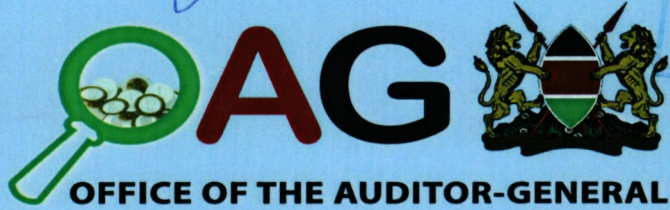



REPUBLIC OF KENYA



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REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2022	DAY: WED
TABLED BY:	Hon Jimmy ANGWENYI, MP
CLERK-AT THE-TABLE:	Perpetual Kararu

OF

THE AUDITOR-GENERAL

ON

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

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

00.0000



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -SOTIK CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) SOTIK
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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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) SOTIK
CONSTITUENCY**

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

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 Sotik Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Huron Karanja
2.	Sub-County Accountant	Sarah Cheburet
3.	Chairman NGCDFC	John Tonui
4.	Member NGCDFC	Philip Koech

(d) Fiduciary Oversight Arrangements

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

P.O. BOX 866 SOTIK
NG CDF BUILDING
Next to the DC's office
SOTIK, KENYA

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

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF SOTIK Constituency Contacts

Telephone: (254) 704317766

E-mail: cdfsotik@cdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF Sotik Constituency Bankers

1. Kenya Commercial Bank
Sotik Branch
Account No. 1105583686
P.O. Box 264-20406
SOTIK

(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) SOTIK
CONSTITUENCY**

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Sotik Constituency is an electoral constituency in Kenya established for the 1997 elections. It is one of five constituencies in Bomet County. Sotik constituency has a population of over 500,000. Sotik Constituency received an allocation of 137,367,724 million from the NG-CDF Board in the financial year 2019/2020 out of which only 60, 0000 millions had been disbursed by the end of the financial year and 77,367,724 was still held at the board.

The money received during the financial year was used to fund security projects and well as education projects which include construction of new classrooms, construction of laboratories among others. Due to the large population in the constituency the funds were not adequate to fund all the projects as per the needs of the community.

The implementation of the projects was also hindered by the outbreak of corona pandemic. All schools were closed and this led to closing down of some activities including disbursement of bursary funds to the needy students. However, we are hoping that normality will resume soon so that we can continue with normal activities.

Sign



CHAIRMAN NGCDF COMMITTEE

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

Reports and Financial Statements

For the year ended June 30, 2020

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-Sotik Constituency's 2018-2022 plan are to:

- a) Kenya Vision 2030 and Medium Term Plans
- b) The Big Four Agenda

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 increased number of classrooms, dormitories, laboratories by over 50 projects. - Bursary beneficiaries at all levels were as per the attached schedules
Security	To enhance security in the constituency	Construction of police posts and chiefs offices	Reduced cases of insecurity	Construction of police posts and chiefs offices
Environment	To enhance water harvesting in schools within the constituency	Purchase and installed water tanks	Enhanced water collection and storage	Purchase and installed water tanks
Sports	To support youths in the constituency in sports	Organised sports tournaments	Developing talents among the youths	Organised sports tournaments

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

NGCDF – SOTIK 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.

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

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

V. STATEMENT OF NGCDF-SOTIK MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-Sotik Constituency is responsible for the preparation and presentation of the NGCDF-SOTIK financial statements, which give a true and fair view of the state of affairs of the NGCDF-SOTIK for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF-SOTIK; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Sotik Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-Sotik financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Sotik Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Sotik, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF-Sotik Constituency confirms that the NGCDF-Sotik has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF-Sotik funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NGCDF-Sotik financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-Sotik Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.



Fund Account Manager
Name: Huron Karanja



Sub-County Accountant
Name: Marciana Sarah Cheburet
ICPAK Member Number:12833

REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Sotik Constituency set out on pages 10 to 51, which comprise the statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cashflows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Sotik 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 Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Errors in the Annual Reports and Financial Statements

The financial statements for the year ended 30 June, 2020 submitted for audit review had the following presentation anomalies:

- i. The table of contents page under bullet vi, refers to Gilgil Constituency instead of Sotik Constituency.
- ii. The approval dates of the financial statements on pages 8, 10,11,12 and 15, have not been indicated.
- iii. Page number 47 is omitted in the financial statements.

Consequently, the financial statements for the year ended 30 June, 2020 do not conform to the presentation format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with Section 194(1) (d) of the Public Finance Management Act,

2012 which states that PSASB shall prescribe the formats for financial statements and reporting by all state organs and public entities.

2. Inaccuracies in the Financial Statements

The financial statements for the period ended 30 June, 2020 submitted for audit review had the following inaccuracies: -

- i. Note 17.4 erroneously reflects the balance brought forward for the financial year 2018/2019 as zero instead of Kshs.20,845,056.
- ii. The statement of receipts and payments reflects Kshs.256,286 in respect of acquisition of assets. However, the supporting schedule provided for audit review reflects Kshs.503,700, resulting in unexplained variance of Kshs.247,414.
- iii. The statement of receipts and payments reflects other grants and transfers of amounting to Kshs.13,614,717, which include Kshs.4,013,850 in respect of emergency expenditure. However, the emergency expenditure erroneously includes Kshs.400,000 which according to the approved code list, relates to transfers to primary schools for renovation of two classrooms.

Consequently, the accuracy and completeness of the above balances included in the financial statements for the year ended 30 June, 2020 could not be ascertained.

3. Use of Goods and Services

The statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.7,372,780 in respect of use of goods and services as detailed under Note 5 to the financial statements. Review of the expenditure for the category revealed the following;

3.1 Accuracy of Committee Allowances

Included in the use of goods and services is Kshs.5,065,660 expenditure on committee allowance. The expenditure was incurred towards payment of allowances for Constituency Development Fund (CDF) committee meetings, monitoring and evaluation, public participation, and bursary vetting exercises. However, a schedule supporting the balance adds to Kshs.4,952,060, leading to a variance of Kshs.113,600 which was not explained or reconciled. Further, the schedule does not indicate the specific date that the respective activities took place. In addition, committee sitting allowances amounting to Kshs.590,000 were paid to 6 (six) non-committee members.

Consequently, the accuracy and validity of the expenditure of Kshs.5,065,660 on committee allowance for the year ended 30 June, 2020 could not be confirmed.

3.2 Domestic Travel and Subsistence

Expenditure on use of goods and services includes Kshs.591,400 in respect of domestic travel and accommodation. However, the supporting schedule reflects Kshs.567,600, resulting in unexplained variance of Kshs.23,800. Further, the schedule does not disclose the specific activity for which the allowances were paid.

Consequently, the accuracy and occurrence of the expenditure of Kshs.591,400 on domestic travel and accommodation for the year ended 30 June, 2020 could not be confirmed.

