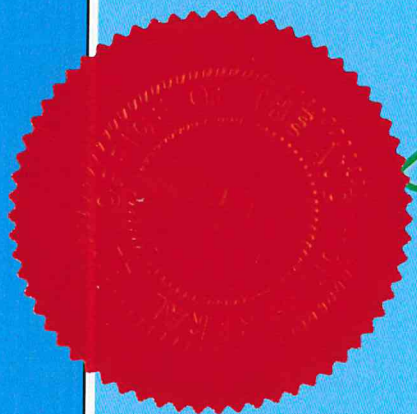


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
DATE: 15 FEB 2022	
Tabled by: LOM	
Clerk-at-the-table: G. Chebet	

THE AUDITOR-GENERAL

ON

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

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



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

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

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
MWATATE CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 MWATATE 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:

No.	Designation	Name
1.	A.I.E holder	AMINA ALI
2.	Sub-County Accountant	ELIJAH MWAZO
3.	Chairman NGCDFC	YUSUF SALIM
4.	Member NGCDFC	PHOEBE RONGOMA

(d) Fiduciary Oversight Arrangements

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

MWATATE MULT-PURPOSE HALL
P.O. Box 75-80305
Mwatate

(f) NGCDF MWATATE Constituency Contacts

Telephone: (254) 0710-325222

E-mail: mwatate@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF MWATATE Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Wundanyi -branch
P.O. Box 1067-80304
Wundanyi, Taita Ta veta, Kenya

(h) Independent Auditors

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

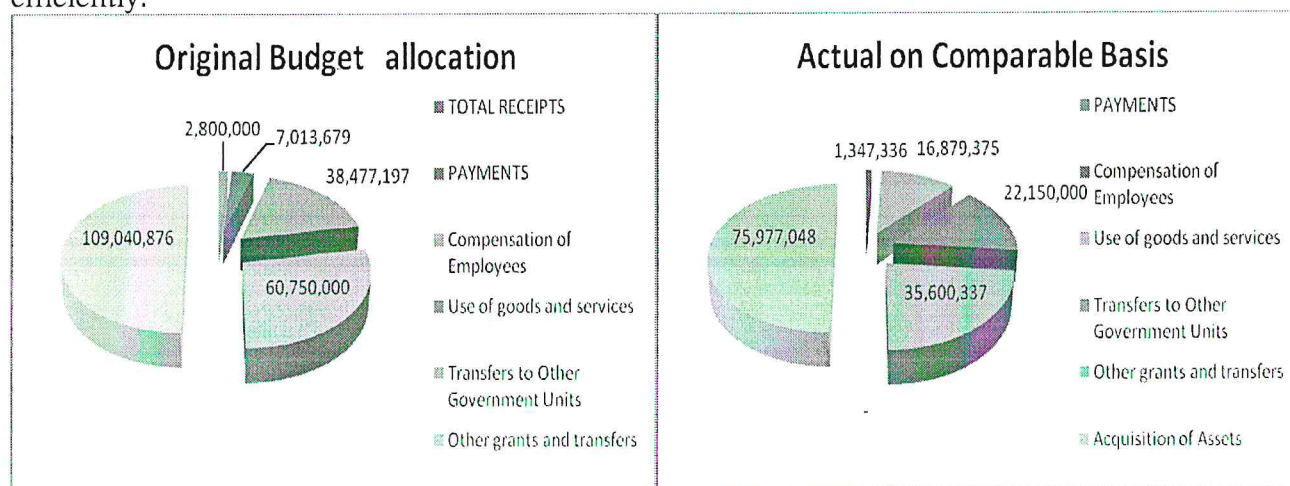
(i) Principal Legal Adviser

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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I take this opportunity on behalf of the NGCDF Mwatate to highlight on achievements, challenges and my opinion on the way forward on better utilization of this fund and delivery of service to my constituents. We have received funds from the Ng CDF Board and have utilized the funds efficiently.



ACHIEVEMENTS

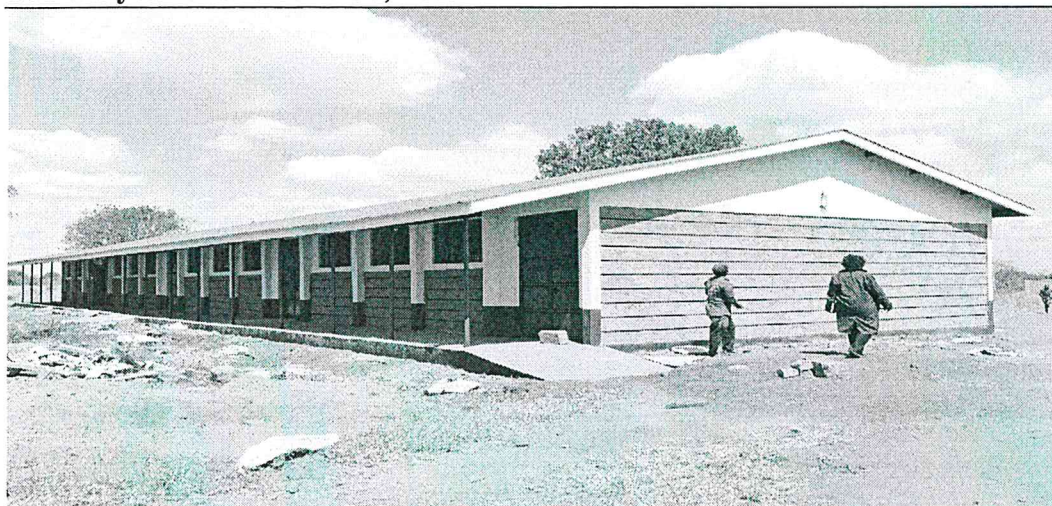
The NG CDF Mwatate committee is fully involved in the identification and implementation of projects. This means that we have been able to disburse funds to project accounts immediately we receive and this has helped speed the implementation of projects within the required time this translates to increase in service delivery.

BURA PRIMARY 6 DOOR BOYS TOILET



FY 2018-2019 Emergency project.

This primary school required emergency funds to construct a boys' toilet. The students now have a dignified washroom facility. This aimed at improving sanitary facilities and provide a conducive environment for learning.



