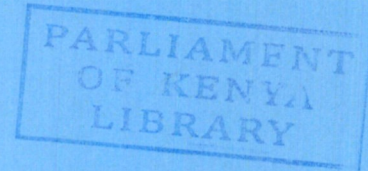


REPORT

THE NATIONAL ASSEMBLY PARLIAMENTARY AUD	
DATE: 08 FEB 2022	DAY: Tues
TABLED BY: LOM	
CLERK-AT THE TABLE: B. Inzani	



THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**

Revised Template 30th June 2020



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
30 SEP 2020
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
KANDUYI CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANDUYI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 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 part expenditure that promotes equitable development of the country by making provisions for marginalized groups and areas pursuant to Article 201 (b) (i) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided under Article 201 (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 in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient

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 KANDUYI 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 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Paul K Byegon
2.	Sub-County Accountant	Consolata Oyinda
3.	Chairman NGCDFC	Christopher B Kalabai
4.	Member NGCDFC	Scolastica Satia

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -KANDUYI Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for attention. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF KANDUYI Constituency Headquarters

P.O. Box 2666-50200
Kanduyi NGCDF Building/House/Plaza
Bungoma-Malaba Highway
Bungoma, KENYA

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(f) NGCDF KANDUYI Constituency Contacts

Telephone: (254) 0791 184 066
E-mail: cdfkanduyi@ngcdf.go.ke
Website: www.kanduyiconstituency.go.ke

(g) NGCDF KANDUYI Constituency Bankers


1. Cooperative Bank of Kenya
Bungoma Branch
P.O. Box 1964-50200
Bungoma, 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

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CHAIR

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Kanduyi NGCDF funded infrastructure projects in Primary schools, Secondary schools and security projects in 2019/20FY.

Other areas are statutory and are projects that were not devolved but fall under National government functions.

The total budget for 2019/20FY amounted to **Kshs.137,367,8724.14** is as shown in the table below;

NAME OF PROJECT	AMOUNT ALLOCATED
Administration/Recurrent	8,242,063.45
Monitoring and Evaluation/Capacity Building	4,121,032.00
Bursary Scheme	33,011,678.63
Emergency Reserve	7,198,241.38
Sports Activities	2,747,354.48
Environmental Projects	2,747,354.48
Primary School Projects	30,700,000.00
Secondary School Projects	44,600,000.00
Security Projects	1,000,000.00
Strategic Plan	3,000,000.00
Total for the Financial Year	137,367,724.14

Despite the delay in disbursement of funds during the financial year, the overall average performance of the fund in terms of budget utilisation was 63% receipt and 53% on payments. Kanduyi NGCDF received a total of **Kshs.68,000,000** of the total original budgeted amount of **Kshs.137,367,724.14** in 2019/20FY.

Despite this achievement, there were implementation challenges. Delay in disbursement of funds from the Board occasioned the low utilisation of funds. The fund allocation to the Board from the National Government is also low hence slow pace of implementation of all proposed projects by the community.

Board should therefore disburse funds on time to improve on utilisation of funds within the financial year.

National Government should also consider increasing the fund allocation to the NGCDF Board for development at the constituencies.


 CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

Kanduyi is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent and administrative threads.

In underscoring the planning of the constituency, the National Government constituency development fund committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-Kanduyi Constituency's 2018 - 2023 strategic plan are to:

In underscoring the above, the key development objectives of NGCDFC-Kanduyi Constituency's 2018-2023 plan included but not limited to;

Strategic Area One: Education

Objective: Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.

Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Water and Environment

Objective: Improve access to clean water and a more sustainable and conserved environment in

Kanduyi through natural resources conservation initiatives

Initiative: Initiate and enhance conservation programs within the constituency

Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

Strategic Area Three: Security

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery

Strategic Area Four: Sports

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by Kanduyi residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

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Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions. Number of student who benefit from bursary.	<p>In the FY2019/2020 the Kanduyi NG-CDF has been able to construct 49 new primary classrooms and 60 new secondary school classrooms. The NG-CDFC also constructed 5 new laboratories and 7 new administration blocks. The committee also bought 1 acre of land each to 5 secondary schools and 3 primary school for expansion of playing grounds and provide space for new infrastructure. Two new 33 seater school buses were also bought.</p> <p>In the 2019/20FY the committee awarded bursary to 3,200 students in both secondary and tertiary institutions.</p>

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<p>Water and Environment</p>	<p>Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives</p>	<p>Drill boreholes to promote access to clean and safe water Equip schools and public facilities with sanitation Provide tree seedlings to schools to improve the forest cover</p>	<p>Number of boreholes drilled Number of sanitation facilities built in primary and secondary Number of trees planted</p>	<p>The committee planted 800 tree seedlings in 60 primary and secondary schools in 2019/20FY</p>
<p>Security</p>	<p>Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery</p>	<p>Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery</p>	<p>Number of usable physical infrastructure built in locations, sub locations and police stations</p>	<p>In 2019/20FY, the NGCDFC constructed 1 chiefs office in Khalaba ward.</p>
<p>Sports</p>	<p>Empower and develop youth and special groups to</p>	<p>Reduced dependence and spur economic growth through sports</p>	<p>Number of youth groups benefitting from the sports programme</p>	<p>In 2019/20 FY, the constituency increased the number of football teams in its annual sports tournament from 50 to 70.</p>

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Kanduyi Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Kanduyi NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. SUSTAINABILITY STRATEGY AND PROFILE

The Kanduyi NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	To be renowned Constituency in advocating for all round socio-economic development and sustainability.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.	This communicates what the office does to attain sustainable developments
Core Values	Accountability, Transparency, Integrity, Honesty, Equality, Equity	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The

frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

2. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Kanduyi NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Kanduyi NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Kanduyi NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

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These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	Promote environmental awareness by sensitizing the Kanduyi NG-CDFC, NGCDFC staff and PMCs on good conservation practices To encourage, through regular communication to Kanduyi NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	To maximize use of available technologies to remove the need to use paper To encourage our clients to engage with us using electronic means where possible To maximize on rain water harvesting To make energy efficiency a key factor in the selection of any new energy device being purchased To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	To promote use of volt guards to control power surges We have constructed culverts and gabions to prevent soil erosion □ To encourage tree planting in the constituency to improve the forest cover. To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	To ensure that all paper waste is recycled To ensure segregation of waste To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Kanduyi NG-CDFC offers only categories of employment, which are Contract employees who are employed for 2 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and

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are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

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Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal

Recommendations for promotion is only made by the NG-CDFC resolution

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

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Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

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Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

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a) **Responsible competition practice.** During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti corruption, responsible political involvement, fair competition and respect for competitors

b) **Responsible Supply chain and supplier relations** Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) **Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices** Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) **Product stewardship** In order to safeguard consumer rights and interests, the Kanduyi NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

Public participation is the process that directly engages the concerned stakeholders in decision making and gives full consideration to public input in making that decision.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

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Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- NG-CDFC distributed 5,000 bottles of 250mls sanitizers to the community free of charge.
- The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANDUYI CONSTITUENCY

Reports and Financial Statements
For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

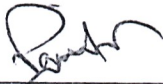
The Accounting Officer in charge of the NGCDF-KANDUYI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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-KANDUYI 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 charge of the NGCDF-KANDUYI 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-KANDUYI 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-KANDUYI Constituency financial statements were approved and signed by the Accounting Officer on 12/9/20 2020.



