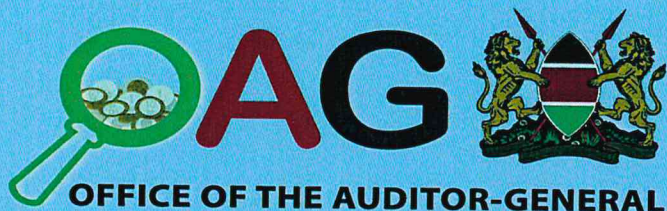


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY	
DATE: ON 15 FEB 2022	
DAY: Tuesday	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	G. Chebet

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
LUANDA CONSTITUENCY**

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



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II. FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	4
III.STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES.....	6
IV.STATEMENT OF RECEIPTS AND PAYMENTS	7
V. STATEMENT OF ASSETS AND LIABILITIES.....	8
VI.STATEMENT OF CASHFLOW.....	9
VII.SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	10
VIII BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	11
IX.SIGNIFICANT ACCOUNTING POLICIES	14
X. NOTES TO THE FINANCIAL STATEMENTS.....	18

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
LUANDA 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 Luanda 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Gregory Otaalo
2.	Sub-County Accountant	Sylvester Onyango
3.	Chairman NGCDFC	Samuel Mbatia
4.	Member NGCDFC	Ruth Owuor

(d) Fiduciary Oversight Arrangements

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

P.O. Box 536,
EBUSAKAMI KIMA RD,
LUANDA.

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

Reports and Financial Statements

For the year ended June 30, 2019

(f) NG-CDF Luanda Constituency Contacts

Telephone: (254) 721 925048
E-mail: cdfluanda@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Luanda Constituency Bankers

1. Equity Bank of Kenya
KISUMU BUSIA RD
P.O. Box
Luanda

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

III.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The Luanda National Government Constituency Development Fund committee has a primary role of implementing budgets that have been approved by the NG-CDF Board within stipulated time to enable the end users access improved infrastructure facilities in Education Projects , Bursaries for Secondary Schools, Tertiary Institutions as well as special Schools within the constituency.

I appreciate the role played by local stakeholders and Project Management Committees from the five wards who work closely with the Luanda NG-CDF Committee in identifying and prioritizing community projects to be implemented with regard to realizing the vision 2030.

The Luanda NG-CDFC in consultation with other stakeholders has highlighted the importance and relevance of actualizing targets on proposed projects by strict adherence to the 2015 NG-CDF Act which outlines clearly the government financial regulations and procedures which are subject to audit.

The guidelines highlighted with the regulations play an integral role with regard to ensuring strict adherence to procurement procedures while sourcing for service providers within the region. This in turn prevail a conducive environment for project implementation which occasions economies of scale to both the funding agencies and other related entities.

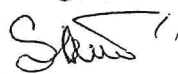
I am grateful to the entire committee and the fund manager for dedicating their efforts towards ensuring transparency, accountability, efficiency in utilization of public funds. This has enabled us to make tremendous and significant contributions to the entire society with special focus on youth and persons with special needs besides being able to equitably distribute resources within the five wards in Luanda Constituency as guided by our 2014-2019 Strategic Development Plan.

Our Committee is again focusing on reviewing the current Joint Strategic Plan as a requirement by the NG-CDF Board. Besides evaluating our success since the inception of the fund, the committee is anticipating the implementation of Luanda Constituency Information and Communication Centre through establishment of Constituency Innovation Hub which will enable the general public access internet and library services.

