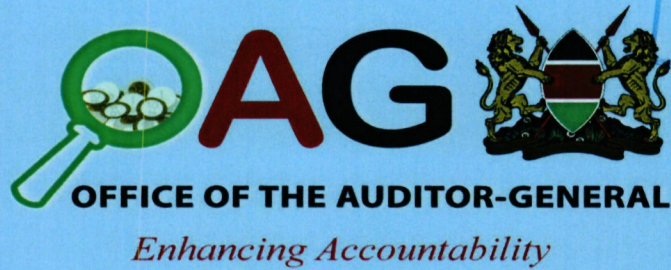


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

	
GENERAL ASSEMBLY PAPERS LAID	
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CLERK-AT THE-TABLE:	M. WANJIKU m

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
KURESOI SOUTH CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-KURESOI
SOUTH CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KURESOI SOUTH CONSTITUENCY**

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 National Treasury & planning, 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)
KURESOI SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

Core Values

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

(b) Key Management

The NGCDF KURESOI SOUTH Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Samuel Kimani
2.	Sub-County Accountant	Richard Langat
3.	Chairman NGCDFC	Joseph Ngerechi
4.	Member NGCDFC	Peter Chepchilat

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KURESOI SOUTH Constituency Headquarters

P.O. Box 112
NG-CDF Building
Next to St. Veronica Catholic Church
Keringet, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KURESOI SOUTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDFKURESOI SOUTH Constituency Contacts

Telephone: (254) 721-619-843
E-mail: kuresoisouthngcdf@ngcdf.go.ke
Website: www.go.ke

(g) NGCDFKURESOI SOUTH Constituency Bankers

1. Equity Bank
Molo Branch
Account No. 0230261796290

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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The financial year 2018/2019 was very successful with few challenges. Being our second year in office we still had capacity gap in our operations. Our substantive manager was transferred and we had to share a Fund account Manager with Njoro Constituency.

Despite the challenges our performance in terms of our budget and fund absorption was impressive. We prepared our proposal on schedule and submitted it on time. Based on the need of the community through prior public participation and the statutory requirement we allocated the fund for 2018/2019 as tabulated below;

Original budget table 1

No	Sector	Amount (ksh)
1	Administration	6,542,453
2	Monitoring and evaluation	3,271,266
3	Bursary	21,026,568
4	Primary School Project	31,300,000
5	Tertiary Institution	4,000,000
6	Secondary School	20,450,000
7	Security project	12,350,000
8	Sports	2,180,818
9	Environment	2,180,818
10	Emergency	5,738,994
	Total	109,040,917

Source Kuresoi South NG-CDF Office

Kuresoi South NGCDF Budget FY 2018/2019 Chart

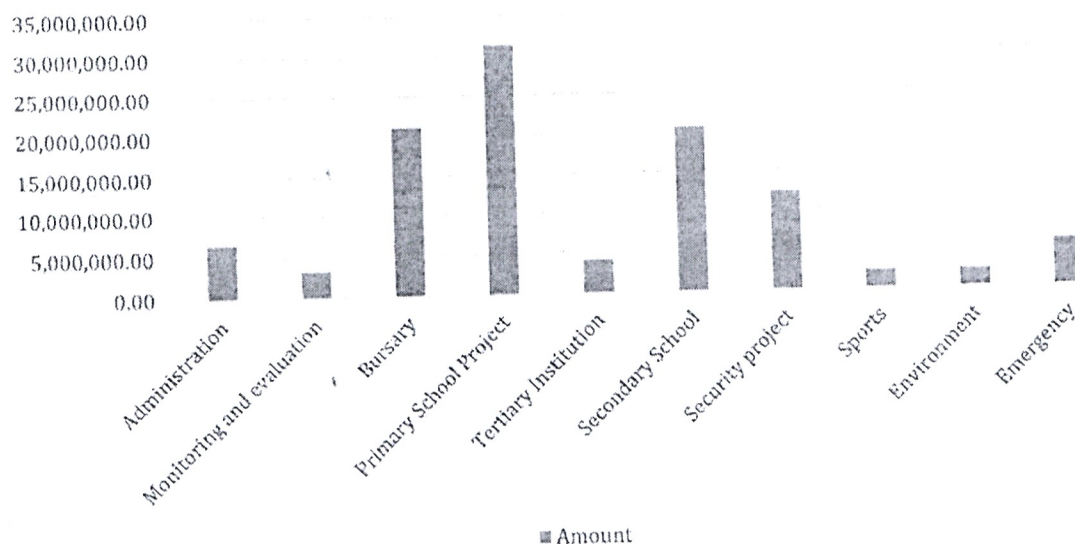


Figure 1 A bar graph showing the budget estimates of Kuresoi South for the FY 2018/2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KURESOI SOUTH CONSTITUENCY

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

Kuresoi South being a young Constituency, which was carved from the larger Kuresoi, had many challenges of school infrastructure. This prompted my committee to allocate a big proportion to education sector.

