the preparation of the Kisauni Constituency's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF- KISAUNI Constituency confirms that Kisauni Constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Kisauni Constituency'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 Kisauni Constituency'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- KISAUNI Constituency financial statements were approved and signed by the Accounting Officer on 14th SEPTEMBER 2018.



Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

REPUBLIC OF KENYA

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Fax: +254-20-311482
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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KISAUNI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kisauni Constituency set out on pages 7 to 29, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and 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 matter 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 – Kisauni Constituency as at 30 June 2018, 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 National Government Constituency Development Fund Act, 2015.

Basis for Qualified Opinion

Bank Balances

The statement of assets and liabilities as at 30 June 2018 reflects Kshs.41,698,560 in respect of bank balances. However, included in unrepresented cheques of Kshs.3,106,081 in the bank reconciliation statement are three (3) cheques amounting to Kshs.73,724 which are stale and which had not been reversed in the cash book as at 30 June 2018. In addition, the bank reconciliation statement reflected unrecorded receipt of Kshs.5,016 in the bank statement dating back to year 2016. It was not clear why the receipt had not been recorded in the cash book for that long. Further, included in the outstanding cheques of Kshs.3,106,081, are fifty four (54) cheques totaling Kshs.1,027,362 which had not cleared as at December, 2018. However, as the time of audit, February, 2019, the cheques had not been reversed in the cash book despite them being stale.

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund – Kisauni Constituency for the Year ended 30 June 2018

Consequently, the accuracy and completeness of bank balance of Kshs.41,698,560 as at 30 June 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund – Kisauni Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matters

1.0 Budgetary Controls and Performance

1.1. Receipts Analysis

According to the 2017/2018 approved budget estimates, the Fund expected to receive a total of Kshs.101,333,491 as transfers from the National Government Constituencies Development Fund Board and other receipts. However, according to the statement of receipts and payments, the Fund realized a total of Kshs.86,862,345 resulting to a shortfall of Kshs.14,471,146 or 14% of the targeted revenue.

Audit analysis of budgeted revenue compared to actual receipts revealed the following:

Receipt	Budget (Kshs.)	Actual (Kshs.)	Shortfall (Kshs)	% Shortfall
Transfers from the CDF Board	101,333,491	86,810,345	14,523,146	14%
Other receipts	0	52,000	-52,000	0%
Total	101,333,491	86,862,345	14,471,146	14%

From the above analysis, the Fund did not receive Kshs.14,523,146 or 14% out of the expected Kshs.101,333,491 transfers from the National Government Constituencies Development Fund Board. This may have affected implementation of planned projects for the benefit of the residents of Kisauni Constituency. There is need to do proper budgeting on priority basis.

1.2. Payment Analysis

The summary statement of appropriations reflect a final budget of Kshs.101,333,491 for the financial year 2017/2018 against total expenditure of Kshs.48,307,621 resulting to under absorption of Kshs.53,025,864 or 52% as summarized below:

Budget line	Final Budget Kshs.	Expenditure Kshs.	Unspent Balance Kshs.	% of Utilization
Compensation of Employees	2,620,295	2,000,082	620,213	76%
Use of goods and services	5,723,525	4,357,885	1,365,640	76%
Transfers to Other Government Units	43,687,783	20,696,000	22,991,783	47%
Other grants and transfers	41,129,474	21,218,659	19,910,815	51%
Acquisition of assets	495,387	34,995	460,392	7%
Other payments	7,677,027	0	7,677,027	0%
Total	101,333,491	48,307,621	53,025,870	48%

The Fund had a total under-expenditure of Kshs.53,025,870 representing 52% of the budget. Although the management has attributed the situation to delays in receiving funds from the National Government Constituencies Development Fund Board and transition from the former regime, this may affect delivery of goods and services to the residents of Kisauni Constituency contrary to values and principles of public service as provided for under Article 232 (1– c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.

Therefore, there is need to re-look at the budgeting mechanism with a view of focusing on priority areas with high impact in improving the standards of living for the citizens of Kisauni Constituency.