Among major milestones realized by the Luanda NG-CDF Committee include;

- I. Construction of 10 modern classes for school relocation at Emululu primary School
- II. Enrolment of over 230 students on fully sponsorship Bursary Program in institutions within Luanda Constituency
- III. Improvement of Mumboha Secondary School Playground
- IV. Completion of the Luanda NG-CDF Offices
- V. Acquisition of Land for establishment of Esiandumba, Mukhalakhala and Ebusakami Chiefs Camps etc.
- VI. We are well aware of the challenges that may have impacted negatively towards the implementation process and most notably are conflicts of interest between P M Cs and Local Contractors, issues of duplication of projects with the county government resulting to double funding and delayed disbursement of funds by the National Government for timely implementation of approved projects.
- VII. My committee is well aware of the emerging issues and shall continue to carry out its mandate in accordance with the Law and in constant consultation with relevant stakeholders. We endeavour to focus our energies in the right direction considering strong values and commitment that shall translate into a delivering culture to the entire constituency

Mr Samuel O. Mbatia,


Chairman CDFC.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LUANDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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

Reports and Financial Statements

For the year ended June 30, 2019

IV. 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-Luanda 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.

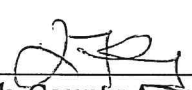
The Accounting Officer in charge of the NGCDF-Luanda Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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-Luanda 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-Luanda 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

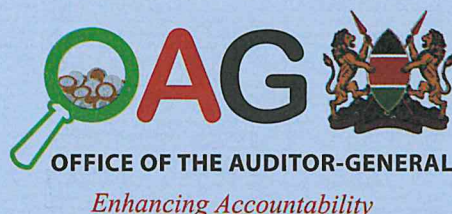
The NGCDF-Luanda Constituency financial statements were approved and signed by the Accounting Officer on 18/03/ 2019.


Fund Account Manager
Name: GREGORY OTALO


Sub-County Accountant
SYLVESTER ONYANGO
ICPAK Member Number:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – LUANDA 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 - Luanda 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 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 effect 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 - Luanda 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Unsupported Current Receivables

The statement of assets and liabilities reflects current receivables balance of Kshs.4,677,027 indicated in the supporting Note 10C as due from Telcom Kenya. However, no further details were provided in support of what the receivable is in respect of nor was there any supporting document to show what it relates to.

Consequently, the accuracy of the current receivables balance of Kshs.4,677,027 as at 30 June, 2019 could not be confirmed.

2. Unconfirmed Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.48,119,393 as at June, 2019 as disclosed in Note 10 A to the financial statements. However, audit procedures performed on the bank reconciliation statement for the month of June, 2019 showed unpresented cheques amounting to Kshs.7,407,879 out of which cheques amounting to Kshs.659,924 related to the period December, 2018 and earlier and were therefore stale but had not been reversed in the cash book. The statement also reflected payments in bank statement not yet recorded in cash book amounting to Kshs.190,178 in respect of bank charges and for which no reason was provided for not recording in cash book and including them in the expenditure for the year ended 30 June, 2019.

The statement further reflects receipts in cash book not yet recorded in bank statement amounting to Kshs.3,400,000 as at 30 June, 2019 which was in respect of cash book adjustment to reverse three cheques that had been posted twice in the cash book.

Consequently, the accuracy and validity of the cash and cash equivalents balance of Kshs.48,119,393 as at 30 June, 2019 could not be ascertained.

3. Unreconciled Fixed Asset Register

The summary of fixed assets register reflects total asset balance of Kshs.47,750,456 as at 30 June, 2019 while the asset register maintained by the Fund reflects a balance of Kshs.37,269,823 resulting in unreconciled difference of Kshs.10,480,633.

Consequently, the accuracy and completeness of the fixed asset balance of Kshs.47,750,456 as at 30 June, 2019 could not be confirmed.

4. Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other government units of Kshs.43,717,796 while the supporting schedule provided for audit reflected a figure of Kshs.43,961,052 resulting to a variance of Kshs.243,256 which has not been explained or reconciled.

Consequently, the accuracy and completeness of the reported of Kshs.243,256 in respect to transfer to other government for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Luanda 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 Performance and Control

The constituency budgeted to spend Kshs.163,906,321 on both recurrent and development votes during the year 2018/2019. However, the Fund recorded expenditure of Kshs.111,480,755 or approximately 68% of the budget resulting to under expenditure of Kshs.52,425,567 or 32 % of the approved budget.

