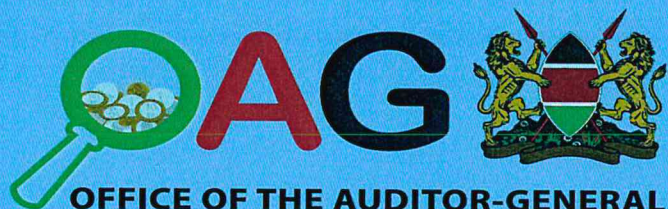


REPUBLIC OF KENYA



Enhancing Accountability

 REPORT THE NATIONAL ASSEMBLY	
DATE: 21 OCT 2021	
DAY: Thursday	
TABLED BY:	OF LOMP
CLERK-AT THE-TABLE:	Maura Warijoku

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – SUNA WEST CONSTITUENCY**

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



Revised Template 30th June 2019



SUNA WEST
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –
REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SUNA
WEST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

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

(b) Key Management

The NGCDF *Suna West* Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

	Designation	Name
1.	A.I.E holder	Moses .O. Agolla
2.	Sub-County Accountant	Abel Omuga
3.	Chairman NGCDFC	Evans O. Osuta
4.	Member NGCDFC	Jacklyne Kasuku

(d) Fiduciary Oversight Arrangements

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

P.O. Box 585-40400
SUNA
PINY OYIE.

(f) NGCDF *SUNA West* Constituency Contacts

Telephone: (254) 0724514475
E-mail: cdfsunawest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF *SUNA West* Constituency Bankers

Cooperative Bank of Kenya
Migori branch
P.O. Box 76
City Square 00200
Nairobi, Kenya

(h) Independent Auditors

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

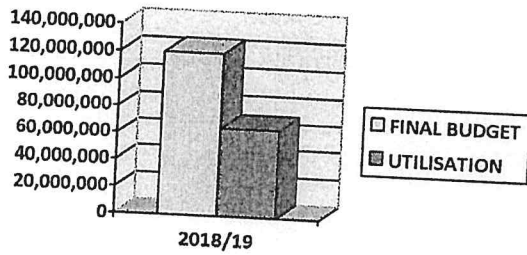
(i) Principal Legal Adviser

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

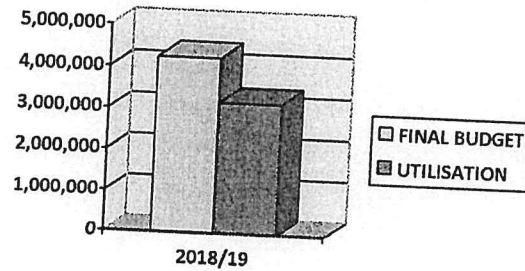
THE GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