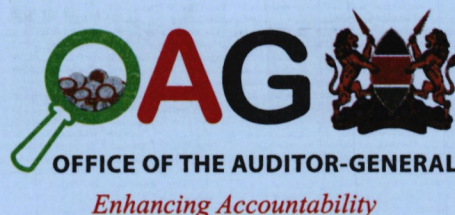
Fund Account Manager
Name: Paul Bitem



Sub-County Accountant
Name: CONSOLATA OYINDA
ICPAK Member Number: 10523

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KANDUYI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kanduyi Constituency set out on pages 20 to 58, which comprise of the statement of assets and liabilities as at 30 June, 2020, 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kanduyi Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Lack of Trial Balance

The Management did not provide a trial balance for the financial statements balances for the year ended 30 June, 2020.

In the circumstances, the accuracy, completeness and validity of the financial statements balances for the year ended 30 June, 2020 could not be confirmed.

2. Inaccuracies in Financial Statements Balances

2.1. Compensation of Employees

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects compensation of employees comparative balance totalling to Kshs.1,923,933 which, consists of basic wages of contractual employees amount of Kshs.1,829,745 and employer contribution to National Social Security Fund amount of Kshs.94,188. However, according to the 2018/2019 audited financial statements, the entire expenditure of Kshs.1,923,933 was basic wages of contractual employees. No explanation was given for this inconsistency.

Consequently, the accuracy, completeness and validity of the compensation of employees comparative balance totalling to Kshs.1,923,933 reflected in the statement of receipts and payments for the year ended 30 June, 2020 could not be confirmed.

2.2. Use of Goods and Services

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services totalling to Kshs.9,636,143. The balance includes Committee expenditure amount of Kshs.3,495,042 that differed with the amount of Kshs.5,261,399 reflected in the annual expenditure returns. The variance amounting to Kshs.1,766,357 between the two sets of records was not reconciled or explained.

Further, the following expenditures totalling to Kshs.5,844,101, reflected in Note 5 to the financial statements were not supported with the respective schedules of payment details:

Expenditure Item	Amount (Kshs.)
Utilities, Supplies and Services	394,000
Communication, Supplies and Services	435,601
Domestic Travel and Subsistence	146,500
Printing, Advertising and Information Supplies & Services	2,000,000
Hospitality Supplies and Services	761,000
Insurance Costs	412,000
Office and General Supplies and Services	500,000
Other Operating Expenses	450,000
Routine Maintenance - Vehicles and Other Transport Equipment	745,000
Total	5,844,101

Consequently, the accuracy, completeness and validity of the use of goods and services totalling to Kshs.9,636,143 reflected in the statement of receipts and payments for the year ended 30 June, 2020 could not be confirmed.

2.3. Other Grants and Transfers

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers expenditure totalling to Kshs.52,181,969 which excludes a payment amounting to Kshs.1,000,000 for other projects recorded in the expenditure returns under economic item 2640508.

Consequently, the accuracy, completeness and validity of other grants and transfers totalling to Kshs.1,000,000 for the year ended 30 June, 2020 could not be confirmed.

2.4. Bank Balances

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.19,337,348. The balance excluded unrepresented cheques totalling to Kshs.8,530,154, shown in the bank reconciliation statement for June, 2020. However, the schedule of unrepresented cheques attached to the bank reconciliation statement reflected a total of Kshs.1,139,686 resulting to an unreconciled variance amounting to Kshs.7,390,468. Further, the unrepresented cheques totalling to Kshs.1,139,686 were all stale as at 30 June, 2020. However, the cheques had not been reversed in the cashbook.

In the circumstances, the accuracy, completeness and validity of the bank balances totalling to Kshs.19,337,348 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

2.5. Comparative Balances

There were variances between the financial statements comparative balances for the year under review and the 2008/2019 audited financial statements as shown below:

Item	Comparative balance in 2019/2020 (Kshs.)	Audited Balance in the 2018/2019 Financial statements (Kshs.)	Variance (Kshs.)
Use of goods and services			
Committee Expenses	2,073,500	2,300,000	(226,500)
Insurance Costs	438,000	-	438,000
Office and General Supplies and Services	531,700	743,200	(211,500)
Other Operating Expenses	464,432	864,432	(400,000)
Routine Maintenance - Vehicles and Other Transport Equipment	875,000	-	875,000
Routine Maintenance - Other Assets	-	475,000	(475,000)

Item	Comparative balance in 2019/2020 (Kshs.)	Audited Balance in the 2018/2019 Financial statements (Kshs.)	Variance (Kshs.)
Unutilized funds			-
Amount due to Other Grants and Transfers	18,964,522	14,964,522	4,000,000
PMC bank balances	1,018,464	274,811	743,653

Further, the statement of cash flows reflects comparative payments balances totalling to Kshs.87,526,040 instead of Kshs.65,195,582 as per the 2018/2019 audited financial statements resulting to a variance amounting to Kshs.22,330,458.

Management did not provide reconciliations for the variances.

In the circumstances, the accuracy, completeness and validity of the above balances reflected in the financial statements for the year ended 30 June, 2020 could not be confirmed.