Failure to utilize all funds as budgeted/disbursed is an indication that programs and activities were not implemented as planned hence not achieving the intended objective of improving delivery of goods and services to the residents of Luanda Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matter 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 money has not been applied lawfully and in an effective way.

Basis for conclusion

Expenditure on Items Not in The Budget

Included in the figure of other grants and transfers of Kshs.46,354,990 is an expenditure on security projects of Kshs.4,111,537 which in turn includes an amount of Kshs.200,000 disbursed to Esiandumba AP Camp and Kshs.150,439 spent on the construction of the DCIO Office Luanda and which was not in the approved budget.

Consequently, the Management breached the law.

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 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a sustain 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 financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in

relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Luanda NGCDF policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 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

29 December, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

LUANDA CONSTITUENCY

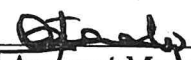
Reports and Financial Statements

For the year ended June 30, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	162,825,359	43,405,172
Proceeds from Sale of Assets	2	00	0
Other Receipts	3	00	0
TOTAL RECEIPTS		162,825,359	43,405,172
PAYMENTS			
Compensation of employees	4	3,101,926	2,695,915
Use of goods and services add 161,926	5	6,509,850	5,284,315
Transfers to Other Government Units	6	43,717,796	8,935,698
Other grants and transfers	7	47,354,990	21,442,462
Acquisition of Assets	8	4,900,943	5,988,478
Other Payments	9	5,895,250	0
TOTAL PAYMENTS		111,480,755	44,346,868
SURPLUS/(DEFICIT)	10a	<u>51,344,604</u>	<u>(91,696)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Luanda Constituency financial statements were approved on 18/03/ 2019 and signed by:


Fund Account Manager
Name: Gregory Otalo


Sub-County Accountant
Sylvester Onyango
ICPAK Member Number:

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

Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	48,119,393	80,963
Cash Balances (cash at hand)	10B	00	00
Total Cash and Cash Equivalents		48,119,393	80,963
Current Receivables		4,677,027	
Outstanding Imprests	11	00	00
TOTAL FINANCIAL ASSETS		52,796,420	80,963
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12a	1,370,853	00
Gratuity	12b	00	00
TOTAL FINANCIAL LIABILITIES		00	00
NET FINANCIAL ASSETS		51,425,567	80,963
REPRESENTED BY			
Fund balance b/fwd	13	80,963	1,022,658
Surplus/Deficit for the year		51,344,604	(941,696,
Prior year adjustments	14	00	00
NET FINANCIAL POSITION		51,425,567	80,963

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Luanda Constituency financial statements were approved on 30/03/2019 and signed by:


Fund Account Manager

Name: Gregory Otaalo

Sub-County Accountant
Sylvester Olengo Onyango
ICPAK Member Number:

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

Reports and Financial Statements

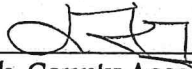
For the year ended June 30, 2019

VII. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018- 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	162,825,359	43,405,172
Other Receipts	3	00	00
Total receipts		162,825,359	43,405,172
Payments			
Compensation of Employees	4	3,101,925	2,695,915
Use of goods and services	5	6,509,850	5,284,315
Transfers to Other Government Units	6	43,717,796	8,935,698
Other grants and transfers	7	47,354,990	21,442,462
Other payments	9	5,895,250	00
Total payments		106,579,811	38,358,390
Total Receipts Less Total Payments		56,245,548	5,046,782
Adjusted for:			
Outstanding imprest	11	(00)	00
Retention Payable	12A	1,370,853	00
Gratuity Payable	12B	00	00
Prior year adjustments	14	00	00
Net Adjustments			
Net cash flow from operating activities			5,046,782
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	00	00
Acquisition of Assets		4,900,943	(5,988,477)
Net cash flows from Investing Activities	8	(4,900,943)	5,988,477
NET INCREASE IN CASH AND CASH EQUIVALENT	10a	51,344,604	(941,696)
Cash and cash equivalent at BEGINNING of the year	13	80,963	1,022,658
Cash and cash equivalent at END of the year		<u>51,425,567</u>	<u>80,963</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Luanda Constituency financial statements were approved on 18/03/2019 and signed by:


Fund Account Manager
Name: Gregory Otalo:


Sub-County Accountant
Sylvester Onyango
ICPAK Member Number:

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

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,875	54,865,446	163,906,321	162,906,321	1,000,000	71%
Proceeds from Sale of Assets	00	00	00	00	00	0%
Other Receipts	109,040,875	54,865,446	163,906,321	162,906,321	1,000,000	71%
PAYMENTS						
Compensation of Employees	3,709,224	364,266	4,073,490	3,101,925	971,564	76%
Use of goods and services	6,104,456	243,470	6,347,924	6,509,850	0	100%
Transfers to Other Government Units	59,080,000	29,198,497	88,278,497	43,717,796	44,560,701	47%
Other grants and transfers	37,900,031	9,045,972	46,946,003	47,354,990	(408,987)	99%
Acquisition of Assets	2,247,165	10,104,494	12,351,659	4,900,943	6,279,756	40%
Other Payments	0	5,998,747	5,998,747	5,895,250	103,497	98%
TOTALS	109,040,876	54,865,446	163,906,321	111,480,755	52,425,567	66%

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

- Compensation of employees is due to unpaid gratuity
- Transfer to other government unit is due to late disbursement of funds from the board
- Others grants and transfers is due to late disbursement of funds from the board
- Acquisition of asset due to long procurement processes
- Other payments is due to late disbursement of funds from the board

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation; Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 KShs	Adjustments	Final Budget 2018/2019 KShs	Actuals comparable basis 30/06/2019 KShs	Budget 2017/2018 KShs
1.0 Administration and Recurrent	6,542,452	322,178	6,864,630	5,893,066	971,564
1.1 Compensation of employees	3,709,224	364,265	4,073,489	3,101,925	971,564
1.2 Committee allowances	1,412,889	0	1,412,889	1,412,889	00
1.3 Use of goods and services	1,420,340	121,735	1,663,810	1,663,810	00
2.0 Monitoring and evaluation	3,271,226	121,735	3,392,961	3,392,961	00
2.1 Capacity building	1,000,000	00	1,000,000	1,000,000	00
2.2 Committee allowances	1,072,170	00	1,072,170	1,072,170	00
2.3 Use of goods and services	1,199,057	121,735	1,320,792	1,320,792	00
3.0 Emergency	5,738,994	2,154,553	7,893,547	5,715,100	2,178,447
3.7 Bursary and Social Security	27,260,218.13	2,250,740	47,446,003	47,354,990	591,011
Primary Schools	00	00	00	00	00
Secondary Schools	24,510,463	00	24,510,463	24,510,463	00
Tertiary Institutions	11,532,350	00	11,532,350	11,532,350	00
Special Schools	750,000	00	750,000	750,000	00
Social Security	00	00	00	00	00
3.8 Sports	2,180,818	00	2,180,818	735,540	1,445,278
3.9 Environment	700,000	698,747	1,398,747	1,398,747	00
4.0 Primary Schools Projects					
	32,980,001	14,367,576	47,347,577	25,090,900	18,635,015
ESIBEMBE PRI SCHOOL	00	600,000	600,000	600,000	00
MULWANDA PRI SCHOOL	450,000	800,000	1,250,000	1,250,000	00
EMUKHUYA PRI SCHOOL	315,000	392,475	707,475	707,475	00
KHUMUSENO PRI SCHOOL	1,400,000	00	1,400,000	1,400,000	00

