

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

DATE: 07 AUG 2019

DAY: Wednesday

TABLED BY:

Hon. Benjamin Wambui
(Majority Party Whip)

CLERK OF THE HOUSE:

Atkins Ahmed

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
UGUNJA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE 2018



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND UGUNJA
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)



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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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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 UGUNJA 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	Boaz O. Odeyo
3.	Sub-County Accountant	Samuel Muyoma
4.	Chairman NGCDFC	Daniel O. Omondi
5.	Member NGCDFC	Beatrice A. Olaka

(d) Fiduciary Oversight Arrangements

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

NGCDFC Office Building,
Next to Nyasanda High School
P.O Box 212- 40606
Ugunja.

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(f) NGCDF UGUNJA Constituency Contacts

E-mail: cdfugunja@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF UGUNJA Constituency Bankers

Equity Bank Siaya Branch
Account No. 0970261942309
P.O Box 212
Siaya.

(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

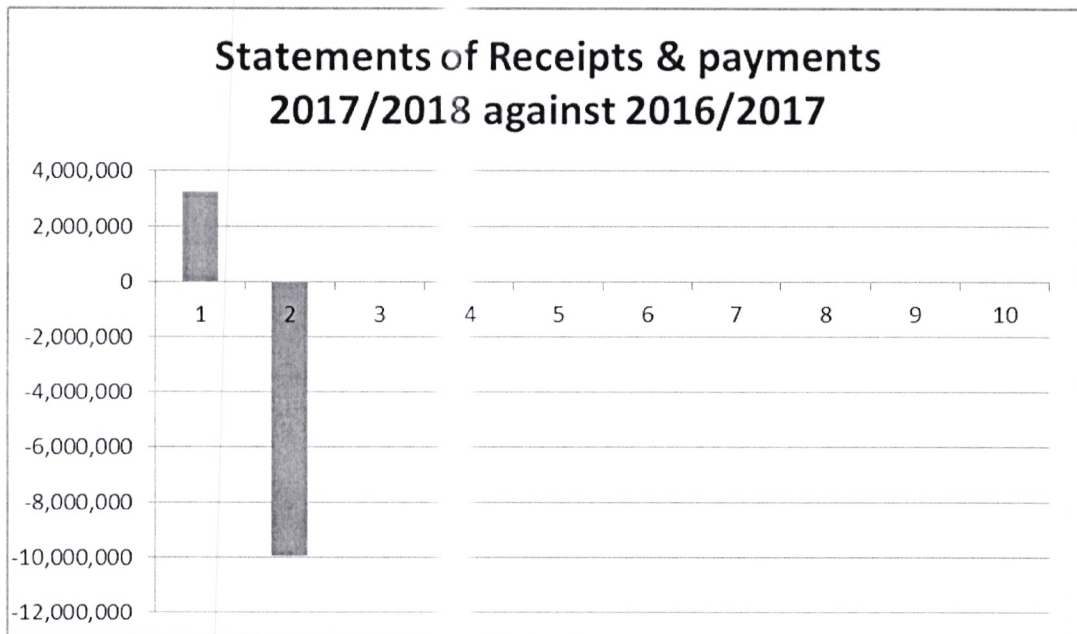
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
UGUNJA CONSTITUENCY
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Within the financial year 2017/2018. the constituency was allocated a total of ksh. **98,189,655** and at the end of the financial year we had received a total of ksh. **85,810,345** translating to **87.9%** of the total allocation as outlined below in a graph and pie-Chart;

Summary of the budget performance against amounts for the current year based on economic classification and programs.



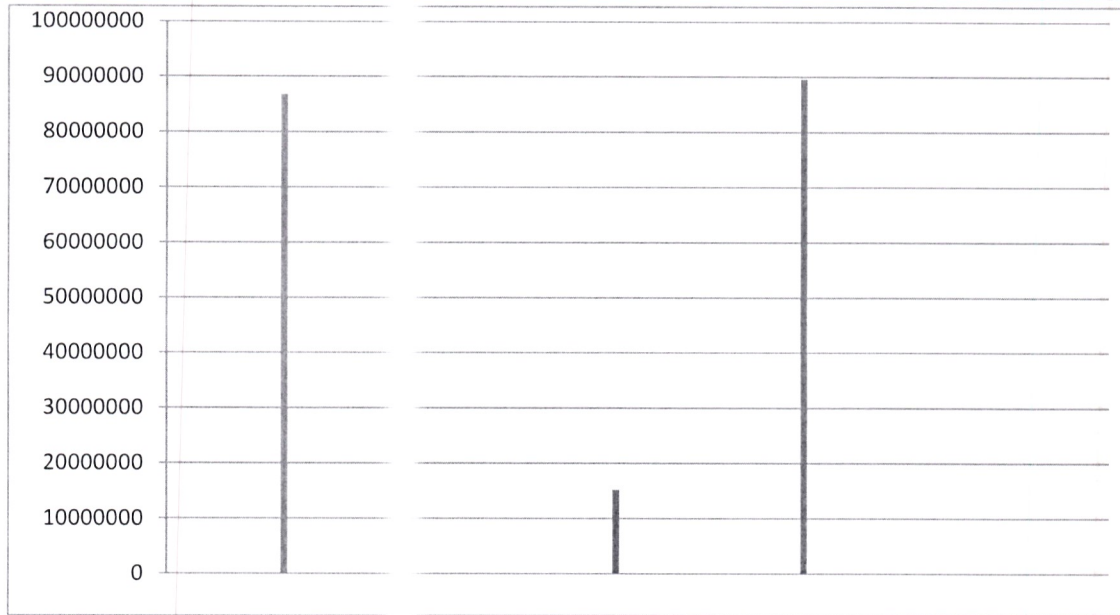
Key

- 1- (Surplus of FY 2017/2018)
- 2- (Deficit of FY 2016/2017)

