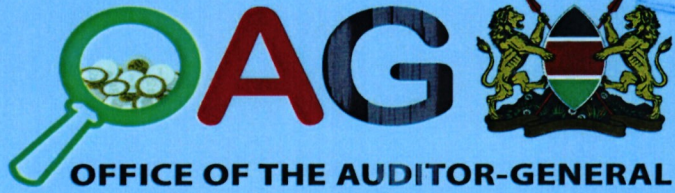


REPUBLIC OF KENYA

PARLIAMENT  
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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

## REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 06 APR 2022

WED

OF

TABLED  
BY:

MAJORITY  
NHP

CLERK-AT  
THE TABLE:

SAMUEL WAGUMA

**THE AUDITOR-GENERAL**

**ON**

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

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

*Revised Template 30<sup>th</sup> June 2020*



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -UGUNJA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020

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



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

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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

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

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**Core Values**

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

**(b) Key Management**

The NGCDF Ugunja 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Boaz Omondi Odeyo
2.	Sub-County Accountant	Luka Anyinyo
3.	Chairman NGCDFC	Bernard Omllo Werre
4.	Member NGCDFC	Beatrice Achieng Olaka

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF Ugunja Constituency Headquarters**

P.O. Box 212-40606,  
NG-CDF Building  
Opposite Nyasanda Pri. School  
Ugunja, KENYA

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

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**(f) NGCDF Ugunja Constituency Contacts**

Telephone: (254) 727226801  
E-mail: [cdfUgunja@cdf.go.ke](mailto:cdfUgunja@cdf.go.ke)  
Website: [www.Ugunjaconstituency.co.ke](http://www.Ugunjaconstituency.co.ke)

**(g) NGCDF Ugunja Constituency Bankers**

1. Equity Bank Siaya Branch  
A/C NO. 0970261942309  
P.O. Box 212-40605  
SIAYA, KENYA

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

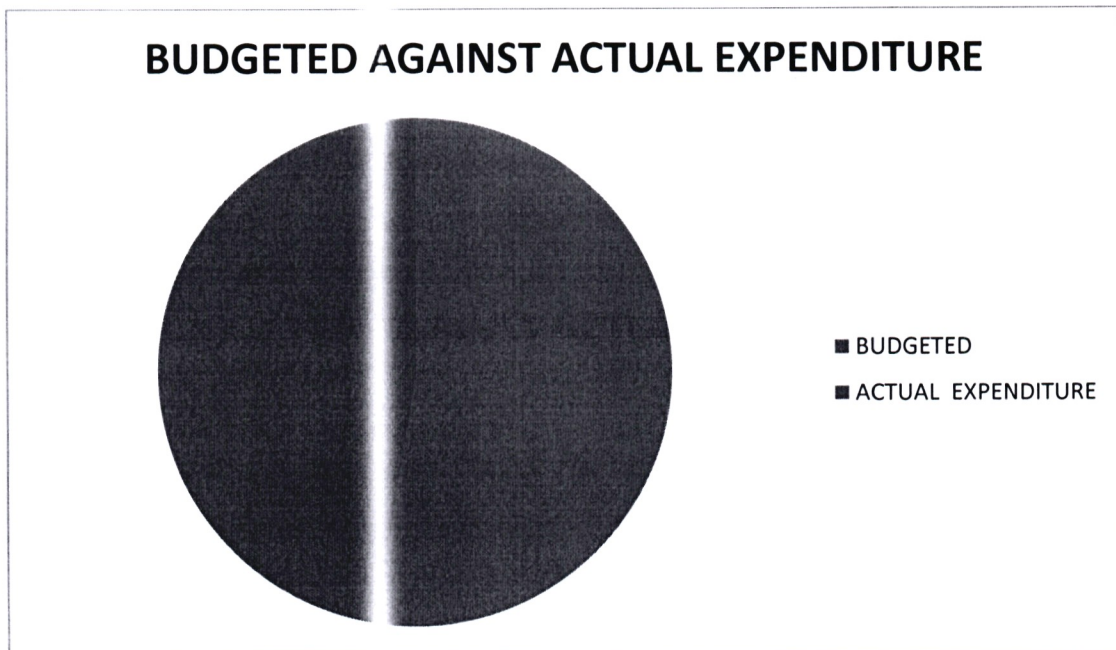
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

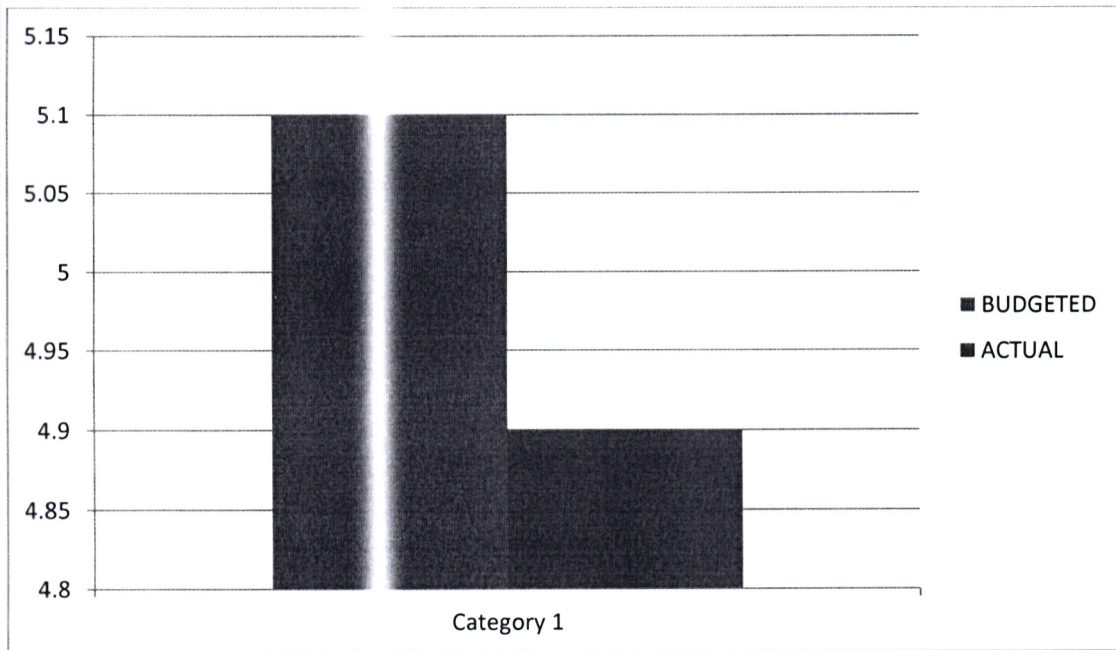
In the financial year 2019/2020 the constituency had a total budget of ksh. 194,129,029. The budget and expenditure analysis is as follows:



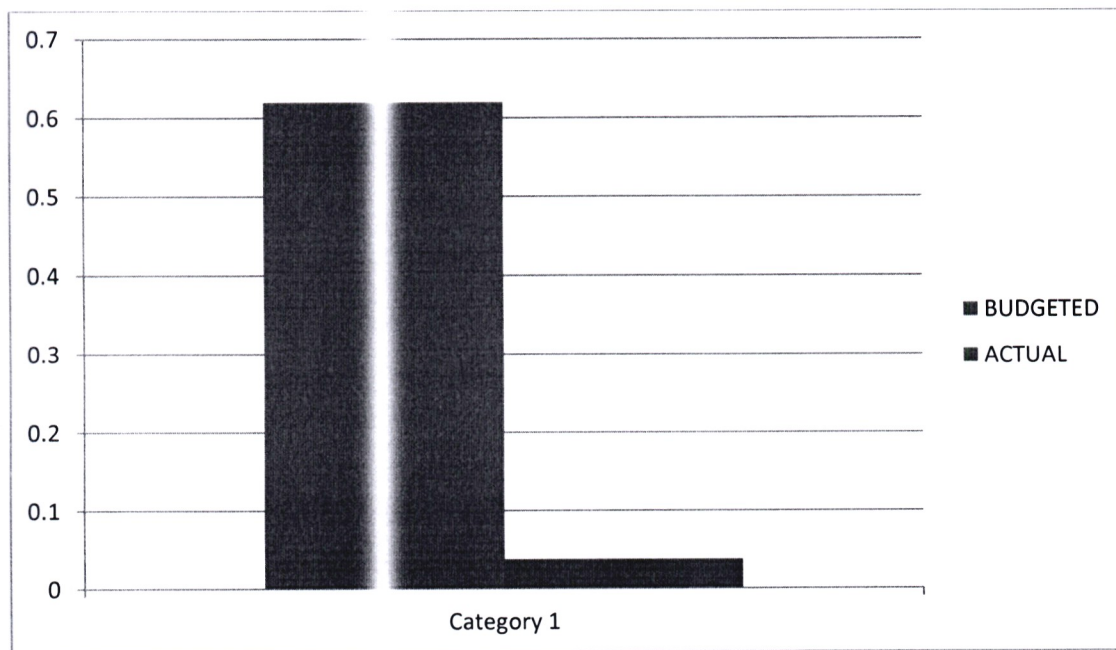


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 UGUNJA CONSTITUENCY  
 Reports and Financial Statements  
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*COMPENSATION TO EMPLOYEES*

