


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

 THE NATIONAL ASSEMBLY REPORT PAPERS LAID	
DATE:	09 MAY 2019
	DAY: THURSDAY
TABLED BY:	HON. ADEN DUALE LEADER OF MAJORITY
CLERK AT THE TABLE:	INZOFI MWALE

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THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND
MWINGI NORTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND MWINGI
NORTH CONSTITUENCY

AMMENDED 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)
MWINGI NORTH 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MWINGI NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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 MWINGI NORTH 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	Peter Katoni
3.	Sub-County Accountant	Kimuyu Titus
4.	Chairman NGCDFC	Stephen M. Kimwele
5.	Member NGCDFC	None

(d) Fiduciary Oversight Arrangements

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

P.O. Box 179-90401
Spend Building
Mwingi-Tseikuru Road
KYUSO.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MWINGI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

(f) NGCDF MWINGI NORTH Constituency Contacts

Telephone: (254) 712449205
E-mail: mwinginorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF MWINGI NORTH Constituency Bankers

1. EQUITY BANK LTD
A/C NAME: MWINGI NORTH NATIONAL GOVT. CDF ACC
A/C NO.0590292513495
MWINGI TOWN

(h) Independent Auditors

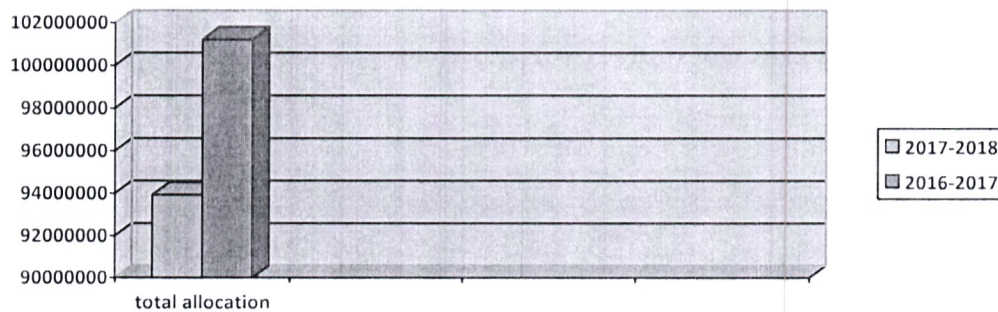
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GP O 00100
Nairobi, Kenya

(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

I am delighted to present the unaudited financial statements for mwingi north constituency for the financial year 2017-2018. During the financial year under review, the constituency received a total allocation of kshs.93,930,409. This was a decrease as compared to the previous financial year 2016-2017 when the constitution received a total allocation of 101,219,281.



Despite the shortfall in amount received during the two financial years and in accordance with the provisions of the National Government CDF Act 2015, and as amended in 2016, the mwingi north national government constituency development fund committee allocated funds based on public participation priorities as proposed from across the four sub counties that make up the constituency. The funds were thus disbursed based on constituents proposals.

Comparable Sectorial funds utilization.

	Compensation of employees	Use of goods and services	Transfer to other govt. units	Other grants and transfers
2017/2018	76%	103%	73%	79%
2016/2017	95%	99.99%	85%	58%

Despite the fact that the funds were received towards the closure of the financial year, the constituency managed to utilize the funds in an efficient manner. The utilization percentages were: compensation of employees 76%, use of goods and services 103%, transfer to other government units 73%, and other grants and transfers 79%. The overall impact of the national government constituency development fund was felt across the constituency. The challenges that arose during the financial year included late gazettment of the NG CDFC as a result of litigation regarding the Member of Parliament seat and late release of for the funds for the financial year. It's my hope that the outstanding balance shall be disbursed as soon as possible.


 Stephen M. Kimwele
 CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MWINGI NORTH CONSTITUENCY**

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

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-MWINGI NORTH 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, 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 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.

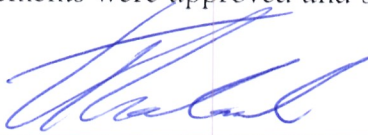
The Accounting Officer in charge of the NGCDF-MWINGI NORTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MWINGI NORTH 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-MWINGI NORTH 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-MWINGI NORTH Constituency financial statements were approved and signed by the Accounting Officer on 30/06/ 2018.