3.3 Office and General Supplies and Services

The use of goods and services expenditure also includes Kshs.289,436 in respect of office and general supplies and services. However, the supporting schedule reflects Kshs.776,262, resulting in unexplained variance of Kshs.484,826. Further, the schedule does not disclose the specific activities for which the allowances were paid.

Consequently, the accuracy and occurrence of the expenditure of Kshs.289,436 on office and general supplies and services for the year ended 30 June, 2020 could not be confirmed.

4. Cash and Cash Equivalents

The statement of assets and liabilities as at 30 June, 2020 reflects bank balance of Kshs.71,057,306. However, the bank reconciliation statement as at that date reflects payments in the cashbook not in bank statements of Kshs.36,257,292 which include stale cheques amounting to Kshs.52,174. No reason was provided for failure to reverse the cheques in the cashbook.

Consequently, the accuracy and completeness of the bank balance of Kshs.71,057,306 as at 30 June, 2020 could not be confirmed.

5. Prior Year Adjustment

The statement of assets and liabilities as at 30 June, 2020 reflects prior year adjustments of Kshs.71,663 as detailed under Note 14 to the financial statements. The amount relates to a payment made in the previous year and reversed in the current year. However, the adjustment should have been reflected in the comparative year column instead of current year column in accordance with paragraph 41 of International Public Sector Accounting Standard (IPSAS) 3 which states that a prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error.

Consequently, the prior year adjustments of Kshs.71,663 as at 30 June, 2020 is not fairly stated.

6. Inaccurate Project Management Committee Bank Balances

Note 17.4 to the financial statements on other important disclosures to the financial statements reflects Project Management Committee (PMC) bank statement balances of Kshs.44,584,385 as at 30 June, 2020 in respect of balances held in 38 school bank accounts. However, verification of the bank statements reflected Kshs.2,219,873, leading to variance of Kshs.42,364,512 which has not been reconciled or explained. Further, PMC bank account balances held in 28 schools amounting to Kshs.1,693,071 as at 30 June, 2020 were not disclosed in the financial statements.

Consequently, the accuracy and completeness of the PMC bank balances of Kshs.44,584,385 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 – Sotik 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 communicate in my report.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2020 shows that the National Government Constituencies Development Fund – Sotik Constituency had a total receipts budget of Kshs.222,433,933 against actual receipts of Kshs.145,066,209 or 65% of the expected amount. Similarly, the statement reflects a total expenditure budget of Kshs.222,433,933 against actual expenditure of Kshs.74,080,566 or 33% budget absorption. The Management explained that the low absorption was due to delay in funding by the NG-CDF Board. The budget underutilization implies that the constituents did not receive the envisaged services as provided for under Article 232 (1, c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services from the Public Service.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Unauthorized Reallocation of Funds

The statement of receipts and payments reflects transfer to other government entities amounting to Kshs.44,210,000 as detailed under Note 6 to the financial statements. Included in the amount is Kshs.13,100,000 in respect of transfers to secondary schools for various projects. Out of the amount, Kshs.3,600,000 was remitted to five schools for construction of dining halls and toilets. However, the schools changed the activities as shown below:

	Secondary Projects	Approved Activity	Date	Cheque No.	Amount (Kshs.)	Audit Findings
1.	Kipngosos Secondary School	Construction of Dining Hall	04/06/2020	13968	800,000	Classroom constructed and 30 Lockers and Chairs purchased.

	Secondary Projects	Approved Activity	Date	Cheque No.	Amount (Kshs.)	Audit Findings
2.	Kapsosurwo Secondary School	Construction of Dining Hall	04/06/2020	13969	800,000	Classroom constructed and 30 Lockers and Chairs purchased.
3.	Kipsigei Secondary School	Construction of Dining Hall	04/06/2020	13971	800,000	Classroom constructed and 30 Lockers and Chairs purchased.
4.	Chepkosiom Secondary School	Construction of Dining Hall	04/06/2020	13974	800,000	Classroom constructed and 30 Lockers and Chairs purchased.
5.	Kapkelei Secondary School	Construction of Toilets	10/01/2019	13828	400,000	Funds channeled to construction of Dining Hall.
	Total				3,600,000	

The Management of National Government Constituencies Development Fund – Sotik Constituency did not provide a letter approving reallocation of funds in accordance with Section 6 (2) of the National Government Constituencies Development Fund Act, 2015 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Board.

Consequently, the Management of the Constituency Fund is in breach of the law.

2.0 Projects

2.1 Project Implementation Status

The project implementation status report provided by the Management indicated that a total of Kshs.123,077,130 was allocated to 153 projects during the financial year ended 30 June, 2020. The report indicated implementation status in summary was as follows:

Status	Number of Projects	Allocation (Kshs.)
Completed Projects	24	62,673,354
Ongoing Projects	96	42,135,041
Not Started	33	18,268,735
Total	153	123,077,130

From the above analysis, and Management explanations, the 33 projects which had not started awaiting funds from the National Government Constituency Development Fund Board.

Consequently, the delay in implementation of projects may impact negatively on delivery of goods and services to the residents of Sotik Constituency.

2.2 Project Verification

2.2.1 Construction Work in Schools

Six (6) projects with a total allocation of Kshs.3,050,000 were sampled and visited for audit verification in the month of February, 2021 where the following observations were made regarding status of the specific projects: -

No.	Secondary Projects	Activity	Date	PV No.	Cheque No.	Amount (Kshs.)	Findings
1	Sosur Secondary School	Construction of laboratory	04/06/2020	157	13981	1,500,000	Project was incomplete. Plastering, Flooring, windowpanes and painting not done. Contractor was not on site.
2	Tuiyotich Primary School	Construction of classroom	13/8/2015		9218	600,000	Classroom was in use, but the floor, veranda and walls were not plastered; door and windows were not fitted.
3	Ndanai Boys High School	Construction of toilets	04/06/2020	142	13965	400,000	Project incomplete. The construction was at the slab level. The contractor was not on site.
4	Chesilyot Assistant Chief	Construction of 2 toilets	6/4/2020	139	200,000	200,000	The project is complete but not in use. The office where the toilets were constructed appeared abandoned.
5	Chilgotwet Primary School	Construction of 2 toilets	31/1/2020	70	13877	250,000	The Project was incomplete. External brick walls are loose and may collapse.
6	Tuiyotich Primary	Murraming of classrooms	31/1/2020	72	13879	100,000	Project has not been undertaken in 2019-2020
		Total				3,050,000	

The anomalies in workmanship and project implementation are an indication that Management had not conducted adequate supervision of the projects. Consequently, I am unable to confirm whether the residents of Sotik Constituency will realize value from the funds spent on the projects.