NATIONAL GOVERNMENT CONSULTANCIES DEVELOPMENT AND RESEARCH COMPANY LIMITED
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
EBULONGA PRI SCHOOL	1,400,000	00	1,600,000	00	1,600,000
MUSINAKA PRI SCHOOL	2,100,000	00	2,100,000	00	1,200,000
WANDECHE PRI SCHOOL	800,000	300,000	1,100,000	600,000	500,000
HOBUNAKA PRI SCHOOL	0	5,875,101	5,875,101	5,875,101	00
ESIANDUMBA PRI SCHOOL	2,100,000	00	2,100,000	00	2,100,000
ASIONGO PRI SCHOOL	500,000	1,200,000	2,700,000	2,700,000	00
IRUMBI PRI SCHOOL	00	400,000	400,000	400,000	00
KHWILIBA PRI SCHOOL	6,500,000	1,000,000	7,500,000	6,510,090	26,676
ESIBEYE PRI SCHOOL	7,000,000	3,000,000	10,000,000	00	10,000,000
MUSITINYI PRIMARY SCHOOL	1,311,038	00	1,311,038	1,311,038	00
EBWIRANYI PRI SCHOOL	00	300,000	300,000	300,000	00
EMUHAYA PRI SCHOOL	00	500,000	500,000	00	500,000
EBUSIRATSI PRI SCHOOL	1,400,000	00	1,400,000	00	1,400,000
EKWANDA PRI SCHOOL	1,500,000	00	1,500,000	00	1,500,000
EBUHANDO PRI SCHOOL	1,400,000	00	1,400,000	00	1,400,000
EBUBAYI PRIMARY SCHOOL	1,600,000	00	1,600,000	1,600,000	00
EMUNWA PRI SCHOOL	1,103,963	00	1,103,963	1,103,963	00
EBUMBAYI PRI SCHOOL	2,100,000	00	2,100,000	00	2,100,000
4.1 Secondary Schools					
Projects	26,100,000	15,000,000	41,100,000	18,626,895	22,473,105
EKWANDA SEC SCHOOL	3,000,000	2,000,000	5,000,000	4,000,000	1,000,000
EBUSAKAMI SEC SCHOOL	3,500,000	2,000,000	5,500,000	3,500,000	2,000,000
ESIANDUMBA SEC SCHOOL	4,000,000	00	4,000,000	3,000,000	1,000,000
IBUBI SEC SCHOOL	2,500,000	00	2,500,000	00	2,500,000
ESIBEYE SEC SCHOOL	1,000,000	00	1,000,000	1,000,000	00
MUMBOHA SEC SCHOOL	10,000,000	10,000,000	20,000,000	5,526,895	14,473,105
KAYILA SEC SCHOOL	1,500,000	00	1,500,000	00	1,500,000
ESSON'GOLO SEC SCHOOL	600,000	00	600,000	600,000	00

REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actuals comparable base 30/06/2019	Programme Budget 2018/2019
EBUSYUBI SEC SCHOOL	00	1,000,000	1,000,000	1,000,000	00
4.2 Security Projects	2,020,000		5,181,534	4,111,534	1,070,000
MUKHALAKHALA CHIEF CAMP	670,000	2,000,000	2,670,000	2,000,000	670,000
ESIANDUMBA A.P CAMP	00	500,000	500,000	500,000	00
EBULAKO CHIEFS CAMP	400,000	00	400,000	00	400,000
EBUSAKAMI CHIEFS CAMP	950,000	511,095	1,461,095	1,461,095	00
DCIO OFFICES	00	150,439	150,439	150,439	00
4.3 Acquisition of assets	2,247,165	6,357,219	8,604,364	4,900,943	3,703,441
ICT HUB	00	4,677,027	4,677,027	4,677,027	00
Construction of CDF office	747,168.03	2,254,157	3,001,325	3,001,325	00
Purchase of furniture and equipment	1,899,618	00	1,899,618	1,899,618	00
12.0 Others	00	3,500,000	3,500,000	2,895,250	607,750
12.1 Strategic Plan	0	3,500,000	3,500,000	2,895,250	607,750
TOTAL	109,040,879	54,865,446	163,906,321	111,480,755	52,425,567

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

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

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-LUANDA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 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 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.