Fund Account Manager
Name: Peter Katoni


Sub-County Accountant
Name: Titus Kimuyu

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) - MWINGI NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of the National Government Constituency Development Fund-Mwingi North Constituency set out on pages 6 to 31, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flow 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituency Development Fund (CDF)-Mwingi North 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 do not comply with the National Government Constituencies Development Fund Act No. 30 of 2015.

Basis for Adverse Opinion

1.0 Accuracy of the Financial Statements

1.1 Variance in the Financial Statements

The Fund's financial statements for the year ended 30 June 2018 reflects a balance of Kshs.4,182,793 in respect to two (2) expenditure items while the respective supporting schedules reflects a balance of Kshs.4,053,509 resulting into an unexplained and unreconciled negative variance of Kshs.129,284 as follows:

Items	Note	Financial Statements Balance (Kshs.)	Supporting Schedules (Kshs.)	Variance (Kshs.)
Other operating expenses	5	1,921,793	1,322,509	599,284
Committee expenses	5	2,261,000	2,731,000	(470,000)
Total		4,182,793	4,053,509	129,284

In the circumstances, the accuracy of the financial statements balances for the year ended 30 June 2018 could not be ascertained.

1.2 Inaccuracies in the Statement of Assets

The statement of assets reflects Kshs.1,339,328 in respect to prior year adjustments which appears to be a balancing figure since no supporting documents have been produced for audit review.

In the circumstances, the accuracy of the statement of assets as at 30 June 2018 cannot be ascertained.

2.0 Bank Balances

Stale Cheques

Note 10A to the financial statements reflects Kshs.17,904,424 in respect to bank balances as at 30 June 2018. However, the respective bank reconciliation statement reflects unrepresented cheques totaling Kshs.7,134,942 out of which, Kshs.4,489,876 had become stale as at the time of this audit in January 2019 but the same had not been replaced or reversed in the cash book.

In the circumstances, the validity and accuracy of the cash and cash equivalents balance of Kshs.17,904,424 as at 30 June 2018 is could not be ascertained.

3.0 Project Management Committee (PMC) Bank Balances

As reported in the previous year, annex 5 to the financial statements reflects Kshs.22,056,568 in respect to thirty- nine (39) project management committees (PMC) bank balances. However, the respective bank reconciliation statements, cash books and bank confirmation certificates were not provided for audit review.

In the circumstances, the accuracy of the PMC bank balances of Kshs.22,056,568 as at 30 June 2018 cannot be confirmed.

4.0 Transfers to Other Government Entities - Transfer to Secondary Schools

Note 6 to the financial statements for the year ended 30 June 2018 reflects Kshs.23,858,614 in respect to transfers to other government entities which includes Kshs.8,020,000 in respect to transfers to secondary schools which further includes Kshs.7,270,000 transferred to six (6) secondary schools. However, a physical verification

done in December 2018 of the projects undertaken in the six schools revealed the following anomalies in five (5) schools:

	School	Project	Amount (Kshs)	Observations
1	Ivonangya Secondary School	Construction of a class room	950,000	<ul style="list-style-type: none"> • Not complete at the time of audit • Contract agreement and interim certificates were not availed for audit review.
2	Masyungwa day secondary school	Construction of a dormitory	1,420,000	<ul style="list-style-type: none"> • Payments were made without interim certificates of work done
3	Itivanzou Mixed Secondary School	Construction of a dining hall	950,000	<ul style="list-style-type: none"> • Contract agreement and interim certificate(s) were not availed for audit review. • The project is not complete and the contractor was not on site.
4	Ngomeni girls secondary school	Purchase of a school bus	1,000,000	<ul style="list-style-type: none"> • The supporting documents including advertisements, quotations, evaluation reports, award of tender minutes, invoices, delivery notes and minutes authorizing withdrawal of funds from the Project Management Committee (PMC) accounts were not availed for audit verifications
5	Tulanduli secondary school	Construct of a classroom	950,000	
	Total		5,270,000	

In the circumstances, the accuracy and value for the money for Kshs.5,270,000 expenditure in respect to transfers to secondary schools during the year ended 30 June 2018 cannot be ascertained.