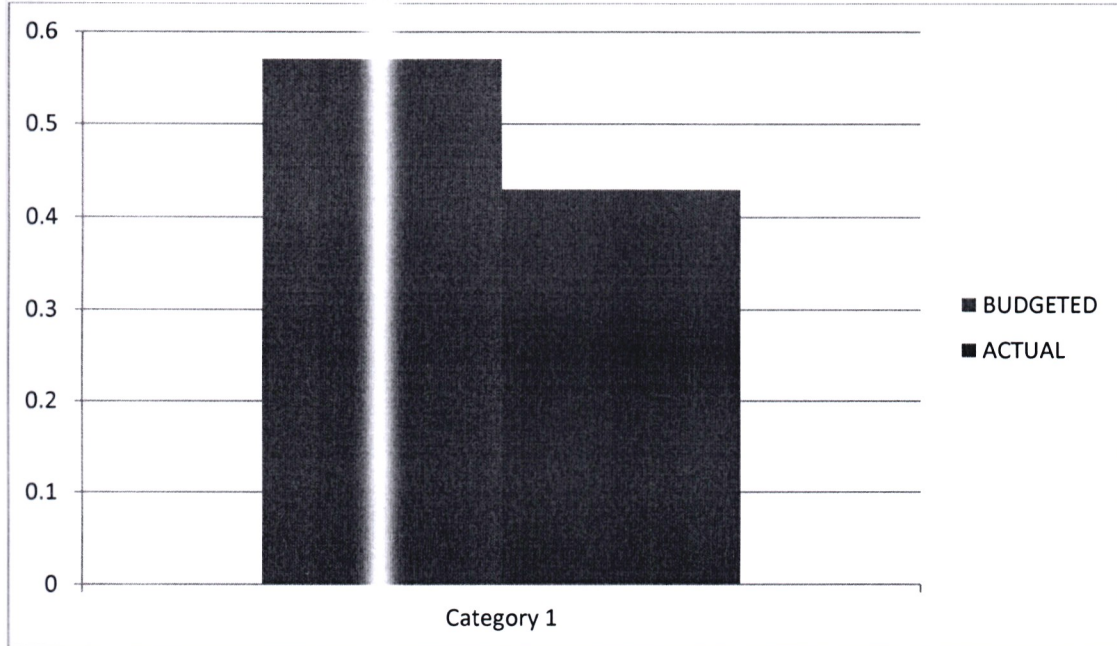


*USE OF GOODS AND SERVICES*



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
UGUNJA CONSTITUENCY  
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**TRANSFER TO OTHER GOVERNMENT UNITS**



***Achievements of the NG-CDF***

- *The entity has been able to do a number of projects up to completion. Projects are implemented without any delays once we get funding from the NG-CDF Board*
- *Success in improving learning of needy and bright students by awarding them bursaries and also improving learning infrastructures.*
- *We have also improved on security and enhanced easier access of local administrative matters by constructing chiefs’ offices and police stations.*

***Below are pictures of various projects done as indicators of our achievements:***





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*East Uholo chief's office in Sigomere ward.*



*Asango west assistant chief's office in Asango sub-locaton in North uholo location*



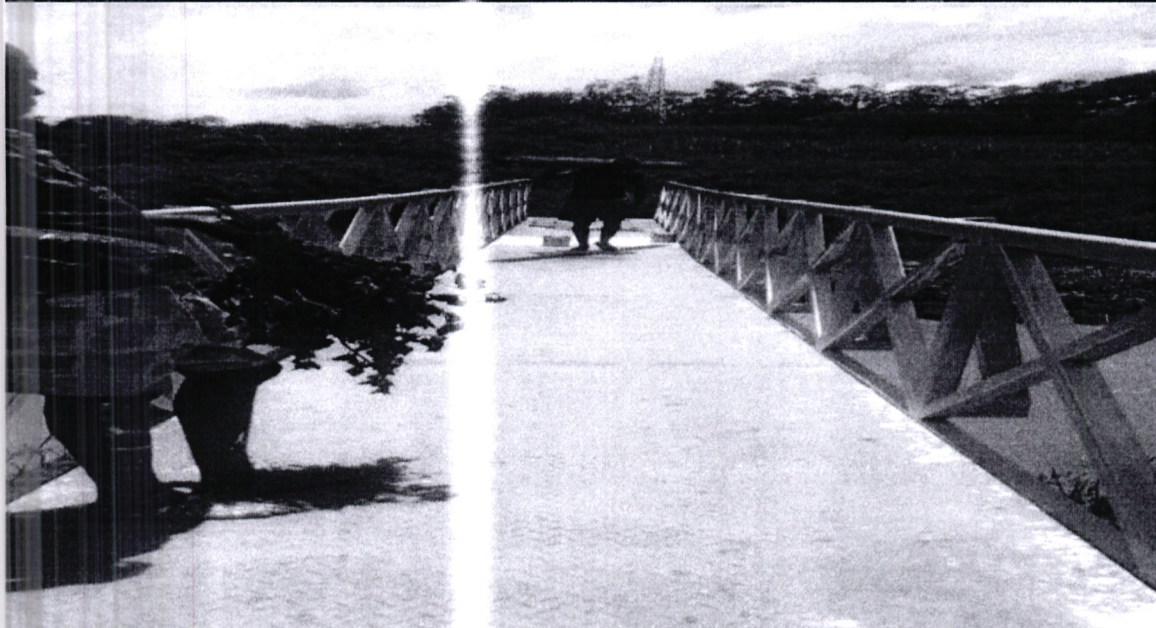
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*A construction of two classrooms in Ugunja primary school in Ugunja ward*



*A Construction of a twin laboratory in Simenya secondary school in Sidindi ward.*



*Construction of Hawagaya-Ugolwe Footbridge in Sigomere ward.*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**Reports and Financial Statements**

**For the year ended June 30, 2020**

**Implementation challenges and recommended way forward.**

- The public has a lot of exceptions from the office thinking that all the projects it can fund. However there are some projects that were devolved e.g. health. Therefore the office organises public awareness programmes to enlighten the community to understand the projects that we fund.

Sign

A handwritten signature in blue ink, appearing to read 'M. S. S. S.', is written over a horizontal line.

**CHAIRMAN NGCDF COMMITTEE**



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

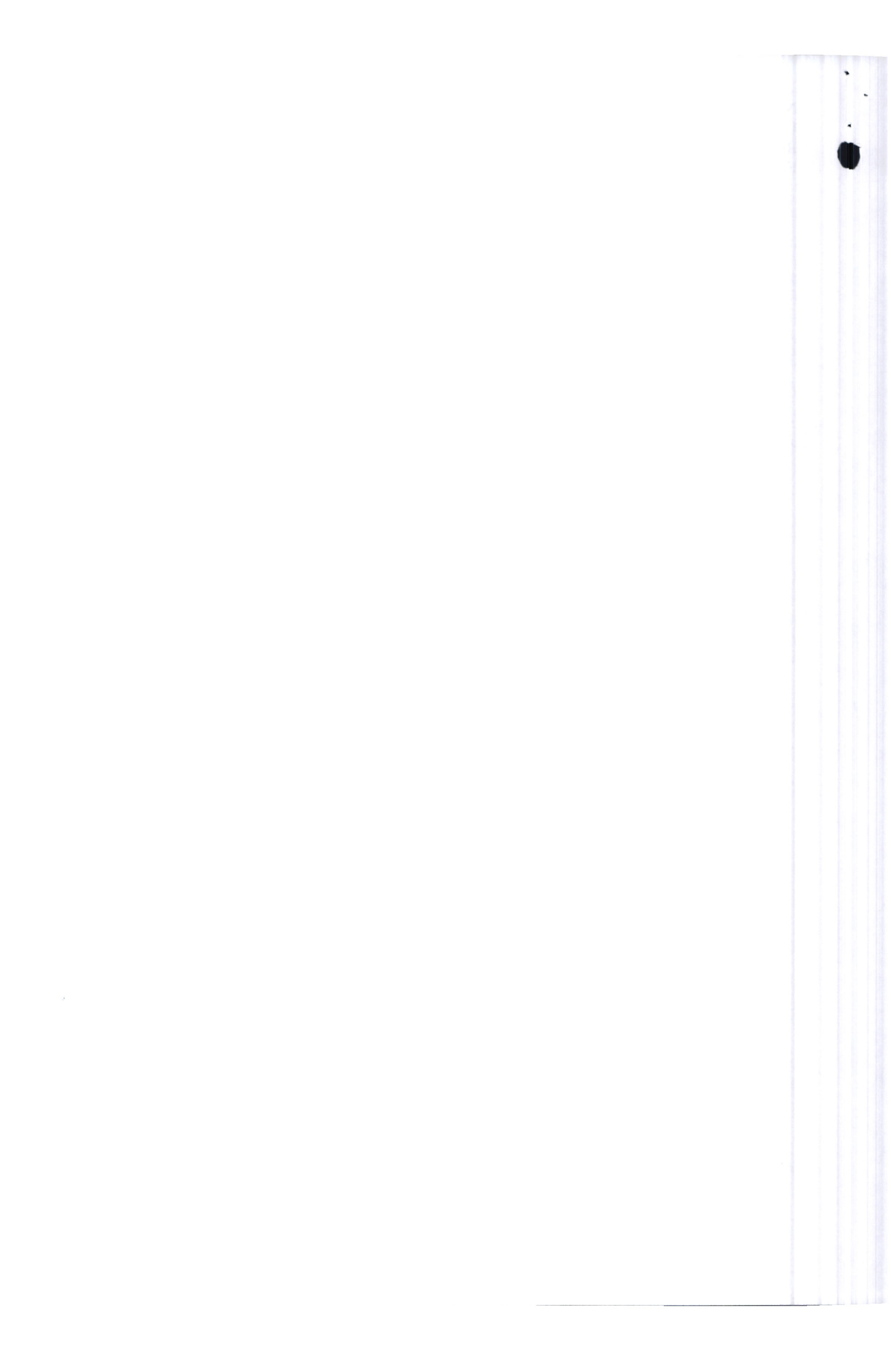
The key development objectives of NGCDF-Ugunja Constituency's 2018-2022 strategic plan are to:

- a) To promote value addition in agricultural activities.
- b) To boost scholarship and effective participation of the community through capacity building.
- c) To stimulate structural development, conservation of the environment and socioeconomic development.
- d) To inspire a healthy population to increase productivity and employment opportunities through entrepreneurship.
- e) To promote transparency and accountability through project impact analysis and proper monitoring and evaluation.