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO BO05063	1	11,379,310	1
AIE NO BO05008	2	43,405,173	2
AIE NO BO30318	3	500,000	
AIE NO BO30266	4	10,000,000	-
AIE NO BO06429	5	8,000,000	-
AIE NO BO30482	6	12,000,000	
AIE NO BO42789	7	12,000,000	
AIE NO BO47024	8	12,000,000	
AIE NO BO47595	9	53,540,876	
AIE NO A855906	1		5,500,000
AIE NO A896764	2		37,905,172
TOTAL		162,825,359	43,405,172

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	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Total	00	00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	00	00
Rents	00	00
Receipts from Sale of tender documents	00	00
Other Receipts Not Classified Elsewhere (ICT HUB)	00	00
Total	00	00

4. COMPENSATION OF EMPLOYEES

		2018-2019	2017-2018
		Kshs	Kshs
Basic wages of contractual employees		2,130,275	1,705,331
Basic wages of casual labour		00	00
Personal allowances paid as part of salary			
House allowance		00	00
Transport allowance		00	00
Leave allowance		00	00
Gratuity – paid	971,651	971,651	800,571
- Accrued		00	00
Other personnel payments		00	00
Total		3,101,925	2,695,915

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,485,059	4,545,876
Utilities, supplies and services	00	00
Communication, supplies and services add 161,926	645,450	48,770
Domestic travel and subsistence	249,826	00
Printing, advertising and information supplies & services	00	21,000
Rent	180,000	195,000
Training expenses	00	00
Hospitality supplies and services	00	274,164
Insurance costs	00	00
Specialized materials and services	00	00
Office and general supplies and services	1,654,946	99,500
Other operating expenses	144,369	00
Routine maintenance – vehicles and other transport equipment	50,200	00
Motor vehicle Fuel	100,000	100,000
Total	6,509,850	5,284,310

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	00	0
Transfers to primary schools (see attached list)	25,090,901	400,000
Transfers to secondary schools (see attached list)	18,626,895	8,535,698
Transfers to tertiary institutions (see attached list)	00	00
Transfers to health institutions (see attached list)	00	00
TOTAL	43,717,796	8,935,698

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	24,510,463	16,000,212
Bursary – tertiary institutions (see attached list)	11,532,350	3,952,250
Bursary – special schools (see attached list)	750,000	00
Mock & CAT (see attached list)	00	00
Security projects (see attached list)	4,111,537	600,000
Sports projects (see attached list)	735,540	00
Environment projects (see attached list)	00	00
Emergency projects (see attached list)	5,715,100	890,000
Total	47,354,990	21,442,462

DEVELOPMENT FUND (NGCDF) –

ied)

<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
00	00	00
		00

2018-2019	2017-2018
Kshs	Kshs
361,214	00
289,795	00
559,664	00
160,180	00
1,370,853	00

2018-2019	2017-2018
Kshs	Kshs
00	00
00	00
00	00
00	00

2018-2019	2017-2018
Kshs	Kshs
80,963	1,022,658
00	00
00	00
80,963	1,022,658

DEVELOPMENT FUND (NGCDF) –

o tinued)

	2018-2019	2017-2018
	Kshs	Kshs
	00	00
	3,001,325	4,870,072
	00	499,500
	00	618,905
Equipment	00	00
ional Equipment	00	00
Equipment	1,899,618	00
ier ICT Assets	00	00
Machinery	00	00
achinery and Equip.	00	00
	00	00
	00	00
	4,900,943	5,988,477

	2018-2019	2017-2018
	Kshs	Kshs
	2,895,250	00
	3,000,000	
	5,895,250	00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

LUANDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	00	00
Cash in hand	00	00
Imprest	00	00
Total	00	00

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

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	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
	00	00