2.6. Summary Statement of Appropriation and Budget Balances

The summary statement of appropriation - recurrent and development combined reflects original budget, adjustments and final budget total amounts which differed with corresponding amounts shown in the budget document provided as follows:

Description	Amount as per financial statement (Kshs.)	Amount as per Budget (Kshs.)	Variance (Kshs.)
Original budget	137,367,724	139,367,724	276,735,448)
Adjustment	61,011,563	51,826,520	112,838,083
Final budget	198,379,287	189,194,244	387,573,531
Adjustments			
Compensation of Employees	2,999,841	2,085,019	914,822
Use of Goods and Services	2,021,368	1,857,833	163,535
Transfers to Other Government Units	40,500,000	39,500,000	1,000,000
Other Grants and Transfers	14,490,355	8,383,668	6,106,687
Acquisition of Assets	1,000,000	0	1,000,000
Final Budget			
Compensation of Employees	5,549,841	4,635,019	914,822

Description	Amount as per financial statement (Kshs.)	Amount as per Budget (Kshs.)	Variance (Kshs.)
Use of Goods and Services	11,834,463	11,670,928	163,535
Transfers to Other Government Units	115,800,000	114,800,000	1,000,000
Other Grants and Transfers	61,194,984	55,088,297	6,106,687
Acquisition of Assets	1,000,000	0	1,000,000
Other Payments	3,000,000	3,000,000	0

Further, the statement reflects other grants and transfers original budget amounting to Kshs.46,704,629 which differed with Kshs.48,704,629 shown in the budget by an unreconciled variance amounting to Kshs.2,000,000.

Consequently, the accuracy, completeness and validity of the above balances for the year ended 30 June, 2020 could not be confirmed.

3. Unsupported Acquisition of Assets

As disclosed in Note 8 to the financial statements, the statement of receipts and payments reflects acquisition of assets totalling to Kshs.1,000,000 for refurbishment of buildings. However, the relevant supporting documents, including a schedule of transaction details and procurement documents were not provided. Further, the expenditure was not included in the annual expenditure returns and in the summary of fixed asset register in Annex 4. No reasons were given for these anomalies.

Consequently, the accuracy, completeness and validity of acquisition of assets totalling to Kshs.1,000,000 for the year ended 30 June, 2020 could not be confirmed.

4. Unsupported Committees Bank Balances

Note 17.4 and Annex 4 to the financial statements reflect Project Management Committee bank balances totalling to Kshs.222,818 as at 30 June, 2020. However, certificates of bank balances from the respective banks were not provided.

In the circumstances, the accuracy, completeness and validity of Committees bank balances totalling to Kshs.222,818 as at 30 June, 2020 could not be confirmed.

5. Lack of Project Implementation Status Report

Management did not provide a Project Implementation Status Report as at 30 June, 2020. Therefore, it was not possible to analyze performance of the Fund regarding implementation of development projects.

Consequently, the accuracy, completeness and validity of the Projects implemented in the year ended 30 June, 2020 could not be confirmed.

6. Land without Title Deeds

During the year under review, four (4) schools received a total of Kshs.3,200,000 from the Fund for the purchase of land as tabulated below:

Project Name	Activity	Amount Kshs.
Sio Secondary School	Purchase of 3 acre of land	1,000,000
Nalutiri Secondary School	Purchase of 1 acre of land.	500,000
Fuchari Secondary School	Purchase of 1 acre of land.	700,000
Walala Primary School	Purchase of 1 acre land	1,000,000
Total		3,200,000

However, title deeds for the parcels of land were not provided.

Consequently, the accuracy, completeness and validity of the land purchased totalling to Kshs.3,200,000 for the year ended 30 June, 2020 could not be confirmed.

7. Unsupported Projects

7.1. Misinga Secondary School

In the previous years, the School Management undertook to construct an administration block at a cost of Kshs.19,500,000 and the contract was awarded to a local company. A total of Kshs.5,300,000 had been spent on the project as at 30 June, 2020, with an amount of Kshs.2,300,000 paid during the year under review. However, physical verification revealed the following issues:

- i. The Project Management Committee (PMC) did not provide payment certificates, inspection report from the Works Department and procurement documents, including tender opening minutes, evaluation minutes, professional opinion, acceptance of ward, winning bid and a contract.
- ii. The Committee varied the contract sum to Kshs.20,500,000, but minutes of the meeting were not provided.
- iii. The materials purchased by the PMC for the project were not taken on charge.
- iv. The contractor had abandoned the site with some materials on site.

7.2. Kikwechi Primary School

During the year under review, the School Management received an amount of Kshs.700,000, being part payment for the construction of two (2) classrooms and the Committee awarded the contract to a local company at a contract sum of Kshs.1,400,000.

However, the following documents were not provided; inspection report, payment certificates from the Works Department, the winning bid, tender opening minutes, evaluation minutes, professional opinion, acceptance of award letter, contract agreement, bills of quantities, design and drawing of the classrooms.

Consequently, the accuracy, completeness and validity of the projects with an expenditure totalling to Kshs.3,000,000 for the year ended 30 June, 2020 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 - Kanduyi Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.198,379,287 and Kshs.124,011,563 respectively, resulting to an under-funding amounting to Kshs.74,367,724 or 37% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.198,379,287 and Kshs.104,674,215 respectively, resulting to an under expenditure amounting to Kshs.93,705,072 or 47% of the budget.

Further, receipts totalling to Kshs.124,011,563 excludes an amount of Kshs.64,791,628 that has accumulated since the year 2016/2017, which ought to have been received from the NGCDF Board.

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

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. Non-compliance with the Public Sector Accounting Standards Board Requirements

The annual reports and financial statements have the following errors; Part I, Part V does not reflect the name of the constituency, a blank page for the report of the Auditor-General is missing, the statement of cash flows, summary statement of appropriation, unutilized funds schedule at Annex 3 and Project Management Committee (PMC) bank balances schedule at Annex 4 to the financial statements do not disclose the reporting currency. Further, some balances were not rounded off to the nearest shilling, the summary statement of appropriation does not have a row for surplus/deficit, several notes, annexes and line items have nil balances and Notes 6 and 7 to the financial statements refer to lists that were missing. This is contrary to Public Sector Accounting Standards Board (PSASB) reporting template.

In the circumstances, the presentation of the financial statements for the year under review is not in accordance with the prescribed PSASB format.

2. Unsatisfactory Implementation of Project

During the year under review, Bukusu Primary School received an amount of Kshs.700,000 for completion of an administration block. The contract was awarded to a local firm at a contract sum of Kshs.700,000. A site visit in February, 2021 revealed that although the administration block was completed, it had not been in use since 7 October, 2019 and the windows had been vandalized.

In the circumstances, I am unable to confirm whether the public obtained value for money for the expenditure totalling to Kshs.700,000 on the project for the year ended 30 June, 2020.