1.3. Project Implementation

According to the project implementation status report as at 30 June 2018, the following twenty seven (27) projects with a total budget of Kshs.51,022,911 were not implemented during the period under review:

No.	Project Name	Project Activity	Allocated Amount Kshs	Disbursed Amount Kshs	Implementation Status
1	Kiembeni Primary School	Construction of Administration block with 2no. Classrooms	5,000,000	5,000,000	Not started
2	Mdegerekani Primary School	Construction of 1no. Classrooms to Completion	1,100,000	1,100,000	Not started
3	Mtopanga Primary School	Re-Roofing of 2no. Classrooms	1,000,000	1,000,000	Not started
4	Majaoni Primary School	Construction of Toilet block with 2no. Classrooms -at Kshs.1,000,000/- and Kshs.3,000,000/= respectively	4,000,000	4,000,000	Not started
5	Baraka Primary School	Construction of Administration block with 2no. Classrooms	5,000,000	5,000,000	Not started
6	Kashani Secondary School	Equipping of Laboratories –	2,000,000	2,000,000	Not started
7	Marimani Secondary School	Construction of Administration block with 2no. Classrooms	8,000,000	8,000,000	Not started

No.	Project Name	Project Activity	Allocated Amount Kshs	Disbursed Amount Kshs	Implementation Status
8	Condordia Secondary School	Construction of 2no. Classrooms - (Storey building)	10,468,495	10,468,495	Not started
9	Shanzu Teacher Training College	Purchase of Generator- 165 kva 2,300,000.00 and 20pcs computers	3,500,000	3,500,000	Not started
10	Mtopanga Primary School	Purchase of 3seater Pupil's Desks, lockers and	180,000	180,000	Not Started
11	Kiembeni Primary School	Purchase of 3seater Pupil's Desks, lockers and	180,000	180,000	Not Started
12	Digirikani Primary School	Purchase of 3seater Pupil's Desks, lockers and	120,000	120,000	Not Started
13	Majaoni Primary School	Purchase of 3seater Pupil's Desks, lockers and	140,000	140,000	Not Started
14	Baraka Primary School	Purchase of 3seater Pupil's Desks, lockers and	180,000	180,000	Not Started
15	Bedzimba Primary School	Purchase of 3seater Pupil's Desks, lockers and	264,000	264,000	Not Started
16	Utange Primary School	Purchase of 3seater Pupil's Desks, lockers and	140,000	140,000	Not Started
17	Concordia Primary School	Purchase of 3seater Pupil's Desks, lockers and	140,000	140,000	Not Started
18	Kashani Primary School	Purchase of 3seater Pupil's Desks, lockers and	180,000	180,000	Not Started
19	Mdegerekani Primary School	Purchase of 3seater Pupil's Desks, lockers and	140,000	140,000	Not Started
20	Marimani Primary School	Purchase of 3seater Pupil's Desks, lockers and	140,000	140,000	Not Started
21	Marimani Secondary School	Purchase of Locker & Chair	198,000	198,000	Not Started
22	Kashani Secondary School	Purchase of Locker & Chair	384,000	384,000	Not Started
23	Condordia Secondary School	Purchase of Locker & Chair	198,000	198,000	Not Started
24	Hassan Joho Sec School	Purchase of Locker & Chair	198,000	198,000	Not Started
25	CIH - Constituency Innovation Hub	To mainstream ICT at the grassroots level and provide the youth with a platform for digital opportunities including online jobs.	4,677,028	4,677,028	Not Started
26	NG-CDF Office	Purchase of Furniture- 3 office tables - 250,000/= & 3 chairs 3 desktops and 2 Laptops 245,386.58/=	495,388	495,389	Not Started
27	Strategic plan	Preparation of Constituency Strategic Plan	3,000,000	3,000,000	Not Started
Total			51,022,911	51,022,911	

Although fifteen (15) projects had been implemented by the time of audit in the month of January, 2019, delayed implementation of projects denies residents of Kisauni

Constituency the intended benefits. In addition, non-implementation of development projects affects goods and service delivery to the public and the intended purpose of the projects may not to be realized.