MSORONGO PRIMARY SCHOOL.4 NO.CLASSROOMS

MZWANENYI SECONDARY SCHOOL-MODERN KITCHEN



However there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Projects. Other issues affecting the project implementation process is the late disbursement of funds

The NGCDFC wishes that the issues of late disbursement of funds from the board be addressed and to ensure there is timely disbursement to the constituency so that implementation of NGCDF projects can run smoothly.

Sign

Name: Yusuf Salim

CHAIRMAN NGCDF COMMITTEE

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

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

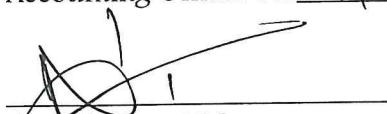
The Accounting Officer in charge of the NGCDF-MWATATE Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. 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.

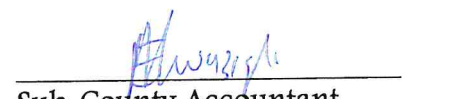
The Accounting Officer in charge of the NGCDF-MWATATE Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-MWATATE 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-MWATATE 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-MWATATE Constituency financial statements were approved and signed by the Accounting Officer on 11/02/2020 2019.


Fund Account Manager
Name: Amina Ali


Sub-County Accountant
Name: Elijah M. Mwazo
ICPAK Member Number: 11808

REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MWATATE 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 - Mwatate Constituency set out on pages 7 to 36, 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 National Government Constituencies Development Fund - Mwatate 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 the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act 2012.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

1.1 Unreconciled Variance on Transfers Received from the Board

The summary statement of appropriation-recurrent and development combined reflects actual transfers of Kshs.75,977,048 from the National Government Constituencies Development Fund Board. However, the receipts balance differed with the total of Kshs.79,596,038 (comprising the transfers of Kshs.65,379,310 received from the Board in the financial year 2018/2019 and the bank balance of Kshs.14,216,728 brought forward from the financial year 2017/2018) by Kshs.3,618,990. The variance was not explained or reconciled.

Consequently, the accuracy and completeness of the actual receipts balance of Kshs.75,977,048 reflected in the summary statement of appropriation-recurrent and development combined could not be confirmed.

1.2 Unreconciled Variances in Balances Reflected in the Budget Statements

Variances were noted between the balances reflected in the summary statement of appropriation - recurrent and development combined and those reflected in the budget execution by programmes and sub-programmes as detailed below:

Item Details	Balance as per Summary Statement of Appropriation - Recurrent and Development Combined (Kshs.)	Balance as per Budget Execution by Programmes and Sub- Programmes (Kshs.)	Variance (Kshs.)
Original Budget	109,040,876	108,040,858	1,000,018
Adjustments	25,596,038	-	25,596,038
Final Budget	134,636,914	108,040,858	26,596,056
Actual Receipts on Comparable Basis	75,977,048	52,079,431	23,897,617
Budget Utilization Difference	58,659,866	56,961,427	1,698,439

The variances have not been explained or reconciled.

Consequently, the accuracy of the two statements could not be confirmed.

2.0 Use of Goods and Services

The statement of receipts and payments and as further disclosed at Note 5 to the financial statements, reflects payments of Kshs.18,150,903 for use of goods and services. The following observations were made regarding the expenditure:

2.1 Unsupported Committee Expenses and Variance with the Supporting Schedule

As disclosed at Note 5 to the financial statements, the expenditure included committee expenses of Kshs.14,310,000. The expenses related to allowances paid to Constituency Committee members. However, the supporting schedule provided for audit reflected total expenditure of Kshs.14,660,000 on committee expenses resulting into a variance of Kshs.350,000 which has not been explained or reconciled.

Further, the allowances comprised sitting allowances, transport costs, lunches and airtime paid to Constituency Committee members while attending meetings, participating in projects monitoring and evaluation activities and vetting of bursary applications. However, allowances amounting to Kshs.8,200,000 were not supported with work plans, evidence of travel, project monitoring and evaluation reports and minutes of bursary vetting and bursary award meetings.

Consequently, the propriety and validity of allowances amounting to Kshs.8,200,000 and the accuracy and completeness of the reported committee expenses of Kshs.14,310,000 could not be confirmed.

2.2 Unbudgeted for and Misclassified Expenditure on Purchase of Assets

Note 5 to the financial statements reflects payments for utilities, supplies and services of Kshs.3,580,114. However, the balance included Kshs.1,569,304 relating to supply of assorted Information Communication Technology (ICT) and audiovisual equipment and other ICT related services, and Kshs.217,000 in respect of supply and fixing of curtains in the Fund's offices. Records provided for audit indicated that although the National Government Constituency Development Fund Committee approved the procurement, the assets were not in the approved code list (budget) for the financial year 2018/2019 hence the procurement was contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015 which provides that an accounting officer shall not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contract are reflected in its approved budget estimates.

Further, requisitions of the ICT equipment by the users were not provided for audit and the three (3) firms that quoted for the supply of curtains were not in the list of registered suppliers maintained by the Fund neither were the details of how they were identified, selected and invited to quote provided.

In addition, the purchase of equipment and supply of curtains expenditure was classified under use of goods and services instead of acquisition of assets and was not disclosed at Annex 5 on summary of fixed assets register. The ICT equipment was also not provided for physical verification.

Consequently, the propriety of the expenditure and the accuracy of the reported expenditure for use of goods and services and acquisition of assets could not be confirmed. In addition, the existence of the equipment could not be confirmed.

3.0 Other Grants and Transfers

The statement of receipts and payments and as further disclosed at Note 7 to the financial statements, reflects other grants and transfers of Kshs.34,328,809. The following observations were made regarding the transfers:

3.1 Bursaries to Secondary Schools - Accuracy and Supporting Documents

As disclosed at Note 7 to the financial statements, bursaries amounting to Kshs.19,457,866 were disbursed to secondary schools. However, the supporting schedule reflected Kshs.18,970,886, resulting into a variance of Kshs.486,980 which was not explained or reconciled.

Further, bursaries amounting to Kshs.241,000 were awarded to persons living with disabilities. However, evidence that the beneficiaries were vetted and evaluated by the bursary sub-committee and that the beneficiaries were registered as persons with disabilities as well as their school admission numbers were not provided for audit.

Consequently, the accuracy of the reported bursaries of Kshs.19,457,866 to secondary schools and the propriety and validity of bursaries of Kshs.241,000 to persons living with disabilities could not be confirmed.