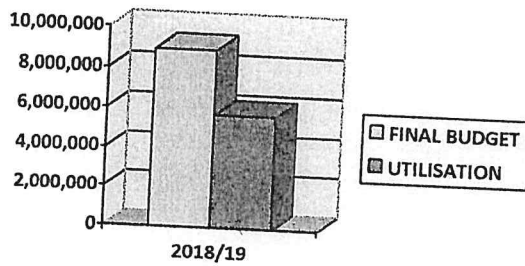
Transfers from CDF Board



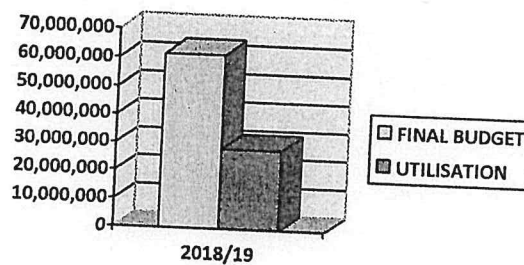
Compensation of Employees



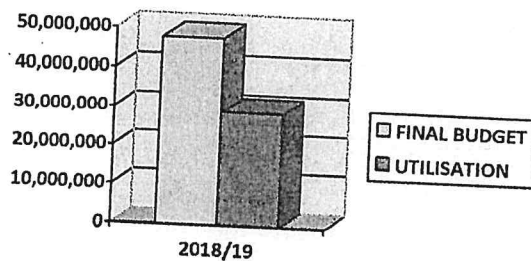
Use of goods and services



Transfers to Other Government Units

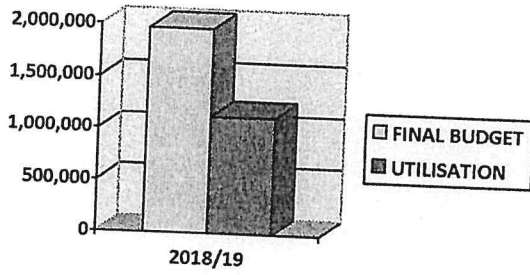


Other grants and transfers

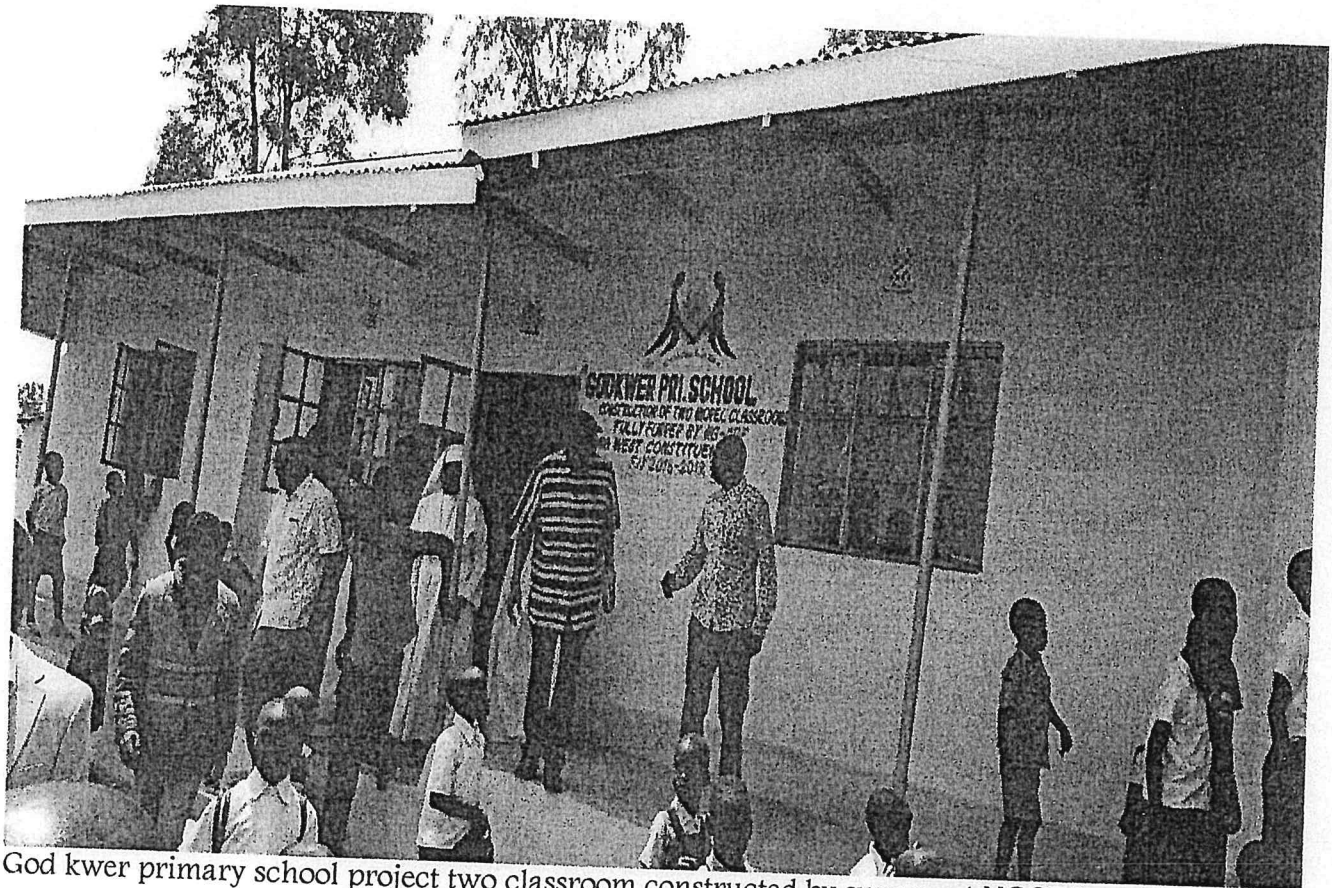
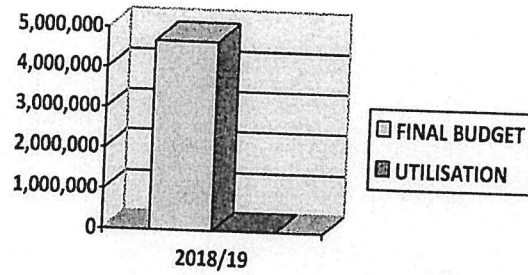


