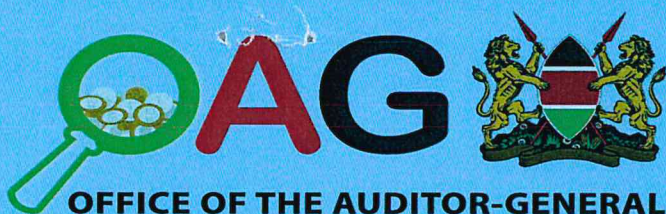



REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

 <b>REPORT</b> THE NATIONAL ASSEMBLY PARLIAMENT BUILDING NAIROBI	
DATE: 13 OCT 2021	DAY: WED
TABLE OF BY:	MAS. KHEP
CLERK-AT THE-TABLE:	SAMUEL KAREMA

**THE AUDITOR-GENERAL**

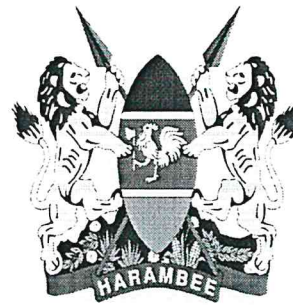
**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND -  
RABAI CONSTITUENCY**

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







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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND RABAI  
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019

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







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

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RABAI CONSTITUENCY**  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide.

**Mission**

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





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

**RABAI CONSTITUENCY**

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

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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 Rabai 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 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Flora Mutua
2.	Sub-County Accountant	Halima Abuu
3.	Chairlady NGCDFC	Mariam Ali Mohammed
4.	Member NGCDFC	Rashid Saburi Champonola

**(d) Fiduciary Oversight Arrangements**

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

NG-CDF Rabai  
P.O. Box 119-801143  
Mazeras

Telephone: (254) 0703 155 871  
E-mail: [cdfrabai@ngcdf.go.ke](mailto:cdfrabai@ngcdf.go.ke)





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

***RABAI CONSTITUENCY***

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

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**(f) Rabai NG- CDF Bankers**

African Banking Corporation  
P.O Box 46452-00100  
Nairobi  
Mombasa Branch,  
Account Number 003215001001384

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

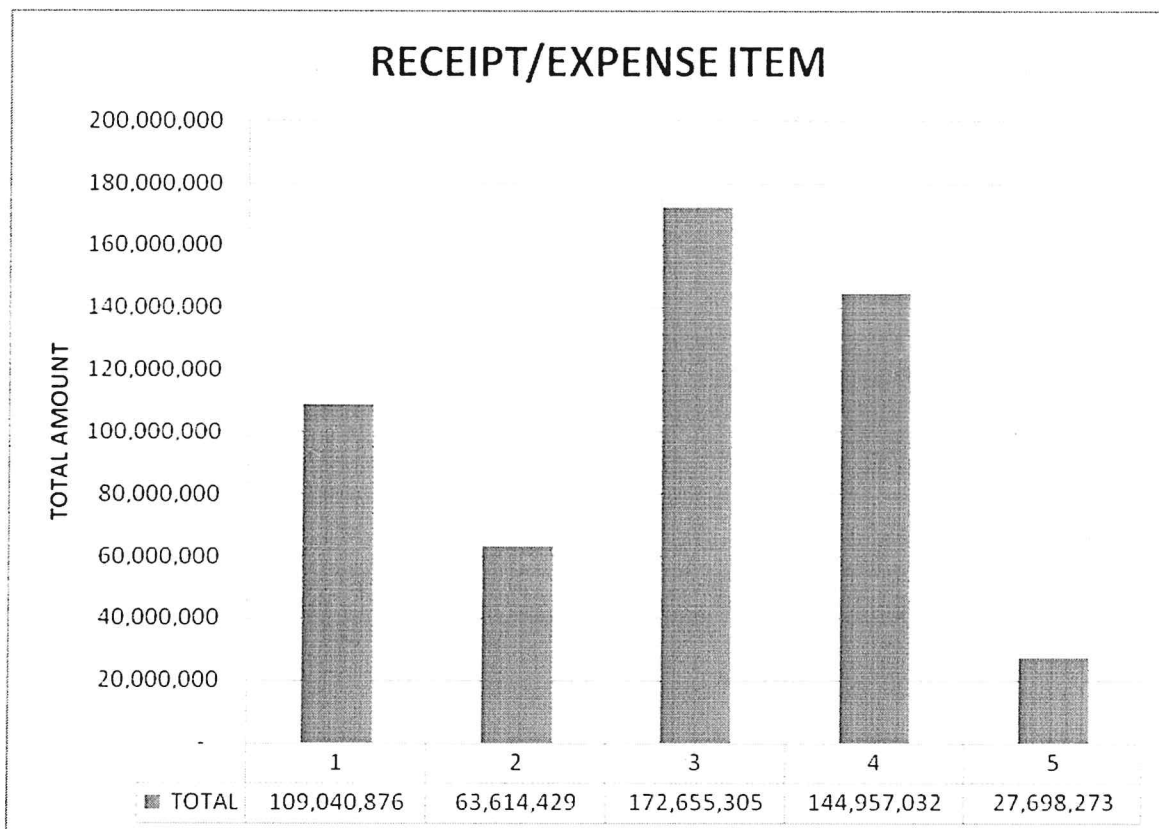


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RABAI CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2019**

**II. FORWARD BY THE CHAIRLADY NG-CDF COMMITTEE**

The NG-CDF Rabai had a final budget of Ksh. 172,655,305 (hereafter referred to as the budget) for the FY2018/2019. The budget is the summation of our original budget of Ksh. 109,040,876 and adjustments amounting to Ksh. 63,614,429.

The bar graph below shows a summary of the NG-CDF Rabai statement of appropriation for the FY2018/2019.



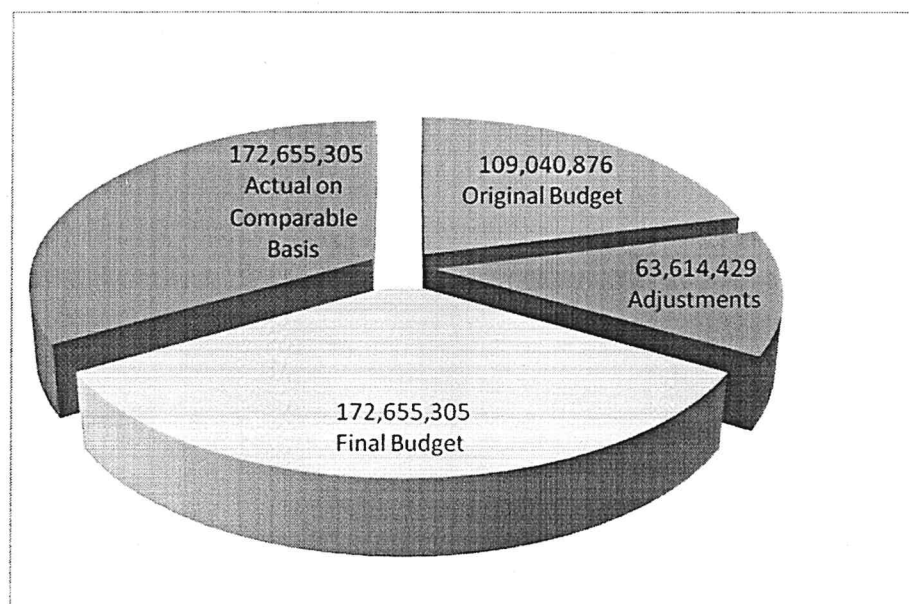
**KEY**

- 1- Original Budget
- 2- Adjustments
- 3- Final Budget
- 4- Actual on Comparable Basis
- 5- Budget Utilisation Difference