**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:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we have completed the construction of 10 classrooms, 2 laboratories. - we had disbursed Bursary to over 1000 beneficiaries in both secondary and universities.
Security	To increase security administration services fastened	Increased security in the community and harness good	-number of usable chiefs offices and police stations constructed.	We constructed a total 3 Assistant Chiefs Offices, 2 Chiefs



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		behaviours of the members of the community		Offices and I police station.
Environment	To conserve the environment and beautify it	Increased number of trees within government institutions	Tree planting in the institutions were done and trees survived	We planted tree seedlings in 20 government institutions.
Sports	To empower youths to identify their talents.	Youths have a source of income thus reducing dependency and crime.	Number of groups have benefited from tournaments organised by the entity	We supported 25 teams by providing uniforms and balls.
Disaster Management				

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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – Ugunja Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, 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 Ugunja NG-CDF Committee is committed to work within the existing policy guidelines in Oder to efficiently deliver services to community. This is achieved by involvement of all stakeholders both internal and external. More so, it has been so by referring to our vision, mission and core values as stipulated in our strategic plan 2018-2023.

<b>Model</b>	<b>Definition</b>	<b>Relevance to sustainable strategy</b>
Vision	To be a model constituency in the Republic of Kenya	What the constituency is striving in influencing others to aspire our achievements
Mission	To develop effective structures that promote sustainable development	This is communicated through our super structures and other developments.
Core values	Life, visionary leadership, teamwork, transparency, accountability and public mindedness	These are the set rules, principles and beliefs that has helped as achieve our objectives by following right path.

To realize these sustainable strategies, the entity has goals on target. These goals are provided in our strategic plan. It is used to set priorities, focus energy and resources as well as strengthen our operations. It involves identification of most important options towards the realization of a practical vision. The strategy is fundamental to the success and sustainability of Ugunja Constituency. It allows us to develop a clear understanding of our constituency and what’s required for us to succeed. The frameworks over which we operate include project identification, allocation of funds, approval, implementation and monitoring.

**2. ENVIRONMENTAL PERFORMANCE**

**Environmental policy and Action Plan.**

The Ugunja NG-CDF has a mandate to protect the environment in which we live in.

**The following are our environmental policies:**

- To responsibly manage the disposing of all wastages
- To protect the environment by ensuring planting of trees in various government institutions
- To comply with the environmental government legislations to the latter
- Providing training to staffs and NG-CFCs to make aware of importance of environment conservation
- To communicate to our employees and other stake holders

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**Our Environmental Action Plan**

As Ugunja NG-CDF entity we have identified areas which have direct or indirect impact on environment. The below initiatives if implemented can help reduce negative impact on the environment:

Impact area	Approach
Capacity building	<ul style="list-style-type: none"> <li>– To promote awareness on environmental matters educating staffs and NG-CDFCs on best practices</li> <li>– To encourage all stakeholders of the constituency including NG-CDFCs and staffs to change their behaviours and conserve the environment.</li> </ul>
Conservation of energy and resources	<ul style="list-style-type: none"> <li>– To encourage the community to buy the LPGs as cooker and to minimize use of firewood</li> <li>– To do harvesting of rainwater</li> <li>– To minimize use of papers by embracing technologies in the entity.</li> <li>– To ensure we are very selective on purchases and only buy devices that save energies.</li> </ul>
Environmental protection and conservation	<ul style="list-style-type: none"> <li>– To promote construction of gabions and culverts to prevent soil erosion</li> <li>– To encourage the community to plant trees to increase on forest cover.</li> <li>– To educate our clients to avoid burning of bushes to protect environment</li> </ul>
Pollution control and waste management	<ul style="list-style-type: none"> <li>– To ensure proper disposal of human wastes by construction of pit latrine, toilets and soak pit tanks</li> <li>– To separate wastes the ones that are biodegradable and non-biodegradable.</li> <li>– Ensuring recycling of waste materials e.g. papers</li> </ul>

**3. EMPLOYEE S WELFARE.**

**There are terms and conditions of service governing the employment of staffs in the entity.**

**Categories of employment**

Ugunja NG-CDF office has one category of employment, which is **Contract Employment**. The employees are employed for 3 years on a renewable contract. The employees enjoy benefits as required by the statutory requirements.

**Recruitment procedure**

The Fund Account Manager declares vacant positions and do the advertisement only after approval by the NG-CDF Committee

**Advertisement contains the following:**

- Job title
- Purpose of the job
- Job description and responsibilities
- Academic qualifications, experience, skills and competencies
- Location
- Application criteria
- Closing date of application.

**Selection and interview**

To conduct such exercise, a selection and interview panel is formed. It will clearly state the criteria to be used.

**Interviews**

This is conducted in accordance to the laid down procedures of the office to give equal employment opportunity.



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

The successful candidate is the contacted and given a letter of offer of appointment.

**Letter of appointment**

This is a written contract of service that is signed by the Fund Account Manager and CDFC Chairman. It states the job description, date of employment, duration of the contract, name and address of the employee, terms and conditions of service, remuneration and hours of work.

**Orientation and induction of employees**

This is done to the new employees in order to familiarise them with the rules and regulations of the office, vision and mission statement. It's done within the month of employment.

**Promotions.**

This is done based on the extra ordinary ability shown by the staff and after a resolution by the NG-CDFC.

**HEALTH, SAFETY AND WELL BEING**

**Guideline to general safety**

To ensure a healthy and safe working conditions, the entity has identified the following :

**Guidance and counselling**

Due to the nature of this dynamic and difficult environment and economy, the entity addresses challenges affecting staffs. This is done through consultation by relevant personnel.

**Health care services.**

Its mandatory for all staffs to register with NHIF. Statutory deductions are remitted to the scheme to benefit them together with their children and spouses.

**Sexual harassment**

The institution doesn't in any form tolerate sexual harassment. A disciplinary action will be conducted to such officer. Use of languages, money and any other form that can lure a fellow staff to harass another is highly prohibited. If an officer is harassed sexually he/ she report to the office as provided by the procedures.

**4. MARKET PLACE PRACTICES-**

The fund is aimed at supporting projects at the grassroots. The main objective of coming with this fund was to equitably distribute resources across the country.

**Responsible competition practice.**

The projects implementation is done by trained PMCs. They are guided on tendering such that the local community competes responsibly in supplying of materials . For the organisation to achieve this, the following are some competition practices put in place:

**Responsible marketing and advertisements**

Advertisement of tenders is done publicly and no discrimination is applied. Thereafter Evaluation is done without any form of biasness.

**Responsible supply chain and supplier relation**

Payment to contactors is done promptly once the certificate of payment is prepared by the clerk of works and approved.

**Product stewardship**

We've also come up with the service charter in order to safeguard consumer rights and interests. The service charter points out how committed we're in providing quality services to our client with high level of professionalism, dignity, integrity and courtesy. We also show a lot of commitment when handling complaints and are resolved as quickly as possible.

**COMMUNITY ENGAGEMENT S**

**Public Participation in Projects Identification and Implementation and Monitoring.**

In identifying projects to undertake, the entity comes up with forums in very ward within the first year of commencement of a new parliament and at least once every two years thereafter pursuant

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

to NG-CDF Act 2015 part 5 section 27 subsections 1 and 2. Public participation is the process of engaging stakeholders directly in decision making that gives full consideration to public in adding their inputs during the decision making.

The NG-CDFC deliberates on the project proposals from all wards in the constituency and any other project that may be beneficial to the constituency. When the public is involved the process they feel motivated to work together and also feel owners of the project. This is helpful towards the proper implementation of the project.

**Importance of public participation**

- The entity gets to understand issues, options and solutions available for the project
- Concerns of the public are considered throughout the decision process
- The entity gets to know the feedback of the public on alternatives or decisions.

**PUBLIC AWARENESS ON NG-CDF PROJECTS.**

IT includes mechanisms for participation and cooperation with local, regional and national agencies and for conducting community based needs assessments and public awareness.

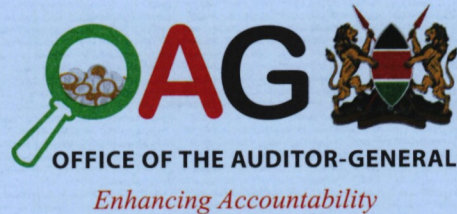
**Importance of public awareness.**

- Ensures accountability since locals gain skills and confidence to carry out social audit
- The public differentiate between devolved units and National Government NG-CDF projects.
- The projects funded by the NG-CDF projects are known to the public.
- The public participate fully during the project implementation.
- Encase of any irregularity, the public can identify and reports to the office without any delay.
- Ensures transparency during project implementation and the project is known to the public.
- It gives options in for including individuals and organisations in identifying development priorities and selecting projects to be done.