2.2.2 ICT Project

The statement of receipts and payments for the year ended 30 June, 2020 reflects Kshs.6,924,027 in respect of other payments as detailed at Note 9 to the financial statements. Out of the amount, Kshs.4,677,027 was paid to an ICT service provider in full for the supply, installation, testing and commissioning of the internet in four wards namely, Kipsonoi, Ndanai, Kapletundo and Chemagel, with an objective of providing internet services to the local community. However, audit verification done in February, 2021 revealed anomalies as detailed below:

S/No.	Ward	Location	Observation
1	Chemagel	Sotik Community Library	Installation was done in the ICT lab but the network was accessible within 20m radius and not 800m radius as provided in the contract agreement. 15 laptops which were part of the contract, were not in the library.
2	Kapletundo	Kapletundo D.Os Office	Installation was done but no internet. Officer in charge confirmed he had not received the 15 laptops.

S/No	Ward	Location	Observation
3	Ndanai	Ndanai Primary School	Installation was done but the internet was accessible within a radius of 10m and not the intended 800m provided in the contract agreement. 8 laptops were in the store and 7 were being used by the teachers.
4	Kipsonoi	Kamureito High School	Installation was done but no internet. Officer in charge confirmed he had not received the 15 laptops.

No evidence was provided to show what the Management of the Constituency Fund was doing to address the shortcomings of the Project.

The anomalies are an indication that Management had not conducted adequate supervision of the project. Consequently, I am unable to confirm whether the residents of Sotik Constituency will realize value from the funds spent on the Project.

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 procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

During the year under review, National Government Constituencies Development Fund - Sotik Constituency did not have a risk management policy that guides the assessment and evaluation of risk and development of strategies to mitigate them. This is contrary to clause Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which require the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations. Consequently, the service delivery may be adversely affected by avoidable risks.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 sustainability of services basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 February, 2022


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

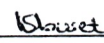
**Reports and Financial Statements
For the year ended June 30, 2020**

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	117,840,876	106,384,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	97,500	72,500
TOTAL RECEIPTS		117,938,376	106,456,983
PAYMENTS			
Compensation of employees	4	1,702,756	2,264,929
Use of goods and services	5	7,372,780	7,615,863
Transfers to Other Government Units	6	44,210,000	52,461,207
Other grants and transfers	7	13,614,717	36,575,207
Acquisition of Assets	8	256,286	7,000
Other Payments	9	6,924,027	1,250,000
TOTAL PAYMENTS		74,080,566	100,174,206
SURPLUS/DEFICIT		43,857,810	6,282,777

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


Fund Account Manager
 Name: Huron Karanja


Sub-County Accountant
 Name: Marciana Sarah Cheburet
 ICPAK Member Number:12833


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

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

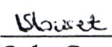
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	71 057 306	27 127 833
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		71 057 306	27 127 833
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		71 057 306	27 127 833
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL SSETS		71 057 306	27 127 833
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	27 127 833	20 845 056
Surplus/Defict for the year		43 857 810	6 282 777
Prior year adjustments	14	71 663	-
NET FINANCIAL POSITION		71 057 306	27 127 833

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



Fund Account Manager
Name: Huron Karanja



Sub-County Accountant
Name: Marciana Sarah Cheburet
ICPAK Member Number:12833

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

For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	117 840 876	106 384 483
Other Receipts	3	97 500	72 500
		117 938 376	106 456 983
Payments for operating expenses			
Compensation of Employees	4	1 702 756	2 264 929
Use of goods and services	5	7 372 780	7 615 863
Transfers to Other Government Units	6	44 210 000	52 461 207
Other grants and transfers	7	13 614 717	36 575 207
Other Payments	9	6 924 027	1 250 000
		73 824 280	100 167 206
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	71 663	-
Net Adjustments		71 663	-
Net cash flow from operating activities		44 185 759	6 289 777
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(256 286)	(7 000)
Net cash flows from Investing Activities		(256 286)	(7 000)
NET INCREASE IN CASH AND CASH EQUIVALENT		43 929 473	6 282 777
Cash and cash equivalent at BEGINNING of the year	13	27 127 833	20 845 056
Cash and cash equivalent at END of the year		71 057 306	27 127 833

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





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

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

Fund Account Manager

Name: Huron Karanja

Sub-County Accountant

Name: Marciana Sarah Cheburet
ICPAK Member Number:12833

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

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 %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	84,968,709	222,336,433	144,968,709	77,367,725	65.2%
Proceeds from Sale of Assets		-	0	-	-	0.0%
Other Receipts	-	97,500	97,500	97,500	-	100.0%
TOTAL RECEIPTS	137,367,724	85,066,209	222,433,933	145,066,209	77,367,725	65.2%
PAYMENTS						
Compensation of Employees	2,457,942	1,106,360	3,564,302	1,702,756	1,861,546	47.8%
Use of goods and services	9,775,152	6,057,786	15,832,938	7,372,780	8,460,158	46.6%
Transfers to Other Government Units	67,234,735	54,370,000	121,604,735	44,210,000	77,394,735	36.4%
Other grants and transfers	57,342,395	15,430,202	72,772,597	13,614,717	59,157,880	18.7%
Acquisition of Assets	557,500	280,000	837,500	256,286	581,214	30.6%
Other Payments		7,724,361	7,724,361	6,924,027	800,334	89.6%
Unallocated Expenditure	0	97,500	97,500	-	97,500	0.0%
TOTAL	137,367,724	85,066,209	222,433,933	74,080,566	148,353,367	33.3%

[For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK CONSTITUENCY
Reports ...d Financial Statements
For the year ended June 30, 2020

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

- i. XXXX
- ii. XXXX
- iii. XXXX
- iv. XXXX
- v. XXXX

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

The NGCDF-SOTIK Constituency financial statements were approved on _____ 2020 and signed by:

Fund Account Manager
Name: Hiron Karanja



Sub-County Accountant
Name: Marciana Sarah Chepuret
ICPAK Member Number: 12833



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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Employees' Salaries	2,457,942.00	1,106,360.10	3,564,302.10	1,702,756.00	1,861,546.10
1.2 Goods and Services	3,654,120.76	3,312,118.82	6,966,239.58	3,695,880.00	3,270,359.58
1.3 Committee Expenses	2,000,000.00	1,528,000.00	3,528,000.00	1,989,000.00	1,539,000.00
Sub-Total	8,112,062.76	5,946,478.92	14,058,541.68	7,387,636.00	6,670,905.68
2.0 Monitoring and evaluation					
2.1 Capacity building	621,031.00	421,256.00	1,042,287.00	415,900.00	626,387.00
2.2 Committee allowances	1,900,000.00	481,411.32	2,381,411.32	963,000.00	1,418,411.32
2.3 Use of goods and services	1,600,000.00	315,000.00	1,915,000.00	309,000.00	1,606,000.00
Sub-Total	4,121,031.00	1,217,667.32	5,338,698.32	1,687,900.00	3,650,798.32
3.0 Emergency					
Emergency	7198241.38	3,646,687.45	10844928.83	4,013,850.00	6,831,078.83
Sub-Total	7198241.38	3,646,687.45	10,844,928.83	4,013,850.00	6,831,078.83