3.2 Unreconciled Variance in Bursary to Tertiary Institutions

Note 7 to the financial statements reflects bursaries of Kshs.5,519,500 to tertiary institutions. However, the supporting schedule reflected a total of Kshs.6,017,000, resulting into an unexplained and unreconciled variance of Kshs.497,500.

Consequently, the accuracy of the reported bursaries of Kshs.5,519,500 to tertiary institutions could not be confirmed.

3.3 Unsupported Sports Projects Expenditure

Note 7 to the financial statements reflects Kshs.1,349,393 being funds transferred to sports projects. Records provided for audit indicated that the Fund Management entered into an agreement for supply of fifty (50) soccer balls and seventeen (17) football jerseys. However, the Management did not provide evidence of requisition of the items by the intended beneficiaries/users. Further, evidence of distribution and list of beneficiaries were not provided for audit.

Consequently, the accuracy and validity of the expenditure of Kshs.1,349,393 on sports projects could not be confirmed.

3.4 Unconfirmed Emergency Projects Expenditure

Note 7 to the financial statements reflects emergency projects expenditure of Kshs.5,872,770 of which Kshs.5,522,770 was transferred to eleven (11) projects as detailed at **Appendix I**.

However, the projects were not urgent and unforeseen to qualify as emergency as defined under Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which provides that, 'emergency' shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. Further, requisitions/requests for funding from the beneficiaries were not provided for audit review.

In addition, the amount of Kshs.150,000 transferred to Saghaighu Primary School as reflected in the payment records availed for audit, differed with the amount of Kshs.500,000 reflected in the supporting schedule with an unreconciled variance of Kshs.350,000.

Consequently, the propriety, accuracy and completeness of emergency projects expenditure of Kshs.5,872,770 could not be confirmed.

3.5 Environment Projects Expenditure Not Confirmed

Note 7 to the financial statements reflects expenditure of Kshs.500,000 on environment projects. The funds were transferred to Mwatate Technical Training Institute (MTTI)

Project Management Committee bank account for construction of gabions and planting of trees as detailed below:

Project Name	Date	Activity	Amount (Kshs.)
MTTI	07/02/2019	Construction of Gabions	200,000
MTTI	19/11/2018	Planting of Trees	300,000
Total			500,000

Further, the records indicated that the works were done by Mwatate Environmental Conservation Project (MECOP). However, details of how the service provider was identified, selected and awarded the contract were not provided for audit. In addition, bills of quantities for the gabions construction and details of the type, number and locations of trees to be planted were not provided for audit.

In the circumstances, the accuracy and validity of the Kshs.500,000 spent on environment projects could not be confirmed.

4.0 Cash and Cash Equivalents

4.1 Unadjusted Items in Bank Reconciliation

The statement of assets and liabilities reflects a bank balance of Kshs.3,618,990 as at 30 June, 2019. However, the June, 2019 bank reconciliation statement reflected a bank balance of Kshs.4,731,505 which differed with the balance of Kshs.4,731,145 reflected in the bank confirmation certificate as at the same date resulting to a variance of Kshs.360 which was not explained or reconciled. Further, the reconciliation statement reflected payments in the cashbook not yet recorded in bank statement amounting to Kshs.1,368,462, out of which cheques amounting to Kshs.323,004 were already stale. Bank statements to confirm subsequent clearance of the remaining cheques amounting to Kshs.1,045,458 were not provided for audit.

Consequently, the accuracy and completeness of the reported bank balance of Kshs.3,618,990 as at 30 June, 2019, could not be confirmed.

4.2 Unconfirmed Cash Balance

The statement of assets and liabilities reflects nil cash balance as at 30 June, 2019. However, the Management did not provide a cash count report to confirm the nil cash balance as required under Regulation 93(17) of the Public Finance Management (National Government) Regulations, 2015 which requires the head of accounts division to ensure frequent spot checks are made of the standing imprest itself by a responsible officer to count the cash on hand and confirm that the actual cash on hand corresponds with the balance on hand as recorded in the cash book.

Consequently, the accuracy of nil cash balance as at 30 June, 2019 could not be confirmed.

5.0 Unsupported and Unreconciled Variances in Project Management Committee Bank Accounts Balances

Note 15.4 and Annex 5 to the financial statements reflect a total bank balance of Kshs.4,553,016 held in fifty-seven (57) Project Management Committee (PMC) bank accounts as at 30 June, 2019. However, certificates of bank balances for eight (8) bank accounts holding a total balance of Kshs.101,615 were not provided. In addition, the total balance of Kshs.3,457,941 reported for forty-two (42) bank accounts differed with the total balance of Kshs.9,704,078 reflected in the certificates of bank balances. The resulting variance of Kshs.6,246,137 was not explained or reconciled.

Under the circumstances, the accuracy, completeness and existence of the reported balance of Kshs.4,553,016 held in PMC bank accounts as at 30 June, 2019 could not be confirmed.

6.0 Unreconciled Variance in Summary of Fixed Assets Register and Assets Register

Annex 4 to the financial statements reflects Kshs.4,454,214 being the historical cost of fixed assets as at 30 June, 2019. However, the assets register provided for audit, reflected a fixed assets balance of Kshs.4,289,000, resulting into a variance of Kshs.165,214 which was not reconciled or explained.

Further, Annex 4 reflects nil asset additions. However, records provided for audit indicated that the Fund procured assets costing Kshs.1,786,304 during the year under review which had not been disclosed in the summary of fixed assets register.

Consequently, the accuracy and completeness of the historical assets cost balance of Kshs.4,454,214 as at 30 June, 2019 reflected in the summary of fixed assets register, could not be 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 - Mwatate 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 a final receipts budget and actual receipts on comparable basis of Kshs.134,636,914 and

Kshs.75,977,048 respectively, resulting to an under-funding of Kshs.58,659,866 or 44% of the budget. The Fund's expenditure was limited to the receipts realized.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the constituents.

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

1.0 Delayed Completion of Projects

The Fund's projects implementation status report as at 30 June, 2019 provided for audit reflected cumulative disbursements of Kshs.32,797,672 to eighteen (18) projects. However, two (2) projects with cumulative disbursements of Kshs.6,000,000 were still in progress. Further, unspent disbursements amounting to Kshs.6,503,441 were held by Project Management Committees as at 30 June, 2019. The Fund Management attributed the delayed implementation of the projects to late receipt of funds.