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Employee gratuity	00	202,340
Middle management	00	00
Unionisable employees	00	00
Others (<i>specify</i>)	00	00
	00	00

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	971,564	22,658
Use of goods and services	00	00
Amounts due to other Government entities (see attached list)	44,560,701	00
Amounts due to other grants and other transfers (see attached list)	(408,987)	00
Acquisition of assets	6,279,756	1,000,000
Others payments	103,497	00
	51,425,604	1,022,658

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

Reports and Financial Statements

For the year ended June 30, 2019

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)	1,088,958	787,426
	1,088,958	787,426

NATIONAL GOVERNMENT ENTITY - (NGCDF-LUANDA)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

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
		a	B	c	d=a-c	
Senior Management						
1. NG-CDF STAFF SALARY		4,073,490	00	3,101,926	971,564	
2.						
3.						
Sub-Total		4,073,490	00	3,101,926	971,564	
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total		4,073,490	00	3,101,926	971,564	
Grand Total		4,073,490	00	3,101,926	971,564	

NATIONAL GOVERNMENT ENTITY - (NGCDF LUANDA)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

ANNEX 3 –UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Payment of salary	971,564	00	STAFF GRATUITY
Use of goods & services	Purchase of stationary fuel ,office tea and repairs	00	00	
Amounts due to other Government entities				
Esibeye primary School	10 Classrooms	7,000,000	3,000,000	Construction of 8 classrooms
Khwiliba primary school	8 Classrooms	6,500,000	1,000,000	Construction of 8 classrooms
Musinaka Primary School	3 Classrooms	2,100,000	00	Construction of 3 classes
Ebulonga primary school	2 classrooms	1,400,000	00	
Ebusiratsi primary School	2 classrooms	1,400,000	600,000	Completion of two classroom
Ekwanda primary school	Renovation of 3 Classes	1,500,000	00	Renovation of 3 classes
Ebuhando primary School	2 Classrooms	1,400,000	00	Construction of 2 classes
Emunwa Primary School	Renovation of 5 Classes	180,000	00	Renovation of classes
Ebumbayi Primary school	3 Classrooms	2,100,000	00	Construction of 3 classes
Emuhaya Primary School	3 Classrooms	2,100,000	500,000	Construction of 3 classes
Mulwanda Primary School	2 Classrooms	1,400,000	800,000	Construction of 2 classes
Ebusakami secondary school	Completion of Dormitory	3,000,000	2,000,000	Completion of dormitory
Esiandumba Secondary school	Construction of Science Laboratory	3,000,000	00	Completion of science lab
Ibubi Secondary School	Completion of 12 Classes Storey Building	2,500,000	00	Completion of 12 classes
Ekwanda secondary school	Construction	2,000,000	2,000,000	Completion of dormitory

For the year ended June 30, 2019 (Kshs)

31

NATIONAL GOVERNMENT ENTITY - (NG-CDF LUANDA)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Strategic Plan			3,500,000	offices
	Sub-Total	6,412,951	15,171,385	
	Grand Total	51,425,567	54,784,483	

NATIONAL GOVERNMENT ENTITY - (NG-CDF LUANDA)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Costb/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	2,446,727	00	00	2,446,727
Buildings and structures	31,593,711	3,001,325	00	34,595,036
Transport equipment	6,130,000	00	00	6,130,000
Office equipment, furniture and fittings	1,967,075	1,899,618	00	3,866,693
ICT Equipment, Software and Other ICT Assets	80,000	00	00	80,000
Other Machinery and Equipment	632,000	00	00	632,000
Office Landscaping	00	00	00	00
Intangible assets	00	00	00	
Total	42,849,513	4,900,943	00	47,750,456

NATIONAL GOVERNMENT ENTITY - (NGCDF LUANDA)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Wandechi Special school	EQUITY	1120277513269	00	00
Esiandumba Chiefs Camp	EQUITY	1120263678799	7,290	21,460.00
Ebusyubi Secondary School	EQUITY	1120297583153	13,272	00
Ebusakami Secondary School	KCB	1167788613	1,024,156	22,162.00
Esiandumba Sec School	EQUITY	1120263155499	44,240	741,770.00
Hobunaka Sec School	KCB	1119383358	00	1,380.05
Total			1,088,958	787,310.55