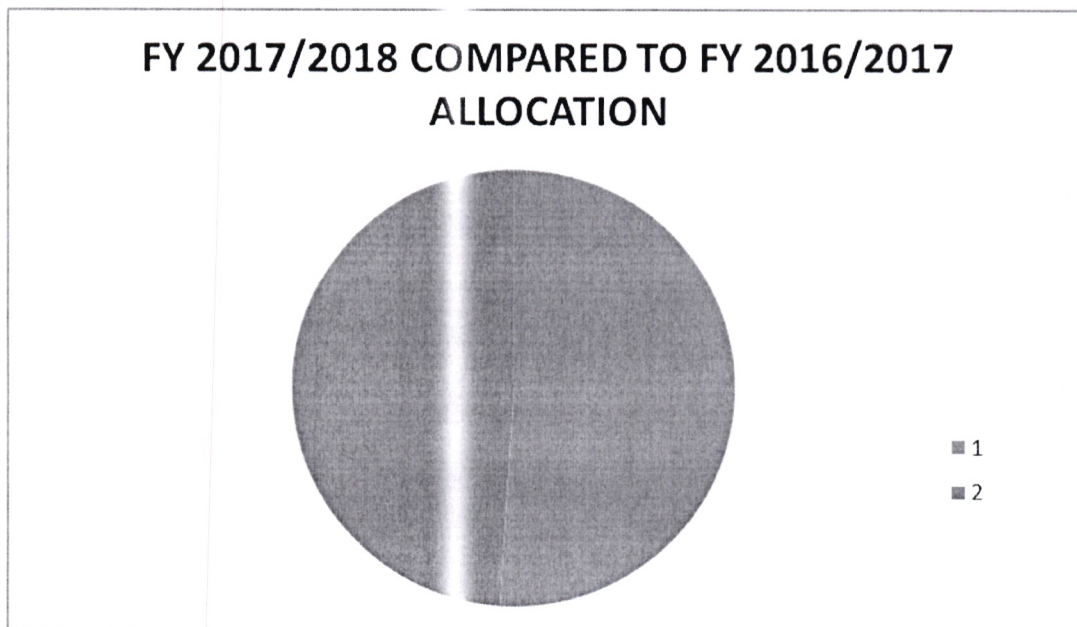
This is an indicator of better performed year 2017/2018 as compared to 2016/2017

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- 1- Original Budget Allocation
- 2- Total Adjustment Allocation during the Year 2017/2018)
- 3- Total Actual on Comparable Basis i.e The Total Funds Allocated during the year was implemented at 87.9% comparatively before the Year Additional Fund Allocation.



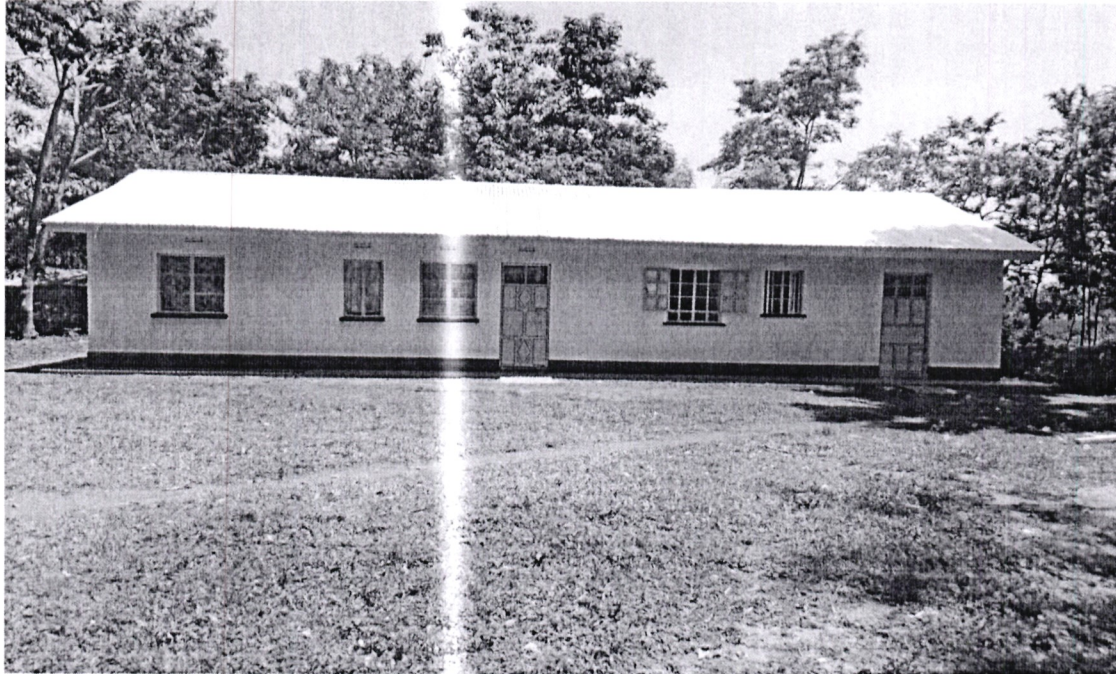
- 1-FY 2017/2018 showing great improvement on financial year allocation
- 2-FY 2016/2017 Allocation which shows less funds than the current year allocation.

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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NGCDF-Ugunja constituency within the financial year had got a number of success stories for instance Successful implementation of projects at about 95% for example, improvement of the educational infrastructure in the constituency and the provision of scholarship to the bright and needy students in the constituency within the financial year just to mention few.