5.0 Other Grants and Other Payments

5.1 Bursary to Secondary Schools and Tertiary Institutions

Note 7 to the financial statements for the year ended 30 June 2018 reflects Kshs.41,399,057 in respect to other grants and other payments which includes Kshs.22,060,329 and Kshs.7,907,934 in respect to bursaries to secondary schools and tertiary institutions respectively both totaling to Kshs.29,968,263. However, the Kshs.29,968,263 bursaries includes bursaries totaling to Kshs.27,103,926 (90%) whose acknowledgement of receipt by the beneficiary institutions have not been availed for audit verifications.

In the circumstances, the propriety and value for money for the Kshs.27,103,926 expenditure in respect to bursaries for the year ended 30 June 2018 cannot be confirmed.

5.2 Irregular Implementation of Security Projects

Note 7 to the financial statements for the year ended 30 June 2018 reflects Kshs.41,399,057 in respect to other grants and other payments which includes Kshs.5,110,000 in respect to security projects and which was to fund eight (8) projects in various wards within the Constituency. However, project files and physical verification carried out in November, 2018 revealed that included in the Kshs.5,110,000 was Kshs.500,000 in respect to plastering, painting and general finishing of the Deputy County Commissioner's office and whose procurement documents including quotations, evaluation of bids, letter of offers, letter of acceptance and Bill of quantities (BQ) were not availed for audit review.

In addition, included in the Kshs.5,110,000 is Kshs.1,300,000 paid to a contractor for construction of six (6) police cubicles. However, physical verification carried out in the month of December 2018 revealed that although the contractor has been paid Kshs.1,300,000 which is 98% of the Ksh.1,325,000 contract price, only four (4) cubicles (67%) have been constructed and the contractor was not on site.

In the circumstances, the propriety and value for money for the Kshs.500,000 and Kshs.1,300,000 both totaling to Kshs.1,800,000 in respect to security projects for the year ended 30 June 2018 cannot be confirmed.

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 matters described in the Basis for Adverse Opinion section, I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

1.0 Budget Control and Performance

1.1 Receipts Analysis

The summary statement of appropriation: recurrent and development combined reflects an approved receipt budget for the year ended 30 June 2018 of Kshs.148,896,098 and an actual receipt of Kshs.94,111,614 resulting to a budgeted receipt shortfall of Kshs.54,784,484.

The deficit in receipts budget of Kshs.54,784,484 (37%) is a reflection of an equivalent services expected and not delivered to the residents of Mwingi North constituency. This is an indicator of improper budget planning process. There is need therefore for the management to relook at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the residents of Mwingi North Constituency.

Expenditure Analysis

The summary statement of appropriation: recurrent and development combined reflects an approved expenditure budget for the year ended 30 June 2018 of Kshs.98,189,656 and an actual expenditure of Kshs.77,546,518 resulting to an under expenditure of Kshs.20,851,703 on three items and over expenditure of Kshs.208,565 on one item as shown below:

Item Description	Budget Kshs.	Actual Kshs.	Under Kshs.	Over (Kshs)	%
Compensation of Employees	2,336,000	1,779,214	556,786		24%
Use of Goods and Services	6,501,068	6,709,633		208,565	3%
Transfer to Other Government Units	32,820,691	23,858,614	8,962,077		27%
Other Grants and Transfers	52,731,897	41,399,057	11,332,840		21%
Other Payments	3,800,000	3,800,000	0		
Total	98,189,656	77,546,518	20,851,703	208,565	

The under expenditure of Kshs.20,851,703 translates to equivalent services expected but not delivered to the residents of Mwingi North Constituency and an indicator of poor budget making process. Further, the Fund overspent its budget on one item by Kshs.208,565 without approval in form of a supplementary budget contrary to Section 43 (2) of Public Finance Management Act (County Regulations), 2015 which states that County government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the County Emergency Fund, or supplementary estimates.

There is need therefore for the management to relook at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the citizens of Mwingi North Constituency.