# 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 - UGUNJA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ugunja Constituency set out on pages 19 to 67, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows 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 - Ugunja Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015 and Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### Understated Cash and Cash Equivalent Balance-Stale Cheques

The statement of financial position as at 30 June, 2020 reflects cash and cash equivalent balance of Kshs.752,889 as disclosed in Note 10 to the financial statements. The balance excludes stale cheques amounting to Kshs.286,017 which have not been reversed in the cash book as at the time of audit during the month of February, 2020. The Management did not provide any explanation why the same had not been written back to the cash book as required. Further, the management failed to carry out a board of survey for the assets of the Fund.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.752,889 as at 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 - Ugunja 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**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation: recurrent and development combined reflect reflects final receipts budget and actual on comparable basis of Kshs.194,129,029 and Kshs.124,753,305 respectively resulting to an under-funding of Kshs.69,375,724 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.194,129,029 and Kshs.124,000,416 respectively resulting to an under expenditure of Kshs.70,128,613 or 36% of the budget.

Based on the approved estimates, under funding and expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

#### **2. Projects Implementation Status**

A review of the project implementation status revealed that the Fund was to implement a total of fifty seven (57) projects during the year ended 30 June, 2020 with a budget of Kshs.99,319,400. Further, analysis indicates that eleven (11) projects valued Kshs.20,864,388 were ongoing; and forty-five (45) projects valued Kshs.71,455,012 were completed and one (1) project valued at Kshs.7,000,000 was not yet started.

The non completion of projects implies that the residents of the constituency did not receive the expected benefits due to non delivery of the services.

### **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 matter described in the Basis for Conclusion on Lawfulness 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**

#### **Irregular Procurement of Construction Works**

The statement of receipts and payments reflects Transfer to Other Government Entities of Kshs.50,200,000 as disclosed in Note 6 to the financial statements. Review of procurement documents revealed that the Fund floated a tender through quotation for the construction of twin laboratory at St. Antony Uluthu Secondary school. Four (4) firms submitted their bids for the tender. However, during the preliminary mandatory tender evaluation, none of the bidders was responsive since all of them did not meet the mandatory tender evaluation criteria yet the tender committee proceeded with the evaluation process and awarded the tender to one of the firms on the basis of being the lowest in financial evaluation with a variance of 5.42% between the quoted amount and engineer's estimates.

Further, the Fund floated a tender through request for quotation for the construction of Administration Police Service at Umina. However, only two bidders responded to the quotation and based on the scoring matrix for technical evaluation, none of the two firms meet the required minimum points. The evaluation committee awarded the tender to one of the bidders who was also the highest evaluated bidder.

Consequently, the Management is 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 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 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 abolish 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 Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities,

financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 Fund's policies and procedures may deteriorate.


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern or to sustain its services.

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

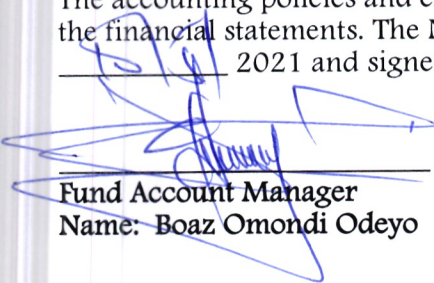
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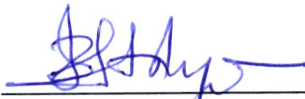
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
UGUNJA CONSTITUENCY  
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**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	76,800,000	112,620,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>76,800,000</b>	<b>112,620,186</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,337,848	2,887,020
Use of goods and services	5	5,350,568	5,968,664
Transfers to Other Government Units	6	50,200,000	18,327,027
Other grants and transfers	7	65,112,000	39,240,757
Acquisition of Assets	8	-	5,281,654
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>124,000,416</b>	<b>71,705,122</b>
<b>SURPLUS/DEFICIT</b>		<b>(47,200,416)</b>	<b>40,915,064</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ugunja Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
Fund Account Manager  
Name: Boaz Omondi Odeyo

  
Sub-County Accountant  
Name: Luka Anyinyo  
ICPAK Member Number:




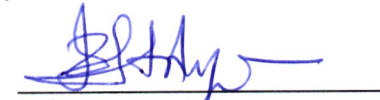
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**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	752,889	47,953,305
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>752,889</b>	<b>47,953,305</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>752,889</b>	<b>47,953,305</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>752,889</b>	<b>47,953,305</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	47,953,305	7,038,241
Surplus/Deficit for the year		(47,200,416)	40,915,064
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>752,889</b>	<b>47,953,305</b>

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Fund Account Manager  
Name: Boaz Omondi Odeyo

  
Sub-County Accountant  
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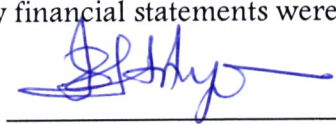
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	76,800,000	112,620,186
Other Receipts	3		-
		<b>76,800,000</b>	<b>112,620,186</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	3,337,848	2,887,020
Use of goods and services	5	5,350,568	5,968,664
Transfers to Other Government Units	6	50,200,000	18,327,027
Other grants and transfers	7	65,112,000	39,240,757
Other Payments	9	-	-
		<b>124,000,416</b>	<b>66,423,468</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(47,200,416)</b>	<b>46,196,718</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		5,281,654
<b>Net cash flows from Investing Activities</b>			<b>5,281,654</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>47,953,305</b>	<b>7,038,241</b>
<b>Cash and cash equivalent at END of the year</b>		<b>752,889</b>	<b>47,953,305</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Ugunja Constituency financial statements were approved on \_\_\_\_\_ 2021 and signed by:

  
Fund Account Manager  
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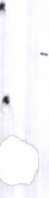
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT  
COMBINED**

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 %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	56,761,305	194,129,029	124,753,305	<b>69,375,724</b>	64.3%
Proceeds from Sale of Assets				-	-	
Other Receipts					-	
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>56,761,305</b>	<b>194,129,029</b>	<b>124,753,305</b>	<b>69,375,724</b>	<b>64.3%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,447,600	465,904	3,913,504	3,337,848	575,656	85.3%
Use of goods and services	8,915,495	3,830,042	12,745,537	5,350,568	7,394,969	42.0%
Transfers to Other Government Units	67,464,388	38,600,000	106,064,388	50,200,000	56,864,388	46.9%
Other grants and transfers	57,540,241	13,865,359	71,405,600	65,112,000	5,293,600	92.5%
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	-	-	-	-	
<b>TOTAL</b>	<b>137,367,724</b>	<b>56,761,305</b>	<b>194,129,029</b>	<b>124,000,416</b>	<b>70,128,613</b>	<b>63.9%</b>

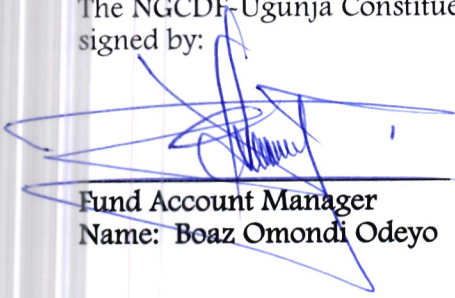
- i. The receipts from the NG-CDF Board were below 90% because not all the monies were received within the financial year 2019/2020 as a result of factors beyond reach of the constituency.*
- ii. The compensation of employees was below 90% since not all the funds had been received within the financial year.*
- iii. The Transfers to Other Government Units was below 90% since not all the allocations for the sub-vote had been received at the closure of the financial year 2019/2020 which could warrant expenditures.*
- iv. The use of goods and services was below 90% since not all the allocations for the sub-vote had been received at the closure of the financial year 2019/2020 which could warrant expenditures*

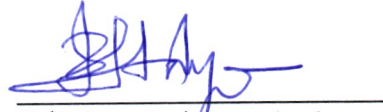
*The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.*



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
UGUNJA CONSTITUENCY  
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The NGCDF-Ugunja Constituency financial statements were approved on 20/11 2021 and signed by:

  
Fund Account Manager  
Name: Boaz Omondi Odeyo

  
Sub-County Accountant  
Name: Luka Anyinyo  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**TRIAL BALANCE AS AT 30TH JUNE 2020**