SIGOMRE ADMINISTRATION POLICE POST RENOVATIONS WORKS



MARKUNY PRIMARY SCHOOL CONTRUCTION OF TWO CLASSROOMS

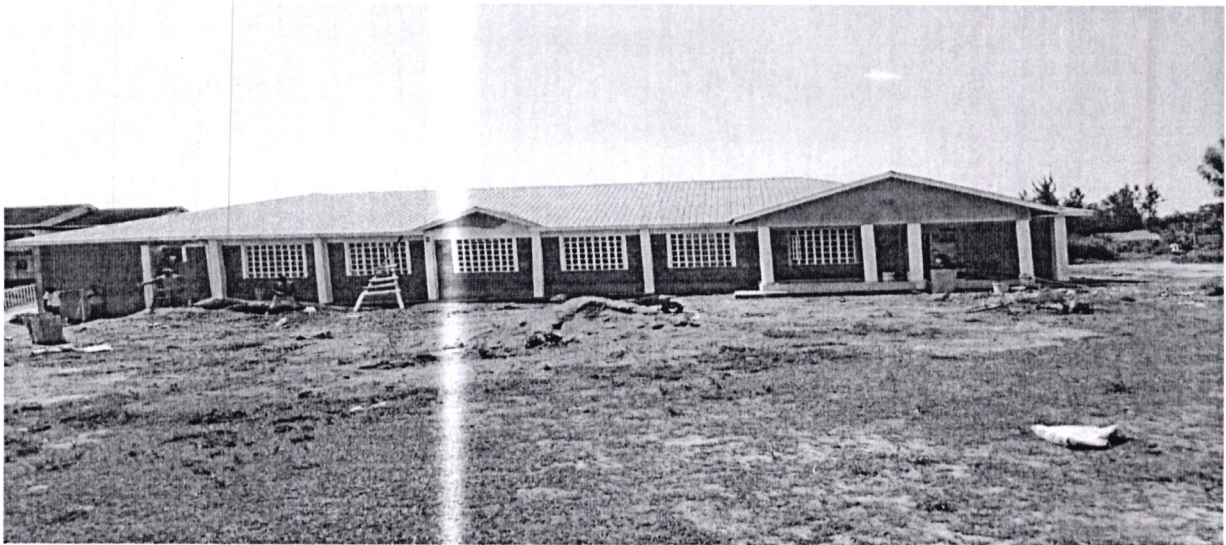


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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ULWANI PRIMARY SCHOOL CONSTRUCTION OF TWO CLASSROOMS



UGUNJA DEPUTY COUNTY COMMISSIONERS OFFICES



On the challenges, within the financial year there was a lot of expectation from the public on which types of the projects to be financed by the CDF as some of the projects which had a lot of impact to the community are not covered in NGCDF Act 2015 and subsequent NGCDF Act regulations 2017, therefore there is need for thorough public awareness on national Government functions funded by the NGCDF.

CHAIRMAN NGCDF COMMITTEE

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
UGUNJA 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.

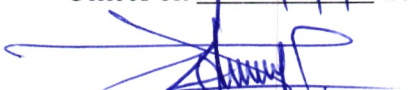
The Accounting Officer in charge of the NGCDF-Ugunja Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. 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-Ugunja 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-Ugunja 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-Ugunja 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-Ugunja Constituency financial statements were approved and signed by the Accounting Officer on 20/4/2019 2019.


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Samuel Muyoma
ICPAK Member Number: 20560



OFFICE OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ugunja National Government Constituencies Development Fund set out on pages 1 to 28 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 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, 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 Ugunja National Government Constituencies Development Fund 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 Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Summary Statement of Appropriation

Included in the summary statement of appropriation recurrent and development combined of the final receipt of Kshs.102,008,905 is an adjustment of Kshs.15,198,560 which is however not supported by any documentary evidence.

Consequently, the accuracy and validity of the financial statements could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Ugunja National Government Constituencies Development Fund 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. There were no Key Audit Matters to report in the year under review.

Emphasis of Matter

1. Project Implementation Status

Ugunja NG-CDF was to implement a total of 57 projects during the year 2017/18 valued at Kshs.82,647,413. Further analysis indicated that four (4) projects valued at Kshs.4,677,027 were not started; five (5) projects valued Kshs.10,609,600 were ongoing; and forty eight(48) projects valued Kshs.67,360,786 were completed as analyzed in the table below:

Sector	Completed		Ongoing		Not Started	
	No.	Value (Kshs)	No.	Value (Kshs)	No.	Value (Kshs)
Emergency	1	4,568,965	0		0	
Environment	0		0		0	
Sports	1	1,500,000	0		0	
Education	3	48,200,108	4	10,409,600	0	
Security	12	13,091,712	1	200,000	4	4,677,027
Total	48	67,360,786	5	10,609,600	4	4,677,027

The Fund therefore, did not efficiently deliver the planned services to the constituents and consequently did not optimally achieve the development objective for the year.

2. Budgetary Control Performance

Ugunja NG-CDF incurred a total expenditure of Kshs.82,583,354 against a budgetary allocation of Kshs.102,008,905 representing 81% budget absorption as tabulated below:

Components	Final Budgeted Amount (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	% Budget Absorption
Compensation of Employees	4,086,720	3,532,713	554,007	86%
Use of Goods & Services	8,264,199	5,480,405	2,783,79	66%
Transfer to other Government Units	42,809,709	34,059,559	8,750,150	80%
Other Grants and Transfers	42,171,250	39,510,678	2,660,57	94%
Other Payments	4,677,027	0.00	4,677,027	0%
Total	102,008,905	82,583,355	19,425,550	81%

Consequently, failure to utilize all funds as budgeted for or as disbursed is an indication that programs and activities are not implemented as planned hence not achieving the intended objectives of improving delivery of service to the resident of Ugunja Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter described in the Conclusion on Compliance and Effectiveness section of my report, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Irregular Procurement

- i. Included in the expenditure of Kshs.5,480,405 under use of goods and services is Kshs.974,568 paid to M/S Wells Oil Ltd in respect to the supply of fuel. However, it was not possible to ascertain how the firm was identified for the tender since the procurement process used to identify the firm was not made available for audit scrutiny.

Consequently, the authenticity and propriety of the above expenditure amounting Kshs.974,568 cannot be confirmed.