2.0 Failure to Utilize Funds

The Fund's statement of receipts and payments for the year ended 30 June 2018 reflects Kshs.16,383,890 in respect to net surplus which represent planned projects that were not implemented for the benefits of residents for Mwingi North Constituency. In addition, the Fund' budgeted receipts were Kshs.148,896,098 against budgeted payments of Kshs.98,189,656 resulting to Kshs.50,706,442 budgeted receipts without corresponding budgeted services to the citizens of Mwingi North Constituency. This is an indication of unbalanced budget and which is contrary to Section 31(c) of the Public Finance Management (County Governments) Regulations, 2015 which states that budget revenue and expenditure appropriations shall be balanced;

There is need therefore for the management to relook at its budgeting mechanism with a view to focusing on areas which will improve service delivery to the citizens of Mwingi North Constituency.

3.0 Project Management Implementation

Note 6 and 7 reflects Kshs.23,858,614 and Kshs.41,399,057 in respect to transfer to other government entities and other grants and other payments respectively both totalling to Kshs.65,257,671 for various projects. However, as reported in the previous year, the Constituency Development Fund management did not update the project implementation status report.

In the circumstances, the progress of work on the projects funded during the year under review and their status as at 30 June, 2018 could not be ascertained.

4.0 Progress on Follow up of Auditors Recommendations

The Fund's financial statements at Page 31 reflects the progress on follow up of Auditors recommendations which has stated that all the issues/observations raised in 2016/2017 audited financial statements were resolved. However, this progress report is blank and therefore it has not indicated the issues/observations said to have been resolved and no evidence has been availed for audit review on how the specific issues were resolved.

In the circumstances, it has not been possible to ascertain whether the progress on follow-up of the 2016/2017 financial year Auditors recommendations included in the financial statements for the year under review met its intended objective.

5.0 Other Payments

The Fund's statement of receipts and payments for the year ended 30 June 2018 reflects Kshs.3,800,000 in respect to other payments which is a payment to a consultancy firm to develop a five-year strategic plan for the Fund. However, supporting documents including tender advertisements, letter of acceptance from the winning bidder, regrets from unsuccessful bidders and contract agreements between the firm and the Fund were not availed for audit review.

In the circumstance, the propriety and value for money for the Kshs.3,800,000 expenditure in respect to other payments for the year ended 30 June 2018 could not be ascertained.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matter discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for conclusion

1.0 Presentation of the Financial Statements

The Public Sector Accounting Standards Board (PSASB) stipulates that the financial statements for any National Government entity should include a separate summary statement of appropriation for recurrent and development and a budget execution by programmes and sub- programmes. However, the Fund's financial statements for the year ended 30 June 2018 did not include these statements/documents. In addition, PSASB stipulates that the head of finance should indicate his/her Institute of Certified Public Accountant (ICPAK) membership number in the financial statements. However, the head of finance did not do so in the financial statements for the year ended 30 June 2018. Further, the summary of fixed assets register and the Project Management Committee (PMC) balances as at 30 June 2018 included at pages 27 and 28 of the financial statements respectively are both referred to as Annex 4.

In the circumstances, the presentation of the financial statements for the year under review was not in accordance with the recommended PSASB format.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Cash

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

In preparing the financial statements, management is responsible for assessing the National Government Constituencies Fund-Mwingi North Constituency ability to continue as a going concern/ 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 the National Government Constituencies Development Fund-Mwingi North Constituency 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 money is applied in an effective way.

Those charged with governance are responsible for overseeing the National Government Constituencies Fund-Mwingi North Constituency 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 with limited assurance as to 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 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 National Government Constituencies Development Fund-Mwingi North Constituency 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-Mwingi North Constituency ability to continue as a going concern or 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-

Mwingi North Constituency to cease to continue as a going concern or 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 Development Fund-Mwingi North 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

03 April 2019

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MWINGI NORTH CONSTITUENCY**

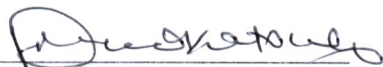
Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	93,630,408	101,219,381
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	<u>300,000</u>	-
TOTAL RECEIPTS		93,930,408	101,219,381
PAYMENTS			
Compensation of employees	4	1,779,214	3,236,118
Use of goods and services	5	6,709,633	11,214,366
Transfers to Other Government Units	6	23,858,614	30,195,000
Other grants and transfers	7	41,399,057	49,900,875
Acquisition of Assets	8	-	11,200,653
Other Payments	9	<u>3,800,000</u>	-
TOTAL PAYMENTS		77,546,518	105,747,012
SURPLUS/(DEFICIT)		<u>16,383,890</u>	<u>(4,527,631)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MWINGI NORTH Constituency financial statements were approved on 30/06/2018 and signed by:



Fund Account Manager
Name: Peter Katoni



Sub-County Accountant
Name: Titus Kimuyu

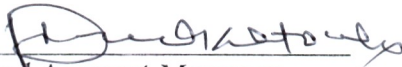
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MWINGI NORTH CONSTITUENCY

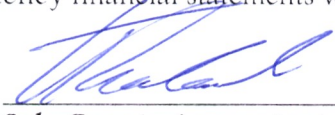
Reports and Financial Statements
For the year ended June 30, 2018

V. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	17,904,424	60,206
Cash Balances (cash at hand)	10B	=	<u>121,000</u>
Total cash and cash equivalents		17,904,424	181,206
Current receivables -Outstanding Imprests	11	=	=
TOTAL FINANCIAL ASSETS		<u>17,904,424</u>	<u>181,206</u>
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	-	-
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	181,206	4,708,837
Surplus/Deficit for the year		16,383,890	(4,527,631)
Prior year adjustments	14	<u>1,339,328</u>	=
NET FINANCIAL POSITION		<u>17,904,424</u>	<u>181,206</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MWINGI NORTH Constituency financial statements were approved on 30/06/ 2018 and signed by:


Fund Account Manager
Name: Peter Katoni


Sub-County Accountant
Name: Titus Kimuyu

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MWINGI NORTH CONSTITUENCY

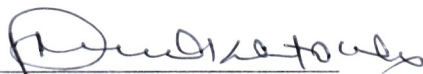
Reports and Financial Statements

For the year ended June 30, 2018

VI. STATEMENT OF CASHFLOW

		2017 – 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	93,630,408	101,219,381
Other Receipts	3	300,000	-
		93,930,408	101,219,381
Payments for operating expenses			
Compensation of Employees	4	1,779,214	3,236,118
Use of goods and services	5	6,709,633	11,214,366
Transfers to Other Government Units	6	23,858,614	30,195,000
Other grants and transfers	7	41,399,057	49,900,875
Other Payments	9	3,800,000	-
		77,546,518	94,546,359
Adjusted for:			
Adjustments during the year	14	1,339,327	-
Net cash flow from operating activities		17,723,217	6,673,022
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(11,200,653)
Net cash flows from Investing Activities		-	(11,200,653)
NET INCREASE IN CASH AND CASH EQUIVALENT		17,723,217	(4,527,631)
Cash and cash equivalent at BEGINNING of the year	13	181,206	4,708,837
Cash and cash equivalent at END of the year		<u>17,904,423</u>	<u>181,206</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MWINGI NORTH Constituency financial statements were approved on 30/06/ 2018 and signed by:



Fund Account Manager
Name: Peter Katoni



Sub-County Accountant
Name: Titus Kimuyu

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 a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	61,785,753	148,596,098	93,811,614	54,784,483	63%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts "AIA"	-	300,000	300,000	300,000	-	100%
PAYMENTS						
Compensation of Employees	1,936,000	400,000	2,336,000	1,779,214	556,786	76%
Use of goods and services	5,876,930	624,138	6,501,068	6,709,633	(208,565)	103%
Transfers to Other Government Units	2,872,415	4,548,276	32,820,691	23,858,614	8,962,077	73%
Other grants and transfers	46,925,000	5,806,897	52,731,897	41,399,057	11,332,840	79%
Acquisition of Assets	-	-	-	-	-	0%
Other Payments	3,800,000	-	3,800,000	3,800,000	-	100%
TOTALS	61,410,345	11,379,311	98,189,656	77,546,518	20,643,138	79%

(a) REASONS FOR OVERUTILIZATION AND UNDERUTILIZATION

- i. The overutilization of use of goods and services arose as a result of participatory approach used during bursary vetting at 35 locational levels
- ii. The underutilization was as a result of delayed release of funds from the board, prolonged legal tussle that led to late gazettelement of the Mwingi North Constituency Development Fund Committee

The NGCDF-MWINGI NORTH Constituency financial statements were approved on 30/06/2018 and signed by:


Fund Account Manager
Name: Peter Katoni


Sub-County Accountant
Name: Titus Kimuyu

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MWINGI NORTH CONSTITUENCY

Reports and financial statements

For the year ended June 30, 2018

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-MWINGI NORTH 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.