		DR	CR
<b>Cash and Cash equivalents</b>			
	Bank Balances	752,889	
	Cash Balances		
	Outstanding Imprest		
<b>Payments</b>			
	Compensation of Employees	3,337,848	
	Use of goods and services	5,350,568	
	Transfers to Other Government Units	50,200,000	
	Other grants and transfers	65,112,000	
	Acquisition of Assets	-	
	Other Payments	-	
<b>Receipts</b>			
	Transfers from the Board		76,800,000
	Proceeds from sale of assets		
	Others receipts		-
Prior Year Adjustment			
<b>Fund Balance b/f</b>			<b>47,953,305</b>
<b>TOTAL</b>		<b>124,753,305</b>	<b>124,753,305</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,447,600	465,904	3,913,504	3,337,849	575,655
1.2 Committee allowances	2,100,000	467,000.00	2,567,000	1,098,000	1,469,000
1.3 Use of goods and services	2,694,463.00	2,707,330	5,401,793	3,000,000	2,401,793
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	2,000,000	0	2,000,000	311,000.00	1,689,000
2.2 Committee allowances	1,248,000	301,240	1,549,240	667,000	882,240
2.3 Use of goods and services	873,032.00	354,322	1,227,354.00	274,167.00	953,187.00
<b>3.0 Emergency</b>					
MUDHIRO SECONDARY SCHOOL	998,241.00	315,359.00	1,313,600.00	1,220,400.00	93,200.00
UGOLWE PRIMARY	250,000.00	0	250,000.00	250,000.00	-
NGUNYA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
SIKALAME PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
MAUNA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
SIKANG PRIMARY	250,000.00	0	250,000.00	250,000.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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SCHOOL					
MASAMRA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
ASANGO PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
MUDHIRO PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
BAR ATHENG PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
UREF PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
DENDYO PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
GOT OSIMBO PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
SIGOMERE PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
LOLWE PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
SIROR PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
UGUNJA TTI PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
SIMENYA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
LWANDA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
DAHO PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
ULawe PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
GINGA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
OLOMA MURUMBA PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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SANGO PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
RADUODI PRIMARY SCHOOL	250,000.00	0	250,000.00	250,000.00	-
UGUNJA DEPUTY COUNTY COMM' OFFICES	200,000.00	0	200,000.00	200,000.00	-
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools					
4.2 Secondary Schools	22,000,000	0	22,000,000	22,000,000	0
4.3 Tertiary Institutions	10,242,000.00	0	10,242,000	10,242,000	0
4.4 Universities			0	0	0
4.5 Special Institutions	2,100,000	0	2,100,000	2,100,000	0
4.5 Social Security					
<b>5.0 Sports</b>	2,000,000	0	2,000,000	0	2,000,000
<b>6.0 Environment</b>					
MARKUNY PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
UGUNJA POLICE STATION	0	50,000.00	50,000.00	50,000.00	-
SIGOMERE POLICE	0	50,000.00	50,000.00	50,000.00	-
RADUODI PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
SIROR SCHOOL	0	50,000.00	50,000.00	50,000.00	-
UGUNJA DCC	0	50,000.00	50,000.00	50,000.00	-
ULANDA PRIMARY	0	50,000.00	50,000.00	50,000.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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SCHOOL					
UMINA PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
SIKANG PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
MAYINGO PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
MUDHIERO PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
WANG OTONG PRIMARYSCHO OL	0	50,000.00	50,000.00	50,000.00	-
AMBIRA PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
ST. PASCALIA PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
SIGOMERE PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
SANGO PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
MASAMRA PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
ORAO PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
NINGA PRIMARY SCHOOL	0	50,000.00	50,000.00	50,000.00	-
UGUNJA NG- CDF	0	50,000.00	50,000.00	50,000.00	-
<b>Primary School Projects</b>			-	-	-
Rangala Boys Primary	0	1,700,000	1,700,000.00	1,700,000.00	-
Simerro Primary School	0	1,000,000	1,000,000.00	1,000,000.00	-
Umina Primary School	0	1,000,000	1,000,000.00	1,000,000.00	-
Naya Primary School	0	850,000	850,000.00	850,000.00	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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Siror Primary School	0	1,000,000	1,000,000.00	1,000,000.00	-
Ugunja Primary School	0	850,000.00	850,000.00	850,000.00	-
Luoka Primary School	0	1,000,000	1,000,000.00	1,000,000.00	-
Ulumba Primary	0	800,000	800,000.00	800,000.00	-
Hawagaya Primary School	0	1,200,000	1,200,000.00	1,200,000.00	-
Ichinga Primary School	0	800,000	800,000.00	800,000.00	-
Got Osimbo Primary	0	150	150.00	-	150.00
BAR ATHENG PRIMARY SCHOOL	1,500,000.00	-	1,500,000.00	-	1,500,000.00
Lunjre Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Mudhiero Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Rangala Girls Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Sidindi Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Suwinga Primary School	1,500,000.00	-	1,500,000.00	-	1,500,000.00
Ugunja Primary School	2,000,000.00	-	2,000,000.00	2,000,000.00	-
Ulanda Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Uluthe Primary School	1,500,000.00	-	1,500,000.00	-	1,500,000.00
Umina Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Uref Primary School	500,000.00	-	500,000.00	-	500,000.00
<b>8.0 Secondary Schools Projects</b>					
Moi Uloma Secondary School	0	7,000,000	7,000,000.00	7,000,000.00	-

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Sidindi Secondary School	0	7,000,000	7,000,000.00	7,000,000.00	-
Uluthe Secondary School	0	2,000,000	2,000,000.00	2,000,000.00	-
Madungu Secondary School	0	2,000,000	2,000,000.00	2,000,000.00	-
Ukalama Secondary School	0	-600,000	(600,000.00)	-	(600,000.00)
Simerro Secondary School	0	1,000,000	1,000,000.00	1,000,000.00	-
Bar Atheng Secondary School	700,000.00	0	700,000.00	0	700,000.00
Got Osimbo Girls Secondary School	3,864,387.59	0	3,864,387.59	0	3,864,387.59
Ugenya High School	7,000,000.00		7,000,000.00	0	7,000,000.00
Uluthe Secondary School	4,900,000.00	0	4,900,000.00	4,000,000.00	900,000
Umina Secondary School	7,000,000.00		7,000,000.00	0	7,000,000.00
<b>9.0 Tertiary institutions Projects</b>					
Ugunja KMTC Campus	7,000,000.00	10,000,000	17,000,000.00	10,000,000	7,000,000.00
Ugunja KMTC Campus	8,000,000.00	0	8,000,000.00	0	8,000,000.00
Ugunja Technical Training Institute	7,000,000.00	0	7,000,000.00	0	7,000,000.00
Ugunja KMTC Campus	5,000,000.00	0	5,000,000.00	5,000,000.00	0.00
<b>10.0 Security Projects</b>					
Umina Police Post	0	1,200,000	1,200,000.00	1,200,000.00	-
Umina Police Post	0	350,000	350,000.00	350,000.00	-



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Asango West Ass. Chiefs Office	0	2,000,000	2,000,000.00	2,000,000.00	-
Mungao Ass. Chiefs Office	0	2,000,000	2,000,000.00	2,000,000.00	-
Yiro East ASS. Chiefs Office	0	2,000,000	2,000,000.00	2,000,000.00	-
East Uholo Chiefs Office	0	2,000,000	2,000,000.00	2,000,000.00	-
Got Osimbo Ass. Chiefs Office	0	2,000,000	2,000,000.00	2,000,000.00	-
Umina Police Post	0	1,000,000	1,000,000.00	1,000,000.00	-
East Uholo Chiefs Office	2,000,000.00	0	2,000,000.00	2,000,000	0.00
Got Osimbo Assistant Chiefs Office	300,000.00	0	300,000.00	0	300,000.00
Ngunya Assistant Chiefs Office	2,000,000.00	0	2,000,000.00	2,000,000	0.00
North Uholo Chiefs Office	300,000.00	0	300,000.00	0	300,000.00
Sidindi Police Station	3,000,000.00	0	3,000,000.00	3,000,000	0.00
Sikalame Chiefs Office	300,000.00	0	300,000.00	0	300,000.00
Ugunja Sub-County Offices	2,800,000.00	0	2,800,000.00	2,800,000	0.00
West Uholo Chiefs offices	2,000,000.00	0	2,000,000.00	0	2,000,000.00
Yiro East Assistant Chiefs Office	300,000.00	0	300,000.00	0	300,000.00
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles (including motorbikes)	0	0	0	0	0
11.2 Construction of CDF office	0	0	0	0	0

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11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0	0	0	0	0
11.5 Purchase of land	0	0	0	0	0
<b>12.0 Others</b>	0	0	0	0	0
12.1 Strategic Plan	0	0	0	0	0
12.2 Innovation Hub	0	0	0	0	0
12.2	0	0	0	0	0
	<b>137,367,724</b>	<b>56,761,305</b>	<b>194,129,029</b>	<b>124,000,416</b>	<b>70,128,416</b>

(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)

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**XII. SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Statement of Compliance and Basis of Preparation**

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

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

**2. Reporting Entity**

The financial statements are for the NGCDF-Ugunja 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.

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**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

During the year ended 30<sup>th</sup> June 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.

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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.

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**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

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



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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. Bo47765	5,000,000	
	AIE NO. Bo41430	3,800,000	
	AIE NO. Bo41236	4,000,000	
	AIE NO. Bo41349	18,000,000	
	AIE NO. BO49198	7,000,000	
	AIE NO. B104175	14,000,000	
	AIE NO. B104137	5,000,000	
	AIE NO. BO96511	20,000,000	
	AIE NO. B005089		11,379,310
	AIE NO. B005398		1,000,000
	AIE NO. B030127		10,000,000
	AIE NO. B006252		14,000,000
	AIE NO. A699001		6,000,000
	AIE NO. B042639		11,000,000
	AIE NO. B042854		13,000,000
	AIE NO. B047584		46,240,876
<b>TOTAL</b>		<b>76,800,000</b>	<b>112,620,186</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
<b>Total</b>	<b>0</b>	<b>0</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,286,229	2,313,000
Basic wages of casual labour	25,000	
Personal allowances paid as part of salary	0	0
Pension and other social security contributions (Gratuity)	1,005,020	552,420
Employer Contributions Compulsory national social security schemes	21,600	21,600
<b>Total</b>	<b>3,337,849</b>	<b>2,887,020</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	1,765,000	2,011,760
Utilities, supplies and services	52,862	43,853
Communication, supplies and services	0	0
Domestic travel and subsistence	382,200	232,400
Printing, advertising and information supplies & services	87,676	549,840
Rentals of produced assets	0	0
Fuel, oil & lubricants	800,000	200,000
Training expenses	311,000	1,792,800
Hospitality supplies and services	474,266	165,215
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,321,575	369,836
Other operating expenses	510	70,689
Routine maintenance – vehicles and other transport equipment	126,379	532,271
Routine maintenance – other assets	29,080	0
<b>Total</b>	<b>5,350,568</b>	<b>5,968,664</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	12,200,000	6,700,000
Transfers to secondary schools (see attached list)	23,000,000	10,427,027
Transfers to tertiary institutions (see attached list)	15,000,000	1,200,000
Transfers to health institutions (see attached list)	0	0
<b>TOTAL</b>	<b>50,200,000</b>	<b>18,327,027</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,000,000	16,190,000
Bursary – tertiary institutions (see attached list)	10,242,000	11,071,000
Bursary – special schools (see attached list)	2,100,000	0
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	22,350,000	4,431,757
Sports projects (see attached list)	0	1,500,000
Environment projects (see attached list)	1,000,000	0
Emergency projects (see attached list)	7,420,400	6,048,000
<b>Total</b>	<b>65,112,000</b>	<b>39,240,757</b>