SUNA WEST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

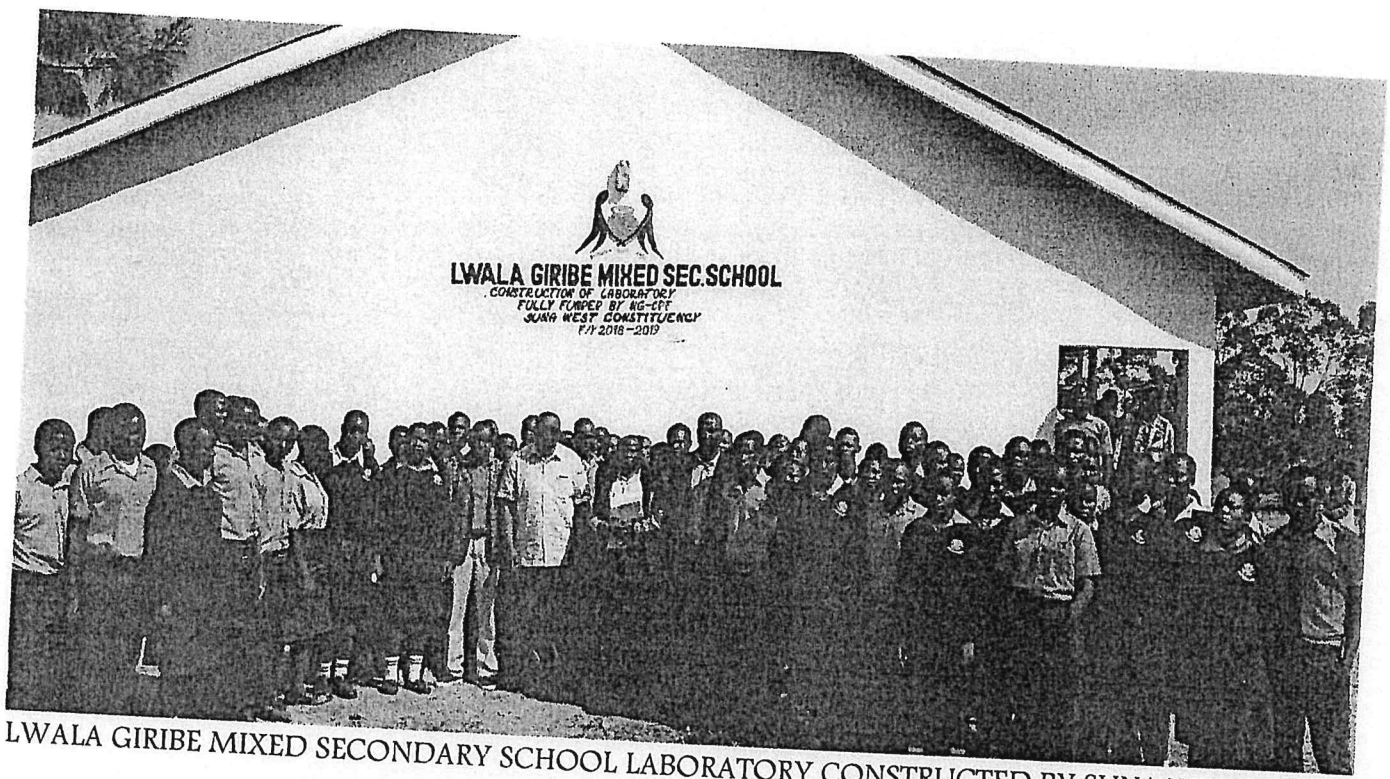
Acquisition of Assets



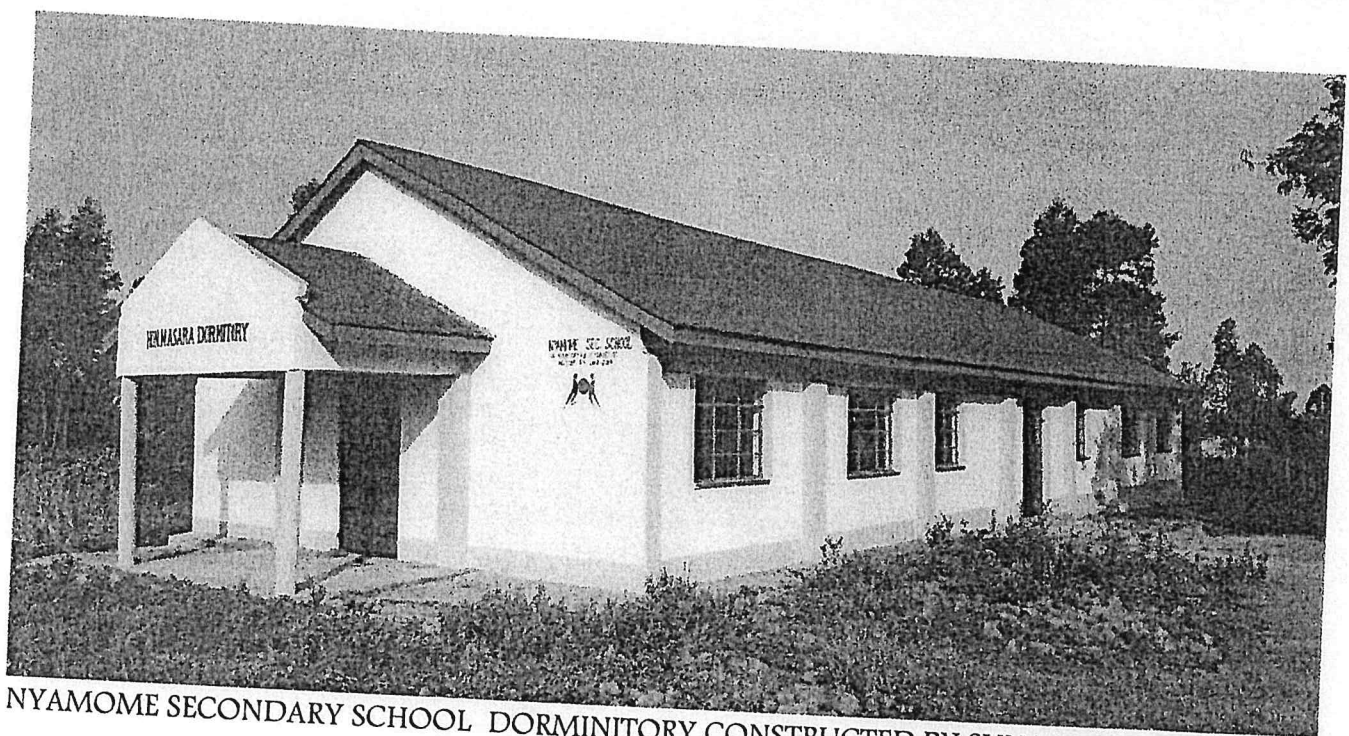
Other Payments



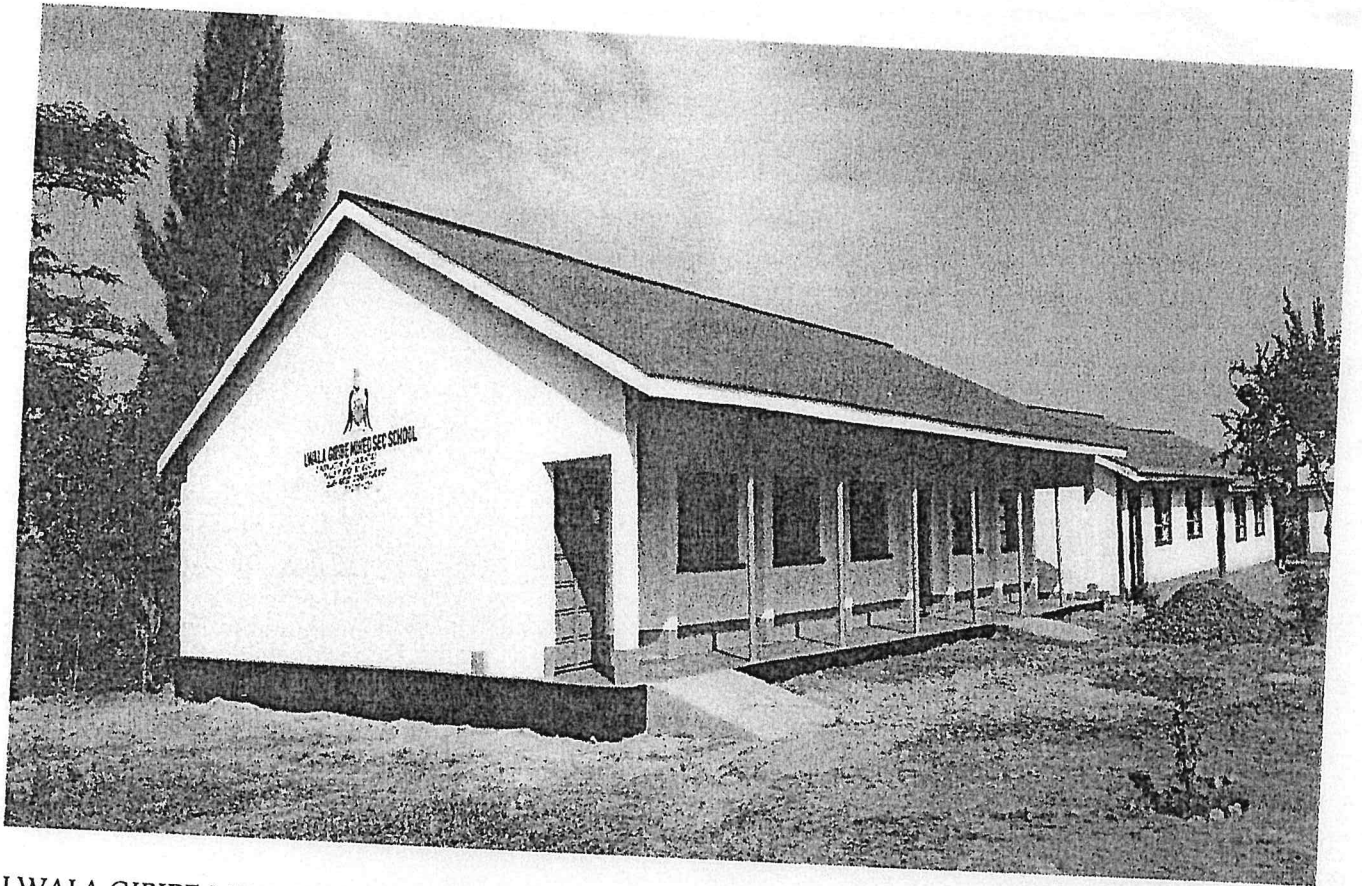
God kwer primary school project two classroom constructed by suna west NGCDF



LWALA GIRIBE MIXED SECONDARY SCHOOL LABORATORY CONSTRUCTED BY SUNA WEST NGCDF



NYAMOME SECONDARY SCHOOL DORMINATORY CONSTRUCTED BY SUNA WEST NGCDF



LWALA GIRIBE MIXED SECONDARY LABORATORY CONSTRUCTED BY SUNA WEST NGCDF

SUNA WEST CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements
For the year ended June 30, 2019

May I take this opportunity to thank the funds account manager and District accountant for their tireless efforts to make sure that the payment to contractors, bursary beneficiaries, NGCDF staff salaries and administrative expenses are done on time. Apart from that may I also thank them for being readily available whenever the suna west committee needs their services. The NGCDF suna west appreciates the NGCDF Board for helping the suna west NGCDF committee implement projects by approval of their project proposal in time and disbursing funds upto to the level they could manage. Finally let me also appreciate Suna west NGCDF committee for their co-operation with me to ensure that all activities for financial year 2018/19 ended successfully.