- ii. Ugunja NG-CDF awarded M/S Japco General Contractors tender to construct Ugunja Sub County Offices at a contract sum of Kshs.8,931,756 which was later revised upwards through a variation order by Kshs.2,200,000 resulting to a total contract amount of Kshs.11,131,756. A request for quotation was used and six (6) firms bids for the tender and quoted as follows;

Contractor Name	Amount Quoted (Kshs.)
Magadi Building Contractors P.O. Box 426-40600, Siaya	9,522,359
Japco Contractors Ltd P.O. Box 7981-40100, Kisumu	8,931,756
Mustang Agencies P.O. Box 40062-00100, Nairobi	10,493,940
Nyaulo Investments P.O. Box 7907, Kisumu	9,542,496
Lizley Communications Ltd P.O. Box 335-40-606, Ugunja	8,717,400
Ayot Construction Co. Ltd P.O. Box 31-40606, Ugunja	10,900,566

However, the following unsatisfactory issues were observed;

- a. The expenditure of Kshs.11,131,756 was beyond the maximum allowable for request for quotations under class C of the threshold matrix and therefore open tender should have been appropriate for this procurement.
- b. Both 3% and 6% withholding Tax and VAT respectively were not deducted and submitted to KRA as required.
- c. The 10% retention was also not deducted.

In the circumstances, the value for money and the regularity of the expenditure of Kshs.11,131,756 could not be ascertained.

2.0 Emergency Expenditures

Included in other grants and other payments figure of Kshs.39,510,678 is Kshs.3,968,965 out of a total of Kshs.4,568,966 that Ugunja NG-CDF paid to three (3) Primary Schools under emergency funds as indicated in the table below. However, there was no proper proof that these expenditures qualify to be paid using emergency allocation as required by section 8(3) of the National Government Community Development Act, 2015) which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

PV No.	Date	Cheque No.	Payee	Amount (Kshs)	Purpose
156	28/6/2018	3315	Suwinga Primary School	1,668,965	For renovation of three classrooms
179	29/6/2018	3317	Mudhiero Primary School	1,300,000	For renovation of three classrooms
157	28/6/2018	3316	Lolwe Primary School	1,000,000	For renovation of three classrooms
			Total	3,968,965	

Consequently, the value of money and the regularity of the above expenditure of Kshs.3,968,965 could not be ascertained.

3.0 Irregular Expenditure

Included in other grants and transfers of Kshs.39,510,678 is Kshs.944,491 out of a total of Kshs.9,991,712 paid in respect to construction of two (2) projects namely Ugunja sub county offices and Sikalame Chiefs office complex which however physical verification during the month of March 2019 revealed that some works were varied without approval and authority of the relevant committee and that partly done works were paid for fully. Consequently, the value for money and propriety of the expenditure of Kshs.944,491 could not be ascertained.

My responsibility is to express a conclusion based on the review. The review 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 limited assurance as to 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.

A review is limited primarily to analytical procedures and to inquiries, and therefore provides less assurance than an audit. I have not performed an audit, and, accordingly, express my conclusion in the form of limited assurance, which is consistent with the more limited work I have performed under this compliance review.

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 procedures performed, except for the matter described in the Conclusion on Effectiveness of Internal Controls 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.

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, 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.

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 1315. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance was maintained in all material respects.

The matters reported are limited to the deficiencies identified during the audit that I have concluded are material to be reported. I have not performed an audit, and, accordingly, express my conclusion in the form of limited assurance, which is consistent with the more limited work I have performed under this review.

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 for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 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 manner.

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 of the Financial Statements

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 review 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

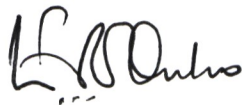
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

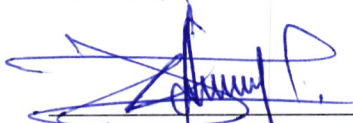
30 May 2019


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

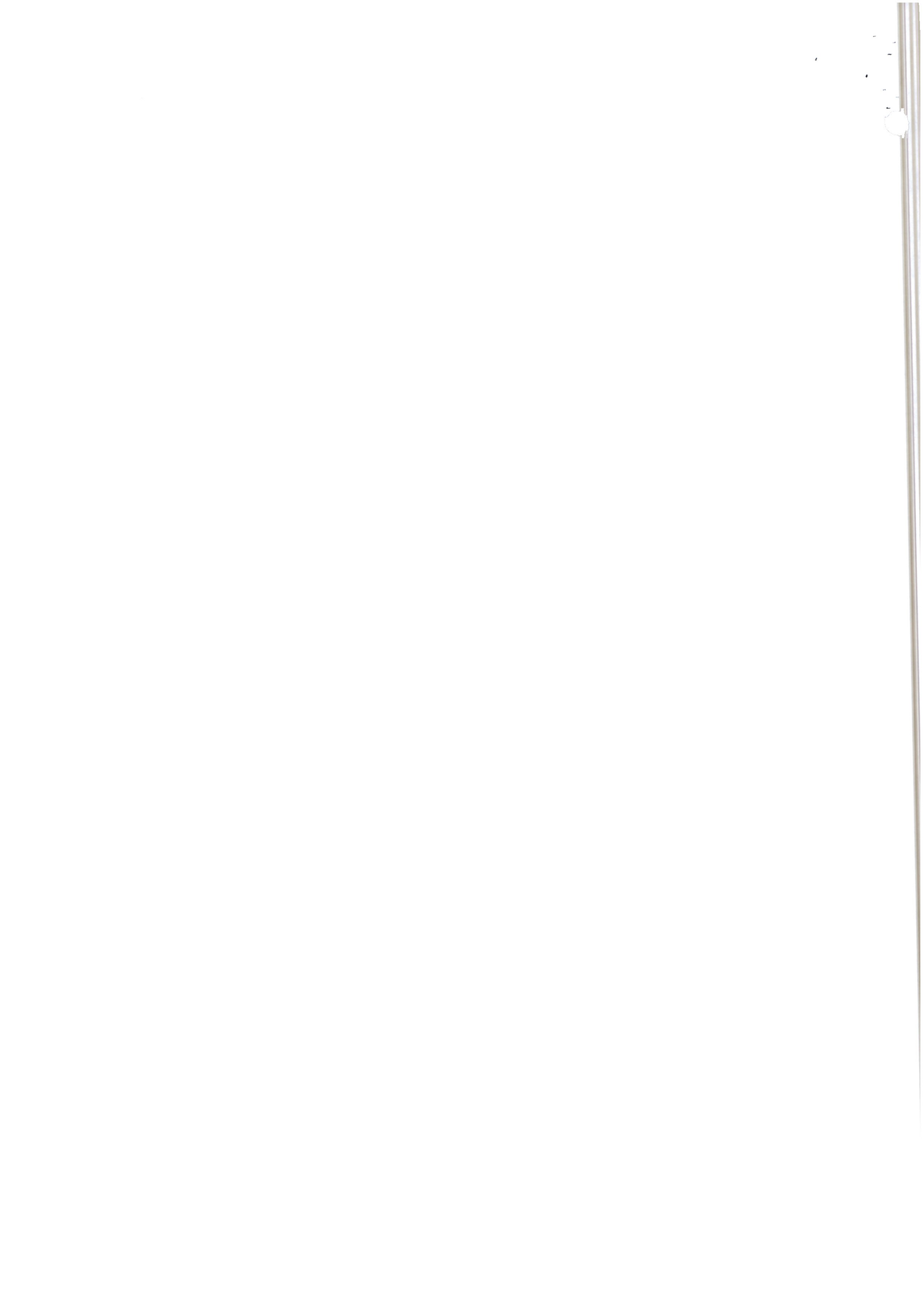
IV. STATEMENT OF RECEIPTS AND PAYMENTS AS AT JUNE 30, 2018