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**8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	2,500,000
Construction of car park and landscaping	0	2,781,654
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>5,281,654</b>

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

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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	2018-2019
	Kshs	Kshs
<i>Equity Bank- Siaya branch A/C No. 0970261942309</i>	752,889	47,953,305
<b>Total</b>	<b>752,889</b>	<b>47,953,305</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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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>		0	0	0
<i>Name of Officer or Institution</i>		0	0	0
<i>Name of Officer or Institution</i>		0	0	0
<i>Name of Officer or Institution</i>		0	0	0
<i>Name of Officer or Institution</i>		0	0	0
<i>Name of Officer or Institution</i>		0	0	0
<b>Total</b>				<b>0</b>

**12A. RETENTION**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**12B. GRATUITY DEPOSITS**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	0	0
Name 2	0	0
Name 3	0	0
Add as appropriate		
<b>Total</b>	<b>0</b>	<b>0</b>

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**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	47,953,305	7,038,241
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>47,953,305</b>	<b>7,038,241</b>

**14. PRIOR YEAR ADJUSTMENTS**

Description of the error	Balance b/f FY 2018/2019 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others ( <i>specify</i> )	0	0	0
	0	0	0

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST'**

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

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

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

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

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
	0	0

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	575,656.00	465,904
Use of goods and services	7,394,969.00	3,829,892
Amounts due to other Government entities (see attached list)	56,864,388.00	38,600,150
Amounts due to other grants and other transfers (see attached list)	5,293,600.00	13,865,359
Acquisition of assets	0	0
Others ( <i>specify</i> )	0	0
	<b>70,120,613</b>	<b>56,761,305</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	16,693,231.85	14,325,527.45
	<b>16,693,231.85</b>	<b>14,325,527.45</b>

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						

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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (<i>specify</i>)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Paying Salaries of NG-CDFC Staff	552,686	465,904	Implementation on-going
Use of goods & services	Purchasing of Goods and Services in the Office	7,032,497	3,829,892	Implementation on-going
Amounts due to other Government entities				
Primary Schools				
Rangala Boys Primary	Construction of two Classroom		1,700,000	Implementation Complete
Simerro Primary School	Renovations of three Classrooms		1,000,000	Implementation Complete
Umina Primary School	Renovations of three Classrooms		1,000,000	Implementation Complete
Naya Primary School	Construction of One Classroom		850,000	Implementation Complete
Siror Primary School	Renovations of three Classrooms		1,000,000	Implementation Complete
Ugunja Primary School	Construction of One Classroom		850,000	Implementation Complete
Luoka Primary School	Construction of computer laboratory		1,000,000	Implementation Complete
Ulumba Primary	Completion of one Classroom		800,000	Implementation Complete
Hawagaya Primary School	Construction of one foot Bridge		1,200,000	Implementation Complete
Ichinga Primary School	Construction of one classroom		800,000	Implementation Complete
Got Osimbo Primary	Completion of one classroom		150	Implementation Complete
Bar Atheng Primary School	Renovations of 3 (three) Classrooms by fitting lintel, Roofing, Plastering and painting	1,500,000	0	Fund had not been disbursed to the PMC
Lunjre Primary School	Construction of Two classrooms to completion	2,000,0000	0	Fund had not been disbursed to the PMC

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Mudhiero Primary School	Construction of Two classrooms to completion	2,000,0000	0	Fund had not been disbursed to the PMC
Rangala Girls Primary School	Construction of Two classrooms to completion	2,000,000	0	Fund had not been disbursed to the PMC
Sidindi Primary School	Construction of Two classrooms to completion	2,000,000	0	Fund had not been disbursed to the PMC
Suwinga Primary School	Renovations of 3 (three) Classrooms by fitting lintel, Roofing, Plastering and painting	1,500,000	0	Fund had not been disbursed to the PMC
Ulanda Primary School	Construction of Two classrooms to completion	2,000,000	0	Fund had not been disbursed to the PMC
Uluthe Primary School	Renovations of 3 (three) Classrooms by fitting lintel, Roofing, Plastering and painting	1,500,000	0	Fund had not been disbursed to the PMC
Umina Primary School	Construction of one classroom to completion	1,000,000	0	Fund had not been disbursed to the PMC
Uref Primary School	Drilling of a shallow well, Plastering and equipping	500,000	0	Fund had not been disbursed to the PMC
<b>Secondary Schools</b>				
Moi Uloma Secondary School	Purchasing of 51 Seater School Bus		7,000,000	Implementation Complete
Sidindi Secondary School	Purchasing of 51 Seater School Bus		7,000,000	Implementation Complete
Uluthe Secondary School	Construction of a twin Laboratory		2,000,000	Implementation Complete
Madungu Secondary School	Purchasing of Two (2) Ha. Piece of land		2,000,000	Implementation Complete
Ukalama Secondary School	Completion of one classroom		(600,000)	Implementation Complete
Simerro Scondary	Construction of one Classroom		1,000,000	Implementation Complete

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
<b>School</b>				
Bar Atheng Secondary School	Completion of two classrooms by plastering, installation of fittings and painting.	700,000	0	Fund had not been disbursed to the PMC
Got Osimbo Girls Secondary School	Construction of a dormitory up to Roofing level with a capacity of twenty (20) rooms	3,864,388	0	Fund had not been disbursed to the PMC
Ugenya High School	Purchasing of 1 (one) 51 seater School Bus	7,000,000	0	Fund had not been disbursed to the PMC
Uluthe Secondary School	Completion of A twin laboratory by Lintel installation, plastering, installation of fittings (Metallic Windows, Metallic Doors, wooden Doors, Blundering and Ceiling Boards), installation of work tops And plastering and painting of preparation room	4,900,000	0	Fund had not been disbursed to the PMC
Umina Secondary School	Purchasing of 1 (one) 51 seater School Bus	7,000,000	0	Fund had not been disbursed to the PMC
<b>Tertiary Institutions</b>				
Ugunja KMTC Campus	Purchasing Of Five(5) Ha Pieces of land		5,000,000	Implementation Complete
Ugunja KMTC Campus	Construction of Five(5) Classrooms		5,000,000	Implementation Complete
Ugunja KMTC Campus	Purchasing of 1 (one) 51 seater College Bus	7,000,000		Fund had not been disbursed to the PMC
Ugunja KMTC Campus	Drilling of a bore hole and Equipping <b>ksh. 4,000,000.00</b> , Construction of one water Kiosk <b>ksh. 800,000.00</b> within the compound and installation of water tower <b>ksh.3,200,000.00</b>	8,000,000	0	Fund had not been disbursed to the PMC
Ugunja Technical Training Institute	Construction of a Concrete poles fence with barbed wire and chain link across a 5 ha piece of land <b>ksh.5,500,000.00</b> , watchman	7,000,000	0	Fund had not been disbursed to the PMC

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	centric ksh. 1,200,000.00 And school gate ksh. 300,000.00			
<b>Sub-Total</b>		<b>57,464,388</b>	<b>42,895,946</b>	
<b>Amounts due to other grants and other transfers</b>				
<b>Security Projects</b>				
Got Osimbo Assistant Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	300,000	0	Funds not yet disbursed to PMCs
North Uholo Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	300,000	0	Funds not yet disbursed to PMCs
Sikalame Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	300,000	0	Funds not yet disbursed to PMCs
West Uholo Chiefs offices	Construction of one (1) chiefs offices with a capacity of Seven (7) Rooms	2,000,000	0	Funds not yet disbursed to PMCs
Yiro East Assistant Chiefs Office	Purchasing of Two (2) Executive Office Table @ Total ksh. 150,000.00 And Six (6) Executive Office Seats Each @ ksh. 25,000.00 totaling to ksh. 300,000.00	300,000	0	Funds not yet disbursed to PMCs
<b>Sports</b>			0	
Constituency Sports Tournament	Carry out Constituency Sports tournament and the winning teams/schools to be awarded with trophies, balls, and games kits	2,000,000		Funds not yet disbursed to PMCs

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Environment	Planting of Tree Seedlings		1,000,000	Implementation Complete
Ugunja Environment	Planting of Tree Seedlings	0	0	Implementation Complete
Emergency	Taking care of emergency needs		315,359	Implementation Complete
Ugunja Emergency	Taking care of emergency needs	(128,958)		Implementation Complete
<b>Sub-Total</b>		<b>5,071,042</b>	<b>13,865,359</b>	
Acquisition of assets				
Others (specify)				
<b>Sub-Total</b>				
<b>Grand Total</b>		<b>70,120,613</b>	<b>56,761,305</b>	