NATIONAL GOVERNMENT ENTITY - (NG-CDF LUANDA)

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time ame: (Put date when you expe the issue to be resol ed)
	In accuracy of financial statement	The financial statement was amended and the differences adjusted	Accounts assistant	Resolved	
1.2	Disclosure of incorrect project management committee's balances	The figures were amended in the financial statement	Accounts assistant	Resolved	
1.3	Misstatement of currency denomination	The financial statement was amended and the issue solved	Account assistant	Resolved	
2.0	Failure to disclose salaries paid-compensation of employee	The salary amount was adjusted for the month of march and reflected the true figure	Account assistant	Resolved	
3.0	Over expenditure of committee expenses	The management has corrected and availed an amended financial statement	Funds Account Manager	Resolved	
4.0	Unsupported figure for bursary to secondary schools	The voucher amounting 499,827, was not available by the time of audit, it was later retrieved and the figure of 15,500,385 was adjusted to match the one send to the Board of 16,000,212	Accounts assistant	Resolved	
5.0	Unsupported payments-bursary to tertiary institutions	The voucher amounting to 2,710,750 was retrieved and made available ,therefore the difference was supported	Account assistant	Resolved	
	Budget implementation performance	The course for variation in the financial statement under transfer to other government units was due to late disbursement of funds from the Board ,the money was received in the following financial year 2019/2020 On 11 th and 12 th July 2019	Fund Account Manager	The NG-CDF Board should improve in their disburseme nt of funds	

NATIONAL GOVERNMENT ENTITY - (NG-CDF LUANDA)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time (P d w yo ex th iss to re ed)
	Construction of NG-CDF offices	The payment certificate 2 under the management letter was overstated by 4,270,000 the actual payment certificate that made payment was 12,094,340	Funds Account Manager	Resolved	N/
	Transfer to other Government entities-Esiandumba Sec School	The school had been allocated 400,000 in the year 2013/14 fy for construction of 1 classroom but due high demand for lab, they requested for a change of project to lab, the NG-CDF board took long to approve request. Hence delay for start up. Tendering documents, site visit book and store ledger were availed	Funds Account Manager	Resolved	n/
	Upgrade of a playground at mumbaha sec. School	Detailed breakdown of measured works were attached, NG-CDF Act gives the committee authority to implement some project directly depending on the nature of the project. Due to lack of competent staffs, the management used the same members in the opening and evaluation. The total amount paid for the project is 30,807,419 and not 34,147,419 as captured in the audit, the audit incorrectly captured 2nd interim payment as 16,364,340 instead of 12,094,340	Funds Account Manager	Resolved	n/
	Irregular implementation of works at Ebusiratsi primary school-Emergency project	Due to emergency nature of the project there was no sufficient time to constitute the PMCs, the walls of the classrooms had curved hence dangerous for the pupils,	Funds Account Manager	Resolved	n/

NATIONAL GOVERNMENT ENTITY - (NG-CDF LUANDA)

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs)

LUANDA NG-CDF			
TRIAL BALANCE AS AT 30TH JUNE 2019			
		DR	CR
Cash and Cash equivalents			
	Bank Balances c/d	48,119,393	
	Receivable from Telkom	4,677,027	
Payments			
	Compensation of Employees	3,101,926	
	Use of goods and services	6,509,850	
	Transfers to Other Government Units	43,717,796	
	Other grants and transfers	47,354,990	
	Acquisition of Assets	4,900,943	
	Other Payments	5,895,250	
Receipts			
	Transfers from the Board		162,825,359
	RETENTION		1,370,853
Fund Balance b/f 2017/2018			80,963
TOTAL		164,277,175	164,277,175

Le