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	85,810,345	82,388,552
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		85,810,345	82,388,552
PAYMENTS			
Compensation of employees	4	3,532,713	2,005,204
Use of goods and services	5	5,480,405	7,007,261
Transfers to Other Government Units	6	34,059,559	32,331,034
Other grants and transfers	7	39,510,678	43,970,780
Acquisition of Assets	8	-	6,980,000
Other Payments	9	-	-
TOTAL PAYMENTS		82,583,354	92,294,279
SURPLUS/DEFICIT		3,226,991	(9,905,727)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ugunja Constituency financial statements were approved on 20/4/2019 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Samuel Muyoma
ICPAK Member Number: 20560




**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
UGUNJA CONSTITUENCY
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For the year ended June 30, 2018**


V. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2018

	Note	2017- 2018 Kshs	2016 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	7,038,241	3,811,250
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		7,038,241	3,811,250
Accounts receivables- Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS			
		7,038,241	3,811,250
FINANCIAL LIABILITIES			
Accounts payables- Retention	12	-	-
NET FINANCIAL ASSETS			
		7,038,241	3,811,250
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	3,811,250	13,716,977
Surplus/Defict for the year		3,226,991	(9,905,727)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION			
		7,038,241	3,811,250

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ugunja Constituency financial statements were approved on 30/4/2019 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo

ICPAK Member Number: 20560


Sub-County Accountant
Name: Samuel Muyoma

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

Reports and Financial Statements

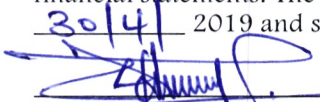
For the year ended June 30, 2018

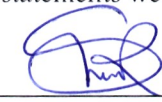
VI. STATEMENT OF CASHFLOW AS AT JUNE 30, 2018

Receipts for operating income		2017 - 2018	2016 - 2017
Transfers from CDF Board	1	85,810,345	82,388,552
Other Receipts	3	-	
		85,810,345	82,388,552
Payments for operating expenses			
Compensation of Employees	4	3,532,713	2,005,204
Use of goods and services	5	5,480,405	7,007,261
Transfers to Other Government Units	6	34,059,559	32,331,034
Other grants and transfers	7	39,510,678	43,970,780
Other Payments	9	-	-
		82,583,354	85,314,279
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		3,226,991	(2,925,727)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	6,980,000
Net cash flows from Investing Activities		-	(6,980,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,226,991	(9,905,727)
Cash and cash equivalent at BEGINNING of the year	13	3,811,250	13,716,977

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ugunja Constituency financial statements were approved on

30/4/2019 2019 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Samuel Muyoma
ICPAK Member Number: 20560

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED AS AT JUNE 30, 2018

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	3,819,250	90,629,595	89,621,595	1,008,000	98.9%
Proceeds from Sale of Assets						
Other Receipts		-				
TOTAL RECEIPTS	86,810,345	3,819,250	90,629,595.00	89,621,595	1,008,000	98.9%
PAYMENTS						
Compensation of Employees	2,857,020	888,322	3,745,342	3,532,713	212,629	94.3%
Use of goods and services	7,055,911	525,529	7,581,440.00	5,480,405	2,101,036	72.3%
Transfers to Other Government Units	33,359,709	700,000	34,059,709.00	34,059,559	150	100.0%
Other grants and transfers	38,860,678	1,705,399	40,566,077	39,510,678	1,055,399	97.4%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	4,677,027.00	-	4,677,027	-	4,677,027	0.0%
TOTAL	86,810,345	3,819,250	90,629,595	82,583,354	8,046,241	97.4%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

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

- i. For use of goods and services the percentage utilization was 72.3% because at the end of the financial year the NGCDF BOARD had not disbursed all the monies to the constituency resulting to underutilisation.
- ii. For other payments the percentage utilisation was 0.00% because the constituency was still waiting for the NGCDF BOARD guidelines on implementation of the ICT HUBS resulting to zero expenditures at the close of the financial year.
- iii. Ksh. 11,379,310 which was allocation for the current financial year 2017/2018 had not been received.