3. Irregular Allocation of Emergency Reserve

According to the Fund's budget for the year ended 30 June, 2020, an amount of Kshs.10,444,341 was allocated to the Emergency Reserve for schools and security projects. The expenditure returns indicated that a total of Kshs.7,335,068 was utilized from Emergency Reserve for the Fund Office project without evidence that the project was an emergency project. This is contrary to Section 8(1) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, the Management was in breach of 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 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 Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems

are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 judgement and maintain professional skepticism throughout the audit. I also:


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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in 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

30 November, 2021

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

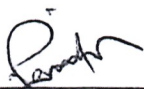
**Reports and Financial Statements
For the year ended June 30, 2020**

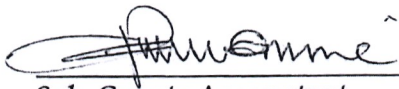
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- KANDUYI CONSTITUENCY

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020 Kshs	2018 - 2020 Kshs
RECEIPTS			
Transfers from NGCDF board	1	124,004,668	65,151,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		124,004,668	65,151,724
PAYMENTS			
Compensation of employees	4	2,356,103	1,923,933
Use of goods and services	5	9,636,143	8,366,842
Transfers to Other Government Units	6	39,500,000	16,600,000
Other grants and transfers	7	52,181,969	38,304,807
Acquisition of Assets	8	1,000,000	-
Other Payments	9	-	-
TOTAL PAYMENTS		104,674,215	65,195,582
SURPLUS/(DEFICIT)		<u>19,330,453</u>	<u>43,858</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANDUYI Constituency financial statements were approved on 17/9/2020 and signed by:


 Fund Account Manager
 Name: Paul Byem

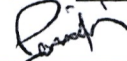

 Sub-County Accountant
 Name: CONSOLATA OYINDA
 ICPAK Member Number: 10523

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANDUYI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**


VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,337,348	6,895
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		19,337,348	6,895
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		19,337,348	6,895
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		19,337,348	6,895
REPRESENTED BY			
Fund balance b/fwd	13	6,895	50,753
Surplus/Defict for the year		19,330,453	(43,858)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		19,337,348	6,895

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANDUYI Constituency financial statements were approved on 17/9/20 2020 and signed by:



Fund Account Manager
Name: Paul Bfeem



Sub-County Accountant
Name: CONSOLATA OYINDA
ICPAK Member Number: 10523

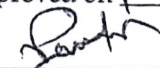
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANDUYI CONSTITUENCY**

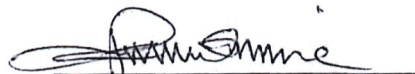
**Reports and Financial Statements
For the year ended June 30, 2020**

VIII. STATEMENT OF CASHFLOW

		2019- 2020	2018 - 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Transfers from CDF Board	1	124,004,668	87,574,140
Other Receipts	3	-	-
Total Receipts		124,004,668	87,574,140
Payments			
Compensation of Employees	4	2,356,103	4,514,010
Use of goods and services	5	9,636,143	10,026,616
Transfers to Other Government Units	6	39,500,000	39,600,000
Other grants and transfers	7	52,181,969	33,385,414
Other Payments	9	-	-
Total Payments		103,674,215	87,526,040
Total Receipts Less Total Payments		20,330,453	48,100
Adjusted for:			
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15		
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16		
Prior Year adjustment	14		
Net Adjustments		-	-
Net cash flow from operating activities		20,330,453	48,100
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	1,000,000	-
Net cash flows from Investing Activities		(1,000,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	13	6,895	2,653
Cash and cash equivalent at END of the year		19,337,348	50,753

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANDUYI Constituency financial statements were approved on 17/9/20 2020 and signed by:


Fund Account Manager
Name: Paul Bteem


Sub-County Accountant
Name: CONSOLATA OYINDA
ICPAK Member Number: 10523

Reports and Financial Statements
For the year ended June 30, 2020

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	137,367,724	61,011,563	198,379,287	124,011,563	74,367,724	63%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTAL RECEIPTS	137,367,724	61,011,563	198,379,287	124,011,563	74,367,724	63%
PAYMENTS						
Compensation of Employees	2,550,000	2,999,841	5,549,841	2,356,103	3,193,738	42%
Use of goods and services	9,813,095	2,021,368	11,834,463	9,636,143	2,198,320	81%
Transfers to Other Government Units	75,300,000	40,500,000	115,800,000	39,500,000	76,300,000	34%
Other grants and transfers	46,704,629	14,490,355	61,194,984	52,181,969	9,013,015	85%
Acquisition of Assets	-	1,000,000	1,000,000	1,000,000	-	100%
Other Payments	3,000,000	-	3,000,000	-	3,000,000	-
TOTAL	137,367,724	61,011,563	198,379,287	104,674,215	93,705,072	53%


(a) All the revenues receipt came from the NGCDF Board.


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

- i. Transfers from the NGCDF were fell below 90% at 63% because there was an outstanding amount of Kshs. 74,367,724 at the end of the financial year.
- ii. Utilization of all payments ranged between 50% and 83% as a result of b (i) above.
- iii. There were no reallocations during the financial year. The difference between the original budget and final budget was as a result of receipts from the previous year and unapproved funds from previous years.

**Reports and Financial Statements
For the year ended June 30, 2020**

The NGCDF-KANDUYI Constituency financial statements were approved on 17/9 2020 and signed by:


Fund Account Manager
Name: Paul Btegem


Sub-County Accountant
Name: COMSOLOTA OYINDA
ICPAK Member Number: 10523

For the year ended June 30, 2020

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,550,000.00	2,999,840.70	5,549,840.70	2,356,103.00	3,193,737.70
1.2 Committee allowances	2,692,063.45	847,809.00	3,539,872.45	3,201,399.00	338,473.45
1.3 Use of goods and services	3,000,000.00	8,797.00	3,008,797.00	2,955,727.00	53,070.00
2.0 Monitoring and evaluation	8,242,063.45	3,856,446.70	12,098,510.15	8,513,229.00	3,585,281.15
2.1 Capacity building	1,361,827.63	297,827.63	1,659,655.26	297,000.00	1,362,655.26
2.2 Committee allowances	1,959,204.09	544,000.00	2,503,204.09	2,435,016.90	68,187.19
2.3 Use of goods and services	800,000.00	322,933.97	1,122,933.97	747,000.00	375,933.97
3.0 Emergency	4,121,031.72	1,164,761.60	5,285,793.18	3,479,016.90	1,806,776.28
3.1 Primary Schools		500,000.00	500,000.00	500,000.00	-
3.2 Secondary schools	363,173.38	1,500,000.00	1,863,173.38	1,500,000.00	363,173.38
3.3 Tertiary institutions					
3.4 Security projects	6,835,068.00	1,246,100.00	8,081,168.00	8,081,168.00	-
4.0 Bursary and Social Security	7,198,241.38	3,388,993.45	10,587,234.83	10,081,168.00	506,066.83
4.1 Primary Schools					
4.2 Secondary Schools	3,011,678.63	2,893,568.25	5,905,246.88	5,660,300.00	244,946.88
4.3 Tertiary Institutions	10,000,000.00	44,000.00	10,044,000.00	10,044,000.00	-
4.4 Universities	20,000,000.00	200,000.00	20,200,000.00	16,938,000.00	3,262,000.00
4.5 Social Security					
5.0 Sports	33,011,678.63	3,137,568.25	36,149,246.88	32,642,300.00	3,506,946.88
5.1	2,747,354.48	-	2,747,354.48	2,747,354.00	0.48
	2,747,354.48	-	2,747,354.48	2,747,354.00	0.48
6.0 Environment					
6.1	2,747,354.48	1,963,793.00	4,711,147.48	4,711,147.10	0.38
	2,747,354.48	1,963,793.00	4,711,147.48	4,711,147.10	0.38
7.0 Primary Schools Projects					
(List all the Projects)					
Bukembe primary School	700,000.00		700,000.00		700,000.00
Bungoma D.E.B primary school	700,000.00		700,000.00		700,000.00
Bungoma muslim primary School	700,000.00		700,000.00		700,000.00

**Reports and Financial Statements
For the year ended June 30, 2020**

Buumba primary school	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Chemululuchi primary school	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Dorofu township primary school	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Kanduyi D.E.B primary school	1,000,000.00	-	1,000,000.00	-	1,000,000.00	1,000,000.00
Kisuluni primary school	500,000.00	-	500,000.00	-	500,000.00	500,000.00
Kombo primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Lumasa primary school	600,000.00	-	600,000.00	-	600,000.00	600,000.00
Luyekhe primary school	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Makutano Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Maocho Primary School	500,000.00	-	500,000.00	-	500,000.00	500,000.00
Misanga Primary	1,000,000.00	-	1,000,000.00	-	1,000,000.00	1,000,000.00
Moi Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Mukhaweli Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00	1,000,000.00
Mupeli Primary School	600,000.00	-	600,000.00	-	600,000.00	600,000.00
Muyayi Primary School	500,000.00	-	500,000.00	-	500,000.00	500,000.00
Nabukhisa Primary School	2,800,000.00	-	2,800,000.00	-	2,800,000.00	2,800,000.00
Namikelo Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Namisi Ceb Primary School	2,800,000.00	-	2,800,000.00	-	2,800,000.00	2,800,000.00
Ndakakaru Primary School	1,400,000.00	-	1,400,000.00	-	1,400,000.00	1,400,000.00
Ranje Primary School	2,800,000.00	-	2,800,000.00	-	2,800,000.00	2,800,000.00
Siaka Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Siangwe Primary School	1,400,000.00	-	1,400,000.00	-	1,400,000.00	1,400,000.00
Sinoko Primary School	500,000.00	-	500,000.00	-	500,000.00	500,000.00
Sirende Primary	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Sitoma Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Tembelela Primary	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Tungelele Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Wacheka Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Walala Primary School	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Kakichuma primary school	700,000.00	-	700,000.00	-	700,000.00	700,000.00
Bukusu Primary School	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	-
Bulondo Primary School	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	-
Buumba Primary School	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	-
Chemululuch Primary School	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	-
Kikwechi Primary School	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	-
Kimugui Primary School	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	-
The Manager Cooperative Bank - Mukholi primary school	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	-
Mwibale Primary School	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	-

For the year ended June 30, 2020

Nabutola Primary School			700,000.00	700,000.00	700,000.00	-
Namasanda Primary School			500,000.00	500,000.00	500,000.00	-
The Manager Cooperative Bank-Nzoia Industrial pri school			1,100,000.00	1,100,000.00	1,100,000.00	-
Nzoia Industrial Primary School			700,000.00	700,000.00	700,000.00	-
The Manager Cooperative Bank-Ranje pri school			3,000,000.00	3,000,000.00	3,000,000.00	-
Sio Primary School			400,000.00	400,000.00	400,000.00	-
The Manager Cooperative Bank-Tulienge pri school			1,000,000.00	1,000,000.00	1,000,000.00	-
The Manager Cooperative Bank - Walala pri			1,000,000.00	1,000,000.00	1,000,000.00	-
		30,700,000.00	13,900,000.00	1,000,000.00	1,000,000.00	-
				44,600,000.00	13,900,000.00	30,700,000.00
8.0 Secondary Schools Projects (List all the Projects)						
Bukananachi Secondary School		500,000.00	-	500,000.00	-	500,000.00
Bukembe S.A Secondary		1,000,000.00	-	1,000,000.00	-	1,000,000.00
Bungoma Baptist Girls		1,000,000.00	-	1,000,000.00	-	1,000,000.00
Bungoma High School		1,000,000.00	-	1,000,000.00	-	1,000,000.00
Bungoma Muslim Secondary School		700,000.00	-	700,000.00	-	700,000.00
Cardinal Otunga Girls School		1,000,000.00	-	1,000,000.00	-	1,000,000.00
Chemche Secondary School		600,000.00	-	600,000.00	-	600,000.00
Good Shepherd Secondary School		1,400,000.00	-	1,400,000.00	-	1,400,000.00
Kamba Secondary School		700,000.00	-	700,000.00	-	700,000.00
Khaoya Secondary School		2,800,000.00	-	2,800,000.00	-	2,800,000.00
Kimugui Boys Secondary School		5,000,000.00	-	5,000,000.00	-	5,000,000.00
Kimugui Girls School		800,000.00	-	800,000.00	-	800,000.00
Kimukung i Girls Secondary School		1,000,000.00	-	1,000,000.00	-	1,000,000.00
Kitale Secondary School		5,000,000.00	-	5,000,000.00	-	5,000,000.00
Kongoli Secondary School		1,000,000.00	-	1,000,000.00	-	1,000,000.00
Lwanda Boys High School		600,000.00	-	600,000.00	-	600,000.00
Mabuusi SECONDARY School		700,000.00	-	700,000.00	-	700,000.00
Marakaru Secondary School		700,000.00	-	700,000.00	-	700,000.00
Mechimeru Secondary School		700,000.00	-	700,000.00	-	700,000.00
Musikoma Secondary School		700,000.00	-	700,000.00	-	700,000.00
Nabichakha Secondary School		700,000.00	-	700,000.00	-	700,000.00
Nabukhisa Secondary School		700,000.00	-	700,000.00	-	700,000.00
Namaanga Secondary School		700,000.00	-	700,000.00	-	700,000.00
Namachanja High School		1,000,000.00	-	1,000,000.00	-	1,000,000.00