1.4. Project Inspection

Audit inspection of three (3) projects with total allocation of Kshs.19,468,465 during the month of January 2019 indicated the following state of affairs:

No	Project Verified	Project Activity	Amount Kshs.	Observation
1	Baraka Vroni Primary	Construction of 2 classrooms	5,000,000	Concrete slab was cast around the building instead of pre cast concrete as per the bills of quantities. However, there was no evidence of contract variation.
2	Concordia Secondary school	Construction of 2 storey classrooms	10,468,495	Although the site is adjacent to classrooms, the construction site was not protected with iron sheets thus posing danger to students and other school compound users.
3	Majaoni Primary School	Construction of toilets	4,000,000	Although the project is complete and in use, cracks were noted on the walls. This is evidence of poor workmanship.
Total			19,468,495	

The above observations are indication of poor workmanship which casts doubt on project supervision and lack of value for money for public funds.

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 / Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Bank Balances in Closed Projects

Annex 4 to the financial statements reflects bank balances in thirty five (35) project management committees' bank accounts with a balance of Kshs.27,275,671.30 as at 30 June 2018. The annex includes balances for eleven (11) closed projects totaling of Kshs.1,468,091 and which had not been refunded to the Fund's main account. This was contrary to Section 12 (8) of National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account as detailed below:

No.	PMC	Balance as at 30 June 2018 (Kshs.)
1	Junda Primary School	1,089,297
2	Kiembeni Basketball court	4,324
3	Kisauni CDF Junda Borehole	3,100
4	Kisauni CDF Magogoni Borehole	1,626
5	Kisauni CDF Mjambere Borehole	4,187
6	Kisauni CDF Mtopanga Borehole	18,610
7	Junda Dispensary	61,985
8	Maunguja Primary School	100
9	Maunguja Youth Polytechnic	688
10	Mjambere / Junda Drainage	283,925
11	Shimo La Tewa Primary School	249
	Total	1,468,091

Although, the management has attributed this to inability to trace all the bank signatories of the closed projects, the management was in breach of the laws.

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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether

due to fraud or error 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 the Fund to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

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 Fund's financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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.

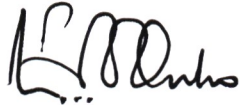
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the 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 National Government Constituencies Development Fund – Kisauni Constituency ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the National Government Constituencies Development Fund – Kisauni Constituency to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the National Government Constituencies Development Fund – Kisauni Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

10 April 2019

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


**Reports and Financial Statements
For the year ended June 30, 2018**

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	86,810,345.00	86,396,551.7
Proceeds from Sale of Assets	2	-	
Other Receipts	3	52,000.00	
TOTAL RECEIPTS		86,862,345.00	86,396,551.7
PAYMENTS			
Compensation of employees	4	2,000,082.00	3,782,740.00
Use of goods and services	5	4,357,885.00	7,577,101.94
Transfers to Other Government Units	6	20,696,000.00	51,767,380.00
Other grants and transfers	7	21,218,659.00	48,814,121.00
Acquisition of Assets	8	34,995.00	
Other Payments	9	-	
TOTAL PAYMENTS		48,307,621.00	111,941,342.94
SURPLUS/DEFICIT		38,554,724.00	(25,544,791.2)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KISAUNI Constituency financial statements were approved on 14th SEPTEMBER 2018 and signed by:


Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	41,698,560.00	2,464,820.00
Cash Balances (cash at hand)	10B	0	0
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS			
		41,698,560.00	2,464,820.00
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	2,464,820.00	28,009,612.00
Surplus/Deficit for the year		38,554,724.00	-25,544,791.00
Prior year adjustments	14	679,016.00	0
NET FINANCIAL POSITION		41,698,560.00	<u>2,464,820.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- KISAUNI Constituency financial statements were approved on 14th September 2018 and signed by:


 Fund Account Manager
 Name:


 Sub-County Accountant
 Name:
 ICPAK Member Number:

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


**Reports and Financial Statements
For the year ended June 30, 2018**

VI. STATEMENT OF CASHFLOW

		2017 - 2018	2016 - 2017
Receipts for operating income			
Transfers from CDF Board	1	86,810,345.00	86,396,552.00
Other Receipts	3	52,000.00	-
		86,862,345.00	86,396,552.00
Payments for operating expenses			
Compensation of Employees	4	2,000,082.00	3,782,740.10
Use of goods and services	5	4,357,885.00	7,577,101.54
Transfers to Other Government Units	6	20,696,000.00	51,767,380.00
Other grants and transfers	7	21,218,659.00	48,814,121.00
Other Payments	9	-	-
		48,272,626.00	111,941,342.64
Adjusted for:			
Adjustments during the year	14	679,016.00	-
Net cash flow from operating activities		38,554,724.00	(25,544,790.64)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	34,995.00	
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		39,233,740.00	(25,544,790.64)
Cash and cash equivalent at BEGINNING of the year	13	2,464,820.00	28,009,612.00
Cash and cash equivalent at END of the year		41,698,560.00	2,464,821.36

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- KISAUNI Constituency financial statements were approved on 14 September 2018 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name:
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KISAUNI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018


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	86,810,345	2,464,820.00	89,275,165	89,275,165	(0)	100.0%
Proceeds from Sale of Assets					-	0.0%
Other Receipts			52,000		52,000	0.0%
supplementary budget		11,379,310.00	11,379,310		11,379,310	0.0%
Adjustments during the year		679,016.00	679,016		679,016	
TOTAL RECEIPTS	86,810,345	14,523,146.00	101,333,491	89,275,165	12,110,326	
PAYMENTS			-			
Compensation of Employees	2,583,744	36,551.00	2,620,295	2,000,082	620,213.00	76.3%
Use of goods and services	5,229,187	494,338.00	5,723,525	4,357,885	1,365,634.00	76.1%
Transfers to Other Government Units	32,400,000	11,287,783.00	43,687,783	20,696,000	22,991,783.00	47.4%
Other grants and transfers	38,425,000	2,704,474.00	41,129,474	21,218,659	19,910,815.00	51.6%
Acquisition of Assets	495,387	0.00	495,387	34,995	460,392.00	7.1%
Other Payments	7,677,027	0.00	7,677,027	-	7,677,027.00	0.0%
TOTAL	86,810,345	14,523,146.00	101,333,491	48,307,621	53,025,870.00	

- i. The underutilization in compensation of employees is because of the transition period where the other staff whose contracts ended in October 2017 were not renewed thus leaving the office without staff until February 2018 when new ones were recruited.
 - ii. The Use of goods and services was under-utilized due to the transition period and delay in disbursement of funds.
 - iii. Transfers to Other Government Units - There were under-utilized due to delay in disbursement of funds since Kshs. 43,405,172.80 AIE received on 12th June 2018.
 - iv. Other grants and transfers had underutilization because of funds disbursement was done in June 2018.
 - v. Other payments – the project of strategic plan is underway to be done and the ICT Hubs still have not been implemented.
- The NGCDF- KISAUNI Constituency financial statements were approved on 14th September 2018 and signed by:

Fund Accountant/Manager

 Name: _____

Sub-County Accountant

 Name: _____
 ICPAK Member Number: _____

VIII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF- KISAUNI 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 2018, 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 Kisauni Constituency at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Funds

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

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

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) –
KISAUNI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

IX. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			
AIE NO.	1	5,500,000.00	
AIE NO.A892834	2	37,905,172.00	
AIE NO. A896888	3	43,405,173.00	
AIE NO. A829616	1		4,094,827.60
AIE NO. A839568	2		4,500,000.00
AIE NO. A839603	3		36,853,449.00
AIE NO.A855186			40,948,275.10
TOTAL		86,810,345.00	86,396,552.00

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KISAUNI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2017- 2018	2016-2017
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from Sale of tender documents	52,000	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
Total	52,000	0.00