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

The NGCDF-Ugunja Constituency financial statements were approved on 30/4/ 2019 and signed by:



Fund Account Manager
Name: Boaz O. Odeyo

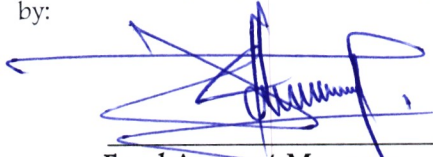



Sub-County Accountant
Name: Samuel Muyoma
ICPAK Member Number: 20560

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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Reports and Financial Statements
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TRIAL BALANCE AS AT 30TH JUNE 2018			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	7,038,241	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	3,532,713	
	Use of goods and services	5,480,405	
	Transfers to Other Government Units	34,059,559	
	Other grants and transfers	39,510,678	
	Acquisition of Assets	-	
	Other Payments	-	
Receipts			
	Transfers from the Board		85,810,345
	Proceeds from sale of assets		-
	Others receipts		-
	Prior Year Adjustment		-
	Fund Balance b/f		3,811,250
	TOTAL	89,621,595	89,621,595

The NGCDF-Ugunja Constituency financial statements were approved on 30/4/ 2019 and signed by:


Fund Account Manager
Name: Boaz O. Odeyo


Sub-County Accountant
Name: Samuel Muyoma
ICPAK Member Number: 20560

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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-UGUNJA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

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.

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA CONSTITUENCY

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 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.

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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.892535	1	5,500,000	
AIE NO. 892804	2	37,905,172	
AIE NO. 896865	3	42,405,173	
AIE NO.825973	1		500,000.00
AIE NO.839526	2		4,094,828.00
AIE NO.839620	3		36,853,449.00
AIE NO.855634	4		36,140,275.00
AIE NO.855662	5		4,800,000.00
TOTAL		85,810,345	82,388,552

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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2017-2018	2016-2017
	Kshs	Kshs
Basic wages of contractual employees	1,838,903	1,983,604.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	1,673,210	-
Employer contribution to NSSF	20,600	21,600.00
Total	3,532,713	2,005,204



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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	1,681,140	2,545,600
Utilities, supplies and services	113,266	382,415
Communication, supplies and services	-	25,000
Domestic travel and subsistence	108,800	384,100
Printing, advertising and information supplies & services	-	681,306
Rentals of produced assets	-	-
Training expenses	610,600	725,000
Hospitality supplies and services	195,205	297,740
Insurance costs	-	-
Fuel , oil & lubricants	974,568	1,200,000
Office and general supplies and services	328,695	104,245
Other operating expenses	1,258,700	15,180
Routine maintenance – vehicles and other transport equipment	182,751	623,475
Routine maintenance – other assets	26,680	23,200
Total	5,480,405	7,007,261

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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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)	13,830,000	15,831,034
Transfers to secondary schools (see attached list)	12,230,282	16,500,000
Transfers to tertiary institutions (see attached list)	7,999,277	-
Transfers to health institutions (see attached list)	-	-
TOTAL	34,059,559	32,331,034

7 OTHER GRANTS AND OTHER PAYMENTS

	2017-2018	2016- 2017
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,810,000	10,990,000
Bursary – tertiary institutions (see attached list)	10,590,000	11,749,500
Bursary – special schools (see attached list)	-	-
Roads and Bridges	-	6,220,000
Security projects (see attached list)	9,991,712	8,800,000
Sports projects (see attached list)	1,500,000	1,500,000
Environment projects (see attached list)	1,050,000	1,822,000
Emergency projects (see attached list)	4,568,966	2,889,280
Total	39,510,678	43,970,780

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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	-	-
Construction of Buildings	-	5,000,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	500,000
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	1,360,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	120,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	6,980,000

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
ICT Hub	-	-
TIVET	-	-
		-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
CONSTITUENCY**