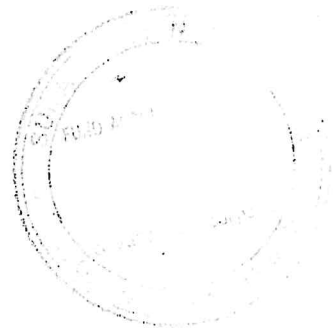
When it comes to performance, a summary on utilisation of various items of expenditure can be seen on charts in previous pages and on average the budget performance against actual amounts is at 52.3% which is due to late disbursement of funds by NGCDF Board to my constituency. Hence the committee could not achieve a utilisation of 100% after implementing all projects in the final budget for the financial year 2018/19. A schedule of detailed budget performance on various expenditure items can be seen on the summary statement of appropriation on page 8 of this report.

Despite the late disbursement of funds by NGCDF Board the NGCDF committee was still able to implement some project successfully and handed over to the community, which were projects in education sector, bursary projects was implemented 100%, and some of security projects;

However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Project. To add on that other issues affecting the project implementation process is the late disbursement of funds, late approval of project proposals and projects reallocations by NGCDF board.

The NGCDF Committee wish that the NGCDF board to reduce the rate of staff turnovers in Constituencies i.e. FAM transfers, as this affect smooth implementation of budgets. Increasing need to reallocate funds by community at time of project are to be implemented also hinder implementation of projects

Name EVANS OKINTI OSUTA Sing. [Signature] Date 25/9/20
CHAIRMAN SUNA WEST NGCDF COMMITTEE



III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Suna West Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Suna West 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 Suna West Constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Suna West 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- Suna West 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.

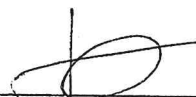
Approval of the financial statements

The NGCDF- Suna West Constituency financial statements were approved and signed by the Accounting Officer on 25/Sept/ 2019.



Fund Account Manager

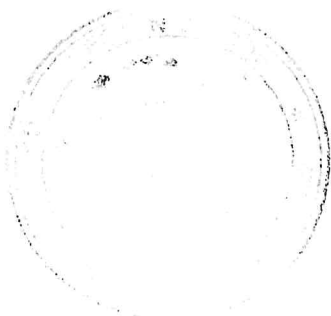
Name: MOSES ODUOR AGOLA



Sub-County Accountant

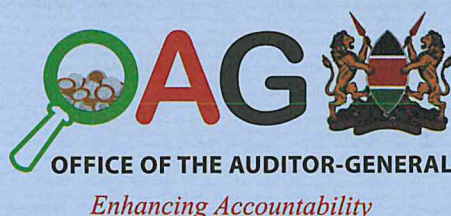
Name: Abel Omuag

ICPAK Member Number:



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SUNA WEST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Suna West Constituency set out on pages 9 to 34, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Suna West Constituency as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inconsistencies in the Financial Statements

The statement of assets and liabilities reflects a fund balance brought forward of Kshs.9,050,168 which differs with the comparative fund balance of Kshs.8,380,168 as at 30 June, 2018 by an unexplained difference of Kshs.670,000.

The summary statement of appropriation - recurrent and development combined reflects Kshs.74,429,478 being the actual receipts from the National Government Constituencies Development Fund Board which differs with the amount of Kshs.73,948,913 - comprising transfers from the Board amounting to Kshs.65,379,310 as reflected in the statement of receipts and payments and bank balance of Kshs.8,569,603 as at 1 July, 2018 - by Kshs.480,565 which has not been explained.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.6,367,996. However, the June, 2019 bank reconciliation statement reflected an amount of Kshs.45,735 in respect of bank charges/penalties appearing in the bank statement but not in the cashbook. Management did not provide reasons for failure to post the charges in the cash book and in the relevant expenditure ledger.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,367,996 and the reported total payments could not be confirmed.

3. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers of Kshs.29,098,992 which as disclosed at Note 7 to the financial statements, included Kshs.21,100,031 and Kshs.4,480,000 paid as bursary to secondary schools and tertiary institutions respectively. However, supporting documentation such as copies of the beneficiaries' identity cards, fee statement balances and admission letters were not provided. Further, evidence of vetting of the beneficiaries by the bursary sub-committee as required under Regulation 21(3) of National Government Constituencies Development Fund Regulations, 2016 was not provided.

Consequently, the accuracy and validity of the expenditure totalling Kshs.25,580,031 incurred on bursary disbursements could not be confirmed.

4. Project Management Committees' Bank Balances

Disclosed under Note 15.4 to the financial statements, are Project Management Committees (PMC) bank balances totalling Kshs.2,737,830 as at 30 June, 2019. However, the bank reconciliation statements, bank confirmation certificates and cash books were not provided for audit.

Consequently, the accuracy, existence and completeness of the PMC bank balances of Kshs.2,737,830 as at 30 June, 2019, could not be confirmed.

5. Non-Maintenance of Proper Records by Project Management Committees

Disbursements totalling to Kshs.13,050,000 made on diverse dates in the financial year to various Projects Management Committees (PMCs), were not adequately supported with complete expenditure returns including cash books, payment schedules for cash withdrawals, stores records, minutes of tender proceedings, certificates of practical completion for the projects undertaken and reports of inspection and acceptance committees approving the payments. The details of the projects in respect of which the unsupported disbursements were made are provided under **Appendix I**.

Consequently, the validity, completeness and accuracy of the expenditure of Kshs.13,050,000 relating to disbursements made to the PMCs could not confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Suna West Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.129,470,354 and Kshs.74,429,478 respectively resulting to an under-funding of Kshs.55,040,876 or 42% of the budget. Similarly, the Fund expended Kshs.67,754,917 against an approved budget of Kshs.129,470,354 resulting to an under-expenditure of Kshs.61,715,437 or 48% of the budget.