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
4.0 Bursary and Social Security					
4.1 Secondary Schools	22,500,000.00	233,800.00	22,733,800.00	233,800.00	22,500,000.00
4.2 Tertiary Institutions	12,496,000.00		12,496,000.00	-	12,496,000.00
4.3 Social Security Programmes - NHIF	2,004,000.00		2,004,000.00	-	2,004,000.00
Sub Total	37,000,000.00	233,800.00	37,233,800.00	233,800.00	37,000,000.00
5.0 Sports					
5.1 Sotik Tournament	2,747,354.00		2,747,354.00	-	2,747,354.00
5.2 Sotik Tournament		2,180,000.00	2,180,000.00	2,180,000.00	-
5.3 Sotik Tournament		2,316,653.90	2,316,653.90	2,250,940.00	65,713.90
Sub-Total	2,747,354.00	4,496,653.90	7,244,007.90	4,430,940.00	2,813,067.90
6.0 Environment					
Tabarit Secondary School	45780		45780		45,780.00
Ndanai Boys Secondary School	45780		45780		45,780.00
Rotik Primary School	45780		45780		45,780.00
Samoë Primary School	45780		45780		45,780.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kagasik Primary School	45780		45780		45,780.00
Jubilee Primary School	45780		45780		45,780.00
Kipsimbol Primary School	45780		45780		45,780.00
Keronjo Primary School	45780		45780		45,780.00
Maigutiet Primary School	45780		45780		45,780.00
Lalwat Primary School	45780		45780		45,780.00
Kapolesobei Primary School	45780		45780		45,780.00
Chesambai Primary School	45780		45780		45,780.00
Chepkebit Secondary School	45780		45780		45,780.00
Saruchart Primary School	45780		45780		45,780.00
Chebugon Primary School	45780		45780		45,780.00
Cheserton Primary School	45780		45780		45,780.00
Cheptebe Primary School	45780		45780		45,780.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Ngarnurian Primary School	45780		45780		45,780.00
Kisabei Secondary School	45780		45780		45,780.00
Tonongoi Primary School	45780		45780		45,780.00
Kokwon Primary School	45780		45780		45,780.00
Kipngosos Special School	45780		45780		45,780.00
Mogoiwek Primary School	45780		45780		45,780.00
Sironet Primary School	45780		45780		45,780.00
Lelechwet Primary School	45780		45780		45,780.00
Kamungei Primary School	45780		45780		45,780.00
Chernobei Primary School	45780		45780		45,780.00
Togomin Primary School	45780		45780		45,780.00
Motiret assistant chief	45780		45780		45,780.00
Cheptangulgei Primary School	45780		45780		45,780.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Chebiat Primary School	45780		45780		45,780.00
Kapkoitim Primary School	45780		45780		45,780.00
Tebwet Primary School	45780		45780		45,780.00
Kamirai Primary School	45780		45780		45,780.00
Cheribo Primary School	45780		45780		45,780.00
Kaplong Boys Primary School	45780		45780		45,780.00
Chepkosion Primary School	45780		45780		45,780.00
Kibori Primary School	45780		45780		45,780.00
Kimoso Primary School	45780		45780		45,780.00
Kapchoyo Primary School	45780		45780		45,780.00
Kiptapsir Primary School	45780		45780		45,780.00
Chebongi Primary School	45780		45780		45,780.00
Sotik Day Secondary School	45780		45780		45,780.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Yaganek Primary School	45780		45780		45,780.00
Siryat Primary School	45780		45780		45,780.00
Kaplong Girls Primary School	45780		45780		45,780.00
Kuryot Primary School	45780		45780		45,780.00
Tuiyokok Primary School	45780		45780		45,780.00
Chemogoi Primary School	45780		45780		45,780.00
Sotik national sub county treasury	45780		45780		45,780.00
Sigorian Ass. Chief Office	45780		45780		45,780.00
Kinyelwet Secondary School	45780		45780		45,780.00
Kameswon Secondary School	45780		45780		45,780.00
Bambanik Primary School	45780		45780		45,780.00
Chebole Secondary School	45780		45780		45,780.00
Koita Primary School	45780		45780		45,780.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK CONSTITUENCY
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Chebango Primary School	45780		45780		45,780.00
Tamure Primary School	45780		45780		45,780.00
Sosur Secondary School	45780		45780		45,780.00
Leldok primary School	45780		45780		45,780.00
					0.00
Ngurwo Pry Sch		400,000.00	400,000.00	400,000.00	0.00
Kimase Pry Sch		400,000.00	400,000.00	400,000.00	400,000.00
Siroin Asst Chief's Office		200,000.00	200,000.00	200,000.00	0.00
Kapkures AP Camp		200,000.00	200,000.00	200,000.00	0.00
Kapnyasimba Pry Sch		400,000.00	400,000.00	400,000.00	0.00
Chebiat Asst Chief's Office		200,000.00	200,000.00	200,000.00	0.00
Saruchat Primary School		89,368.00	89,368.00	89,368.00	0.00
Kapsiongo Primary School		89,368.00	89,368.00	89,368.00	0.00
Kaplomboi Primary School		89,368.00	89,368.00	89,368.00	0.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Sotik Primary School		89,368.00	89,368.00	89,368.00	0.00
Chesilyot Boarding Primary		89,367.00	89,367.00	89,367.00	0.00
Balek 'A' Primary School		89,368.00	89,368.00	89,368.00	0.00
ndanai pry school		158,208.25	158,208.25		158,208.25
Sub-Total	2746800	2,494,415.25	5,241,215.25	1,936,207.00	3,305,008.25
7.0 Primary School Projects					
Cherumbas primary school	730000		730000		730000
kimawit primary school	400000		400000		400000
Tumbelyon primary school	730000		730000		730,000.00
Chebongi primary school	400000		400000	400000	0.00
Yaganek primary school	730000		730000		730,000.00
Kapchohyo primary school	200000		200000		200,000.00
Kibori primary school	400000		400000		400,000.00
Kuryot primary school	730000		730000		730,000.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
ngendalel primary school	730000		730000		730,000.00
Boreito primary school	730000		730000		730,000.00
Cheboet primary school	730000		730000		730,000.00
Ng'aniet primary school	700000		700000		700,000.00
Sugurusiek primary school	200000		200000		200,000.00
kipketi primary school	730000		730000		730,000.00
Kapmakitui primary school	730000		730000		730,000.00
Kagasik primary school	450000		450000		450,000.00
Somoisiek primary school	730000		730000		730,000.00
Kapsiongo primary school	730000		730000		730,000.00
Sugutek primary school	730000		730000		730,000.00
Kapolesobe primary school	730000		730000		730,000.00
Abosi hill view primary school	750000		750000		750,000.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Somoe primary school	730000		730000		730,000.00
Rotik primary school	500000		500000		500,000.00
Jubilee primary school	730000		730000		730,000.00
Korongoro primary school	400000		400000		400,000.00
Koiyet primary school	150000		150000		150,000.00
Serwet primary school	300000		300000		300,000.00
Tonongoi primary school	400000		400000		400,000.00
cheserton primary school	840000		840000		840,000.00
Saruchat primary school	730000		730000		730,000.00
Gaatiyobei primary school	730000		730000		730,000.00
Kimugul primary school	500000		500000		500,000.00
Mabwaita primary school	200000		200000		200,000.00
Mogoiywekprimary	400000		400000		400,000.00