Failure to implement projects as planned may have negatively impacted on delivery of services to the residents of Mwatate Constituency.

2.0 Audit Inspection of Projects

Nine (9) projects with a combined allocation of Kshs.18,775,000 were inspected in the month of December, 2019. The observations made are provided in **Appendix II**.

Under the circumstances, value for money for the expenditure of Kshs.18,775,000 on the nine (9) projects across the Constituency could not be confirmed.

3.0 Procurement of Legal Services

Included in the utilities, supplies and services expenditure of Kshs.3,580,114 reflected under Note 5 to the financial statements, is Kshs.200,000 with respect of legal fees paid to a private advocate for representing the Fund in a land court case. However, records provided for audit, indicated that, only two (2) firms were invited to quote for provision of the service, contrary to Section 106(2)(b) of the Public Procurement and Asset Disposal Act, 2015 which requires requests for quotations to be given to as many persons as necessary to ensure effective competition and to be given to at least three (3) persons. Further, the two firms were not in the list of registered suppliers neither were the details of how they were identified, selected and invited to quote provided for audit.

In addition, no evidence was provided that the Management sought the approval of the Attorney-General before engaging external legal counsel. This is contrary to Section 17(1) of the Office of the Attorney-General Act, 2012 which requires Ministries and Departments to seek the approval of the Attorney-General before engaging the services of a consultant to render any legal services relating to the functions of the Attorney-General.

Consequently, the Fund Management was in breach of the Law.

4.0 Transfers to Other Government Units

The statement of receipts and payments and as further disclosed at Note 6 to the financial statements reflects transfers of Kshs.22,150,000 to other government units. The following observations were made:

4.1 Transfers to Secondary Schools

Note 6 to the financial statements reflects transfers of Kshs.15,650,000 to secondary schools of which Kshs.3,000,000 was transferred to Mazola Primary School Project Management Committee for construction of phase III of eight (8) classrooms. Records provided for audit indicated that the contract was split into phases I, II and III and awarded to the same contractor at contract sum of Kshs.4,982,502 for phase I, Kshs.4,992,350 for phase II and Kshs.4,998,938 for phase III, all totaling to Kshs.14,973,790. However, although the expenditures were above the threshold of Kshs.4,000,000 for use of national open tender for a Class C procuring entity as provided in the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013, evidence of national advertisement of the tenders was not provided for audit.

In addition, the evaluation criteria used by the evaluation committee, appointment letters for the opening and evaluation committees and a signed professional opinion to the accounting officer issued in accordance to Section 84(1) of the Public Procurement and Asset Disposal Act, 2015 were not provided for audit.

Consequently, the Fund Management was in breach of the Law and the competitiveness and value for money from the expenditure could not be confirmed.

4.2 Transfers to Primary Schools

4.2.1 Msorongo Primary School – Construction of Classrooms

Note 6 to the financial statements reflects transfers of Kshs.15,650,000 to primary schools of which Kshs.3,500,000 was transferred to Msorongo Primary School Project Management Committee for construction of a two (2) classroom block. The proposed Project was for construction of four (4) classrooms at a cost of Kshs.6,000,000. However, the tender was split and awarded to two contractors, the first one for construction of two (2) classrooms at a contract sum of Kshs.2,962,733 and the other at a contract sum of Kshs.2,902,424 contrary to Section 54(1) of the Public Procurement and Asset Disposal Act, 2015. The clause provides that no procuring entity may structure a procurement as

two or more procurements for the purpose of avoiding the use of a procurement procedure.

Further, details of how the bidders were invited to bid, evidence of receipt of the bids and letters of appointment of the opening and evaluation committees were not provided for audit.

In addition, engineer's certificates of work done and approved or paid for were not provided. Also, during audit inspection in the month of December, 2019, two contractors were on the site but no sign boards were erected to identify the contractors and works undertaken by each of them.

Consequently, the propriety of transfers of Kshs.3,500,000 to primary schools and value for money on construction of the four (4) classrooms at a cost of Kshs.5,865,157 could not be confirmed.

4.2.2 Mwakinyungu Primary School

Note 6 to the financial statements reflects transfers of Kshs.15,650,000 to primary schools of which an amount Kshs.3,000,000 was transferred to Mwakinyungu Primary School for construction of phase II of eight (8) classrooms. According to the records provided for audit, phase I and phase II of the Project had been awarded to a contractor at a contract sum of Kshs.4,785,628 and Kshs.4,901,267 respectively. However, tender documents for phase I of the Project were opened and evaluated on 31 May, 2019 while notification of award was issued on 30 May, 2019 or a day before the opening and evaluation of the tender.

Further, no evidence was provided of the use of national open tender method as provided under the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 which provides the minimum expenditure for works that requires national advertising is Kshs.4,000,000 for a Class C procuring entity.

In addition, the evaluation criteria used by the evaluation committee, appointment letters for the opening and evaluation committees and professional opinion on the procurement proceedings issued to the accounting officer in accordance with Section 84(1) of the Public Procurement and Assets Disposal Act, 2015 were not provided for audit.

Consequently, the propriety of transfers of Kshs.3,000,000 and the validity and value for money of the cumulative expenditure of Kshs.9,686,895 on construction of eight (8) classrooms at Mwakinyungu Primary School could not be confirmed.

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 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 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 overall governance.