The underfunding and underutilization of the approved budget hindered the delivery of services to the constituents of Suna West.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Unequipped Laboratories and Projects not Labelled

Audit inspection of projects relating to construction of science laboratories in various schools at a cost of Kshs.13,750,000 as shown in **Appendix 2** revealed that, although the buildings had been completed, the equipment had not been supplied and the laboratories had therefore not been put to use. Further, the projects for the construction of a dormitory and purchase and installation of a water tank at St. Celestino Nyangubo Girls Secondary at a cost of Kshs.1,300,000 and Kshs.200,000 respectively, had not been labelled as required under Regulation 11(cc) of the National Government Constituencies Development Regulations, 2016. In addition, the storey science laboratory built at a cost of Kshs.1,500,000 had already been converted into a dormitory.

Delayed equipping of the laboratories denied the students the benefits that would have been derived from use of the laboratories

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the

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

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

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

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

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

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

the ability of the Fund to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

APPENDIX I - Non-Maintenance of Proper Records by Project Management Committees

Project Location	Project Description	Date	Cheque No.	Amount (Kshs.)
Chief Baraza Primary School	Completion of a classroom -flooring, plastering, fittings & painting.	27/7/18	13809	700,000
Kasigra Primary School	Construction of one model one classroom.	27/7/18	13802	700,000
Kotuga Primary School	Construction of one classroom	27/7/18	13801	700,000
Kowiti Memorial School	Construction of two model classrooms.	27/7/18	13811	1,500,000
Machicha Mixed Secondary School	Construction of a single science laboratory with work station & drainage.	15/5/19	14479	800,000
Sibuoche Mixed Secondary	Additional funds for construction of a twin laboratory.	27/7/18	13804	1,250,000
God Kwer Primary School	Construction of two model classrooms.	15/5/19	14481	600,000
God Kwer Primary School	Construction of two model classrooms.	15/5/19	14482	600,000
Oruba Keyo Primary School	Construction of two model classrooms.	27/7/18	13808	1,400,000
Ramoya Secondary School	Construction of a twin laboratory.	27/7/18	13200	2,000,000
St. Celestino Nyangumbo Girls Secondary School	Additional funds for construction of a laboratory.	27/7/18	13803	1,300,000
St. Celestino Nyangumbo Girls Secondary School	Construction of a storey science laboratory with work stations and a drainage.	15/5/19	14485	500,000
St. Celestino Nyangumbo Girls Secondary School	Construction of a storey science laboratory with work stations and a drainage.	27/3/19	14440	600,000
St. Celestino Nyangumbo Girls Secondary School	Construction of a storey Science Laboratory with work stations and a drainage.	27/3/19	14442	400,000
St. Celestino Nyangumbo Girls Secondary School	Purchase and installation of a 20,000 litres water tank.	27/3/19	14446	200,000
Total				13,250,000

Appendix 2 - Unequipped Laboratories and Projects not Labelled

No.	Name	Project	Total Amount (Kshs.)	% of Completion	Remarks
1.	Bishop Masaga Ogada Secondary School	Construction of a single science laboratory with work station & drainage.	1,500,000	95%	<ul style="list-style-type: none"> • Roofing completed, walls painted, work station done, drainage completed. • Project yet to be officially handed over. • Equipment yet to be supplied.
2.	Machicha Mixed Secondary	Construction of a single science laboratory with work station & drainage.	1,500,000	100%	<ul style="list-style-type: none"> • Roofing completed, walls painted, work station done and drainage completed. • Project yet to be officially handed over. • Equipment yet to be supplied.
3.	Magoto Mixed Secondary School	Construction of a single science laboratory with work station & drainage.	1,500,000	100%	<ul style="list-style-type: none"> • Roofing completed, walls painted, work station done and drainage completed. • Project yet to be officially handed over. • Equipment yet to be supplied.
4.	Malera Secondary School	Construction of a single science laboratory with work station & drainage.	1,500,000	100%	<ul style="list-style-type: none"> • Roofing completed, walls painted, work station done and drainage completed. • Project yet to be officially handed over. • Equipment yet to be supplied.
5.	Nyamome Secondary School	Construction of a dormitory.	1,500,000	100%	<ul style="list-style-type: none"> • Roofing completed, walls painted, work station done, drainage completed. Project yet to be officially handed over. • Equipment yet to be supplied.

No.	Name	Project	Total Amount (Kshs.)	% of Completion	Remarks
6.	Ramoya Mixed Secondary School	Additional funds for construction of a twin laboratory	2,000,000	100%	<ul style="list-style-type: none"> •Roofing completed, walls painted, work station done, drainage completed. •Project yet to be officially handed over. •Equipment yet to be supplied.
7.	Sibuoche Mixed Secondary	Additional funds for construction of a twin laboratory	1,250,000	100%	<ul style="list-style-type: none"> •Roofing completed, walls painted, work station done, drainage completed. •Project yet to be officially handed over. •Equipment yet to be supplied.
8.	St Celestino Nyangubo Secondary School	Additional funds for construction of a dormitory.	1,300,000	50%	<ul style="list-style-type: none"> •Roofing done, plastering ongoing, windows yet to fixed on the 1st floor. •Project not branded.
9.	St. Celestino Nyangubo Girls Secondary	Purchase and installation of a 20,000 litres water tank.	200,000	100%	<ul style="list-style-type: none"> •Audit could not identify the tank supposedly installed as it had not been branded.
10.	St. Celestino Nyangubo Girls Secondary	Construction of a storey science laboratory with work stations and drainage.	1,500,000	75%	<ul style="list-style-type: none"> •Slab to 1st floor completed, walls painted, work station done, drainage completed on the ground floor. •Work yet to start on the 1st floor. •School noted to have converted the laboratory into a dormitory.
	Total		13,750,000		

SUNA WEST CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2019


IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board	1	65,379,310	87,310,345
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		65,379,310	87,310,345
PAYMENTS			
Compensation of employees	4	3,189,745	1,324,069
Use of goods and services	5	5,736,242	7,926,624
Transfers to Other Government Units	6	28,600,000	26,200,000
Other grants and transfers	7	29,098,992	46,620,309
Acquisition of Assets	8	1,129,938	-
Other Payments	9	-	-
TOTAL PAYMENTS		67,754,917	82,071,002
SURPLUS/DEFICIT		(2,375,607)	5,239,343

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Suna West Constituency financial statements were approved on 25 Sept 2019 and signed by:


Fund Account Manager

Name: MOSES ODOOR AGOLA



Sub-County Accountant

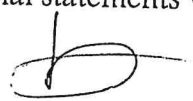
Name: Alex Omuag
ICPAK Member Number:

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,367,996	8,569,603
Cash Balances (cash at hand)	10B	-	480,565
Total Cash and Cash Equivalents		6,367,996	9,050,168
Current Receivables			
Outstanding Imprests	11	306,565	-
TOTAL FINANCIAL ASSETS		6,674,561	9,050,168
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	670,000
Gratuity	12B	-	-
Total Financial Liabilities		-	670,000
NET FINANCIAL ASSETS		6,674,561	8,380,168
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	9,050,168	2,841,415
Surplus/Defict for the year		(2,375,607)	5,239,343
Prior year adjustments	14	-	299,410
NET LIABILITIES		6,674,561	8,380,168

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Suna west Constituency financial statements were approved on 25/SEP/2019 and signed by:


 Fund Account Manager
 Name: MOSES ODWAR AGOLA


 Sub-County Accountant
 Name: Abel Omuga
 ICPAK Member Number: _____

NATIONAL SUB-COUNTY ACCOUNTANT
 SUNA - WEST

SUNA WEST CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board			
Other Receipts	1	65,379,310	87,310,345
Total Receipts	3	-	-
Payments		65,379,310	87,310,345
Compensation of Employees			
Use of goods and services	4	3,189,745	1,324,069
Transfers to Other Government Units	5	5,736,242	7,926,624
Other grants and transfers	6	28,600,000	26,200,000
Other Payments	7	29,098,992	46,620,309
Total Payments	9	-	-
Total Receipts Less Total Payments		66,624,979	82,071,002
Adjusted for:		(1,245,669)	5,239,343
Outstanding Imprest			
Retention	11	306,565	-
Gratuity Payable	12A		670,000
Prior Year adjustment	12B		
Net Adjustments	14		299,410
Net cash flow from operating activities		(306,565)	-
CASHFLOW FROM INVESTING ACTIVITIES		(1,552,234)	6,208,753
Proceeds from Sale of Assets			
Acquisition of Assets	2	-	-
Net cash flows from Investing Activities	8	1,129,938	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,129,938)	-
Cash and cash equivalent at BEGINNING of the year		(2,682,172)	6,208,753
Cash and cash equivalent at END of the year	13	9,050,168	2,841,415
		6,367,996	9,050,168

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Suna west Constituency financial statements were approved on 25/SEPT/2019 and signed by:

Fund Account Manager

Name: MUSES ODUR AGOLA

Sub-County Accountant

Name: Alef Omuga

ICPAK Member Number:

NATIONAL SUB-COUNTY ACCOUNTANT
SUNA - WEST

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
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VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
RECEIPTS	a	b	c=a+b	d	e=c-d	f=d/c %
Transfers from CDF Board	109,040,876	20,429,478	129,470,354	74,429,478	55,040,876	58%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTAL RECEIPTS	109,040,876	20,429,478	129,470,354	74,429,478	55,040,876	58%
PAYMENTS						
Compensation of Employees	3,390,453	865,351	4,255,804	3,189,745	1,066,059	75%
Use of goods and services	6,423,226	2,538,299	8,961,525	5,736,242	3,225,283	64%
Transfers to Other Government Units	51,500,000	10,249,999	61,749,999	28,600,000	33,149,999	46%
Other grants and transfers	47,227,197	629,387	47,856,584	29,098,992	18,757,592	60%
Acquisition of Assets	500,000	1,469,415	1,969,415	1,129,938	839,477	57%
Other Payments	-	4,677,027	4,677,027	-	4,677,027	-
TOTAL	109,040,876	20,429,478	129,470,354	67,754,917	61,715,437	52%

- I. There is 54.3% utilisation of transfers from NGCDF Board due to late disbursement of the fund by NGCDF board
- II. Compensation of Employees under payment component has a utilisation of 75% due to late disbursement of funds by NGCDF Board hence we could not have 100% utilisation
- III. Use of goods and services under payment component has a utilisation of 64% due to late disbursement of funds by NGCDF Board hence we could not have 100% utilisation
- IV. Transfer to other Government units component of payment also has a utilisation of 46% due to late disbursement of funds by NGCDF Board hence we could not have 100% utilisation
- V. other grants and transfers component has a utilisation of 60% due to late disbursement of funds by NGCDF Board hence we could not have 100% utilisation
- VI. Acquisition of assets component of payment has 57% of utilisation due to late disbursement of fund by NGCDF Board.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
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VII. Other payment component of the payment has a 0% of utilisation since implementation of innovation hub as a project has delayed to start since the NGCDF committee feel the project is not a priority of the constituency and should be reallocated to other projects

The NGCDF-Suna. west Constituency financial statements were approved on 21/10/2019 2019 and signed by:



Fund Account Manager

Name: Moses ODIA AGOLA



Sub-County Accountant

Name: Abel Omondi

ICPAK Member Number:

NATIONAL SUB-COUNTY ACCOUNT
SUNA - WEST

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,390,453	865,352	4,255,805	3,189,745	1,066,060
1.2 Committee allowances	780,000	-	780,000	780,000.00	-
1.3 Use of goods and services	2,372,000	2,000,000	4,372,000	2,371,618.00	2,000,382
2.0 Monitoring and evaluation					
2.1 Capacity building	1,971,226	-	1,971,226	1,504,034.00	467,192
2.2 Committee allowances	1,200,000	538,299	1,738,299	980,000.00	758,299
2.3 Use of goods and services	100,000	-	100,000	100,590.00	-590
3.0 Emergency	2,220,032	568,961	2,788,993	-	2,788,993
3.1 kopanga primary school	168,961	-	168,961	168,961	-
3.2arombe primary school	500,000	-	500,000	500,000	-
3.3magongo primary school	300,000	-	300,000	300,000	-
3.4mlimani primary school	250,000	-	250,000	250,000	-
3.5obembo primary school	500,000	-	500,000	500,000	-
3.6kawiti primary school	100,000	-	100,000	100,000	-
3.7sindianya primary school	200,000	-	200,000	200,000	-
3.8kipasi secondary school	200,000	-	200,000	200,000	-
3.9oruba keyo primary school	100,000	-	100,000	100,000	-
3.10god kwer primary school	300,000	-	300,000	300,000	-
3.11nyamunda primary school	150,000	-	150,000	150,000	-
3.12masara primary school	300,000	-	300,000	300,000	-
3.13masara secondary school	450,000	-	450,000	450,000	-
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	13,000,000	139,839	13,139,839	21,100,031.00	-7,960,192
4.3 Tertiary Institutions	10,478,428		10,478,428	4,480,000.00	5,998,428

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
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For the year ended June 30, 2019