**Reports and Financial Statements
For the year ended June 30, 2020**

Namamuka Secondary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Nzoia Industrial Boys Secondary School	1,400,000.00	-	1,400,000.00	-	1,400,000.00
Nzoia Sugar Girls	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Sang'alo Secondary School	700,000.00	-	700,000.00	-	700,000.00
Sango Secondary School	700,000.00	-	700,000.00	-	700,000.00
Siaka Secondary School	800,000.00	-	800,000.00	-	800,000.00
Sio Secondary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Siritanyi Secondary School	1,500,000.00	-	1,500,000.00	-	1,500,000.00
ST.Martins Mwibale Secondary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Tembelela Secondary School	700,000.00	-	700,000.00	-	700,000.00
Wacheka Secondary School	2,800,000.00	-	2,800,000.00	-	2,800,000.00
Wamalwa Kijana High School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Bulondo Secondary School	800,000.00	800,000.00	800,000.00	800,000.00	-
The Manager Cooperative Bank-Bungoma high	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	-
Bungoma Muslim Secondary School	700,000.00	700,000.00	700,000.00	700,000.00	-
Cheng'wali Secondary	700,000.00	700,000.00	700,000.00	700,000.00	-
Fuchani Secondary	700,000.00	700,000.00	700,000.00	700,000.00	-
Kimukungi Girls	500,000.00	500,000.00	500,000.00	500,000.00	-
The Manager Cooperative Bank -Kisuluni sec	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	-
Kongoli Secondary School	700,000.00	700,000.00	700,000.00	700,000.00	-
Lutungu Secondary	800,000.00	800,000.00	800,000.00	800,000.00	-
The Manager Cooperative Bank -Misanga sec	2,300,000.00	2,300,000.00	2,300,000.00	2,300,000.00	-
Mwikhuo Secondary	700,000.00	700,000.00	700,000.00	700,000.00	-
The Manager Cooperative Bank -Nalutiri sec	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00	-
Nalutiri Secondary	500,000.00	500,000.00	500,000.00	500,000.00	-
Namaanga Secondary	700,000.00	700,000.00	700,000.00	700,000.00	-
The Manager Cooperative Bank - Namachanja sec	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	-
The Manager Cooperative Bank	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	-
Namwacha Secondary School	700,000.00	700,000.00	700,000.00	700,000.00	-
Ndergelwa Secondary	500,000.00	500,000.00	500,000.00	500,000.00	-
The Manager Cooperative Bank -Samoya sec	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	-
Sikalame Secndray	600,000.00	600,000.00	600,000.00	600,000.00	-
The Manager Cooperative Bank -Sikalame sec	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	-

Reports and Financial Statements

For the year ended June 30, 2020

The Manager Cooperative Bank -Siloba sec		2,000,000.00	2,000,000.00	2,000,000.00	-
The Manager Cooperative Bank -Sio sec		1,000,000.00	1,000,000.00	1,000,000.00	-
Siritanyi Secondary School		500,000.00	500,000.00	500,000.00	-
St. Martins Mwibale Secondary School		500,000.00	500,000.00	500,000.00	-
St. Peters Sangalo Secondary School		500,000.00	500,000.00	500,000.00	-
The Manager Cooperative Bank -St Martins Kitinda sec	44,600,000.00	2,000,000.00	2,000,000.00	2,000,000.00	-
10.0 Security Projects		26,600,000.00	71,200,000.00	25,600,000.00	45,600,000.00
Chiefs office khalaba	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Mechimeru Chiefs Office		500,000.00	500,000.00	500,000.00	-
Mwibale Chiefs Office		700,000.00	700,000.00	700,000.00	-
Sango Police Post		500,000.00	500,000.00	500,000.00	-
Siritanyi Chiefs Office		300,000.00	300,000.00	300,000.00	-
	1,000,000.00	2,000,000.00	3,000,000.00	2,000,000.00	1,000,000.00
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)					
11.2 Construction of CDF office		1,000,000.00	1,000,000.00	1,000,000.00	-
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
11.5 Purchase of land		1,000,000.00	1,000,000.00	1,000,000.00	-
12.0 Others					
12.1 Strategic Plan	3,000,000.00	-	3,000,000.00	-	3,000,000.00
12.2 Buumba Wacheka Bridge		4,000,000.00	4,000,000.00	-	4,000,000.00
	3,000,000.00	4,000,000.00	7,000,000.00	-	7,000,000.00
	137,367,724.14	61,011,563.00	198,379,287.00	104,674,215.00	93,705,072.00

(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) –
KANDUYI CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2020**

**XI. SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN THE PREPARATION OF THESE
FINANCIAL STATEMENTS ARE SET OUT BELOW:**

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-KANDUYI 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 2020, 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) –
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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 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 2020.

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) –
KANDUYI CONSTITUENCY
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For the year ended June 30, 2020**

XII. NOTES TO THE FINANCIAL STATEMENTS

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

16. 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.

17. Reporting Entity

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

18. 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.

19. 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 2020, 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) –
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SIGNIFICANT ACCOUNTING POLICIES

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

26. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

27. Comparative Figures

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

28. 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 2020.

29. 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.