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Manaret primary school	200000		200000		200,000.00
soget primary school	200000		200000		200,000.00
Kamenes primary school	200000		200000		200,000.00
kapkesembe primary school	400000		400000	400000	0.00
kibibo primary school	500000		500000		500,000.00
chebole primary school	400000		400000		400,000.00
kimase primary school	200000		200000		200,000.00
kiptapsir primary school	1440000		1440000	1440000	0.00
kamakitu Primary school	400000		400000	400000	0.00
Sosur primary school	400000		400000	400000	0.00
Kamabwai primary sch	400000		400000	400000	0.00
oldebesiprimarysch	400000		400000	400000	0.00
Kiptenden primary sch	400000		400000	400000	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK CONSTITUENCY
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soget primary school	400000		400000	400000	0.00
Chebui primary school	400000		400000	400000	0.00
kapkesembe primary school	400000		400000	400000	0.00
Cherumbas primary school	400000		400000	400000	0.00
Kuriot primary sch	400000		400000	400000	0.00
Burgeti primary sch	400000		400000	400000	0.00
Kiricha primary sch	400000		400000	400000	0.00
Kaptamuita primary sch	400000		400000	400000	0.00
					0.00
Chebirbelek Pry Sch		600,000.00	600,000.00		600,000.00
Kambira Pry Sch		700,000.00	700,000.00		700,000.00
Sotik Pry Sch		500,000.00	500,000.00		500,000.00
Kamungei Pry Sch		600,000.00	600,000.00	600,000.00	0.00
Kimolwet Pry Sch		600,000.00	600,000.00		600,000.00
Lelechwet Pry Sch		300,000.00	300,000.00		300,000.00
Kaple kwa Pry Sch		710,000.00	710,000.00	710,000.00	0.00
Chepkeigei Pry Sch		710,000.00	710,000.00	710,000.00	0.00
Tuiyotich Pry Sch		710,000.00	710,000.00	710,000.00	0.00

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kibibo Pry Sch		400,000.00	400,000.00		400,000.00
Soyoit Pry Sch		710,000.00	710,000.00	710,000.00	0.00
Tembwet Pry Sch		710,000.00	710,000.00	710,000.00	0.00
Koita pry sch		710,000.00	710,000.00	710,000.00	0.00
Chebui Pry Sch		710,000.00	710,000.00	710,000.00	0.00
Chepebe Pry Sch		710,000.00	710,000.00	710,000.00	0.00
ngariet pry school		1,110,000.00	1,110,000.00	710,000.00	400,000.00
Kimugul Pry Sch		710,000.00	710,000.00	710,000.00	0.00
sasita pry school		710,000.00	710,000.00	710,000.00	0.00
chepkalwal pry school		1,100,000.00	1,100,000.00		1,100,000.00
bambanik pry school		710,000.00	710,000.00	710,000.00	0.00
chepkebit pry sch		450,000.00	450,000.00		450,000.00
mariko pry school		710,000.00	710,000.00	710,000.00	0.00
chesambai pry school		710,000.00	710,000.00	710,000.00	0.00
chepbugon pry school		710,000.00	710,000.00		710,000.00
tamurei pry school		710,000.00	710,000.00	710,000.00	0.00
soimet pry school		710,000.00	710,000.00	710,000.00	0.00
chilgotwet pry school		710,000.00	710,000.00	710,000.00	0.00
chesegem pry school		710,000.00	710,000.00	710,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK CONSTITUENCY
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kameswon pry school		710,000.00	710,000.00	710,000.00	0.00
kelonget valley pry school		710,000.00	710,000.00	710,000.00	0.00
karnugeno pry school		710,000.00	710,000.00	710,000.00	0.00
kiptenden pry school		710,000.00	710,000.00	710,000.00	0.00
chepkelelyet pry school		710,000.00	710,000.00	710,000.00	0.00
sosik pry school		710,000.00	710,000.00	710,000.00	0.00
ngainet pry school		710,000.00	710,000.00		710,000.00
kapkures pry school		710,000.00	710,000.00	710,000.00	0.00
chernogoi pry school		710,000.00	710,000.00	710,000.00	0.00
ngenda pry school		710,000.00	710,000.00	710,000.00	0.00
kimoso pry school		400,000.00	400,000.00		400,000.00
kurriot pry school		710,000.00	710,000.00		710,000.00
Kapleng Boys Pry Sch		710,000.00	710,000.00		710,000.00
kokwon pry school		710,000.00	710,000.00	710,000.00	0.00
chebongi pry / nyatembé		1,500,000.00	1,500,000.00	1,500,000.00	0.00
sosik pry school		400,000.00	400,000.00	400,000.00	0.00
chepkalwal pry school		400,000.00	400,000.00	400,000.00	0.00

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setwet pry school		400,000.00	400,000.00	400,000.00	0.00
kapsiongo pry		400,000.00	400,000.00	400,000.00	0.00
kamenes pry sch		400,000.00	400,000.00	400,000.00	0.00
rogena pry school		400,000.00	400,000.00	400,000.00	0.00
					0.00
Sub-Total	28340000	32,670,000.00	61,010,000.00	31,110,000.00	29,900,000.00
8.0 Secondary School Projects					0.00
Kimolwet boys secondary school	500000		500000		500,000.00
Chebirbelek secondary school	1000000		1000000		1,000,000.00
Togomin secondary school	500000		500000		500,000.00
Cheptangulgei secondary school	1000000		1000000		1,000,000.00
chebilat mixed day secondary school	1000000		1000000		1,000,000.00
Kaplethundo secondary school	800000		800000		800,000.00
Kapkures secondary school	820000		820000		820,000.00
Chebole high school	1000000		1000000		1,000,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK CONSTITUENCY
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Kapchembei secondary school	1000000		1000000		1,000,000.00
Gorgor secondary school	1000000		1000000		1,000,000.00
Kapsosurwo secondary school	1000000		1000000		1,000,000.00
Gegelele girls secondary school	1000000		1000000		1,000,000.00
Tembwo girls secondary school	1500000		1500000		1,500,000.00
Chepkabit secondary school	400000		400000		400,000.00
Cheptebe day secondary school	1000000		1000000		1,000,000.00
Lorna girls secondary school	1000000		1000000		1,000,000.00
Tabarit Secondary School	1170000		1170000		1,170,000.00
Kamenes Secondary School	200000		200000		200,000.00
St Joseph Mambwaita Secondary School	584735		584735		584,735.00
RotikSecondary School	500000		500000		500,000.00