4.4 Vocational institutions	2,000,000			2,000,000		2,000,000
4.5 Social Security						
5.0 Sports	1,609,775			1,609,775	-	1,609,775
6.0 Environment						
7.0 Primary Schools Projects						
7.1 Magongo Primary School	1,600,000	-		1,600,000	1,000,000	600,000
7.2 Oruba Keyo Primary School	800,000	-		800,000	2,100,000	-1,300,000
7.3 Kowiti Memorial School	800,000	-		800,000	2,100,000	-1,300,000
7.4 Giribe Maseno Primary School	1,600,000	-		1,600,000	1,200,000	400,000
7.5 Kasigiria Primary School	800,000	-		800,000	700,000	100,000
7.6 Kikonge Primary School	400,000	-		400,000	-	400,000
7.7 Barasengo primary School	800,000	-		800,000	-	800,000
7.8 GodKwer Primary School	1,600,000	-		1,600,000	1,200,000	400,000
7.9 Oruba Primary School	2,000,000	-		2,000,000	-	2,000,000
7.10 Sindianya Primary School	400,000	-		400,000	-	400,000
7.11 Oruba Keyo Primary School	200,000	-		200,000	-	200,000
7.12 Kosege Primary School	400,000	-		400,000	-	400,000
7.13 Magongo Ribe Primary School	400,000	-		400,000	-	400,000
7.14 Ore primary School	300,000	-		300,000	-	300,000
7.15 Sagero Primary School	400,000	-		400,000	-	400,000
7.16 Nyamilu Primary School	500,000	-		500,000	-	500,000
7.17 Nyailinga Primary School	400,000	-		400,000	-	400,000
7.18 Nyambeche Primary School	400,000	-		400,000	-	400,000
7.19 Chamabare Primary School	300,000	-		300,000	-	300,000
7.20 Giribe Primary School	500,000	-		500,000	-	500,000
7.21 Boya Primary School	400,000	-		400,000	-	400,000
7.22 Raha Primary school	400,000	-		400,000	-	400,000
7.23 Nyanko Primary School	400,000	-		400,000	-	400,000
7.24 Milimani Primary School	400,000	-		400,000	-	400,000
7.25 Nyangubo Primary School	450,000	-		450,000	-	450,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
Reports and Financial Statements
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7.26Kokendi Primary School	400,000	-	400,000	-	400,000
7.27Kioru Primary School	400,000	-	400,000	-	400,000
7.28Magoto Primary School	400,000	-	400,000	-	400,000
7.29Nyambona Primary School	300,000	-	300,000	-	300,000
7.30Marabiko Primary School	500,000	-	500,000	-	500,000
7.31Chief Baraza Primary School	400,000	-	400,000	700,000	-300,000
7.31Nyamunda primary school	-	700,000	700,000	700,000	-
7.32kotuga primary school	-	700,000	700,000	700,000	-
7.33kasigra primary school	-	700,000	700,000	-	700,000
7.34oruba keyo primary school	-	1,400,000	1,400,000	-	1,400,000
7.35chief baraza primary school	-	700,000	700,000	-	700,000
7.36kowitz memorial	-	1,500,000	1,500,000	-	1,500,000
7.37Nyamunda primary school	-	700,000	700,000	-	700,000
7.38kotuga primary school	-	700,000	700,000	-	700,000
8.0 Secondary Schools Projects	-	-	-	-	-
8.1Masara Secondary School	7,000,000	-	7,000,000	200,000	6,800,000
8.2Kitabaye Secondary School	2,000,000	-	2,000,000	-	2,000,000
8.3Malera Secondary School	2,000,000	-	2,000,000	1,500,000	500,000
8.4Magoto Secondary School	2,000,000	-	2,000,000	1,500,000	500,000
8.5Lwala Secondary School	2,000,000	-	2,000,000	1,000,000	1,000,000
8.6Nyasoko Secondary School	1,000,000	-	1,000,000	-	1,000,000
8.7Wiga Girls Secondary School	2,400,000	-	2,400,000	2,450,000	-50,000
8.8Nyamome Secondary School	2,000,000	-	2,000,000	1,500,000	500,000
8.9Migori Township Secondary School	700,000	-	700,000	-	700,000
8.10Bishop Masaga Ogada girls Secondary	2,000,000	-	2,000,000	1,500,000	500,000
8.11Abwao Secondary School	2,000,000	-	2,000,000	-	2,000,000
8.12Nyangubo Girls Secondary School	3,500,000	-	3,500,000	1,700,000	1,800,000
8.13Machicha Secondary School	2,000,000	-	2,000,000	1,500,000	500,000
8.14Sibuoche Mixed Secondary School	100,000	-	100,000	1,350,000	-1,250,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SUNA WEST CONSTITUENCY
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8.15 Bishop Okinda secondary	1,600,000	-	1,600,000	500,000	1,100,000
8.16 Nyamunda Secondary School	150,000	-	150,000	-	150,000
8.17 St celestino nyangubo		1,300,000	1,300,000	1,300,000	0
8.18 sibuoche mixed secondary	-	1,250,000	1,250,000		1,250,000
8.19 ramoya mixed	-	2,000,000	2,000,000	2,000,000	-
8.20 moi suba girls	-	-	-	200,000	-200,000
10.0 Security Projects	-	-	-	-	-
10.2 piny oyie subcounty	2,000,000	-	2,000,000	-	2,000,000
10.3 wiga acc office	1,500,000	-	1,500,000	-	1,500,000
10.4 ragana oruba ACC office	1,500,000	-	1,500,000	-	1,500,000
10.5. ngochone antistock theft unit	2,500,000	-	2,500,000	-	2,500,000
10.6. piny oyie police station	1,600,000	-	1,600,000	-	1,600,000
10.7 masara police post	2,500,000	-	2,500,000	-	2,500,000
10.8 ragana ap post	1,500,000	-	1,500,000	-	1,500,000
10.8 oruba police post	1,300,000	-	1,300,000	-	1,300,000
11.0 Acquisition of assets	-	-	-	-	-
11.1 Motor Vehicles	-	-	-	-	-
11.2 Construction of CDF office	500,000	-	500,000	1,129,938.00	-629,938
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
12.0 Others	-	-	-	-	-
12.1 Strategic Plan	-	-	-	-	-
12.2 Innovation Hub	-	4,667,027	4,667,027	-	4,667,027
12.2 TIVET	-	-	-	-	0
TOTALS	109,040,875	20,429,478	129,470,353	67,754,917	61,715,436

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

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Suna west Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description			2018-2019	2017 - 2018
			Kshs	Kshs
	DATE	AIE NO.	AMOUNT	AMOUNT
Normal Allocation	26/7/18	B005001	11,379,310	-
	01/03/19	B030120	10,000,000	-
	28/2/19	B005480	12,000,000	-
	28/12/18	B007482	8,000,000	-
	11/04/19	B042623	11,000,000	-
	16/5/19	B047053	13,000,000	-
	18/04/18	A896782	-	22,838,675.00
	5/03/18	A892688	-	500,000.00
	5/03/18	A892636	-	15,066,497.00
	30/01/18	A892515	-	5,500,000.00
	12/06/18	A896950	-	43,405,173.00
TOTAL		-	65,379,310	87,310,345