The budget for the FY 2018/2019 includes a receipt payment consisting only of transfers from the NG-CDF Board as there were no proceeds from sale of assets or any other form of receipts. The receipt of the transfers from the NG-CDF Board is clearly shown in the pie chart below:



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**Reports and Financial Statements for the year ended June 30, 2019**



As per the NG-CDF Bill 2015, 6% of the budget was allocated for administrative and recurrent expenditure purposes. The NG-CDFC Rabai therefore set aside Ksh. 3,223,565 as the compensation for employees; 94% of the allocation was effectively utilised and as at 30 June 2019 we only had a remainder of Ksh. 200,720. On recurrent expenditure, we set aside Ksh. 10,399,798 for the use of goods and service that aid in the operations of the office. Such allocation enhanced our operations and as 30 June 2019 77% of the allocation had been used with only Ksh. 2,398,919 remaining unused.

NG-CDF Rabai rolled out its five-year strategic plan in the FY 2018/2019. We identified seven strategic themes and objectives as guide in developing the constituency. They include: Education Accessibility, Security, Youths & Sports, Environment, Emergency Support, Tracking & Results, and Institutional Strengthening.

Education is an equalizer in life and thus we have endeavoured ourselves to streamline and empower the education system in our constituency. The NG-CDF Rabai has carried out various projects, ranging from construction of classroom blocks to provision of desks, in our institutions of learning. NG –CDF Rabai had eleven primary and four secondary schools projects started and completed in the FY 2018/2019;

The construction of Gandani Technical Training Institute is still ongoing but we expect to have it completed soon. Upon completion, this will equip our youths with relevant skills that can be churned into money making ventures therefore improving their standards of living.

The NG-CDF has also offered bursaries totalling to Ksh. 29,653,389 for the FY 2017/2018 and FY 2018/2019. Such an amount has enabled many bright and needy students to seamlessly continue with their education. We estimate that our constituency will have more than 150 students graduating from universities and colleges before the end of the five-year strategic plan period. Such students will in turn go on to be at the forefront of Rabai Constituency’s prosperity.

The Bwagamoyo Assistant Chief’s office has been completed and purchase of land for Pangani Chief’s office done.

The Rabai Super Sport tournament has seen the growth and nurturing of talents in our constituency. The NG-CDF Rabai is currently levelling the sports ground of Mgalla Primary School and purchased Sports Equipment for the Rabai Super Sport Tournament.

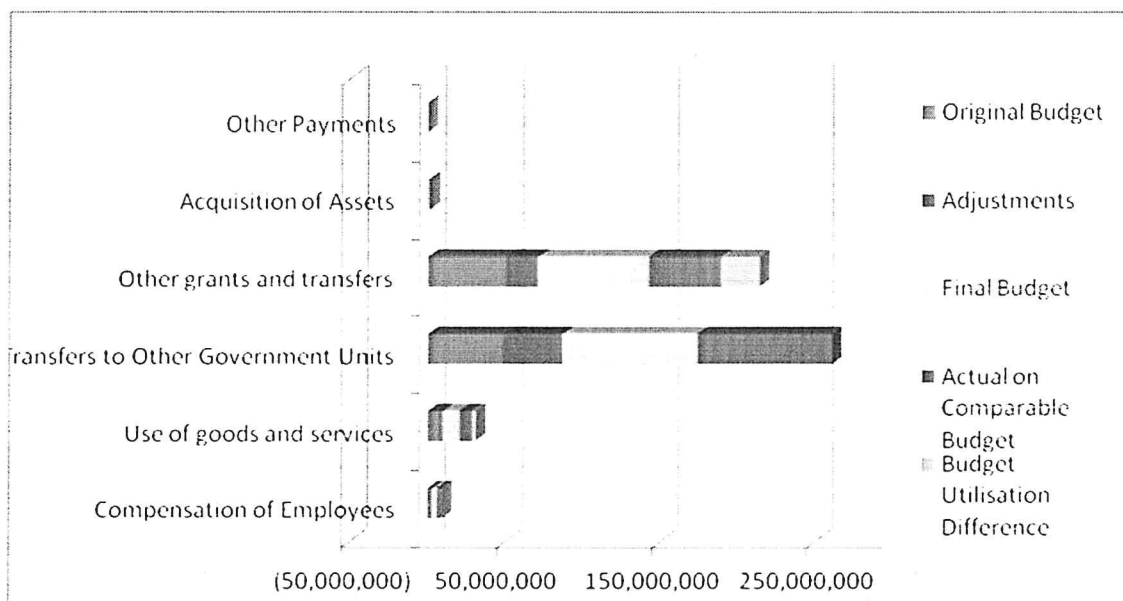




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RABAI CONSTITUENCY**  
**Reports and Financial Statements for the year ended June 30, 2019**

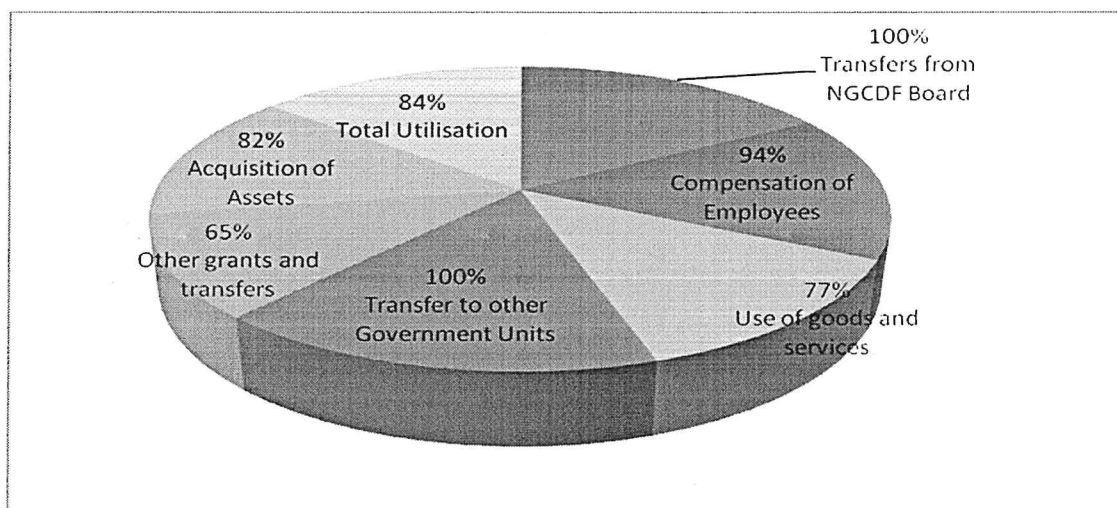
The NG-CDF Rabai has made a big stride in the FY 2018/2019 towards the actualization of the objectives set aside for the strategic theme of Environment in our five-year strategic plan. We bought a 10,000L tank and built gutters at Kasidi Primary School that will encourage water harvesting. Similar projects are still underway at Kambe Secondary School and Isaac Nyundo Primary School.