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

Management is also responsible for the submission of the Fund's 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 Fund's 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 review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the Fund's financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the Fund's 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 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 as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2021

Appendix I - Unconfirmed Emergency Projects Expenditure

No.	Project Name	Project Activity	Amount (Kshs.)	Reasons Given by National Government CDF Committee
1.	Manoa Primary School	Construction of Staffroom	1,000,000	The school has no room for teachers to sit and plan for their lessons.
2.	Mgeno Primary School	Construction of 4 door toilet	400,000	The Project was allocated less amount and required additional funding.
3.	Mrughua Primary School	Renovation of 3 class rooms, 1 store room and 1 staffroom	310,000	NG-CDF Committee did not give reasons why the Project was considered emergency.
4.	Mwakaleri Primary School	Construction of 4 door toilet	1,000,000	NG-CDF Committee did not give reasons why the Project was considered emergency.
5.	Saghaighu Primary School	Renovation of 2 Classrooms	150,000	NG-CDF Committee did not give reasons why the Project was considered emergency.
6.	Bura Primary School	Construction of 6 door toilet	900,000	NG-CDF Committee did not give reasons why the Project was considered as an emergency.
7.	Manoa Primary School	Completion of Classroom	475,770	NG-CDF Committee did not give reasons why the Project was considered as an emergency.
8.	Mwavunyu Primary School	Renovation of 5 Classrooms	90,000	NG-CDF Committee did not give reasons why the Project was considered as an emergency.
9.	David Kitawi	Renovation of Classroom	375,000	This was to pay an outstanding debt in which the Supplier supplied materials in 2014/2015 financial year.
10.	GM Contractors Ltd	Branding of CDF funded Projects	522,000	This was to brand NG-CDF Projects that were completed since 2016-2017 financial year.
11.	Mwandango Secondary School	Renovation of burnt dormitory	300,000	This was to pay an outstanding debt of 2016/2017. The Contractor was contracted by the school and had already done the work but the school was unable to pay the outstanding balance.
Total			5,522,770	

Appendix II - Audit Inspection of Projects

S/No.	Project Name	Project Details	Project Cost (Kshs.)	Observations
1.	Mnengwa Primary School	Construction of two Classrooms	2,500,000	• Bill of Quantities provided for 2 doors per classroom but only one (double) door was in place. • Bill of Quantities provided for mortice locks but padlocks were used instead. • No door stoppers were fitted as provided in Bills of Quantities. • Space left between wall and rafters. Not fitted with wire mesh or vents as provided in Bill of Quantities. • Loose electrical cables, exposed piping and switch sockets placed so low on the walls (desk level) hence not safe for children.
2.	Msorongo Primary School	Construction of 4 Classrooms	3,500,000	• Bills of Quantities provided for window measurements of 2000mm x 1200 mm front and 2000mm x 1700mm rear, yet actual measurements were 1500mm x 900mm and 1500mm x 1460mm respectively. • Bills of Quantities provided for mortice locks but padlocks were used instead. • Doors open outside and no door stoppers were fitted as provided for in Bill of Quantities.
3.	Josa Primary School	Renovation of Classrooms	1,000,000	• Bills of Quantities provided for purlins of treated timber 3"x2". However, the timber was not treated while in some areas timber used was not of the required size 3"x2".
4.	Mwemba Primary School	Construction of 2 Classrooms	1,500,000	• Bills of Quantities provided for 2 doors per classroom but only one (double) door was fitted. • Bills of Quantities provided for mortise locks but padlocks were used instead. • Further, no door stoppers were fitted as provided for in Bill of Quantities.

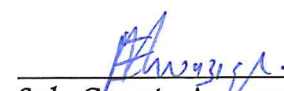
S/No.	Project Name	Project Details	Project Cost (Kshs.)	Observations
5.	Mwakinyungu Primary School	Construction of 4 Classrooms Storey Building	3,000,000	- During site visit, phase 2 was under construction. Instead of completion of phase 1, Management had embarked on construction of another floor, with no clear indication of when the first phase would be completed. - Construction of 2nd phase of the project before completion of 1st phase may delay realization of value for the money so far spent in this Project.
6.	Mazola Primary School	Construction of 4 Classrooms Storey Building	3,000,000	- During site visit, phase 2 was under construction, instead of completion of phase 1, Management had embarked on construction of another floor, with no clear indication of when the first phase will be completed. - Construction of 2nd phase of the Project before completion of 1st phase may delay realization of value for the money so far spent in this project.
7.	Mzwanenyi Secondary School	Construction of a modern kitchen	2,900,000	- While Bill of Quantities provided that rafters & purlins be of treated timber, the timber used was not treated. - Gauge 28 pre-painted iron sheets are provided for but gauge 30 was used. - Bill of Quantities provided for 5 panel doors, yet only 4 flush type doors were fitted.
8.	Mwakaleri Primary School	Construction of 4 door toilet	1,000,000	- Project was not branded nor sign board erected on site. - No manhole as provided for in the Bill of Quantities. - Four doors are made of soft wood instead of hardwood as provided in Bill of Quantities.
9.	Kitawi Secondary School	Payment for renovation of Classroom	375,000	No work verified. Documents on file indicated that the amount was for payment of an old debt, incurred way back in financial year 2014/2015, details of which were not provided.
	Total		18,775,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**MWATATE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****IV. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2018-2019	2017-2018
		Kshs.	Kshs.
RECEIPTS			
Transfers from Other Government Entities	1	65,379,310	91,139,259
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		65,379,310	91,139,259
PAYMENTS			
Compensation of Employees	4	1,347,336	2,660,111
Use of goods and services	5	18,150,903	7,618,707
Transfers to Other Government Units	6	22,150,000	42,005,331
Other grants and transfers	7	34,328,809	26,055,250
Acquisition of Assets	8		
Other Payments	9		
TOTAL PAYMENTS		75,977,048	78,339,399
SURPLUS/(DEFICIT)		(10,597,738)	12,799,860

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MWATATE Constituency financial statements were approved on 11/02/2020 and signed by:


Fund Account Manager
Name: Amina Ali


Sub-County Accountant
Name: Elijah M. Mwazo
ICPAK Member Number: 11808

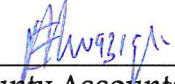
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MWATATE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2019

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,618,990	14,216,728
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,618,990	14,216,728
Current receivables - Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,618,990	14,216,728
FINANCIAL LIABILITIES			
Accounts payable - Retention	12A	-	-
Gratuity	12B		
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		3,618,990	14,216,728
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	14,216,728	1,416,868
Surplus/Defict for the year		(10,597,738)	12,799,860
Prior year adjustments	14		
NET FINANCIAL POSITION		3,618,990	14,216,728

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MWATATE Constituency financial statements were approved on 11/02/2020 and signed by:

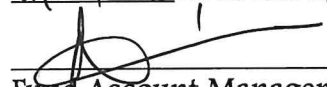

Fund Account Manager
Name: Amina Ali

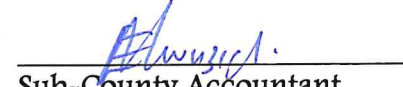

Sub-County Accountant
Name: Elijah M. Mwazo
ICPAK Member Number: 11808

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**MWATATE CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****VI. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2019**