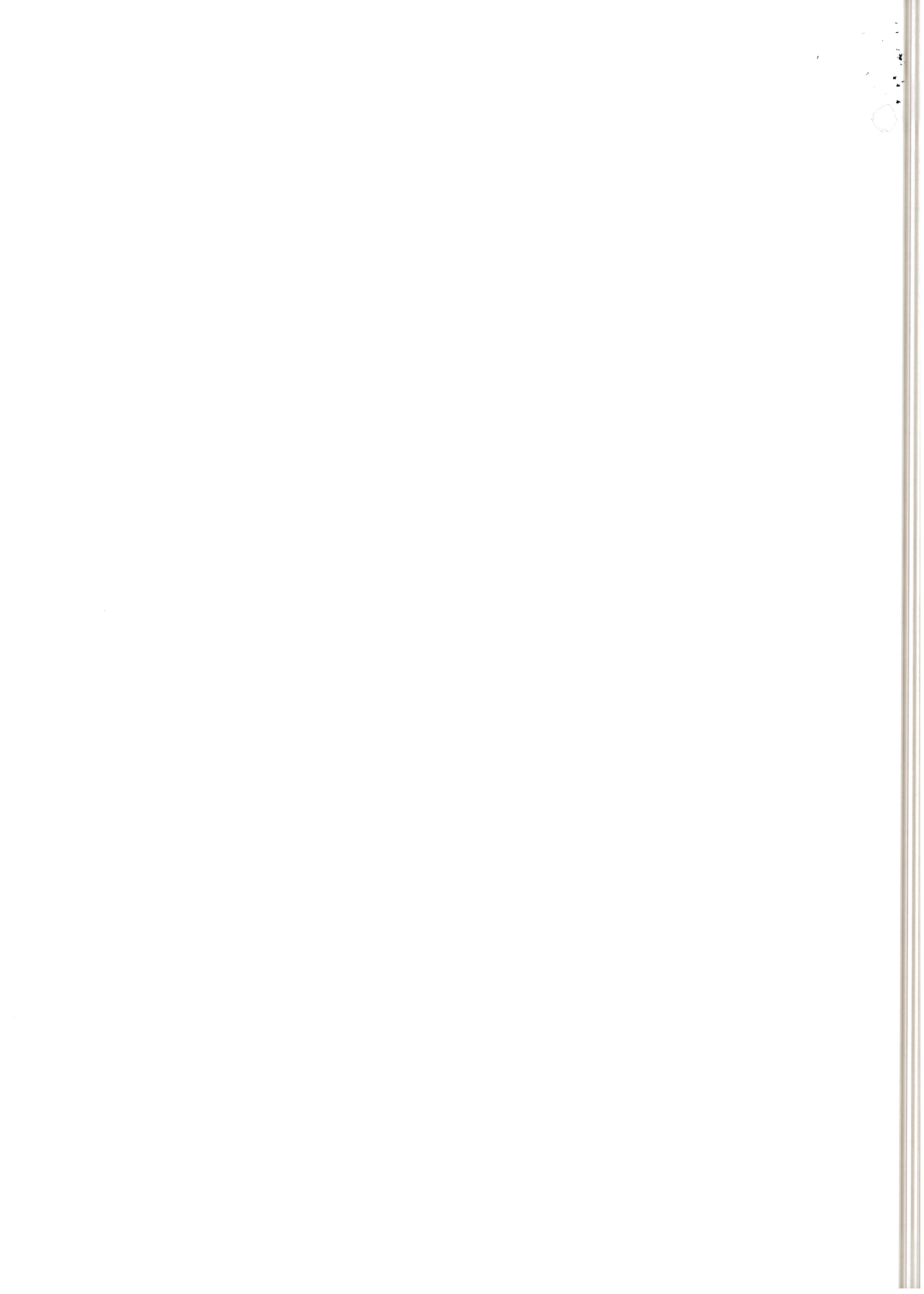
Reports and Financial Statements

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, Siaya Branch A/C no.0970261942309</i>	7,038,241	3,811,250.00
	-	-
	-	-
Total	7,038,241	3,811,250
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA 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>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

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

12 RETENTION

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	3,811,250	13,716,977
Cash in hand	-	-
Imprest	-	-
Total	3,811,250	13,716,977

[Provide short appropriate explanations as necessary]

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA 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	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

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>)	-	-
	-	-

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	554,007	-
Use of goods and services	2,783,795	-
Amounts due to other Government entities (see attached list)	8,750,150	-
Amounts due to other grants and other transfers (see attached list)	2,660,572	-
Acquisition of assets	-	-
Others (<i>ICT HUBS</i>)	4,677,027	-
	19,425,551	-

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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 (see attached list)	-	-
	28,764,557.40	23,546,557.40

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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For the year ended June 30, 2018 (Kshs)

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.						
11.						
12.						
Sub-Total						
Grand Total						

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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For the year ended June 30, 2018 (Kshs)

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							

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees		554,007		
Use of goods & services		2,783,795		
Amounts due to other Government entities				
Got Osimbo Primary		850,150		
Ngunya Secondary		1,200,000		
Simenya Secondary		6,700,000		
	Sub-Total	12,087,952		
Amounts due to other grants and other transfers				
Ugunja Sub-County offices		1,036,207		
Ugunja Sub-County Offices		1,000,000		
Emergency		624,365		
	Sub-Total	2,660,572		
	Sub-Total	14,748,524		
Acquisition of assets				
Others (ICT HUBS)		4,677,027		
Ugunja NGCDFC Offices		1,169,257		
Sigomre Administration Centre		1,169,257		
Ambira Administration Centre		1,169,257		
Sikalame Administration Centre		1,169,257		
	Sub-Total	4,677,027		
	Grand Total	19,425,551		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

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	10,500,000	-	-	10,500,000
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	1,360,000	-	-	1,360,000
ICT Equipment, Software and Other ICT Assets	200,000	-	-	200,000
Other Machinery and Equipment	5,581,530	-	-	5,581,530
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	17,641,530	-	-	17,641,530

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

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

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Ugunja Technical Training Institute	KCB Ugunja	1234555808	0	0
Ugenya High School	KCB Ugunja	1124999957	28,430.00	0
Uriya Magoya Primary School	KCB Ugunja	1116903873	200,790.00	0
Madungu Primary School	KCB Ugunja	1110229844	200,259.10	0
Siror Primary School	KCB Ugunja	1134806604	1,000,872.00	0
Ambira Primary School	KCB Ugunja	1134807139	39,342.00	0
Ukalama Primary School	KCB Ugunja	1117029476	805,831.00	0
Sigomre Administration Police Post	KCB Ugunja	1169889794	800,700.00	0
Madungu Secondary School	KCB Ugunja	1133598927	5,641,956.00	0
St. Augustine's Ogeda	KCB Ugunja	1133642608	8,591.00	0
Sidindi Secondary School	KCB Ugunja	1134806949	324,338.00	0
Markuny Primary School	KCB Ugunja	1109525575	1,697,781.25	0
Mauna Primary School	KCB Ugunja	1110306350	251,010.75	0
Lunjre Primary School	KCB Ugunja	1156596890	55,683.00	0
Ulwani Primary School	KCB Ugunja	1124637044	515,393.40	0
Sigomre Primary School	KCB Ugunja	1116895463	197,670.00	0
Ogeda Primary School	KCB Ugunja	1226386105	199,500.00	0
Ulumba Primary School	KCB Ugunja	1154823237	202,836.00	0
Ugunja ASS. County Residence	KCB Ugunja	1157666116	29,237.70	0
Mudhiero Primary School	KCB Ugunja	1235470288	0	0
Lolwe Primary School	KCB Ugunja	1139559591	2,468.00	0
Konjra Primary School	KCB Ugunja	1126412279	1,411.00	0
Ugunja Primary School	KCB Ugunja	1125736623	200,976.00	0
St. Pascalia Naya Commuinity Primary	KCB Ugunja	1235257290	0	0