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Funds

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

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

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) –
 MWINGI NORTH 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 A855504	1		36,853,449
AIE NOA825983	2		50,271,105
AIE NOA829950	3		4,094,827
AIE NO A839693			10,000,000
AIE NO A892680	1	19,776,961	
AIE NO A892607	2	30,448,275	
AIE NO A855954	3	5,500,000	
AIE NO. A896817	4	37,905,172	
TOTAL		93,630,408	101,219,381

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	300,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	300,000	-

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	552,720	3,106,518
Basic wages of casual labour	468,774	-
NSSF Contributions	-	129,600
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	757,720	-
Other personnel payments	-	-
Total	1,779,214	3,236,118

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 MWINGI NORTH 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	2,261,000	5,036,000
Other committee expenses	-	1,892,000
Utilities, supplies and services	474,000	-
Communication, supplies and services	154,000	6,960
Domestic travel and subsistence	116,300	200,000
Printing, advertising and information supplies & services	150,491	260,000
Rentals of produced assets	180,500	368,270
Training expenses	755,075	1,782,000
Hospitality supplies and services	215,850	426,396
Insurance costs	272,246	-
Specialized materials and services	-	-
Office and general supplies and services	145,980	187,710
Other operating expenses	1,921,793	400,00
Routine maintenance – vehicles and other transport equipment	62,398	655,030
Routine maintenance – other assets	-	-
Total	6,709,633	11,214,366

**- NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MWINGI NORTH 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		-
Transfers to primary schools (see attached list)	15,838,614	21,089,000
Transfers to secondary schools (see attached list)	8,020,000	9,106,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	23,858,614	30,195,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,060,329	22,819,691
Bursary – tertiary institutions (see attached list)	7,907,934	6,879,536
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	5,110,000	12,540,000
Sports projects (see attached list)	3,361,049	2,663,648
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	2,959,745	4,998,000
Total	41,399,057	49,900,875

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	4,500,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	6,700,653
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	<u>11,200,653</u>

9. OTHER PAYMENTS

	2017-2018 Kshs	2016-2017 Kshs
Strategic plan	3,800,000	-
ICT Hub	-	-
TIVET	-	-
	3,800,000	-

**- NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
 MWINGI NORTH 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>Equity bank ltd, Account No. 0590292513495</i>	17,904,424	60,206
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	17,904,424	60,206
10B: CASH IN HAND		
Location 1	-	121,000
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	121,000
<i>[Provide cash count certificates for each]</i>		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MWINGI NORTH 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>Total</i>				<u><u>-</u></u>

12 RETENTION

	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	<u><u>-</u></u>	<u><u>-</u></u>

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	60,206	3,510,029
Cash in hand	121,000	1,198,808
Imprest	-	-
Total	<u><u>181,206</u></u>	<u><u>4,708,837</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018 Kshs	2016-2017 Kshs
Bank accounts	1,339,328	-
Cash in hand	-	-
Imprest	-	-
Total	1,339,328	-

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018 Kshs	2016-2017 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>)	-	-
	xx	xxx

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	556,786	169,813
Use of goods and services	(208,565)	5,634
Amounts due to other Government entities	8,962,077	8,933,607
Amounts due to other grants and other transfers	11,332,840	21,520,428
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
	20,643,138	30,629,482

MWINGI NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances	22,056,568	986,150

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount A	Date Contracted B	Amount Paid To-Date C	Outstanding Balance 2016 d=a-c	Outstanding Balance 2014	Comments
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						

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 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	-	-	-	-
Buildings and structures	14,144,000	-	-	14,144,000
Transport equipment	11,273,103	-	-	11,273,103
Office equipment, furniture and fittings	651,910	-	-	651,910
ICT Equipment, Software and Other ICT Assets	396,670	-	-	396,670
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	26,465,683	-	-	26,465,683