The bar graph below shows the payments done by the NG-CDF Rabai for the year ended June 30, 2019.



There was an underutilisation of funds in the “Other grants and transfers” and the “Use of goods and services” sections due to the late disbursement of funds from the NG-CDF Board.

The pie chart below clearly shows the % utilisation for the various payments done by the NG-CDF Rabai as at June 30, 2019;





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

**RABAI CONSTITUENCY**

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

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**EMERGING ISSUES**

Member noticed that emerging issues normally hinders independence decision making over CDF operations by the CDFC members. Some of the emerging issues are like state directive, the big four agendas. all CDF projects must incorporate the big four agenda of the Jubilee government ,this forces members not to have independent decision in proposal submission to the Board as they were forced to bid by the state directive.

Another directive is the one hundred percent transition. This brought about huge enrolment to the available secondary school compelling CDF to stretch their muscles and construct enough secondary schools to counter the huge enrolment.

**Challenges and way forward**

**Poor road network:** –Some projects could not be implemented within the stipulated time due to poor road network. This has resulted to Boheka, Makanzani and Mgalla primary schools attracting very few bidders and in Bedida primary school the costs of renovating the project going higher than budgeted due spoiled road by heavy rains. The worst hit primary schools were Kajiwe and Mgalla primary schools were the road joining the two schools was swept away by heavy rains hindering pupils, teachers and parents from attending schools. NG-CDF Rabai was left with no choice rather than constructing the road using emergency funds.

**Late disbursement of funds from the Board:** This has really affected the CDFC operations resulting to untimely implementation of projects thus not delivering the expected services in time. Board should ensure timely disbursement of funds.

**Insufficient allocation of funds:** The allocation provide for the constituency is not sufficient enough to address the National Government functions as per the needs capture in the strategic plan. CDFC Rabai requests the board to increase allocation to the constituency.

**Lack of technical officers:** Rabai does not have government technical officers' station in the sub county hence resulting to slow pace in implementation of projects as the PMCs rely on officers from other the neighbouring sub county.

Signed by:



Miriam Ali Mohammed  
CHAIRLADY NG-CDF COMMITTEE.





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

**RABAI CONSTITUENCY**

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

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**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-Rabai 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-Rabai Constituency accepts responsibility for the NGCDF-Rabai 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 NGCDF-Rabai financial statements give a true and fair view of the state of NGCDF-Rabai transactions during the financial year ended June 30, 2019, and of the NGCDF-Rabai financial position as at that date. The Accounting Officer charge of the NGCDF-Rabai Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Rabai which have been relied upon in the preparation of the NGCDF-Rabai financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Rabai Constituency confirms that the NGCDF-Rabai has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF-Rabai 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 NGCDF-Rabai 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-Rabai Constituency financial statements were approved and signed by the Accounting Officer on 25/9 2019.

  
\_\_\_\_\_  
Flora Mutua  
Fund Account Manager

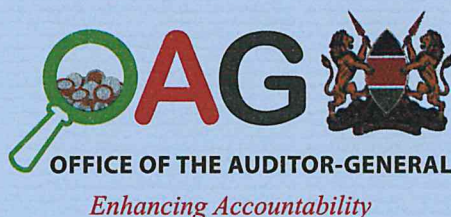
  
\_\_\_\_\_  
Halima Abuu  
ICPAK member number: 12876  
Sub-County Accountant





# REPUBLIC OF KENYA

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NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Rabai Constituency set out on pages 1 to 28, which comprise the statement of assets as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Rabai 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 opinion.



## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, 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 Matters**

### **1.0 Budgetary Controls and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.172,655,305 and Kshs.163,825,359 respectively resulting to an under-funding of Kshs.8,829,946 or 5% of the budget. Similarly, the Fund spent Kshs.144,857,032 against an approved budget of Kshs.172,655,305 resulting to an under-expenditure of Kshs.27,698,273 or 16% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Rabai Constituency.

### **1.1 Projects Implementation**

According to the Fund's projects implementation status report as at 30 June, 2019, the Fund had forty-four (44) approved projects with a budget Kshs.102,101,134. Analysis of the report revealed the following:

#### **1.1.1 Projects in Progress**

Twenty (20) projects with a budget Kshs.53,316,977 were in progress by December, 2019.

The slow implementation of projects may impact negatively on delivery of goods and services to the residents of the Rabai Constituency who may not get timely value for money.

#### **1.1.2 Projects not Started**

Two (2) projects with a total budget of Kshs.6,080,818 for the year under review had not been implemented by December, 2019.

Non-implementation or delayed implementation of development projects negatively affects delivery of goods and service to the residents of Rabai Constituency and the intended purpose of the projects may not be realized/achieved.

### **1.2 Projects Inspection**

During the year under review, eighteen (18) projects with a total allocation of Kshs.50,147,795 were inspected, out of which ten (10) projects with a value of Kshs.32,690,409 had the following anomalies;

No.	Project Verified	Description	Amount (Kshs.)	Observations
1.	Lugwe Primary School	Construction of 2 classrooms	2,600,000	Project completed and already in use. However, cracks in the floor were observed.
2.	Kajiwe Secondary School	Construction of twin laboratory	3,750,000	The project is complete and in use. However, one of the doors is not closing properly, the fume chamber fan is faulty while 2 sockets had not been fixed. Further, one socket had loose wires.
3.	Kambe Secondary School	Renovation of 5 classrooms; reroofing, plastering painting and flooring	4,000,000	The project is complete and in use, However, cracks at the joints were observed.
4.	Mikomani Secondary School	Construction of two (2) classrooms	2,800,000	At the time of audit inspection, the contractor was not on site but the slab and two courses were done.
5.	Ribe Girls Secondary School	Construction of a dormitory block	5,200,000	The contractor was not on site. However, roofing and plastering had not been done nor doors fixed.
6.	Kasidi Primary School	Purchasing and fixing of 10,000 litre tank	340,409	The project is complete and in use but the tank was seen leaking.
7.	Mgumo wa Mpatsa	Mgumo wa mpatsa Assistant chiefs office	900,000	The project is complete and in use but cracks were seen on the floor.
8.	Muleji Asst Chief Office	Muleji Asst. chief office	1,600,000	Walling had been done but the contractor was not on site. Also, roofing had not been done.
9.	Kambe Secondary School	Construction of six (6) of toilets	1,500,000	The contractor was not on site. Roofing and walling had been completed although plastering, flooring and painting had not been done.
10.	Godoma Technical Training College	Construction of a technical and vocational college at Gandani	10,000,000	The contractor was not on site although ground slab had been completed and beams erected/built.
	<b>Total</b>		<b>32,690,409</b>	

Although the Management indicated that the contractors will make good the defects before releasing the retention monies, the above observations casts doubts on projects supervision and value for money on projects valued at Kshs.32,690,409.



## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(26) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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**

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 authority 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 overall 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 effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements describes 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 Fund's reporting process, reviewing the effectiveness of how the Management 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 the 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 ISSAs 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 transaction and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in and effective way, in accordance with the provisions of article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the Fund's financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk Management and overall 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 ISSAs. A material weakness is a condition in which the design or operation one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error of 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 controls, 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 or 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 applicable 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 Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in 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 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**

**17 September, 2021**







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

**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NG-CDF board	1	163,825,359	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>163,825,359</b>	<b>43,405,172</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	3,022,845	1,696,673
Use of goods and services	5	8,000,879	8,811,829
Transfers to Other Government Units	6	87,019,499	10,163,794
Other grants and transfers	7	46,423,524	22,364,142
Acquisition of Assets	8	490,285	296,000
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>144,957,032</b>	<b>43,332,438</b>
<b>SURPLUS/ DEFICIT</b>		<b>18,868,327</b>	<b>72,734</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the Financial statements. The NGCDF-Rabai Constituency financial statements were approved on 25/9 2019 and signed by:

  
 \_\_\_\_\_  
 Flora Mutua  
 Fund Account Manager

  
 \_\_\_\_\_  
 Halima Abuu  
 ICPAK member number: 12876  
 Sub-County Accountant




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

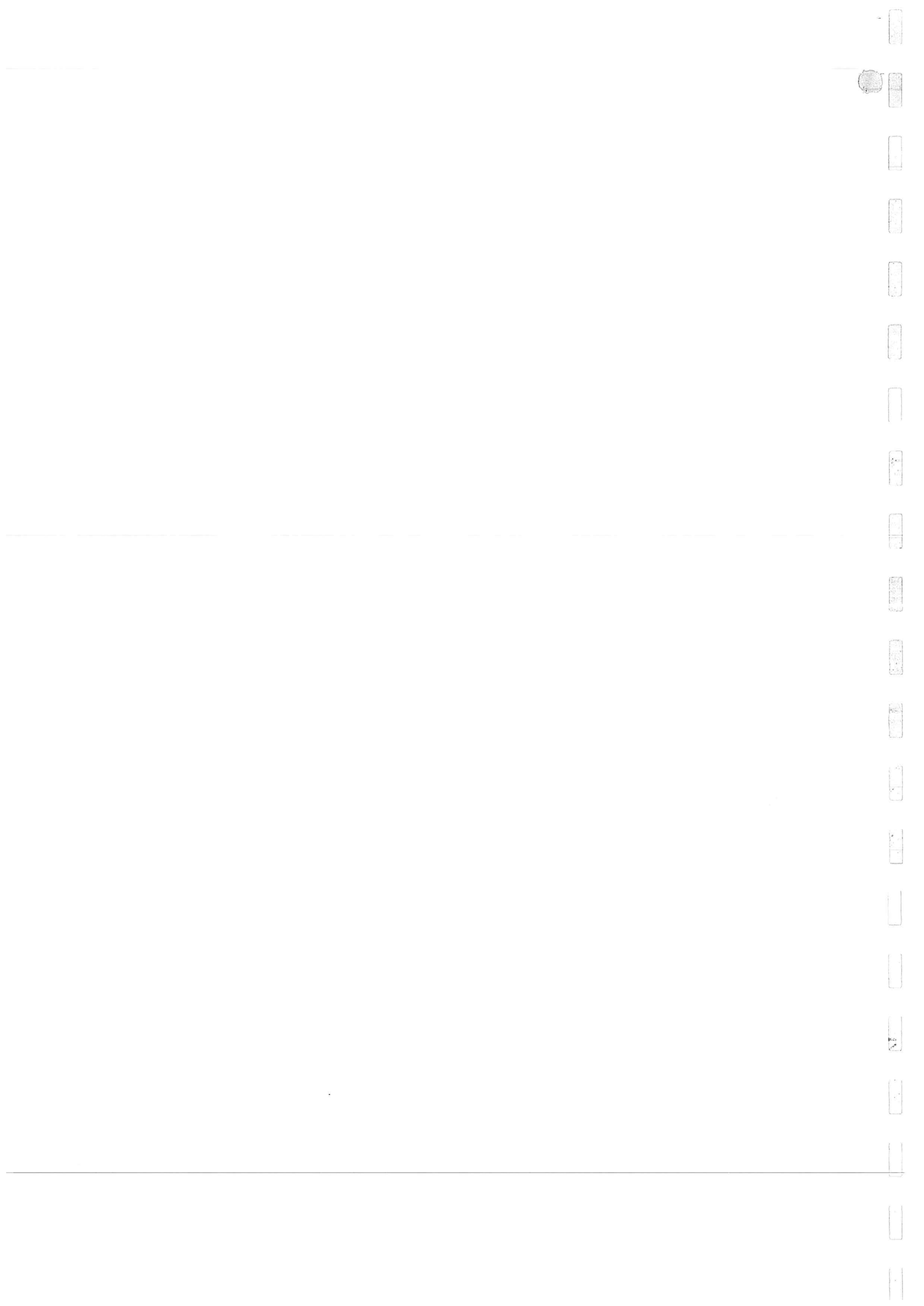
**VI. STATEMENT OF ASSETS AS AT 30 JUNE 2019**

	Note	2018-2019 Kshs	2017-2018 Kshs.
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	10A	27,698,273	8,829,946
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		27,698,273	8,829,946
Current receivables			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>27,698,273</b>	<b>8,829,946</b>
<b>FINANCIAL LIABILITIES</b>			
Account payables			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
<b>NET FINANCIAL ASSETS</b>		<b>27,698,273</b>	<b>8,829,946</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1 <sup>st</sup> July.	13	8,829,946	8,757,212
Surplus/Deficit for the year		18,868,327	72,734
Prior year adjustments	14	-	-
<b>NET FINANCIAL POSITION</b>		<b>27,698,273</b>	<b>8,829,946</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Rabai Constituency financial statements were approved on 25<sup>th</sup> 2019 and signed by:

  
 \_\_\_\_\_  
 Flora Mutua  
 Fund Account Manager

  
 \_\_\_\_\_  
 Halima Abuu  
 ICPAK member number: 12876  
 Sub-County Accountant

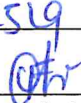



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RABAI CONSTITUENCY  
Reports and Financial Statements for the year ended June 30, 2019**