30. 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) –
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO B047150	1	2,963,793	
AIE NO B047443	2	4,000,000	
AIE NO B041468	3	20,000,000	
AIE NO B049291	4	15,000,000	
AIE NO B104315	5	15,000,000	
AIE NO B096572	6	8,000,000	
AIE NO B031291	7	6,000,000	
AIE NO B041042		53,040,875	
AIE NO B030182	1		10,000,000
AIE NO B006363	2		8,000,000
AIE NO A699016	3		12,000,000
AIE NO A699119	4		11,000,000
AIE NO B042899	5		13,000,000
AIE NO B067213	6		11,151,724
TOTAL		124,004,668	65,151,724

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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

3. OTHER RECEPTS

	2019-2020 Kshs	2017-2018 Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2019-2020 Kshs	2018-2019 Kshs
Basic wages of contractual employees	2,249,465	1,829,745
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	-	-
Other personnel payments	-	-
Employer contribution to NSSF	106,638	94,188
Total	2,356,103	1,923,933

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

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	3,495,042	2,073,500
Utilities, supplies and services	394,000	235,000
Communication, supplies and services	435,601	358,710
Domestic travel and subsistence	146,500	150,000
Printing, advertising and information supplies & services	2,000,000	1,700,000
Rentals of produced assets	-	-
Training expenses	297,000	664,000
Hospitality supplies and services	761,000	876,500
Insurance costs	412,000	438,000
Specialized materials and services	-	-
Office and general supplies and services	500,000	531,700
Other operating expenses	450,000	464,432
Routine maintenance – vehicles and other transport equipment	745,000	875,000
Routine maintenance – other assets	-	-
Total	9,636,143	8,366,842

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	13,900,000	7,300,000
Transfers to secondary schools (see attached list)	25,600,000	9,300,000
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	39,500,000	16,600,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	5,660,000	6,133,000
Bursary – tertiary institutions (see attached list)	26,982,000	24,405,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	2,000,000	-
Sports projects (see attached list)	2,747,354	2,408,404
Environment projects (see attached list)	4,711,147	3,008,404
Emergency projects (see attached list)	10,081,168	2,350,000
Total	52,181,969	38,304,808

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	1,000,000	-
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	1,000,000	-

9. OTHER PAYMENTS

	2019-2020 Kshs	2018-2019 Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-
	-	-
	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –

KANDUYI CONSTITUENCY

Reports and Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS (Continued) 10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2020
	Kshs	Kshs
<i>Cooperative bank of kenya, Account No. 01120050482500</i>	19,337,348	6895
Total	19,337,348	6895
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANDUYI CONSTITUENCY
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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>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Total</i>				-

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

12B. STAFF GRATUITY OUTSTANDING

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

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

	2019-2020 Kshs	2018-2019 Kshs
Bank accounts	6,895	50,753
Cash in hand	-	-
Imprest	-	-
Total	6,895	-

14. PRIOR YEAR ADJUSTMENTS

	2019-2020 Kshs	2018-2019 Kshs
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	xxx	xxx
Imprest issued during the year (B)	xxx	xxx
Imprest surrendered during the Year (C)	xxx	xxx
Net changes in account receivables D= A+B-C	xxx	xxx

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	xxx	xxx
Deposit and Retentions held during the year (B)	xxx	xxx
Deposit and Retentions paid during the Year (C)	xxx	xxx
Net changes in account receivables D= A+B-C	xxx	xxx

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANDUYI CONSTITUENCY
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For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020 Kshs	2018-2019 Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	2,278,916	1,046,067
Use of goods and services	2,034,784	(499,025)
Amounts due to other Government entities (see attached list)	39,378,357	41,500,000
Amounts due to other grants and other transfers (see attached list)	49,013,015	18,964,522
Acquisition of assets	1,000,000	-
Others (<i>specify</i>)	-	-
	<hr/>	<hr/>
	93,705,072	61,011,564
	<hr/> <hr/>	<hr/> <hr/>

17.4: PMC account balances (See Annex 5)

	2019-20	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	222,818	1,018,464
	222,818	1,018,464

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2020 (Kshs'000)

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, 2020 (Kshs'000)

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.	-	-	-	-	-	
2.	-	-	-	-	-	
3.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Middle Management			-	-		
4.	-	-	-	-	-	
5.	-	-	-	-	-	
6.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Unionisable Employees			-	-		
7.	-	-	-	-	-	
8.	-	-	-	-	-	
9.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Others (specify)				-	-	
10.	-	-	-	-	-	
11.	-	-	-	-	-	
12.	-	-	-	-	-	
Sub-Total	-	-	-	-	-	
Grand Total	-	-	-	-	-	

NATIONAL GOVERNMENT ENTITY - (KANDUYI)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		2,278,916	1,046,067	
Use of goods & services		2,034,784	(499,025)	
Amounts due to other Government entities		39,378,357	41,500,000	
Sub-Total		43,692,057	42,047,042	
Amounts due to other grants and other transfers		49,013,015	18,964,522	
Sub-Total		49,013,015	18,964,522	
Sub-Total		92,705,072	61,011,564	
Acquisition of assets		1,000,000	-	
Others (<i>specify</i>)		-	-	
Sub-Total		1,000,000	-	
Grand Total		93,705,072	61,011,564	

NATIONAL GOVERNMENT ENTITY - (KANDUYI)

Reports and Financial Statements

For the year ended June 30, 2020 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	17,900,000	0	0	17,900,000
Transport equipment	4,504,865	0	0	4,504,865
Office equipment, furniture and fittings	4,161,211	0	0	4,161,211
ICT Equipment, Software and Other ICT Assets	221,150	0	0	221,150
Other Machinery and Equipment	108,000	0	0	108,000
Heritage and cultural assets				
Intangible assets				
Total	26,895,226	0	0	26,895,226

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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Bukembe primary School	Cooperative	1141536430100	734.00	238.00
Bungoma D.E.B primary school	Cooperative	1141049264000	800.00	756.00
Bungoma muslim primary School	Cooperative	1141536430100	2,600.00	2,400.00
Buumba primary school	Cooperative	1141050154400	9,085.00	1,232.00
Chemululuchi primary school	Cooperative	1139290670600	-	1,987.00
Dorofu township primary school	Cooperative	1139011592400	15.00	8,765.00
Kanduyi D.E.B primary school	Cooperative	1139011592400	2,400.00	8,453.00
Kisuluni primary school	Cooperative	1141536543600	1,100.00	500.00
Kombo primary School	Cooperative	11415365543600	1,400.00	2,670.00
Lumasa primary school	Cooperative	1141425169600	500.00	23,000.00
Luyekhe primary school	Cooperative	1141049270100	200.00	1,700.00
Makutano Primary School	Cooperative	1141049270100	750.00	8,976.00
Maocho Primary School	Cooperative	1141669001800	1,100.00	1,450.00
Misanga Primary	Cooperative	1141049500700	150.00	9,000.00
Moi Primary School	Cooperative	1141425025200	870.00	7,935.00
Mukhaweli Primary School	Cooperative	1141669952800	600.00	8,764.00
Mupeli Primary School	Cooperative	1141049280100	643.00	1,260.00
Muyayi Primary School	Cooperative	1141669585000	1,700.00	750.00
Nabukhisa Primary School	Cooperative	1141669585000	1,236.00	1,700.00
Namikelo Primary School	Cooperative	1141049675000	770.00	1,200.00
Namisi Ceb Primary School	Cooperative	1141049917600	850.00	900.00
Ndakakaru Primary School	Cooperative	1141427665200	200.00	583.00
Ranje Primary School	Cooperative	1141669297300	100.00	400.00