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	65,379,310	91,139,259
Other Receipts	3	=	=
Total receipts		65,379,310	91,139,259
Payments			
Compensation of Employees	4	1,347,336	2,660,111
Use of goods and services	5	18,150,903	7,618,707
Transfers to Other Government Units	6	22,150,000	42,005,331
Other grants and transfers	7	34,328,809	26,055,250
Other Payments	9		
Total payments		75,977,048	78,339,399
Total Receipts Less Total Payments		(10,597,738)	12,799,860
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments		-	
Net cash flow from operating activities		(10,597,738)	12,799,860
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,597,738)	12,799,860
Cash and cash equivalent at BEGINNING of the year	13	14,216,728	1,416,868
Cash and cash equivalent at END of the year		3,618,990	14,216,728

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MWATATE Constituency financial statements were approved on 11/02/2020 2019 and signed by:


Fund Account Manager
Name: Amina Ali


Sub-County Accountant
Name: Elijah M. Mwazo
ICPAK Member Number: 11808

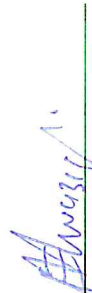
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MWATATE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT & 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 %
RECEIPTS						
Transfers from CDF Board	109,040,876	25,596,038	134,636,914	75,977,048	58,659,866	56%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	
TOTAL RECEIPTS	109,040,876	25,596,038	134,636,914	75,977,048	58,659,866	56%
PAYMENTS						
Compensation of Employees	2,800,000	575,187	3,375,187	1,347,336	2,027,851	40%
Use of goods and services	7,013,679	11,337,224	18,350,903	18,150,903	200,000	99%
Transfers to Other Government Units	38,477,197	10,600,000	49,077,197	22,150,000	26,927,197	45%
Other grants and transfers	60,750,000	3,083,627	63,833,627	34,328,809	29,504,818	54%
Acquisition of Assets			-	-	-	
Other Payments			-	-	-	
TOTAL	109,040,876	25,596,038	134,636,914	75,977,048	58,659,866	56%

The NGCDF-MWATATE Constituency financial statements were approved on 11/02/2020 and signed by:


Fund Account Manager
Name: Amina Ali


Sub-County Accountant
Name: Elijah M. Mwazo
ICPAK Member Number: 11808

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

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	3,100,000.00	-	3,100,000.00	3,100,000.00	-
1.2 Committee allowances	1,900,000.00	-	1,900,000.00	1,900,000.00	-
1.3 Use of goods and services	1,542,452.53	-	1,542,452.53	1,542,452.53	-
1.4 Acquisition of assets	-	-	-	-	-
2.0 Monitoring and evaluation					
2.1 Capacity building	1,300,000.00	-	1,300,000.00	1,300,000.00	-
2.2 Committee allowances	1,700,000.00	-	1,700,000.00	1,700,000.00	-
2.3 Use of goods and services	271,226.26	-	271,226.26	271,226.26	-
3.0 Emergency					
3.1 Primary Schools	5,738,993.45	-	5,738,993.45	4,350,770.00	1,388,223.45
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					

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

4.1 Primary Schools-special schools	1,000,000.00	-	1,000,000.00	1,000,000.00	-
4.2 Secondary Schools	15,000,000.00	-	15,000,000.00	15,000,000.00	-
4.3 Tertiary Institutions	9,006,568.26	-	9,006,568.26	8,364,982.26	641,586.00
4.4 Universities					
4.5 Social Security					
5.0 Sports					
5.1	1,765,817.51		1,765,817.51	-	1,765,817.51
6.0 Environment					
MSAU MENGU	500,000.00	-	500,000.00	-	500,000.00
KIGHOMBO RONGE	500,000.00	-	500,000.00	-	500,000.00
MWATATE GABIONS	500,000.00	-	500,000.00	-	500,000.00
ENVIRONMENT	265,800.00	-	265,800.00	-	265,800.00
6.3					
7.0 Primary Schools Projects					
MLUGHI PRIMARY	6,000,000.00	-	6,000,000.00	-	6,000,000.00
DEMBAWA PRIMARY	6,000,000.00	-	6,000,000.00	-	6,000,000.00
MWAKINYUNGU PRIMARY	6,000,000.00	-	6,000,000.00	3,000,000.00	3,000,000.00
MAZOLA PRIMARY	6,000,000.00	-	6,000,000.00	3,000,000.00	3,000,000.00
MWAWACHE PRIMARY	6,000,000.00	-	6,000,000.00	-	6,000,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MWATATE CONSTITUENCY

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

CHUNGA UNGA PRIMARY	3,000,000.00	-	3,000,000.00	-	3,000,000.00	-	3,000,000.00
MANOA PRIMARY	1,500,000.00	-	1,500,000.00	-	1,500,000.00	-	1,500,000.00
MWEMBA PRIMARY	3,000,000.00	-	3,000,000.00	-	3,000,000.00	1,500,000.00	1,500,000.00
MSISINENYI PRIMARY	750,000.00	-	750,000.00	-	750,000.00	750,000.00	-
JOSA PRIMARY	1,000,000.00	-	1,000,000.00	-	1,000,000.00	1,000,000.00	-
KONGONI PRIMARY	1,500,000.00	-	1,500,000.00	-	1,500,000.00	-	1,500,000.00
MWATATE PRIMARY	200,000.00	-	200,000.00	-	200,000.00	200,000.00	-
MAMBURA PRIMARY	200,000.00	-	200,000.00	-	200,000.00	200,000.00	-
7.4							
8.0 Secondary Schools Projects							
MZWANENYI SECONDARY	1,900,000.00	-	1,900,000.00	-	1,900,000.00	1,900,000.00	-
MWANGA SECONDARY	2,000,000.00	-	2,000,000.00	-	2,000,000.00	-	2,000,000.00
ZARE SECONDARY	3,000,000.00	-	3,000,000.00	-	3,000,000.00	-	3,000,000.00
KITAWI SECONDARY	5,000,000.00	-	5,000,000.00	-	5,000,000.00	2,000,000.00	3,000,000.00
MWAMBONU SECONDARY	3,500,000.00	-	3,500,000.00	-	3,500,000.00	-	3,500,000.00
KOMBOLIO SECONDARY	800,000.00	-	800,000.00	-	800,000.00	-	800,000.00
9.0 Tertiary institutions Projects							

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

MWATATE ADULT EDUCATION CENTER	2,000,000.00	-	2,000,000.00	-	2,000,000.00
10.0 Security Projects					
MWAMBIRWA ACC OFFICES	2,500,000.00	-	2,500,000.00	-	2,500,000.00
GODOMA CHIEFS OFFICE	1,700,000.00	-	1,700,000.00	-	1,700,000.00
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
NGCDF MWATATE OFFICE	1,400,000.00	-	1,400,000.00	-	1,400,000.00
11.0 Acquisition of assets					
11.1 Motor Vehicles					
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub					
12.2 TIVET					
TOTALS	108,040,858	0	108,040,858	52,079,431.05	56,961,426.96

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-MWATATE 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) –
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SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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 Kenya commercial Bank Wundanyi and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprest 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.