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kakunike Primary School NGCDF Project	KCB Bank Kyuso	1208133691	450654.00	1,215.00
Kalimamundu Primary School NGCDF Project	KCB Bank Kyuso	1234715465	450,000.00	0.00
Kalumu Primary School NGCDF Project	KCB Bank Kyuso	1208896598	105.00	435.00
Kamuwongo Primary School NGCDF Project	KCB Bank Kyuso	1208152912	5,154.00	565,715.00
Kanyoeni Primary School NGCF Project	KCB Bank Kyuso	1234715570	450,000.00	0.00
Kanzinwa Primary School NGCDF Project	KCB Bank Kyuso	1233915770	750,050.00	0.00
Kasiluni Primary School NGCDF Project	KCB Bank Kyuso	1234112841	950,000.00	0.00
Katithini Primary School NGCDF Project	KCB Bank Kyuso	1234719185	450,000.00	0.00
Kavaani Primary School NGCDF Project	KCB Bank Kyuso	980,000.00	980,000.00	0.00
Kikumini Primary School NGCDF Project	KCB Bank Kyuso	1234607107	450,000.00	0.00
Kisiuni Primary School NGCDF Project	KCB Bank Kyuso	1234711346	450,000.00	0.00
Mandangoi AP Line NGCDF Project	KCB Bank Kyuso	1208769820	751,000.00	1,000,000.00
Mangulu Primary School NGCDF Project	KCB Bank Kyuso	1179230930	746.00	746.00
Mitamisiyi Special School NGCDF Project	KCB Bank Kyuso	1234113791	250,000.00	0.00
Mivukoni DO's Office NGCDF Project	KCB Bank Kyuso	1234445816	1.135,500.00	0.00

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Muguusi Primary School NGCDF Project	KCB Bank Kyuso	1234113813	450,000.00	0.00
Mumoni DCC's Residence NGCDF Project	KCB Bank Kyuso	1184137633	2,600,000.00	0.00
Muvinge Primary School NGCDF Project	KCB Bank Kyuso	1233928333	950,300.00	0.00
Mwania Primary School NGCDF Project	KCB Bank Kyuso	1234715643	500,000.00	0.00
Ngakone Primary School NGCDF Project	KCB Bank Kyuso	1234493969	450,200.00	0.00
Ngomeni AP Line NGCDF Project	KCB Bank Kyuso	1233984594	1,326,000.00	0.00
Ngomeni Primary School NGCDF Project	KCB Bank Kyuso	1198861681	-2,330.00	77,944.00
Ngomeni Primary School NG-CDF Project	KCB Bank Kyuso	1233981366	950,050.00	0.00
Nguuku Primary School NG-CDF Project	KCB Bank Kyuso	1208382705	405,885.00	6,215.00
Miramba Ikamba Primary School NGCDF Project	KCB Bank Kyuso	1184007128	215.00	0.00
Mwingi North NGCDF Sports Project	KCB Bank Kyuso	1233805339	1,121,137.90	0.00
Kamusiliu Primary School NGCDF Project	KCB Bank Kyuso	1208022571	749,500.00	56.50
Nгааie Special School NGCDF Project	KCB Bank Kyuso	1234670372	300,000.00	0.00
Mutairu Primary School NGCDF Project	KCB Bank Kyuso	1234113716	250,000.00	0.00
Manzolo Primary School NGCDF Project	KCB Bank Kyuso	1171032773	1,660.00	1,990.00
Ndooni Primary School NGCDF Project	KCB Bank Kyuso	1183594364	714.50	61,044.50

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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Kamwengi Primary School NGCDF Project	KCB Bank Kyuso	118394364	850,270.00	600.00
Kasyathyu Primary School NGCDF Project	KCB Bank Kyuso	1212707516	848,604.50	0.00
Kyuso Girls Secondary School NGCDF Project	KCB Bank Kyuso	1179394135	749,500.00	245.00
Usueni Girls Secondary School NGCDF Project	KCB Bank Kyuso	1199726311	68,629.50	69,640.00
Ivonangya Secondary School NGCDF Project	KCB Bank Kyuso	1234216809	950,000.00	0.00
Ndoo Primary School NGCDF Project	KCB Bank Kyuso	1233127969	300,562.80	0.00
Maseki Water School NGCDF Project	KCB Bank Kyuso	1180705327	1,480,107.75	1,455,247.90
Kalatine Girls Secondary School NGCDF Project	KCB Bank Kyuso	1200533259	1,488,989.50	1,489,435.00
Total			22,056,568	4,730,529

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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)
				All issues resolved	