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,283,590.00	2,254,061.60
Basic wages of casual labour	110,000 .00	85,000.00
Personal allowances paid as part of salary		
House allowance	0.00	0.00
Transport allowance	0.00	0.00
Leave allowance	0.00	0.00
Gratuity	586,892.00	420,267.00
Employer contribution to NSSF	19,600	22,751.50
Other personnel payments	0	1,000,660.00
Total	2,000,082.00	3,782,740.10

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018	2016-2017
	Kshs	Kshs
Committee Expenses	1,578,900.00	4,837,720.00
Utilities, supplies and services	67,030.00	96,243.00
Communication, supplies and services	365,999.00	338,000.00
Domestic travel and subsistence	231,620.00	180,180.00
Printing, advertising and information supplies & services	61,700.00	63,050.00
Training expenses	1,163,050.00	600,000.00
Hospitality supplies and services	110,000.00	75,532.00
Office Rent	337,000.00	276,000.00
Fuel, oil and lubricants	700.00	8,700.00
Office and general supplies and services	379,292.00	473,737.00
Other operating expenses	0.00	0.00
Specialized materials and services	0.00	8,088.00
Routine maintenance – other assets	0.00	581,027.85
Bank Charges	62,594.00	38,824.00
Total	4,357,885.00	7,577,101.94

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities	0.00	0.00
Transfers to primary schools (see attached list)	11,904,000.00	3,720,544.40
Transfers to secondary schools (see attached list)	8,792,000.00	48,046,835.60
Transfers to tertiary institutions (see attached list)	0.00	0.00
Transfers to health institutions (see attached list)	0.00	0.00
TOTAL	20,696,000.00	51,767,380.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,433,000.00	24,068,000.00
Bursary – tertiary institutions (see attached list)	3,147,000.00	20,463,900.00
Bursary – special schools (see attached list)	0.00	165,000.00
Mock & CAT (see attached list)	0.00	454,000.00
Security projects (see attached list)	0.00	0.00
Sports projects (see attached list)	207,000.00	1,637,931.00
Environment projects (see attached list)	1,736,206.00	1,637,931.00
Emergency projects (see attached list)	695,452.00	0.00
Roads		387,359.00
Total	21,218,659.00	48,814,121.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KISAUNI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2017-2018	2016-2017
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	0.00
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	34,995.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialised Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
Total	34,995.00	0.00

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
-	0.00	0.00
-	0.00	0.00
-	0.00	0.00
	0.00	0.00

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
<i>Co-operative Bank – kongowea branch A/C NO. 0114147656500</i>	41,698,560.00	2,464,821.00
Total	41,698,560.00	2,464,821.00
10B: CASH IN HAND		
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations (<i>specify</i>)	0.00	0.00
Total	0.00	0.00
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KISAUNI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

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>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	0	0	0
<i>Name of Officer or Institution</i>	<i>dd/mm/yy</i>	0	0	0
Total				0

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

12RETENTION

	2017 - 2018	2016-2017
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	44,815,657.00	27,926,611.64
Cash in hand	0	83,000.00
Imprest	0	0
Total	44,815,657.0	28,009,611.64

[Provide short appropriate explanations as necessary]

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

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Stale cheques	679,016.00	0
Total	679,016.00	0

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0	0
Middle management	0	0
Unionisable employees	0	0
Others (<i>specify</i>)	0	0
	0	0

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	610,213.00	13,735.00
Use of goods and services	905,703.00	36,760.00
Amounts due to other Government entities (see attached list)	12,522,818.00	818,817.00
Amounts due to other grants and other transfers (see attached list)	19,470,407.00	0
Acquisition of assets	460,392.00	1,595,509.00
Strategic Management, CIH,	7,677,027.00	0.00
Appropriation In Aid (AInA)	52,000.00	0.00
	41,698,560.00	2,464,820.00

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF)
KISAUNI CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2018**

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	b	c	d=a-c		
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. OFFICE RENT (MAY AND JUNE)	58,000/=			0	0	
11.						
12.						
Sub-Total						
Grand Total						