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
St. Francis Rangala Girls Secondary School	KCB Ugunja	1126139882	3,423,531.80	0
Sirandumb primary school	KCB Ugunja	1109713320	0	68,600.45
Tihinga Primary school	KCB Ugunja	1133474926	0	44,766.70
Hawagaya primary school	KCB Ugunja	1205180605	0	14,179.75
Ambira Administration Police police	KCB Ugunja	1204507473	1,508,998.00	11,383.50
Raduodi Primary school	KCB Ugunja	1108228712	0	215,585
Sijimbo police post	KCB Ugunja	1146562454	0	102,198.00
Koluma Footbridge	KCB Ugunja	1205789847	0	1,200,000.00
Suwinga primary school	KCB Ugunja	1170644112	15,682.00	16,747
Sikang primary school	KCB Ugunja	1176488554	0	85,495.55
Ywaya primary school	KCB Ugunja	1131771087	0	29,545.70
Daho primary school	KCB Ugunja	1110828403	204,235.70	6,365.70
Ngunya primary school	KCB Ugunja	1125418311	1,130,976.00	309,641
Equator Special school	KCB Ugunja	1134574711	0	1,039,056.00
Musiko primary school	KCB Ugunja	1123171505	477,290.50	855,896.00
Ruwe primary school	KCB Ugunja	1125370963	0	899,749.55
Sirandumb primary school	KCB Ugunja	1109713320	0	68,600.45
Nyamasare primary school	KCB Ugunja	1117161161	0	64,830.90
Sijimbo primary school	KCB Ugunja	1182653936	0	76,548.80
Equator Learning centre	KCB Ugunja	1182502482	178,862.00	2,406,427.50
Uref primary School	KCB Ugunja	1117031497	0	20,951.00
Ukalama Secondary School	KCB Ugunja	1167985052	0	41,287.75
Ngunya secondary school	KCB Ugunja	1138622982	0	2,460,579.50
Got Osimbo Girls secondary school	KCB Ugunja	1125338725	0	432,828
Rambula secondary School	KCB Ugunja	1110658907	3,084,653.30	399,483.30
Masamra secondary school	KCB Ugunja	1177961113	0	162,142.85



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA
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For the year ended June 30, 2018 (Kshs)

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Sigomre secondary school	KCB Ugunja	1128893134	0	1,877.00
Uluthe secondary school	KCB Ugunja	1169645895	0	489,199.00
Bar Atheng secondary school	KCB Ugunja	1203628579	0	31,935.00
Sikalame Administration Centre	KCB Ugunja	1170150993	0	1,204,050.00
Simenya administrative police line	KCB Ugunja	1151469807	0	1,008,000.00
Sikalame Administration Centre	KCB Ugunja	1170150993	1,100,896.20	1,204,050.00
North Uholo Chiefs Office	KCB Ugunja	1208420135	230,978.70	899,435
Ugunja sub-county offices	KCB Ugunja	1211252922	5,003,377.00	3,000,000.00
Mbosie Ap Post line	KCB Ugunja	1207281441	0	486,435.00
Sidondo bridges	KCB Ugunja	1178909115	0	2,584,954.00
Ugunja CDPC offices	KCB Ugunja	1129913198	0	1,603,330.50
Total			28,764,557.40	23,546,155.45

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA CONSTITUENCY

Reports and Financial Statements

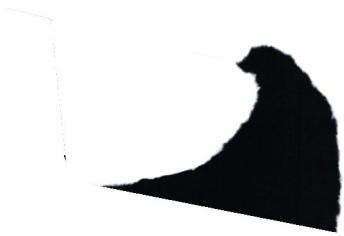
For the year ended June 30, 2018 (Kshs)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Basis for Qualified Opinion 1.0 Bank Balance The financial statements reflect a bank balance of ksh. 13,716,977 as at June 30 2016 which includes stale unrepresented cheques totalling ksh. 375,538 not reversed in the cash book at the end of the year and consequently it has not been possible to confirm that the cash and cash equivalents balance of ksh. 13,716,977 as at 30 June 2016 is fairly stated.</p>	<p>The management wants to vouch that bursary cheques totaling to ksh. 375,538 have been revised in the cash book and re-issued to the other beneficiaries who were needy and attached is the voucher for the beneficiaries for your reference and the balance of the funds for the bursaries of ksh. 306,000 have gone through in the bank.</p>	NGCDFC	Resolved	
	<p>2.0 Emergency Expenditure Included in the other grants and transfers balance of ksh. 44,958,623 is ksh. 8,085,382 spent on emergency projects. The expenditure exceeded the permitted limit of 5% of the approved budget by ksh. 1,333,706. The permitted threshold of 5% of the approved budget stipulated by section 8(1) of the National Government Constituencies Development Fund Act</p>	<p>On the overspending of the emergency vote by ksh. 1,333,706.00 this is not true since in the financial year 2015/2016 the constituency was allocated ksh.5,767,647.00 and the total expenditures incurred was ksh. 2,227,762.00 Which was less than the allocated amount and some funds were also carried forward from the last financial year 2014/2015. Attached is extract of project</p>	NGCDFC	Resolved	

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – UGUNJA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018 (Kshs)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	2015. Consequently the management has breached the law	proposal for your verification.			
	<p>Other Matter</p> <p>1. Project Verification Eleven (11) projects costing ksh. 30,453,272 were verified during Audit in June 2017 and out of which six projects were found to be complete and in use while five (5) were found to be ongoing. The delay in implementation of projects denied Ugunja Constituents access to public serviced they deserve.</p>	<p>The Management takes positively the recommendation by the audit team and would want to also retaliate that the Sidondo Bridge is now complete and in use, Ugenya High school is complete and in use, Ruwe Utende Bridge complete and in use, Rangala girls Dormitory is complete and in use.</p>	NGCDFC	Resolved	
	<p>2. Budget Analysies Comparison of budget and actual expenditure indicated that the constituency had budgeted to spend ksh. 135,533,509 on various transfers and projects but the actual expenditure totalled kshs. 121,316,532 and the managements also underspent a total of kshs. 14,216,977 on five expenditure items. No explanation was provided for the variations that were in excess of 10% of the budget.</p>	<p>The management underspent a total of ksh. 14,216,977 on five expenditure items because the last AIE NO. 825638 of ksh. 26,567,702.00 were received almost towards the end of the financial year and therefore its implementation overlapped in the financial year 2016/2017. Attached is the last AIE NO. 825638 for your reference.</p>	NGCDFC	Resolved	