**VII. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	2018-2019	2017 - 2018
Receipts	1	163,825,359	43,405,172
Transfers from CDF Board	3	-	-
Other Receipts		163,825,359	43,405,172
<b>Total Receipts</b>			
Payments			
Compensation of Employees	4	3,022,845	1,696,673
Use of goods and services	5	8,000,879	8,811,829
Transfers to Other Government Units	6	87,019,499	10,163,794
Other grants and transfers	7	46,423,524	22,364,142
Other Payments	9	-	-
<b>Total Payments</b>		<b>144,466,747</b>	<b>43,036,438</b>
<b>Total Receipts Less Total Payments</b>		<b>19,358,612</b>	<b>368,734</b>
<b>Adjusted for:</b>			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	-
Net Adjustments		-	-
<b>Net cash flow from operating activities</b>		<b>19,358,612</b>	<b>368,734</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	490,285	296,000
<b>Net cash flows from Investing Activities</b>		<b>(490,285)</b>	<b>(296,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>18,868,327</b>	<b>72,734</b>
Cash and cash equivalent at BEGINNING of the year	13	8,829,946	8,757,212
Cash and cash equivalent at END of the year		27,698,273	8,829,946

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Rabai Constituency financial statements were approved on 25/9 2019 and signed by:

  
Flora Mutua  
Fund Account Manager

  
Halima Abuu  
ICPAK member number: 12876  
Sub-County Accountant





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

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

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2019**

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 %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	109,040,876	63,614,429	172,655,305	163,825,359	8,829,946	95%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTALS</b>	<b>109,040,876</b>	<b>63,614,429</b>	<b>172,655,305</b>	<b>163,825,359</b>	<b>8,829,946</b>	<b>95%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,549,552	674,013	3,223,565	3,022,845	200,720	94%
Use of goods and services	7,264,127	3,135,677	10,399,804	8,000,879	2,398,925	77%
Transfers to other Government Units	48,726,568	38,292,930	87,019,499	87,019,499	-	100%
Other grants and transfers	50,500,628	20,912,156	71,412,784	46,423,524	24,989,260	65%
Acquisition of Assets	-	599,653	599,653	490,285	109,368	82%
Other Payments	-	-	-	-	-	100%
<b>TOTALS</b>	<b>109,040,876</b>	<b>63,614,429</b>	<b>172,655,305</b>	<b>144,957,032</b>	<b>27,698,273</b>	<b>84%</b>

(a) An adjustment of Kshs. 63,614,429 is balance for FY 2017/18, Kshs. 54,784,483 disbursed after 30<sup>th</sup> June 2018 and Balance brought forward from FY 2016/17 Kshs. 8,829,946.

Underutilization of funds in use of goods and services, other grants and transfers and acquisition of assets was due to late disbursement of funds from the NG-CDF Board.

Change between the original and final budget is a result of reallocation of funds Kshs. 4,000,000 from "other grants and transfers" to "transfer to other Government units."

The NGCDF-Rabai Constituency financial statements were approved on 20/9/2019 2019 and signed by:



Flora Mutua  
Fund Account Manager



Halima Abuu  
ICPAK member number: 12876  
Sub-County Accountant





**RABAI CONSTITUENCY**

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

**IX. 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	2,549,552	674,013	3,223,565	3,022,845	200,720
1.2 Committee allowances	1,800,000	1,028,475	2,828,475	1,778,200	1,050,275
1.3 Use of goods and services	2,192,901	682,759	2,875,660	2,754,660	121,000
Sub-Total	6,542,453	2,385,247	8,927,700	7,555,705	1,371,995
2.0 Monitoring and evaluation					
2.1 Capacity building	1,500,000	62,414	1,562,414	1,478,785	83,629
2.2 Committee allowances	1,200,000	1,082,276	2,282,276	1,773,000	509,276
2.3 Use of goods and services	571,226	133,753	704,979	70,234	634,745
Sub-Total	3,271,226	1,278,443	4,549,669	3,322,019	1,227,650
3.0 Emergency					
Rabai Secondary School	-	210,000	210,000	210,000	-
Rev. Canon Kuri Sec School	14,644	15,000	15,000	15,000	-
NGCDF Rabai Office	700,000	505,356	520,356	520,000	-
Kaoyeni primary school	5,024,349	-	700,000	700,000	-
Emergency	-	-	5,038,993	-	5,024,349
Sub-Total	5,738,993	730,356	6,484,349	1,445,000	5,024,349
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	15,000,000	6,998,300	21,998,300	15,300,500	6,697,800
4.3 Tertiary Institutions	7,000,000	3,000,000	10,000,000	7,129,889	2,870,111
4.4 Universities	8,000,000	4,000,000	12,000,000	7,223,000	4,777,000
Sub-Total	30,000,000	13,998,300	43,998,300	29,653,389	14,344,911
5.0 Sports	-	-	-	-	-

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Mgalla primary School	2,180,818	-	2,180,818	2,180,818	-
5.1 bal b/f	-	1,463,500	1,463,500	1,463,500	-
Sub-Total	2,180,818	1,463,500	3,644,318	3,644,318	-
6.0 Environment					
6.1 balance b/f					
Kambe secondary school	1,500,000	-	1,500,000	1,500,000	-
Isaac Nyundo primary school	340,409	-	340,409	340,409	-
Kasidi primary school	340,409	-	340,409	340,409	-
Kinunguna Primary School	-	800,000	800,000	800,000	-
Sub-Total	2,180,818	800,000	2,980,818	2,980,818	-
7.0 Primary Schools Projects					
Chiferi Primary School	2,600,000	-	2,600,000	2,600,000	-
Changombe Primary School	1,500,000	-	1,500,000	1,500,000	-
Lugwe Primary School	2,600,000	-	2,600,000	2,600,000	-
Boheka Primary School	3,900,000	-	3,900,000	3,900,000	-
Mwandodo Primary School	2,600,000	-	2,600,000	2,600,000	-
Makanzani Primary School	2,600,000	-	2,600,000	2,600,000	-
Mikomani Primary School	4,000,000	-	4,000,000	4,000,000	-
Bedida Primary School	3,976,568	-	3,976,568	3,976,568	-
Kailo Primary School	2,600,000	-	2,600,000	2,600,000	-
Kajiwe Primary School	750,000	-	750,000	750,000	-
Kawala Primary School	750,000	-	750,000	750,000	-
Jhuri Primary School	-	1,200,000	1,200,000	1,200,000	-
Mleji Primary School	-	1,200,000	1,200,000	1,200,000	-
Ziro Primary School	-	650,000	650,000	650,000	-
Kaliangombe Primary School	-	584,000	584,000	584,000	-
Bwagamoyo Primary School	-	585,256	585,256	585,256	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