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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 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		610,213	13,735.00	
Use of goods & services		905,703	36,760.00	
Amounts due to other grants and other transfers				
Emergency Funds		3,996,341.00		
Sports		1,529,207.00		
Scholarship & Other Educational Benefit				
Bursary Secondary School		12,861,818.00		
Bursary Fund- University / College		1,083,041.00		
Sub-Total				
Amounts due to other Government entities				
Shanzu Teachers Training College		3,500,000.00		
Kashani Secondary		2,000,000.00		
Mtopanga Primay		1,000,000.00		
Kiembeni Primary		5,000,000.00		
Marimani Secondary		204,000.00		
Strategic plan		500,000.00	500,000.00	
Roads		318,818.00	318,818.00	
Acquisition of assets				
NG-CDF Office Furniture				
Others (specify)				
Strategic Plan		3,000,000.00		
CIH – Constituency Innovation Hub		4,667,027.00		
Appropriations in Aid (AInA)		52,000.00		
TOTAL		40,698,560	2,464,820	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land				0.00
Buildings and structures				0.00
Transport equipment	79,500.00	0.00	0.00	79,500.00
Office equipment, furniture and fittings	386,980.00	0.00	0.00	34,995.00
ICT Equipment, Software and Other ICT Assets	519,795.00	0.00	0.00	519,795.00
Other Machinery and Equipment	347,960.00	0.00	0.00	347,960.00
Heritage and cultural assets	0.00	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	0.00
Total	1,334,235.00	0.00	0.00	1,369,230.00

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ANNEX 3 – UNUTILIZED FUNDS

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Scholarship & Other Educational Benefit				
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Sub-Total				
Amounts due to other Government entities				
Shanzu Teachers Training College		3,500,000.00		
Kashani Secondary		2,000,000.00		
Mtopanga Primay		1,000,000.00		
Kiembeni Primary		5,000,000.00		
Marimani Secondary		204,000.00		
Strategic plan		500,000.00	500,000.00	
Roads		318,818.00	318,818.00	
Acquisition of assets				
NG-CDF Office Furniture		460,392.00	1,595,509.00	
Others (specify)				
Strategic Plan		3,000,000.00		
CIH – Constituency Innovation Hub		4,667,027.00		
Appropriations in Aid (AInA)		52,000.00		
TOTAL		40,698,560	2,464,820	

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
SCHOOL DESK AND CHAIRS	KCB	1117915581	217.70	7,217.00
SHIMO LA TEWA PRIMARY SCHOOL	KCB	1124080570	249.10	249.10
SHIMO LA TEWA SECONDARY SCHOOL	KCB	1106507444	146,900.00	654,808.00
URBAN MAST LIGHTING –KCDF	KCB	1121812260	982,179.45	982,179.45
VORONI WATER TANK	KCB	1131502116	69,819.55	36,659.00
CONSTITUENCY SPORTS	CO-OPERATIVE	1141577422500	3,492.15	14,433.00
KASHANI SECONDARY	CO-OPERATIVE	1141577451800	384,000	11,641,917.00
KIEMBENI PRIMARY	CO-OPERATIVE	1129577451400	312,979.60	404,425.00
MARIMANI SECONDARY	CO-OPERATIVE	1129577451400	4,044,117.60	207,318
MDENGREKENI PRIMARY	CO-OPERATIVE	112957742500	1,194,190.00	90.00
CONCORDIA SECONDARY	CO-OPERATIVE	1141577422500	4,139,825.00	0.00
MARIMANI PRIMARY SCHOOL CDF	CO-OPERATIVE	1141577422500	14,0000.00	0.00
KASHANI PRIMARY SCHOOL CDF	CO-OPERATIVE	1141577428500	180,000.00	0.00

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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)
	The statement of receipts and payments for year ended 30 June 2017 reflects a figure of Kshs.51, 767,380 in respect of transfers to other government units. The transfers to other government units relate to disbursements to undertake various construction projects. However, there was no evidence of Withholding taxes being deducted from contractors and remitted to Kenya Revenue Authority contrary to Section 42A (4 – C) of the Tax Procedures Act ,2015.	The management has not been appointed as an agent but will make follow up on the same.	FAM & CDFC	Resolved	