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SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	A855951		5,500,000
AIE NO	A892605		6,800,000
AIE NO	A892846		37,905,172
AIE NO	A892678		4,000,000
AIE NO	A896945		36,934,087
AIE NO	B042811	13,000,000.00	
AIE NO	A724489	11,000,000.00	
AIE NO	B005425	13,000,000.00	
AIE NO	B006472	7,000,000.00	
AIE NO	B030037	11,379,310.00	
AIE NO	B030106	10,000,000.00	
AIE NO			
TOTAL		65,379,310	91,139,259

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	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

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

4. COMPENSATION OF EMPLOYEES

	2018 - 2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,151,066	1,624,196
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Gratuity		883,595
Other personnel payments NHIF	137,950	40,000
Employer contribution to NSSF	58,320	112,320
	-	-
Total	1,347,336	2,660,111

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	14,310,000	7,115,000
Utilities, supplies and services	3,580,114	358,600
Routine maintenance – vehicles and other transport equipment	260,789	145,107
Routine maintenance – other assets	~	~
Total	18,150,903	7,618,707

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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 National Government entities		
Transfers to primary schools (see attached list)	15,650,000	31,205,331
Transfers to secondary schools (see attached list)	6,500,000	4,000,000
Transfers to tertiary institutions (see attached list)	~	6,800,000
Transfers to health institutions (see attached list)	~	
TOTAL	22,150,000	42,005,331

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,457,866	15,767,335
Bursary – tertiary institutions (see attached list)	5,519,500	5,929,000
Bursary – special schools (see attached list)	~	~
Mock & CAT (see attached list)	~	~
Security projects (see attached list)		~
Sports projects (see attached list)	1,349,393	~
Environment projects (see attached list)	500,000	~
Emergency projects (see attached list)	5,872,770	4,358,915
Strategic plan	1,629,280	
Total	34,328,809	26,055,250

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	-	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-
	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
Kenya Commercial Bank A/C 110927838	3,618,990	14,216,728
	-	-
	-	-
Total	3,618,990	14,216,728
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	~	~	~	~
<i>Name of Officer or Institution</i>	~	~	~	~
<i>Name of Officer or Institution</i>	~	~	~	~
<i>Name of Officer or Institution</i>	~	~	~	~
<i>Name of Officer or Institution</i>	~	~	~	~
<i>Name of Officer or Institution</i>	~	~	~	~
Total				~

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

12A. RETENTION

Supplier/Contractor	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	~	~
Supplier 2	~	~
Supplier 3	~	~
Total	~	~

[Provide short appropriate explanations as necessary]

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]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	14,216,728	1,416,868
Cash in hand	-	-
Imprest	-	-
Total	14,216,728	1,416,868

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>)	-	-
	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	2,027,851	856,757
Use of goods and services	200,000	-2,222,017
Amounts due to other Government entities (see attached list)	45,600,000	10,527,586
Amounts due to other grants and other transfers (see attached list)	10,832,015	9,895,613
Acquisition of assets	-	6,481,090
Others (<i>specify</i>)	-	7,166,027
	58,659,866	32,705,056

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	4,553,016	7,480,821
	4,553,016	7,480,821

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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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						

**NATIONAL GOVERNMENT ENTITY - NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2018/19	2017/18	
Compensation of employees		2,027,851	856,757	
Use of goods & services			-2,222,017	
Amounts due to other Government entities			10,527,586	
primary schools		31,300,000		
secondary school		12,300,000		
Tertiary		2,000,000		
Sub-Total		47,627,851	9,162,326	
Amounts due to other grants and other transfers			9,895,613	
Security projects		2,846,454		
EMERGENCY		3,812,356		
ENVIRONMENT		1,765,800		
bursary		641,586.00		
sports		1,765,819		
Sub-Total		10,832,015	9,895,613	
Sub-Total			6,481,090	
Acquisition of assets				
Others (<i>specify</i>)				
Strategic plan			2,500,000	
ICT HUB			4,666,027	
Sub-Total			7,166,027	
Grand Total		58,459,866	32,705,056	

**NATIONAL GOVERNMENT ENTITY - NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) -
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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				
Buildings and structures	750,000			750,000
Transport equipment	984,214			984,214
Office equipment, furniture and fittings	2,700,000			2,700,000
ICT Equipment, Software and Other ICT Assets	20,000			20,000
Other Machinery and Equipment	-			-
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	4,454,214			4,454,214