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Siroinsecondary school	550000		550000		550,000.00
chebongissecondary school	550000		550000		550,000.00
kapkeleisecondary school	1700000		1700000		1,700,000.00
kapkeleisecondary school	7110000		7110000		7,110,000.00
kipsingisecondary school	7110000		7110000		7,110,000.00
kaplalachsecondary school	1000000		1000000		1,000,000.00
ndanai boys secondary school	3500000		3500000		3,500,000.00
oldebesiSecondarysch	400000		400000	400000	0.00
Gegelele Boys Sec Sch		300,000.00	300,000.00		300,000.00
Kamungei Sec Sch -		1,200,000.00	1,200,000.00	1,200,000.00	0.00
Kipsimbol Sec Sch		500,000.00	500,000.00		500,000.00
Burgei Sec Sch		500,000.00	500,000.00		500,000.00
Mosonik Sec Sch		1,900,000.00	1,900,000.00		1,900,000.00
Gegelele Girls Sec Sch		300,000.00	300,000.00		300,000.00
Kipsonoi Sec Sch		1,100,000.00	1,100,000.00		1,100,000.00
Sironet Sec Sch		1,000,000.00	1,000,000.00	1,000,000.00	0.00

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Kapsurwo Sec Sch		800,000.00	800,000.00	800,000.00	0.00
Kapleng Boys high sch		1,000,000.00	1,000,000.00		1,000,000.00
Chepkosiom Sec Sch		800,000.00	800,000.00	800,000.00	0.00
Kapcholyo High Sch		1,000,000.00	1,000,000.00		1,000,000.00
Kapkesembe Sec Sch		800,000.00	800,000.00	800,000.00	0.00
Kameswon Sec Sch		800,000.00	800,000.00	800,000.00	0.00
Kaptulwa Sec Sch		800,000.00	800,000.00	800,000.00	0.00
Karnenes Sec Sch		400,000.00	400,000.00		400,000.00
Ndanai Boys High Sch		400,000.00	400,000.00	400,000.00	0.00
kipsigei sec school		800,000.00	800,000.00	800,000.00	0.00
Karnenes Sec Sch		800,000.00	800,000.00	800,000.00	0.00
motiret sec school		800,000.00	800,000.00	800,000.00	0.00
sosur sec school		1,500,000.00	1,500,000.00	1,500,000.00	0.00
kitiricha sec school		800,000.00	800,000.00		800,000.00
kipngosos sec school		800,000.00	800,000.00	800,000.00	0.00
gorgor sec school		1,000,000.00	1,000,000.00	1,000,000.00	0.00
keronjo mixed day sec sch		800,000.00	800,000.00		800,000.00
Kapkelei Sec Sch		800,000.00	800,000.00	400,000.00	400,000.00

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Sub-Total	38894735	21,700,000.00	60,594,735.00	13,100,000.00	47,494,735.00
9.0 Tertiary institutions projects					0.00
Sub-Total					0.00
10.0 Security Projects					0.00
Kipsingei AP line	550000		550000		550,000.00
sigoritan ass chief office	250000		250000		250,000.00
motiret ass chief office	250000		250000		250,000.00
Sotik DCC office	800000		800000	799920	80.00
kapletundo DOs office	800,000.00		800,000.00	800,000.00	0.00
kapletundo DOs office		400,000.00	400,000.00	400,000.00	0.00
kapletundo DOs office		800000	800000	800000	0.00
Chesilyot Asst Chief's Office		200,000.00	200,000.00	200,000.00	0.00
koiyet assistant chief office		600,000.00	600,000.00		600,000.00
mutarakwa loc adm		70,000.00	70,000.00		70,000.00
					0.00

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Sub-Total	2650000	2,070,000.00	4,720,000.00	2,999,920.00	1,720,080.00
11.0 Acquisitions of Assets					0.00
NGCDF MOTORCYCLE	427,500.00		427,500.00		427,500.00
purchase of vehicle		150,000.00	150,000.00		150,000.00
Sub-Total	427500	150,000.00	577,500.00	-	577,500.00
12.0 Electricity					
	5000000		5,000,000.00		5,000,000.00
Rural Electrification And Renewable Energy Corporation					
Sub-Total	5000000		5,000,000.00	0.00	5,000,000.00
12.0 Others					0.00
Strategic Plan		2,250,000.00	2,250,000.00	2,247,000.00	3,000.00
Sub-Total		2,250,000.00	2,250,000.00	2,247,000.00	3,000.00
ICT HUB					0.00
constituency ict hub		4,677,027.00	4,677,027.00	4,677,027.00	0.00
Sub-Total		4,677,027.00	4,677,027.00	4,677,027.00	0.00
water					0.00
tilibei		200,000.00	200,000.00		200,000.00
kimugul		50,000.00	50,000.00		50,000.00
		250,000.00	250,000.00	0.00	250,000.00
road and bridges		2,188,643.81	2,188,643.81		2,188,643.81

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agriculture		2,188,643.81	2,188,643.81	0.00	2,188,643.81
kapkoros tea buying centre		50,000.00	50,000.00		50,000.00
		50,000.00	50,000.00	0.00	50,000.00
NG- CDF office					0.00
NG-CDF Office		408,174.07	408,174.07		408,174.07
NGCDF OFFICE		389,160.50	389,160.50		389,160.50
Purchase of Office Equipment	130000	130,000.00	260,000.00	256,286.00	3,714.00
Sub-Total	130000	927,334.57	1,057,334.57	256,286.00	801,048.57
AIA		97,500.00	97,500.00		97,500.00
GRAND TOTAL	137,367,724.14	85,066,208.22	222,433,932.36	74,080,566.00	148,353,366.36

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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-SOTIK Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK
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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 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

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 Sotik NG-CDF 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

External Assistance

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

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 Sotik NG-CDF and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SOTIK
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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 Equivalent

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 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