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

3. OTHER RECEIPTS

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

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4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	3,041,888	1,285,189
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	147,857	38,880
Gratuity-Paid	-	-
Gratuity-Accrued	-	-
TOTAL	3,189,745	1,324,069

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Utilities, supplies and services	2,472,208	961,404
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,504,034	1,753,220
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	1,760,000	3,212,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	-	-
Other operating expenses	-	2,000,000
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	-	-
TOTAL	5,736,242	7,926,624

WEST CONSTITUENCY

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	10,400,000	8,000,000
Transfers to Secondary schools	18,200,000.00	17,700,000
Transfers to Tertiary institutions	-	500,000
TIVET	-	-
Transfers to NGCDF Office	-	-
TOTAL	28,600,000	26,200,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	21,100,031	21,814,800
Bursary -Tertiary	4,480,000	-
Bursary-Special schools	-	-
electricity project	-	1,000,000
Mocks & CAT	-	-
Security	-	17,700,000
Sports	-	1,536,543
Environment	-	-
Emergency Projects	3,518,961	4,568,966
TOTAL	29,098,992	46,620,309

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017 - 2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	379,938	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	750,000	-
TOTAL	1,129,938	-

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9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
ICT Hub	-	-
	-	-

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Cooperative bank.	1,120,481,845,200	6,367,996	8,569,603

10B: CASH IN HAND)

	2018-2019	2017 - 2018
	Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1 cashier	306,565	480,565
TOTAL	306,565	480,565

11: OUTSTANDING IMPRESTS

Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2019)
	Date imprest taken	Kshs	Kshs	Kshs
moses o agolla	18/6/19	236,565	-	236,565
moses o agolla	26/6/19	70,000	-	70,000
				306,565

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

12A. RETENTION

Supplier/Contractor	PV No.	2018-2019	2017 - 2018
ABC Ltd	29	-	670,000
TOTAL		-	670,000

[Provide short appropriate explanations as necessary]

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12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	(1/7/2018)	(1/7/2017)
	Kshs	Kshs
Bank accounts	8,569,603	2,841,415
Cash in hand	480,565.00	-
Imprest	-	-
TOTAL	9,050,168	2,841,415

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017 - 2018
	Kshs	Kshs
Bank accounts	-	299,410
Cash in hand	-	-
Imprest	-	-
TOTAL	-	299,410

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

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

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15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	819,540	865,351
Use of goods and services	2,753,561	2,538,299
Amounts due to other Government entities	33,950,000	10,249,999
Amounts due to other grants and other transfers	17,738,066	629,387
Acquisition of assets	1,777,241	1,469,415
Others (ict hub)	4,677,027	4,677,027
	61,715,435	20,429,478

15.4: PMC account balances (See Annex 5)

			2018-2019	2017-2018
PMC	BANK	A/C NO	Kshs	Kshs
pmc account balances			2,737,830	6,055,287
			2,737,830	6,055,287

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
Construction of buildings	a	b	c	d=a-c	
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					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
Senior Management		a	b	c	d=a-c	
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (<i>specify</i>)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,066,059	865,351	
Use of goods & services		3,225,283	2,538,299	
Amounts due to other Government entities		33,149,999	10,249,999	
Sub-Total		37,441,341	13,653,649	
Amounts due to other grants and other transfers		18,757,592	629,387	
Sub-Total		18,757,592	629,387	
Acquisition of assets		839,477	1,469,415	
Others (<i>specify</i>)		4,677,027	4,677,027	
Sub-Total		5,506,504	6,146,442	
Grand Total		61,715,437	20,429,478	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	750,000	-	750,000
Buildings and structures	-	379,938.00	-	379,938
Transport equipment	6,379,510	-	-	6,379,510
Office equipment, furniture and fittings	568,000	-	-	568,000
ICT Equipment, Software and Other ICT Assets	20,500	-	-	20,500
Other Machinery and Equipment	76,000	-	-	76,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	7,044,010	1,129,938	-	8,173,948

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

No.	PMC	Bank	Account number	Bank Balance 2018/19
1.	Nyamunda primary school pmc	equity	1160277202786	815
2.	arombe primary school pmc	Cooperative	01141751058300	775
3.	bishop masaga ogada pmc	Co-operative	01141482305800	798,435
4.	bishop okinda high pmc	kcb	1257933523	1495
5.	chief baraza primary school pmc	Kcb	1259394514	00
6.	god kwer primary school pmc	Kcb	1255391820	975
7.	kasigra primary school pmc	Equity	1160277112544	40.
8.	kowiti memorial primary school pmc	Equity	1160277460263	9,418.15
9.	kipasi songa secondary school pmc	Cooperative	01141751063200	6,435
10.	kopanga primary school pmc	equity	1160277168416	2,521
11.	kotuga primary school pmc	Equity	1160277195812	518.95
12.	kowiti memorial primary school pmc	Equity	116027740263	9,418.15
13.	lwala mixed secondary pmc	kcb	12574446576	100,000
14.	machicha mixed secondary	kcb	1257166980	2,275
15.	magongo primary school	Equity	1160277416949	250
16.	magoto mixed secondary school	Cooperative	01141481959502	16,875
17.	malera secondary school	Equity	1160277121910	273,510
18.	Masara primary school	Cooperative	01141751193300	98,195
19.	Masara secondary school	equity	1160277314528	445
20.	Maseno giribe primary school	Equity	1160277417709	184,910
21.	Nyamome secondary school	Equity	1160277332396	3,321
22.	St celestino nyangubo girls secondary	Equity	1160277203961	500,085
23.	obembo primary school	Cooperative	01141751059601	1,275
24.	oruba keyo primary school pmc	Equity	1160277127449	500,915

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No.	PMC	Bank	Account number	Bank Balance 2018/19
25.	Ramoya mixed secondary school	equity	1160277235523	1,855
26.	sibuoche mixed secondary	Equity	1160277305714	100,607.75
27.	sindianya primary school	Cooperative	01141751058100	23,435
28.	wiga girls secondary school	Cooperative	01141751095500	98,195
29.	Giribe primary school	equity	1160277449063	835
30.	Total			2,737,830

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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)
07	Delayed implementation of projects	The committee has reduced time taken to form PMCs hence projects will be implement on time	Chairman	Resolved	N/A
09	Project file return by pmcs'	We conducted capacity building for PMCs and as result more Project files are being received by our office	Works officer	Resolved	N/A
10	Certificate of completion	We have informed all the contractors and Pmcs that the finally payment is pegged on the certificate of completion	Officers from Relevant ministries/department	Resolved	N/A
11	Branding of projects	All BQs shall include money for Branding	Works officer	Resolved	N/A