RABAI CONSTITUENCY

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Bofu Primary School	-	2,650,000	2,650,000	2,650,000	-
Mwanguta Primary School	-	2,100,000	2,100,000	2,100,000	-
Jimba Primary School	-	578,207	578,207	578,207	-
Mugalla primary School	-	3,545,467	3,545,467	3,545,467	-
Sub-Total	27,876,568	13,092,930	40,969,499	40,969,499	-
8.0 Secondary Schools Projects					
Chang'ombe Secondary School	3,750,000	-	3,750,000	3,750,000	-
Kajiwe Secondary School	3,750,000	-	3,750,000	3,750,000	-
Ribe Girls Secondary School	5,200,000	-	5,200,000	5,200,000	-
Kambe Secondary School	4,000,000	-	4,000,000	4,000,000	-
Mikomani Secondary School	2,800,000	-	2,800,000	2,800,000	-
Mbararani Secondary School	1,350,000	-	1,350,000	1,350,000	-
Mbararani Secondary School	-	1,400,000	1,400,000	1,400,000	-
Rev. Canon Kuri Sec. School	-	2,600,000	2,600,000	2,600,000	-
Chang'ombe Secondary School	-	2,150,000	2,150,000	2,150,000	-
Kajiwe secondary School	-	2,150,000	2,150,000	2,150,000	-
Chiferi Primary School	-	2,200,000	2,200,000	2,200,000	-
Dr. Krapf Memorial Secondary School	-	4,700,000	4,700,000	4,700,000	-
Sub-Total	20,850,000	15,200,000	36,050,000	36,050,000	-
9.0 Security projects					
Buni/Kisimani Assistant Chiefs office	1,600,000	-	1,600,000	1,600,000	-
Bwagamoyo Assistant Chiefs office	1,600,000	-	1,600,000	1,600,000	-
Muleji Assistant Chiefs office	1,600,000	-	1,600,000	1,600,000	-
Kinunguna Forodhani Asst chiefs office	1,600,000	-	1,600,000	1,600,000	1,600,000
Rabai APs Camp	4,000,000	-	4,000,000	4,000,000	4,000,000
Pangani Chiefs office	-	520,000	520,000	500,000	20,000



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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
Uwanja wa ndege assistant chiefs office	-	900,000	900,000	900,000	-
Ribe assistant and chiefs office	-	1,400,000	1,400,000	1,400,000	-
Kambe assistant chiefs office	-	1,100,000	1,100,000	1,100,000	-
Sub- total	10,400,000	3,920,000	14,320,000	8,700,000	5,620,000
11.0 Acquisition of assets					
11.3 Purchase of furniture and equipment	-	599,653	599,653	490,285	109,368
Sub-Total	-	599,653	599,653	490,285	109,368
13.0 Others					
13.1 Strategic Plan	-	146,000	146,000	146,000	-
13.2 TVET	-	10,000,000	10,000,000	10,000,000	-
AIA	-	-	-	-	-
Sub-Total	-	10,146,000	10,146,000	10,146,000	-
<b>GRAND TOTALS</b>	<b>109,040,876</b>	<b>63,614,429</b>	<b>172,655,305</b>	<b>144,957,032</b>	<b>27,698,273</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2019)**

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**X. 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-Rabai 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.

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

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

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**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 30<sup>th</sup> 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.



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

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

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**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 constituency bank account(s) at the end of the financial year.

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Funds**

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

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

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**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 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> 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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**XI. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

	Description	2018-2019	2017 - 2018
		Kshs.	Kshs.
NG -CDF Board	B005128	54,784,483	
NG -CDF Board	B030113	10,000,000	
NG -CDF Board	B005456	15,000,000	-
NG -CDF Board	B007453	6,000,000	-
NG -CDF Board	B042608	11,000,000	-
NG -CDF Board	B042828	12,000,000	-
NG -CDF Board	B041015	55,040,876	-
NG -CDF Board	A855986	-	5,500,000
NG -CDF Board	A892795	-	37,905,172
	<b>TOTAL</b>	<b>163,825,359</b>	<b>43,405,172</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2018 - 2019	2017 - 2018
	Kshs.	Kshs.
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from the Sale of office and general equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018 - 2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	40,969,499	5,063,794
Transfers to Secondary schools	36,050,000	5,100,000
Transfers to Tertiary institutions	-	-
TIVET	10,000,000	-
<b>TOTAL</b>	<b>87,019,499</b>	<b>10,163,794</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2018 - 2019	2017 - 2018
	Kshs	Kshs
Bursary –Secondary	15,300,500	7,286,825
Bursary –Tertiary	14,352,889	6,809,800
Bursary-Special schools	-	-
Mocks & CAT	-	-
Water projects	-	-
Agriculture projects	-	-
Electricity	-	-
Security	8,700,000	3,021,311
Roads	-	-
Sports	3,644,318	-
Environment projects	2,980,817	836,206
Emergency Projects	1,445,000	4,410,000
Other grants to Multipurpose Hall	-	-
<b>Total</b>	<b>46,423,524</b>	<b>22,364,142</b>

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8. ACQUISITION OF ASSETS

Non-Financial Assets	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	216,000
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	380,285	-
Purchase of computers ,printers and other IT equipments	-	80,000
Purchase of photocopier	-	-
Purchase of other office generator	110,000	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
	-	-
<b>Total</b>	<b>490,285</b>	<b>296,000</b>

9. OTHER PAYMENTS

	2018 - 2019	2017 - 2018
	Kshs	Kshs
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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10 A: BANK ACCOUNTS (CASH BOOK & BANK BALANCE)

Name of Bank, Account No. & currency	Amount in bank account currency	2018-2019 Kshs	2017-2018 Kshs
African Banking Corporation Ltd	Kes	27,698,273	8,829,946
<b>Total</b>		<b>27,698,273</b>	<b>8,829,946</b>

10 B: CASH BALANCES (CASH AT HAND)

	2018-2019 Kshs	2017-2018 Kshs
Nil	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance Kshs
Nil		-	-	-

12A: RETENTION

	2018-2019 Kshs.	2017-2018 Kshs.
Nil	-	-

12B: GRATUITY

	2018-2019 Kshs.	2017-2018 Kshs.
Nil	-	-

13: BALANCES BROUGHT FORWARD

	2018-2019 Kshs.	2017-2018 Kshs.
Bank accounts	8,829,946	8,757,212
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>8,829,946</b>	<b>8,757,212</b>

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**14: PRIOR YEAR ADJUSTMENTS**

	2018-2019 Kshs.	2017-2018 Kshs.
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	-	-

**15. OTHER IMPORTANT DISCLOSURES**

**15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2018-2019 Kshs.	2017-2018 Kshs.
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	-	-

**15.2: PENDING STAFF PAYABLES (See Annex 2)**

	2018-2019 Kshs.	2017-2018 Kshs.
Gratuity	-	250,443
<b>Total</b>	-	250,443

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15.3: UNUTILIZED FUNDS (See Annex 3)

	2018-2019 Kshs.	2017-2018 Kshs.
Compensation of employees	200,720	674,013
Use of goods and services	2,398,925	1,731,188
Amounts due to other Government entities (see attached list)	-	0
Amounts due to other grants and other transfers (see attached list)	24,989,260	5,825,092
Acquisition of assets	109,368	99,653
Other payments	-	500,000
<b>Total</b>	<b>27,698,273</b>	<b>8,829,946</b>

15.4: PMC account balances (See Annex 5)

	2018- 2019 Kshs	2017- 2018 Kshs
PMC account Balances (see attached list)	54,605,692	16,329,596
<b>Total</b>	<b>54,605,692</b>	<b>16,329,596</b>