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Siaka Primary School	Cooperative	1141049280700	1,234.00	3,400.00
Siangwe Primary School	Cooperative	480298526085	8,900.00	750.00
Sinoko Primary School	Cooperative	1141049273700	20,500.00	456,000.00
Sirende Primary	Cooperative	1141011664600	1,400.00	12,000.00
Sitoma Primary School	Cooperative	480263816202	700.00	3,400.00
Tembelela Primary	Cooperative	1141049901401	1,900.00	3,675.00
Tungelele Primary School	Cooperative	1141536224600	1,300.00	2,300.00
Wacheka Primary School	Cooperative	1141049408901	7,400.00	10,000.00
Walala Primary School	Cooperative	1141290180100	692.00	3,456.00
Kakichuma primary school	Cooperative	1141290096800	1,236.00	2,300.00
Bukananachi Secondary School	Cooperative	1139290670600	890.00	1,300.00
Bukembe S.A Secondary	Cooperative	1141049270100	1,200.00	1,600.00
Bungoma Baptist Girls	Cooperative	1141049408901	15,000.00	123,045.00
Bungoma High School	Cooperative	1141536540100	180.00	416.00
Bungoma Muslim Secondary School	Cooperative	114104979100	269.00	1,230.00
Cardinal Otunga Girls School	Cooperative	1141669671700	1,650.00	1,900.00
Chemche Secondary School	Cooperative	1141050332200	7,600.00	1,390.00
Good Shepherd Secondary School	Cooperative	1141290170900	9,000.00	2,683.00
Kamba Secondary School	Cooperative	1141290170900	1,200.00	1,390.00
Khaoya Secondary School	Cooperative	1141290170900	9,945.00	7,000.00
Kimugui Boys Secondary School	Cooperative	1141290222600	1,876.00	6,000.00
Kimugui Girls School	Cooperative	1141668233200	1,354.00	7,850.00
Kimukung`i Girls Secondary School	Cooperative	1141535779200	1,097.00	3,400.00
Kitale Secondary School	Cooperative	1141783084500	10,036.00	2,360.00

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kanduyi NG CDF Environment activities	Cooperative	1141668034000	83,903.00	120,000.00
Kanduyi NG CDF sports activities	Cooperative	1141668034100	4,553.00	145,000.00
Total			222,818.00	1,018,464.00

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Paragraph 1	<p>Budgetary Control Performance The Fund had an approved budget of Kshs 208,513,022 and spent Kshs 128,878,063 resulting in under expenditure of Kshs 79,634,959 which translates into 38% of budget underutilization. Further all budgetary expenditure items registered absorption rating of below 90%. This includes Compensation of employees, Use of goods and services, other grants and transfers and Transfers to Other Government Units with absorption level at 61%, 73%, 57% and 63% respectively. Consequently, the budget target was not met and various projects budgeted for were not done within the financial year. It is not clear how the CDF intended to clear this backlog of projects as they will affect next year's programme implementation.</p>	The budgetary targets have since been met.	Paul Byegon-Fund Account Manager	Resolved	N/A
Paragraph 2	<p>Project Implementation Status The Fund was to implement a total of 117 projects/programmes by various sectors during the financial year.</p>	All the projects have been implemented.	Paul Byegon-Fund Account Manager	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Further analysis indicated that 2 or 2% of the project had not started, 33 or 28% of the projects were still on going and 82 or 70% of the project had been completed. Therefore, the Fund did not fully meet the budget target and effective delivery of service.				
Paragraph 3	Undisbursed Allocation The Fund received Kshs 108,265,247 in the year against total National Allocation of Kshs.138,905,812 resulting to undisbursed allocation of Kshs 30,649,565. This will hinder effective implementation of this year's projects and subsequently have an impact on next year's delivery of targets.	The funds have been disbursed.	Paul Byegon-Fund Account Manager	Resolved	N/A
Paragraph 4	Lack of proof of ownership of Land Disbursements amounting to Kshs 3,800,000 as analysed in the table below were made to various institutions in respect of purchase of land parcels. However, the title deeds were not availed for audit verification. Consequently, the ownership of the parcels of land could not be confirmed.	The PMC have acquired the title deeds	Paul Byegon-Fund Account Manager	Resolved	N/A
Paragraph 5	Delayed Construction & Completion of	The funds have since been	Paul Byegon-	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kimukung Coffee Factory Project. The CDF contracted M/S Kamata Engineers Ltd towards proposed construction and completion of Kimukung Coffee Factory at a contract sum of Kshs.8, 584,404. However, the project commenced on 27th September 2014 with an expected completion date of 15th April 2015 and as at the time of audit, the project remained incomplete with the value of works certified and paid amounted to Kshs.7,453,476. Therefore, in view of this, the constituents are getting delayed service delivery.</p>	<p>disbursed and the Committee have completed the project</p>	<p>Fund Account Manager</p>		
1.Budgetary control and performance	<p>During the year under review, the Fund spent Kshs 158,060,129 against a budgeted amount of Kshs 155,031,512 resulting to an over-absorption of Kshs 3,028,617 or 2% as highlighted below.</p>	<p>Overutilization was occasioned by balances of previous financial year balances that had not been utilized but now utilized in 2016/17FY.</p>	<p>Paul Byegon-Fund Account Manager</p>	<p>Resolved</p>	<p>N/A</p>
2.Project Implementation status	<p>Kanduyi National Government Constituency Development Fund was to implement a total of 60 projects/programmes by different sectors during the financial year as shown below. Further analysis indicated that all the projects had started,35% were still on</p>	<p>None implementation of projects as per approved timelines was occasioned by delays in disbursements of funds from the head-quarters. This affected three sectors as shown in the table</p>	<p>Paul Byegon-Fund Account Manager</p>	<p>Resolved</p>	<p>N/A</p>

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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>)
	going and 65% of the project had been completed as at June 2017.	<p>below. Other sectors were implemented 100% as per approved work plans and timelines.</p> <p>At the time of responding to the draft report, implementation status was as shown below;</p> <p>On the affected sectors, more funds have since been allocated to complete the projects in 2017/18 FY.</p>			