**NATIONAL GOVERNMENT ENTITY - NATIONAL GOVERNMENT CONSTITUENCIES
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

	PMC ACCOUNT	Bank	Account number	bank balance 2018/19	Bank balance 2017-2018
1.	KISHAMBA PRIMARY SCHOOL	EQUITY	790267168349	128,658.00	326,401.00
2.	KITIVO PRIMARY SCHOOL	KCB	1183979606	4,340.00	4,340.00
3.	MARIWENYI PRIMARY SCHOOL	KCB	1207199915	740.00	740.00
4.	MWATUNGE PRIMARY SCHOOL	EQUITY	790262611336	23.00	23.00
5.	MWAMBOTA PRIMARY SCHOOL	EQUITY	790264750972	2,686.00	14,686.00
6.	KIGHOMBO PRIMARY SCHOOL	KCB	1208412043	5,994.00	5,994.00
7.	ZARE PRIMARY SCHOOL	KCB	1176597256	10,196.00	10,196.00
8.	MRUGHUA PRIMARY SCHOOL	KCB	1118978234	12,316.00	903.00
9.	MWEMBA PRIMARY SCHOOL	KCB	1176706683	122,721.00	581.00
10.	MANOA PRIMARY SCHOOL	KCB	1176836714	116,349.00	25,438.00
11.	JOSA PRIMARY SCHOOL	KCB	112771000	79,514.00	1,000.00
12.	MAZOLA PRIMARY SCHOOL	KCB	1208555154	862,166.00	955.00
13.	MWAWACHE PRIMARY SCHOOL	KCB	1134778813	677.00	1,395.00
14.	MNAMU PRIMARY SCHOOL	EQUITY	7902974333273	6,186.00	40,834.00
15.	MGENO PRIMARY SCHOOL	EQUITY	790293408297	16,809.00	1,139.00
16.	CHAKALERI PRE SCHOOL	CO-OPERATIVE	1139220307500	227.00	81,787.00
17.	MWACHABO PRIMARY SCHOOL	KCB	1109443536	1,438.00	1,438.00
18.	KWATEKA PRIMARY SCHOOL	KCB	1119861888	670.00	670.00
19.	CHONGONYI PRE SCHOOL	KCB	1115380397	736.00	115,946.00
20.	KWAMONE PRE SCHOOL	EQUITY	263540409	160.00	160.00
21.	KISHAU PRIMARY SCHOOL	KCB	1135939071	220.00	220.00
22.	LAGHONYI SECONDARY SCHOOL	EQUITY	790297606691	6,278.00	6,278.30

**NATIONAL GOVERNMENT ENTITY - NATIONAL GOVERNMENT CONSTITUENCIES
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23.	ZARE SECONDARY SCHOOL	CO- OPERATIVE	1139220327700	12,512.00	91,469.00
24.	MWEMA SECONDARY SCHOOL	KCB	294686784	60,293.00	60,293.00
25.	ST JOSEPHS SECONDARY SCHOOL	KCB	1207666718	1,055.00	1,055.00
26.	MWATATE SECONDARY SCHOOL	CO- OPERATIVE	1134220137400	3,562.00	3,562.00
27.	KOMBOLIO SECONDARY SCHOOL	CO- OPERATIVE	1134220282000	3,575.00	3,575.00
28.	MWAKITAU SECONDARY SCHOOL	KCB	1135306478	115,185.00	115,185.00
29.	KITUMA SECONDARY SCHOOL	EQUITY	790299882033	72,932.00	72,932.00
30.	MWANDANGO SECONDARY SCHOOL	KCB	223687337	42,364.00	42,364.00
31.	MZWANENYI SECONDARY SCHOOL	KCB	294686646	50,644.00	18,557.00
32.	MWANYAMBO SECONDARY SCHOOL	CO- OPERATIVE	1139220315300	49,662.00	275,902.00
33.	MWATATE TECHNICAL TRAINING INSTITUTE	KCB	1171174055	155.00	200,155.00
34.	MWANDISHA PRIMARY SCHOOL	KCB	1208054562	3,250.00	9,040.00
35.	MSISINENYI PRIMARY SCHOOL	KCB	1178731014	20,281.00	5,503.00
36.	BAGHAU PRIMARY SCHOOL	KCB	1204877432	730.00	730.00
37.	MENGO PRIMARY SCHOOL	KCB	1204810087	86,540.00	1,197,490.00
38.	KISHAU PRIMARY SCHOOL	KCB	1135939071	220.00	220.00
39.	KIDAYA-SAGHAIGHU PRIMARY	KCB	1201488028	77,901.00	120,211.00
40.	MWACHAWAZA PRIMARY SCHOOL	KCB	1135962855	14,161.00	1,131.00
41.	MANOA PRIMARY SCHOOL	KCB	1176836714	116,349.00	25,438.00
42.	MWAWACHE PRIMARY SCHOOL	KCB	1134778813	677.00	1,395.00
43.	MAZOLA PRIMARY SCHOOL	KCB	1208555154	862,166.00	954.00
44.	MWAVUNYU PRIMARY SCHOOL	KCB	1209006243	12,013.00	340.00
45.	MRUGHUA PRIMARY SCHOOL	KCB	1118978234	12,316.00	903.00
46.	NYOLO PRIMARY SCHOOL	KCB	1131078098	244,357.00	244,357.00
47.	MWAKALERI PRIMARY SCHOOL	KCB	117492639	12,339.00	10,489.00

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48.	CHUNGA UNGA PRIMARY SCHOOL	KCB	1202079466	118,217.00	2,575,418.00
49.	MZWANENYI SEC SCHOOL	KCB	1104854554	50,644.00	18,558.00
50.	ELIJAH MZAE SEC SCHOOL	KCB	1136746285	11,585.00	856,816.00
51.	MWANGOJI SEC SCHOOL	KCB	1104864215	7,576.00	7,576.00
52.	NGANGU SECONDARY SCHOOL	KCB	1120851556	34,061.00	432,841.00
53.	KITAWI SEC SCHOOL	KCB	1118287215	2,570.00	4,821.00
54.	MSORONGO PRIMARY SCHOOL	KCB	1233616781	17,565.00	-
55.	MNENGWA PRIMARY SCHOOL	KCB	1253925917	87,587.00	-
56.	BURA PRIMARY SCHOOL	KCB	1254776370	46,693.00	-
57.	MWAKINYUNGU PRIMARY SCHOOL	KCB	1257535242	922,175.00	-
			TOTAL	4,553,016.00	7,480,821.00

**NATIONAL GOVERNMENT ENTITY - NATIONAL GOVERNMENT CONSTITUENCIES
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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 (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
MSA/NGCDF /mwatate/20 16/2017	i) PMCs bank account balances not disclosed	The omitted project account balance were availed	Amina ALI FAM	Resolved	August 2018
	ii) Unsupported expenditures	Bill of quantities and minutes, bank statements available.	Amina Ali FAM	Resolved	August, 2018
	iii) Bank reconciliations, payments in cash book not in bank statement	All stale cheques were replaced and some reversed in the cashbook. The cash book has been updated	Amina Ali FAM	Resolved	August 2018
	vi) Un presented cheques	All project cheques have been presented and stale bursary cheques replaced	Amina Ali FAM	Resolved	August, 2018