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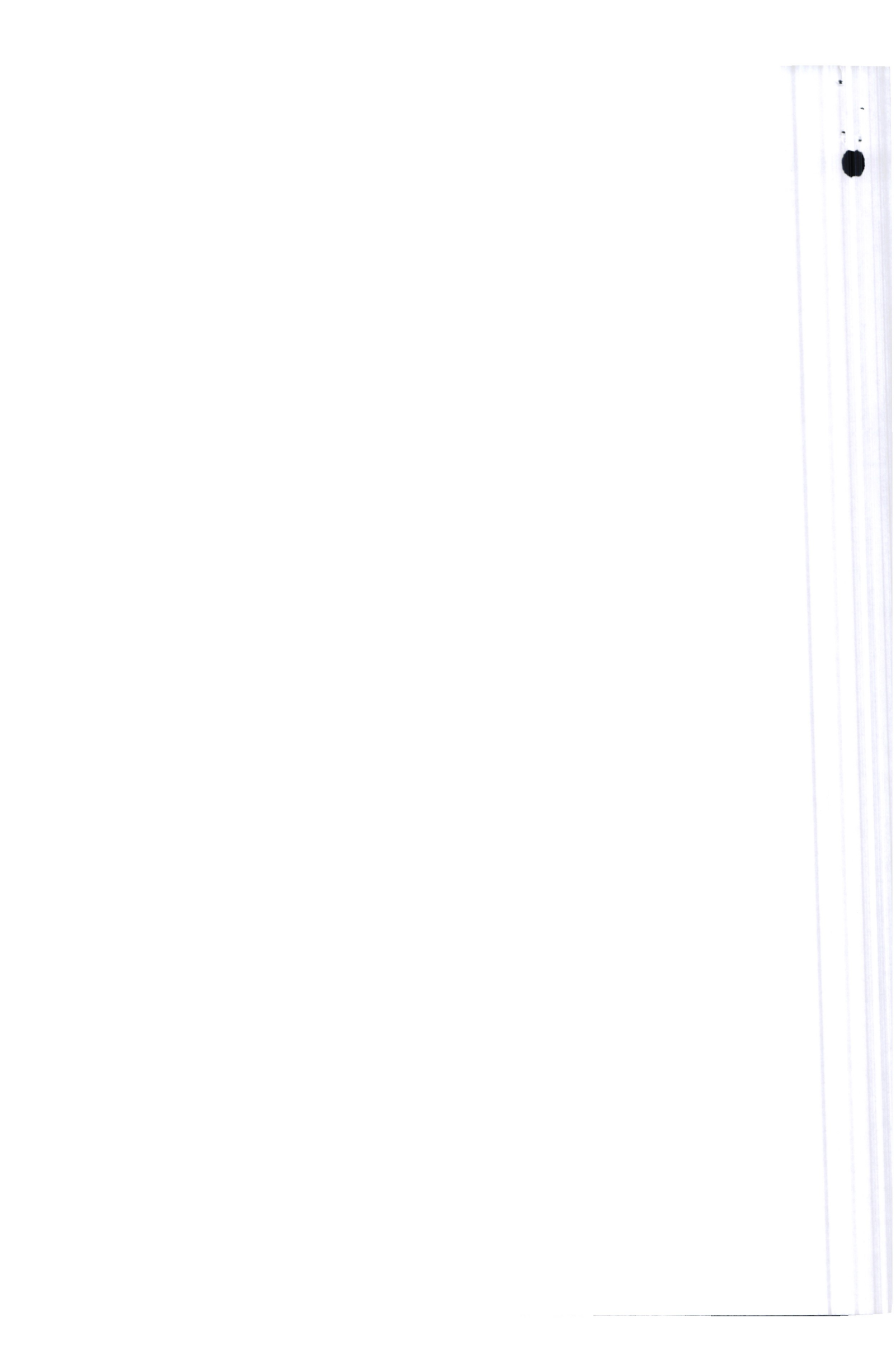
**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/19
Land		-	-	
Buildings and structures	15,781,654	-	-	15,781,654
Transport equipment		-	-	
Office equipment, furniture and fittings	1,360,000	-	-	1,360,000
ICT Equipment, Software and Other ICT Assets	200,000	-	-	200,000
Other Machinery and Equipment	5,581,530	-	-	5,581,530
Heritage and cultural assets		-	-	
Intangible assets		-	-	
<b>Total</b>	<b>22,923,184</b>	<b>-</b>	<b>-</b>	<b>22,923,184</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Sigomre Administration Police Post	KCB Ugunja	1169889794	-	5,383
Lunjre Primary School	KCB Ugunja	1156596890	-	1,166,286
St. Francis Rangala Girls Secondary School	KCB Ugunja	1126139882	-	4,423,532
Ambira Administration pololice	KCB Ugunja	1204507473	-	2,785
Ugunja sub-county offices	KCB Ugunja	1211252922	-	1,785
Got Osimbo Primary School	KCB Ugunja	1207282839	-	47,725
Ulanda Primary School	KCB Ugunja	1110885547	-	15,018
Ninga Primary School	KCB Ugunja	1182460232	-	26,289
Masamra Primary School	KCB Ugunja	1134577036	-	51,855
Sikalame Primary School	KCB Ugunja	1110987536	-	432,945
Ichinga Primary School	KCB Ugunja	1151779350	-	907,068
St. Domnic Uloma Primary School	KCB Ugunja	1117029719	-	1,702,626
Simerro Primary School	KCB Ugunja	1139251058	-	1,003,325
Simenya Secondary School	KCB Ugunja	1116606747	-	471,432
Ngunya Secondary School	KCB Ugunja	1138622982	-	635,470
Ukalama Secondary School	KCB Ugunja	1167985052	-	601,170
Ulwani Secondary School	KCB Ugunja	1165578794	-	446
Ugunja Technical Training Institute	KCB Ugunja	1234555808	-	82
Simenya Administration Police	KCB Ugunja	1151469807	-	29,755
Ugunja Police Station	KCB Ugunja	1249836972	-	860
Sikang Primary School	KCB Ugunja	1176488554	-	200,320
Umina Primary School	KCB Ugunja	1178420795	-	201,497
Ruwe Primary School	KCB Ugunja	1125370963	-	931,289
Kirind Primary School	KCB Ugunja	1110595735	-	1,008,155
Mbosie Primary School	KCB Ugunja	1117160947	-	201,253
Ulawe Primary School	KCB Ugunja	1117096572	-	256,820
Sidindi Administration Police Post	KCB Ugunja	1257557122	-	358
MUDHIERO SEC. SCHOOL	KCB Ugunja	1144257056	38,927	-
UGOLWE PRI. SCHOOL	KCB Ugunja	1109765371	250,348	-
NGUYA PRI. SHCOOL	KCB Ugunja	1125418311	426,333	-
SIKALAME PRI. SCHOOL	KCB Ugunja	1110987536	276,346	-
MAUNA PRI. SCHOOL	KCB Ugunja	1110306350	262,625	-
SIKANG PRI. SCHOOL	KCB Ugunja	1176488554	86,813	-
MASAMRA PRI. SHCOOL	KCB Ugunja	1134577036	28,717	-
ASANGO PRI. SCHOOL	KCB Ugunja	1117078655	124,627	-
BAR ATHENG PRI.	KCB Ugunja	1117033031	26,048	-
UREF PRI. SCHOOL	KCB Ugunja	1117031497	32,078	-
DENDYO PRI. SCHOOL	KCB Ugunja	1126422703	15,239	-
GOT OSIMBO PRI. SHCOOL	KCB Ugunja	1207282839	31,652	-