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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. B 005325		52,384,483.00
AIE NO. B 030212		10,000,000.00
AIE NO. B 005473		12,000,000.00
AIE NO. B 042838		12,000,000.00
AIE NO. B 007472		6,000,000.00
AIE NO. B 042976		14,000,000.00
AIE NO. B 041083	4,000,000.00	
AIE NO. B 047450	2,400,000.00	
AIE NO. B 041290	16,000,000.00	
AIE NO. B 047710	10,000,000.00	
AIE NO. B 049297	400,000.00	
AIE NO. B 104322	55,040,875.50	
AIE NO. B 096578	20,000,000.00	
	10,000,000.00	
TOTAL	117,840,876	106,384,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	000	000
Receipts from the Sale of Vehicles and Transport Equipment	000	000
Receipts from sale of office and general equipment	000	000
Receipts from the Sale Plant Machinery and Equipment	000	000
	000	000
Total	000	000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received		
Rents		
Receipts from Sale of tender documents	97,500	72,500
Other Receipts Not Classified Elsewhere		
Total	97,500	72,500

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,616,356	1,690,667
Personal allowances paid as part of salary		502,702
Pension and other social security contributions (Gratuity)		
Employer Contributions Compulsory national social security schemes	86,400	71,560
		2,264,929
Total	1,702,756	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	9,450	10,960
Electricity	10,000	20,000
Water & sewerage charges		4,200
Office rent		-
Communication, supplies and services	255,000	
Domestic travel and subsistence	591,400	585,900
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses		885,000
Hospitality supplies and services		
Other committee expenses		
Committee allowance	5,065,660	4,958,200
Insurance costs		474,666
Specialised materials and services		
Office and general supplies and services	289,436	296,050
Fuel , oil & lubricants	700,000	550,000
Other operating expenses		
Bank service commission and charges	24,073	30,887
Other Operating Expenses		
Security operations		
Routine maintenance - vehicles and other transport equipment	427,761	
Routine maintenance- other assets		
TOTAL	7,372,780	7,615,863

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	31,110,000	17,686,207
Transfers to secondary schools (see attached list)	13,100,000	33,275,000
Transfers to tertiary institutions (see attached list)		1,500,000
Transfers to health institutions (see attached list)		
TOTAL	44,210,000	52,461,207

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	59,600	19,582,760.00
Bursary – tertiary institutions (see attached list)	120,200	10,920,600.00
Bursary – special schools (see attached list)	54,000	257,000.00
Mock & CAT (see attached list)		
Security projects (see attached list)	2,999,920	1,570,386.00
Sports projects (see attached list)	4,430,940	-
Environment projects (see attached list)	1,936,207	1,444,461.00
Emergency projects (see attached list)	4,013,850	2,800,000.00
Total	13,614,717	36,575,207

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings		
Purchase of Vehicles and Other Transport Equipment		
Overhaul of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of computers ,printers and other IT equipments	256,286	7,000
Purchase of Specialised Plant, Equipment and Machinery		
Rehabilitation and Renovation of Plant, Machinery and Equip.		
Acquisition of Land		
Acquisition of Intangible Assets		
Total	256,286	7,000

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	2,247,000	1,250,000
ICT Hub	4,677,027	
	6,924,027	1,250,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	00	00
Supplier 2	00	00
Supplier 3	00	00
	00	00
Total	000	000

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	00	00
Name 2	00	00
Name 3	00	00
Add as appropriate		
Total	000	000

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	71,057,306	20,845,056
Cash in hand		
Imprest		
Total	71,057,306	20,845,056

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
	Kshs	Kshs	Kshs
Bank account Balances		71,663	
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
		71,663	

NB: Cheques paid in FY 2018/19 BUT reversed in 2019//20 without replacement

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15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 – 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	00	00
Imprest issued during the year (B)	00	00
Imprest surrendered during the Year (C)	00	00
Net changes in account receivables D= A+B-C	00	00

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 – 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	00	00
Deposit and Retentions held during the year (B)	00	00
Deposit and Retentions paid during the Year (C)	00	00
Net changes in account receivables D= A+B-C	00	00

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	00	00
Others (<i>specify</i>)	00	00
	00	00

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	00	00
Use of goods and services	00	00
Amounts due to other Government entities (see attached list)	00	00
Amounts due to other grants and other transfers (see attached list)	00	00
Acquisition of assets	00	00
Others (<i>specify</i>)	00	00
	00	00

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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)	44,584,385	00
	44,584,385	00

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (specify)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers				
Sub-Total				
Acquisition of assets				
Sub-Total				
Others (<i>specify</i>)				
Sub-Total				
Grand Total				

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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	0			0
Buildings and structures	5,000,000			5,000,000
Transport equipment	13,406,250			13,406,250
Office equipment, furniture and fittings	355,000	256,286		611,286
ICT Equipment, Software and Other ICT Assets	126,991			126,991
Other Machinery and Equipment	150,000			150,000
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	19,038,241	256,286	0	19,294,527

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –SOTIK
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC's Bank Balances as at 30th June 2020 -Kshs....

Project Name	Bank	A/C No.	Bank Balance 2019/2020	Confirmed Balances As At 30th June, 2020	Correct Amount
Kuryot Pry School	KCB-Sotik	1204297746	40,197,900	401,979	401,979
Soget Pry School	KCB-Sotik	1166347613	550,738	550,738	550,738
Sertwet pry -	KCB-Sotik	1115294237	428,495	428,495	428,495
Kapkelei Sec Sch	KCB-Sotik	1201091098	406,371	406,371	406,371
Oldebesi sec sch -	KCB-Sotik	1116019353	402,853	402,853	402,853
Burgei Pry Sch	KCB-Sotik	1177370816	400,161	400,161	400,161
Kiptenden Pry School	KCB-Sotik	1130249212	400,110	400,110	400,110
Ndanai boys sec -	KCB-Sotik	1174918918	253,567	253,567	253,567
Kapletundo Dos office-	KCB-Sotik	1253385882	242,895	242,895	242,895
Sironet sec	KCB-Sotik	1199512605	178,800	1,788.00	1,788.00
Kokwon Pry Sch	KCB-Sotik	1104851393	157,694	157,694	157,694
Chesegem Pry School	KCB-Sotik	1118983939	120,163	120,163	120,163
Kapchemibei sec -	KCB-Sotik	1173640010	105,349	105,349	105,349
Tuiyotich Pry	KCB-Sotik	1149334509	99,475	99,475	99,475
Kapsiongo Pry School	KCB-Sotik	1153577615	91,943	91,943	91,943
Rongena pry -	KCB-Sotik	1144625424	90,213	90,213	90,213
Balek A Pry	KCB-Sotik	1206171979	90,166	90,166	90,166
Sotik Pry School	KCB-Sotik	1109446829	89,718	89,718	89,718
Kiptapsir pry -	KCB-Sotik	1234436698	67,113	67,113	67,113
Saruchatpry School	K	1169098371	51,697	51,697	51,697
Saruchat mix day	CB-Sotik				
	KCB-Sotik	1120805759	48,961	48,961	48,961