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
	A	b	c	d=a-c		
Construction of buildings				-	-	
Sub-Total						
Construction of civil works				-	-	
Sub-Total						
Supply of goods				-	-	
Sub-Total						
Supply of services				-	-	
Sub-Total						
<b>Grand Total</b>				<b>-</b>	<b>-</b>	

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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 30/06/2019	Outstanding Balance 2018	Comments
Gratuity		A	B	c	d=a-c		
George K.Tsuma		-		-	-	42,129	
May M. Tsuma		-		-	-	42,129	
Margaret Mwaka		-		-	-	29,951	
Munga Nzaka		-		-	-	27,167	
Serah Hilai		-		-	-	25,873	
Ndenge Mwaringa		-		-	-	25,873	
Ali Mcharo		-		-	-	57,321	
Luiza K. Dzuya		-		-	-	-	
<b>Total</b>					-	<b>250,443</b>	

**ANNEX 3 – UNUTILIZED FUNDS**

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		200,720	674,013	
Use of goods & services		2,398,925	1,731,188	
Amounts due to other Government entities		-	-	
<b>Sub-Total</b>				
Amounts due to other grants and other transfers				
Bursary Secondary Schools		6,697,800	498,300	
Bursary Tertiary		7,647,111	-	
Emergency		5,024,349	161,391	
Pangani Chiefs office		20,000	520,000	
Kinunguna Forodhani Assistant chiefs office		1,600,000	-	
Rabai APs Camp		4,000,000	-	
Rabai sports tournament		-	645,401	
Kinunguna primary school		-	4,000,000	
<b>Sub-Total</b>		<b>24,989,260</b>	<b>5,825,092</b>	
Acquisition of assets		109,368	99,653	
<b>Sub-Total</b>		<b>109,368</b>	<b>99,653</b>	
Others ( <i>specify</i> )		-	-	
Audit fees		-	500,000	
<b>Sub-Total</b>		-	<b>500,000</b>	
<b>Grand Total</b>		<b>27,698,273</b>	<b>8,829,946</b>	

SUMMARY OF FIXED ASSET REGISTER (Annex 4)

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Asset class	Historical Cost (Kshs)2018/19	Additional Cost Kshs 2018/19	Disposal Cost Kshs 2018/19	Historical Cost (Kshs) 2017/18
Buildings and structures	17,498,279	-	-	17,498,279
Transport equipment	7,162,747	-	-	7,162,747
ICT Equipment, Software and Other ICT Assets	1,553,878	380,285	-	1,173,593
Other Machinery and Equipment	1,077,454	110,000	-	967,454
<b>Total</b>	<b>27,292,358</b>	<b>490,285</b>	<b>-</b>	<b>26,802,073</b>

**FIXED ASSETS REGISTER**

	Description	Date of purchase	Serial No.	2018/19 (Kshs)	2017/18 (Kshs)
1.	Cdf Office Rabai	2014/15		15,382,279	15,382,279
2.	Fixing of metal grill, chained linked fencing and purchase water tank	2015/16		1,900,000	1,900,000
3.	Office curtains 17pcs	12/07/2018		216,000	216,000
				<b>17,498,279</b>	<b>17,498,279</b>
	<b>Office Vehicles</b>				
1.	Motorbike	28/03/2014	3TT- 206869	420,964	420,964
2.	Cdf vehicle	23/01/2015		6,741,783	6,741,783
	<b>Sub total</b>			<b>7,162,747</b>	<b>7,162,747</b>
	<b>Office Furniture</b>				
1.	Office executive chair	26/11/2013	1	21,000	21,000
2.	H/Leather office chair executive	"	1	32,000	32,000
3.	Office HB chair fabric	"	1	8,300	8,300
4.	Executive office table	"	2	119,990	119,990
5.	Conference table executive 35MTS	"	1	109,995	109,995
6.	Office visitors chair	"	12	84,000	84,000
7.	Office table ID1680 (44)	"	2	33,190	33,190
8.	Pedestal fixed 4d2w IDFP-4D	"	2	14,800	14,800
9.	Office table set WMB221.8MTS (vs.)	"	1	44,995	44,995
10.	Counter top executive 1201.2MTS (vs.)	"	1	5,795	5,795
11.	Lina chair YD- B104 4 Pax (AN31)	"	2	45,990	45,990



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12.	Executive Chair	28/09/2016	1	28,495	28,495
13.	Executive Table	"	1	65,995	65,995
14.	Conference Table	"	1	54,995	54,995
15.	Small Office table	"	1	11,995	11,995
16.	Conference Chairs	"	1	7,495	7,495
17.	Conference Chairs	"	11	82,445	82,445
18.	Visitors' Chairs	"	4	29,980	29,980
19.	Conference Table small	"	1	24,995	24,995
20.	Orthopaedic Chair	"	1	21,995	21,995
21.	Side Wall unit shelve	"	1	36,995	36,995
22.	Office Chairs	"	2	16,790	16,790
23.	Office tables big	"	2	42,980	42,980
24.	Filling cabinet	"	2	27,998	27,998
25.	Ordinary office chairs	"	16	47,920	47,920
26.	Safe	02/08/2016	1	25,995	25,995
27.	Filling Cabinet with 4 drawers	"	1	23,995	23,995
28.	Reception table	"	1	37,480	37,480
29.	Wooden Cabinet	"	1	40,000	40,000
30.	Computer Tables	"	4	24,995	24,995
31.	Smart Television '43 & wall bracket	14/05/2019	1	47,290	-
32.	Medium size water dispenser	"	1	17,995	-
33.	Executive sofa set	"	1	250,000	-
34.	Executive coffee table and Carpet	"	1	65,000	-
	<b>Sub total</b>			<b>1,553,878</b>	<b>1,173,593</b>
	<b>Other Machinery and equipments</b>				
1.	Desktop computer (DELL) S/NO:BKZ3PV1	26/11/2013	1	70,000	70,000
2.	Laptop computer (HP) S/NO:5CD3294MIR	"	1	60,000	60,000
3.	Printer laser jet pro 100 MI75NW S/NO:CND8F67867	"	1	50,000	50,000
4.	Ramtons water Dispenser	27/11/2014	1	16,497	16,497

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	RM/419				
5.	Filling cabinet sliding doors	23/09/2015	1	23,925	23,925
6.	Photocopy Machine	28/09/2015	1	150,800	150,800
7.	Desktop computer HP 300	12/06/2016	1	98,000	98,000
8.	Laser jet Printer HP 1102 PRO 200	"	1	48,000	48,000
9.	Telecommunication gadgets	02/08/2016	7	168,340	168,340
10	Laptop-HP	23/05/2017	1	89,700	89,700
11	40 inch Samsung Tv-5 series HD 1080P	"	1	44,995	44,995
12	Vehicle tools kitty	"	10 items	67,197	67,197
13	Digital Camera D5300 BK set	08/06/2018	1	80,000	80,000
14	Briggs & Stratton Generator 6200A	08/05/2019	(6.2KVA)	110,000	-
			<b>Sub total</b>	<b>1,077,454</b>	<b>967,454</b>
			<b>TOTAL</b>	<b>27,292,358</b>	<b>26,802,073</b>