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SIGOMERE PRI. SCHOOL	KCB Ugunja	1170644015	47,843	-
LOLWE PRI. SCHOOL	KCB Ugunja	1139559591	24,800	-
SIROR PRI. SCHOOL	KCB Ugunja	1134806604	82,249	-
UGUNJA TTI	KCB Ugunja	1263416225	3,040,399	-
SIMENYA PRI. SCHOOL	KCB Ugunja	1131883772	65,763	-
LWANDA PRI. SHOOL	KCB Ugunja	1118026098	250,365	-
DAHO PRI. SCHOOL	KCB Ugunja	1110828403	31,535	-
ULAWE PRI. SCHOOL	KCB Ugunja	1117096572	305,755	-
GINGA PRI. SCHOOL	KCB Ugunja	1109666543	30,368	-
OLOMA MURUMBA PRI. SCHOOL	KCB Ugunja	1171019513	250,938	-
SANGO PRI. SCOOOL	KCB Ugunja	1110356919	26,522	-
RADUODI PRI. SCHOOL	KCB Ugunja	1108228712	26,606	-
UGUNJA DCC OFFICES	KCB Ugunja	1211252922	164,039	-
ULUTHE SEC. SCHOOL	KCB Ugunja	1169645895	2,823,678	-
ICHINGA PRI. SCHOOL	KCB Ugunja	1151779350	94,622	-
ST. PASCALIA NAYA PRI. SCHOOL	KCB Ugunja	1235257290	61,745	-
UGUNJA PRI. SCHOOL	KCB Ugunja	1125736623	101,331	-
RANGALA BOYS PRI. SCHOOL	KCB Ugunja	1117161072	118,311	-
SIMERRO PRI. SCHOOL	KCB Ugunja	1139251058	66,668	-
UMINA PRI. SCHOOL	KCB Ugunja	1178420795	16,906	-
HAWAGAYA PRI. SCHOOL	KCB Ugunja	1205180605	62,696	-
MADUNGU SEC. SCHOOL	KCB Ugunja	1133598927	880,400	-
SIDINDI SEC. SCHOOL	KCB Ugunja	1134806949	2,356	-
MOI ULOMA SEC. SCHOOL	KCB Ugunja	1117215164	201,726	-
YIRO EAST ASSISTANT CHIEFS OFFICE	KCB Ugunja	1258917599	231,685	-
MUNGAO ASSISTANT CHIEFS OFFICE	KCB Ugunja	1261858514	29,433	-
ASANGO WEST ASSISTANT CHIEFS OFFICE	KCB Ugunja	1257523562	199,007	-
GOT OSIMBO ASSISTANT CHIEFS OFFICE	KCB Ugunja	1257719122	50,260	-
UMINA POLICE POST	KCB Ugunja	1260132072	547,886	-
EAST UHOLO CHIEFS OFFICE	KCB Ugunja	1257446487	388,995	-
NGUNYA ASSISTANT CHIEFS OFFICE	KCB Ugunja	1270935518	1,561,596	-
SIDIND POLICE STATION	KCB Ugunja	1257557122	3,000,355	-
MARKUNY PRI. SCHOOL	KCB Ugunja	1109525575	90,526	-
UGUNJA POLICE STATION	KCB Ugunja	1249836972	860	-
SIGOMERE POLICE STATION	KCB Ugunja	1169889794	1,978	-
MAYINGO PRI. SCHOOL	KCB Ugunja	1262668662	895	-
ULANDA PRI. SCHOOL	KCB Ugunja	1110885547	13,827	-
WANG OTONG PRI. SCHOOL	KCB Ugunja	1139251546	2,397	-
AMBIRA PRI. SCHOOL	KCB Ugunja	1134807139	37,212	-
ORAO PRI. SCHOOL	KCB Ugunja	1110860544	1,381	-
NINGA PRI. SCHOOL	KCB Ugunja	1182460232	74,972	-
UGUNJA CDF OFFICE	KCB Ugunja	1129913198	251	-
LUOKA PRI. SHOOL	KCB Ugunja	1110602065	82,347	-
Total			16,693,232	14,325,527

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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)
1	<p><b>Summary statement of appropriation</b></p> <p>Included in the summary of the statement of appropriation and recurrent and development of the final receipt of kshs. 102,008,905 is an adjustment of ksh. 15,198,560 which is however not supported by any documentary evidence.</p> <p>Consequently, the accuracy and validity of the financial statement could not be ascertained.</p>	<p>Ksh. 11,379,310 which was allocation for the current financial year 2017/2018 according to the allocation table attached had not been received and therefore it has been deducted from the adjustment column of the appropriation statement leaving a total figure of ksh. 3,811,250 balances brought forward from the financial year 2017/2018 Plus Un-Funded amount of ksh. 8,000 for the financial year 2017/2018 which translates to a total of ksh. 3,819,250.</p>	NGCDFC	Resolved	
	<b>Emphasis of Matter</b>				
1	<p><b>Project Implementation Status</b></p> <p>Ugunja NG-CDF</p>	<p>Currently the five (5) projects that were on-going at the time of audit have been</p>	NGCDFC	Resolved	

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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> )
	<p>was to implement a total of 57 projects during the year 2017/18 valued at Kshs.82,647,413. Further analysis indicated that four (4) projects valued at Kshs.4,677,027 were not started; five (5) projects valued Kshs.10,609,600 were ongoing; and forty eight(48) projects valued Kshs.67,360,786 were completed as analyzed in the table below;</p>	<p>completed and awaiting for the official handing over and the four (4) projects allocated kshs. 4,677,027 which were not yet started at the time of audit have been re-allocated to other projects.</p>			
2	<p><b>Budgetary Control Performance</b> Ugunja NG-CDF incurred a total expenditure of Kshs.82,583,354 against a budgetary allocation of Kshs.102,008,905 representing 81% budget absorption as tabulated below: Consequently,</p>	<p>NG-CDFC only disburses funds to projects once they have been released by the NG-CDF Board which at the end of the financial year stood at 81% and therefore if 100% absorption is to be achieved then NG-CDF Board should release all the funds before the end of the financial year which did not take place in the current financial</p>	NG-CDF BOARD	Resolved	

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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)
	failure to utilize all funds as budgeted for or as disbursed is an indication that programs and activities are not implemented as planned hence not achieving the intended objectives of improving delivery of service to the resident of Ugunja Constituency	year 2017/2018.			
	<b>Report on lawfulness in use of public money</b>				
1.0	<b>Irregular Procurement</b> i. Included in the expenditure of Kshs.5,480,405 under use of goods and services is Kshs.974,568 paid to M/S Wells	The management in the year 2015 floated quotations and identified the company through a competitive process having looked at the availability of fuel throughout the year then later an agreement with wells co. was signed which could only be revoked through minute resolution of the committee and to date	NG-CDFC	Resolved	

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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> )
	<p>Oil Ltd in respect to the supply of fuel. However, it was not possible to ascertain how the firm was identified for the tender since the procurement process used to identify the firm was not made available for audit scrutiny. Consequently, the authenticity and propriety of the above expenditure amounting Kshs. 974,568 cannot be confirmed.</p> <p>ii. Ugunja NG-CDF awarded</p>	<p>the committee has not revoked the agreement</p> <p>The Project management committee used open tender method and they were guided by the prequalified list of the financial year 2016/2017 which was advertised in the local dailies. The project management</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> )
	<p>M/S Japco General Contractors tender to construct Ugunja Sub County Offices at a contract sum of Kshs.8,931,756 which was later revised upwards through a variation order by Kshs.2,200,000 resulting to a total contract amount of Kshs.11,131,756. A request for quotation was used and six (6) firms bids for the tender and quoted as follows; However, the following</p>	<p>committee is not tax withholding agents and therefore they could not make deduction being the implementers of the project. The project management committee retained some funds which were later paid after the lapse of six months from the date of the last certificate of payment and We also would want to vouch that value for money was achieved and the payments were not irregular.</p>			

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	<p>unsatisfactory issues were observed;</p> <ul style="list-style-type: none"> <li>• The expenditure of Kshs.11,131,756 was beyond the maximum allowable for request for quotations under class C of the threshold matrix and therefore open tender should have been appropriate for this procurement.</li> <li>• Both 3% and 6% withholding Tax and VAT respectively were not deducted and submitted to</li> </ul>				



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	<p>KRA as required.</p> <ul style="list-style-type: none"> <li>The 10% retention was also not deducted</li> </ul> <p>In the circumstances, the value for money and the regularity of the expenditure of Kshs. 11,131,756 could not be ascertained.</p>				
2.0	<p><b>Emergency Expenditure</b></p> <p>Included in other grants and other payments figure of Kshs.39,510,678 is Kshs.3,968,965 out of a total of Kshs.4,568,966 that Ugunja NG-CDF paid to three (3) Primary Schools under emergency funds as indicated in the table below. However, there was no proper proof that these</p>	<p>The projects were emergency in nature since there were health reports presented to the NG-CDFC by the heads of those institutions before they made decision to implement those projects using the emergency vote because failure to comply would mean those institutions would be closed indefinitely denying our pupils the opportunity to study.</p>	NG-CDFC	Resolved	

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	<p>expenditures qualify to be paid using emergency allocation as required by section 8(3) of the National Government Community Development Act, 2015) which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. Consequently, the value of money and the regularity of the above expenditure of Kshs. 3,968,965</p>	<p>We also would want to vouch that value for money was achieved and the payments were not irregular.</p>			



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	could not be ascertained.				
3.0	<p><b>Irregular Expenditure</b></p> <p>Included in other grants and transfers of Kshs.39, 510,678 is Kshs.944,491 out of a total of Kshs.9,991,712 paid in respect to construction of two (2) projects namely Ugunja sub county offices and Sikalame Chiefs office complex which however physical verification during the month of March 2019 revealed that some works were varied without approval and authority of the relevant committee and that partly done works were paid for fully.</p> <p>Consequently, the value for money</p>	<p>The cost of those goods/services for both Ugunja Sub-County Offices and Sikalame Chiefs Complex had both been quoted in the financial year 2016/2017 and currently the costs are high making those services to be partly delivered resulting into those variations since all the variations had been exhausted and the committee could not vary them further and above all the two projects were being supervised by the works officer in charge of Ugunja Sub-County who authorized those expenditures. We also would want to vouch that value for money was achieved and the payments were not irregular.</p>	NG-CDFC	Resolved	

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	could not be ascertained.				
3.0	<p><b>Irregular Expenditure</b></p> <p>Included in other grants and transfers of Kshs.39, 510,678 is Kshs.944,491 out of a total of Kshs.9,991,712 paid in respect to construction of two (2) projects namely Ugunja sub county offices and Sikalame Chiefs office complex which however physical verification during the month of March 2019 revealed that some works were varied without approval and authority of the relevant committee and that partly done works were paid for fully.</p> <p>Consequently, the value for money</p>	<p>The cost of those goods/services for both Ugunja Sub-County Offices and Sikalame Chiefs Complex had both been quoted in the financial year 2016/2017 and currently the costs are high making those services to be partly delivered resulting into those variations since all the variations had been exhausted and the committee could not vary them further and above all the two projects were being supervised by the works officer in charge of Ugunja Sub-County who authorized those expenditures. We also would want to vouch that value for money was achieved and the payments were not irregular.</p>	NG-CDFC	Resolved	

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	and propriety of the expenditure of Kshs.944, 491 could not be ascertained.				