Kapnyasimba Pry School	KCB-Sotik	1172337489	26,464	26,464	26,464
Soimet Pry Sch	KCB-Sotik	1177623404	20,688	20,688	20,688
Kamegunyet Pry Sch	KCB-Sotik	1175185027	20,070	20,070	20,070
Gorgor Sec Sch	KCB-Sotik	1116019116	15,511	15,511	15,511
Kamungei Girls Sec	KCB-Sotik	1172857911	10,902	10,902	10,902
Tembwet Pry School	KCB-Sotik	1116127563	3,732	3,732	3,732
Chepkosiom Sec School	KCB-Sotik	1164488813	2,356	2,356	2,356
Chepkalwai Pry School	KCB-Sotik	1165909383	2,340	2,340	2,340
Ngariet Pry School	KCB-Sotik	1116220415	1,944.50	1,945.50	1,945.50
Kimugul pry -	KCB-Sotik	1260824934	1,335	1,335	1,335
Siroin Ass Chief	KCB-Sotik	1204231257	1,000	1,000	1,000
Chesilyot Pry School	KCB-Sotik	1126182583	969	969	969
Chemogoi Pry School	KCB-Sotik	1115838687	855	855	855
Soyoit Pry School	KCB-Sotik	1265999651	849	849	849
Kipngosos Sec School	KCB-Sotik	1136977015	827	827	827
Cheptebe Pry School	KCB-Sotik	18412	88	88	88
Sosik Pry School	KCB-Sotik	1264427743	75	75	75
Total					2,380,993

Appendix II

Omitted Amount in the Financial Statements -Kshs.1,693,071.25

Project Name	Bank	A/C No.	Bank Balance 2019/2020	Correct Amount
Chilgotwet Pry Sch	KCB-Sotik	1134661266	183.05	183.05
Kagasik Girls Sec Sch	KCB-Sotik	1123071047	8,522.50	8,522.50
Kapmakitui Pry Sch	KCB-Sotik	1201874866	400,500.00	400,500.00
Kamenes Pry Sch	KCB-Sotik	1117691721	852.15	852.15
Kamegunyet Pry Sch	KCB-Sotik	117185027	20,070.00	20,070.00
Cheserton Pry Sch	KCB-Sotik	1156775132	217.00	217.00
Cheribo Pry Sch	KCB-Sotik	1170901484	645.00	645.00
Chesambai Pry Sch	KCB-Sotik	111538009	1,298.00	1,298.00
Lorna Laboso Girls Sec Sch	KCB-Sotik	1134395698	101,291.00	101,291.00
Moita Pry Sch	KCB-Sotik	1116267047	192.50	192.50
Monosik Boys Sec Sch	KCB-Sotik	1122238525	4,000.50	4,000.50
Motiret Sec Sch	KCB-Sotik	1153687879	152,517.00	152,517.00
Ndanai Boys High Sch	KCB-Sotik	1174918918	235,567.00	235,567.00
Ndanai Police Station	KCB-Sotik	1259365778	644.00	644.00
Ndanai Pry Sch	KCB-Sotik	1135079307	19,463.45	19,463.45
Ngamurian Pry Sch	KCB-Sotik	1169999506	2,128.00	2,128.00
Ngariet Sec Sch	KCB-Sotik	1177618680	290,931.00	290,931.00

Ngurwo Pry Sch	KCB-Sotik	1206198788	589.50	589.50
Nyatembe Pry Sch	KCB-Sotik	1262123771	3,855.00	3,855.00
Rotik Pry Sch	KCB-Sotik	1173640460	198,664.00	198,664.00
SomoeSch	KCB-Sotik	1122499906	1,956.55	1,956.55
Sasita Pry Sch	KCB-Sotik	1111272794	119,172.55	119,172.55
SigorianAsst Chief Office	KCB-Sotik	1252106017	15,730.00	15,730.00
Sigorian Sec Sch	KCB-Sotik	1104644738	36,140.55	36,140.55
Siroin Sec Sch	KCB-Sotik	1177928620	50,538.00	50,538.00
Sironet Mixed Sec Sch	KCB-Sotik	1199512605	1,788.00	1,788.00
Siryat Pry Sch	KCB-Sotik	1200900324	23,664.00	23,664.00
Kisabei Day Sec Sch	KCB-Sotik	1166700275	1,953.50	1,953.50
Total			1,693,071.25	

Appendix III

PMCs Bank Balances Not Confirmed in the Bank Statements –Kshs 2,369,724

Project Name	Bank	A/c No.	Bank Balance 2019/2020	Variance Kshs.	Correct Amount
Kapkelei Sec Sch	KCB-Sotik	1201091098	406,371		406,371
Burgei Pry Sch	KCB-Sotik	1177370816	400,161		400,161
Kiptenden Pry School	KCB-Sotik	1130249212	400,110		400,110
Ndanai boys sec -	KCB-Sotik	1174918918	253,567		253,567
Kapletundo office- Dos	KCB-Sotik	1253385882	242,895		242,895
Sironet sec	KCB-Sotik	1199512605	1,788		1,788
Kokwon Pry Sch	KCB-Sotik	1104851393	157,694		157,694
Tuiyotich Pry	KCB-Sotik	1149334509	99,475		99,475
Kapsiongo Pry School	KCB-Sotik	1153577615	91,943		91,943
Balek A Pry	KCB-Sotik	1206171979	90,166		90,166
Sotik Pry School	KCB-Sotik	1109446829	89,718		89,718
Kiptapsir pry -	KCB-Sotik	1234436698	67,113		67,113
Kapnyasimba Pry School	KCB-Sotik	1172337489	26,464		26,464
Soimet Pry Sch	KCB-Sotik	1177623404	20,688		20,688
Kamugeno Pry School	KCB-Sotik	1175185027	20,070		20,070
Kamungei Girls Sec	KCB-Sotik	1172857911	10,902		10,902
Tembwet Pry School	KCB-Sotik	1116127563	3,732		3,732
Chepkosiom Sec School	KCB-Sotik	1164488813	2,356		2,356
Chepkalwal Pry School	KCB-Sotik	1165909383	2,340		2,340
Kimugul pry -	KCB-Sotik	1260824934	1,335		1,335
Chemogoi Pry School	KCB-Sotik	1115838687	855		855
Soyoit Pry School	KCB-Sotik	1265999651	849		849

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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)
1.0	The financial statements for the year ended 30 June 2019 submitted for audit review had the following presentation anomalies: 1.1 Annex 4 at page 60 erroneously refers to the Project Management Committee (PMC) bank balance as at 30 June 2018.	<i>It is true the financial statement was having discrepancies as noted by auditors; a corrected financial statement has been presented together with this comments.</i>	FAM		
2.0	Unsupported Bursary for Secondary Schools	<i>It is true the schedule did not provide name and admission numbers for the beneficiary. A schedule has been provided which has the names,</i>	FAM		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>admission and the institution of beneficiaries. The bursary for secondary school figure has been capture correctly as 19,582,760, the figure for special school has been report separately as per attached copy of financial statement.</i></p>			