**ANNEX 5-PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Mleji Primary School	African Banking Corp.	003215001004789	36,227	-
Mgala Pri.School	African Banking Corp	003215001005151	4,154,238	-
Ziro Pri. School	African Banking Corp	003215001003903	67,316	-
Mwangutwa Pri. Sch.	African Banking Corp	003215001004901	91,746	-
Bofu Primary School	African Banking Corp	003215001004910	1,503,604	-
Jimba Pri School	African Banking Corp	003215001004931	69,313	-
Kaling'ombe Pri Sch	African Banking Corp	003215001003135	341,666	-
Bwagamoyo Pri Sch	African Banking Corp	003215001001793	583,177	-
Lugwe Pri. School	African Banking Corp	003215001005262	2,600,000	-
Mikomani Pri. Sch	African Banking Corp	003215001002407	3,966,168	-
Chang'ombe Pri Sch	African Banking Corp	003215001001807	1,500,310	-
Kajiwe Pri School	African Banking Corp	003215001005203	749,520	-
Kawala Pri School	African Banking Corp	003215001005191	749,520	-
Kailo Pri Sch	African Banking Corp	003215001003134	2,574,013	-
Bedida Pri. School	African Banking Corp	003215001005196	3,936,969	-
Chiferi Pri. School	African Banking Corp	003215001001794	2,613,210	-
Boheka Pri. School	African Banking Corp	003215001005195	3,900,000	-
Mwandodo Pri Sch	African Banking Corp	003215001005193	2,600,000	-
Chang'ombe Sec Sch	African Banking Corp	003215001004790	1,011,786	-

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kajiwe Sec. School	African Banking Corp	003215001003090	2,147,781	-
Chiferi Sec. School	African Banking Corp	003215001004395	237,713	-
Dr. Krapf Sec. School	African Banking Corp	003215001004911	305,815	-
Mbararani Sec.Sch	African Banking Corp	003215001005065	313,390	-
Rev.Canon Kuri Sec. Sch	African Banking Corp	003215001005066	209,815	-
Kambe Sec.School	African Banking Corp	003215001005175	3,949,281	-
Mikomani Sec. Sch	African Banking Corp	003215001002324	2,822,081	-
Ribe Girls Sec. Sch	African Banking Corp	003215001005189	5,200,000	-
Mgumo wa Patsa Ast. Chiefs	African Banking Corp	003215001004795	29,803	-
Ribe Asst. And Chiefs Office	African Banking Corp	003215001004784	99,687	-
Kambe Assistant Chiefs Office	African Banking Corp	003215001004787	20,172	-
Bwagamoyo Asst. Chiefs Office	African Banking Corp	003215001005192	1,576,401	-
Muleji Assistant Chiefs Office	African Banking Corp	003215001005197	1,600,000	-
Buni Asst. Chiefs Office	African Banking Corp	003215001005194	1,600,000	-
Kaoyeni Pri School	African Banking Corp	003215001004785	709,554	-
Kinung'una Pri Sch	African Banking Corp	003215001004794	69,762	-
Kasidi Pri School	African Banking Corp	003215001005190	325,247	-
Isaac Nyondo Pri Sch	African Banking Corp	003215001005253	340,409	-
Ziro Pri School	African Banking Corp	003215001003903	-	631,412
Benyoka Pri School	African Banking Corp	003215001002347	-	140,063
Chiferi Sec School	African Banking Corp	003215001004395	-	1,688,450
Asst. Chiefs Office Chang'ombe	African Banking Corp	003215001003930	-	11,551
Jeuri Pri School	African Banking Corp	003215001004791	-	1,169,445
Chonyi Pri School	African Banking Corp	003215001004851	-	2,999,555
Chang'ombe Sec Sch	African Banking Corp	003215001004790	-	1,589,105
Mgumo/Patsa Ass Chiefs Office	African Banking Corp	003215001004795	-	681,445
Mbwaka Pri School	African Banking Corp	003215001004434	-	490,411
Kaoyeni Pri School	African Banking Corp	003215001004785	-	167,658
Kinung'una Pri. Sch	African Banking Corp	003215001004794	-	481,445
Kajiwe Sec School	African Banking Corp	003215001003090	-	1,581,020
Kambe Assistant Chiefs Office	African Banking Corp	003215001004787	-	878,445

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Muleji Pri School	African Banking Corp	003215001004789	-	1,275,115
Kanyumbuni Pri Sch	African Banking Corp	003215001004788	-	699,239
Vifanjoni Pri School	African Banking Corp	003215001004783	-	687,445
Boyani Pri School	African Banking Corp	003215001003899	-	169,078
Ribe Assistant & Chiefs Office	African Banking Corp	003215001004784	-	978,445
Chiefs officeRuruma	African Banking Corp	003215001002318	-	10,269
<b>TOTAL</b>			<b>54,605,692</b>	<b>16,329,596</b>

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**15.6 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)
MSA/ RABAI NG- CDF/201 7-18(3)	<p>1.1 Revenue Budget Analysis According to the 2017/18 approved budget estimates, the fund expected to receive a total of Kshs. 16,946,867 as transfers from the National Government Constituencies Development Fund Board. However, the fund received a total of Kshs. 43,405,172 resulting to a shortfall of 63,541,695 or 59% of the targeted revenue. This may have affected implementation of planned projects for the benefit of the residents of Rabai Constituency. There is need to do proper budgeting on priority basis.</p> <p>1.2 Expenditure Budget Analysis The summary statement of appropriations reflect a final budget of Kshs. 106,946,867 for the financial year 2017/2018 against total actual expenditure of Kshs. 43,332,438 resulting to under absorption of Kshs. 63,614,429 or 59% as summarised below:  The fund had a total under – expenditure of Kshs. 63,614,429 representing 59% of the budget. Although the management has attributed the situation to delays in receiving funds from the National</p>	No opinion	NGCDF Board/NG-CDFC/FAM		



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	Government Constituencies Development Fund Board, this may affect delivery of goods and services to the residents of Rabai Constituency contrary to values which requires responsive, prompt effective, impartial and equitable provision of services. Therefore, there is need to re-look at the budgeting mechanism with a view of focusing on priority areas with high impact in improving the standards of living for the citizens of Rabai Constituency.							
Budget line	Final budget Kshs.	Actual Expenditure Kshs.	Unspent Balance Kshs.	% of utilization				
Compensation of Employees	2,370,686	1,696,673	674,013	72%				
Use of goods and services	11,947,500	8,811,829	3,135,671	74%				
Transfers to other Governments units	33,287,468	10,163,794	23,123,674	31%				
Other grants and transfers	57,276,304	22,364,142	34,912,162	39%				
Acquisition of assets	395,653	296,000	99,653	75%				
Other payments	1,669,256	-	1,669,256	-				
<b>Total</b>	<b>106,946,867</b>	<b>43,332,438</b>	<b>63,614,429</b>	<b>41%</b>				