During the year, Kuresoi South had an opening balance in bank amounting to Ksh. 4,148,500. In the same financial year, we held balances from 2017/2018 that had not been released by 30th June, 2018 amounting to Ksh. 13,579,311, that is Ksh 11,379,311 of the supplementary budget and Ksh 2,200,000 that was withheld by the board.

As a result of teamwork among NG-CDFC members, excellent cooperation with other government agencies and other stakeholders, we were able to receive 100%. In our total appropriation account we had total receipts of Ksh. 122,620,186.

**Kuresoi South Final Budget for the FY 2018/2019 in
Percentage Donut Chart**

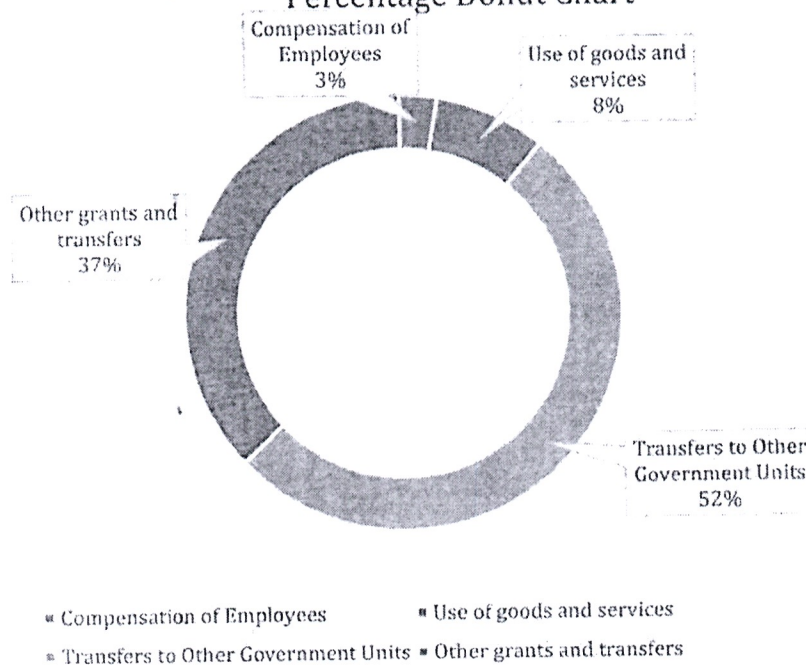


Figure 2 Kuresoi South Final Budget for the FY 2018/2019 in Percentage Donut Chart

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

**A Bar Chart of Kuresoi South Final Budget Amount
in Figures of FY 2018/2019**

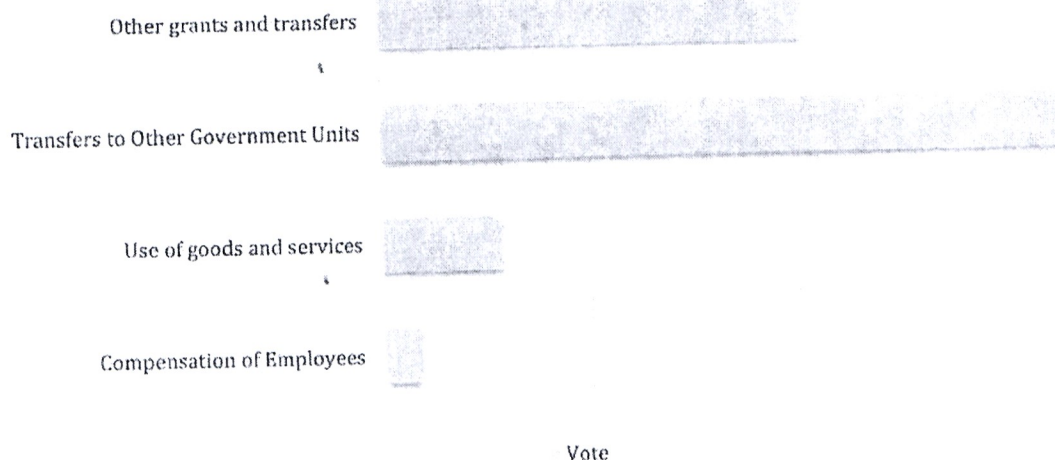


Figure 3 A Bar Chart of Kuresoi South Final Budget Amount in Figures of FY 2018/2019

On the basis of payment as reflected in the statement of receipt and payment, Kuresoi South spent a total of Ksh.117, 511,640.

This translates to an impressive absorption rate of 90.5%.

From the same statement you can confirm that we had a surplus of Ksh. 5,108,546.

During the financial 2018/2019 we really achieved a lot in fulfilling the need of the community as presented in prior public participation within the four wards. We facilitated implementation of the following projects;

Table 3

No	Project	No
1	Number of classroom constructed and renovated	52
2	Number of toilets constructed	11
3	Administration blocks constructed	4
4	Chiefs office and Chiefs hall	3
5	Assistant County Commissioners office	1
6	Dining halls	5
7	DCC residence	1
8	Laboratory	1
9	Dormitories	2

Source Kuresoi NGCDF office

**A Pie chart Showing Percentage Distribution
of Projects Completed By Kuresoi South in
FY 2018/2019**

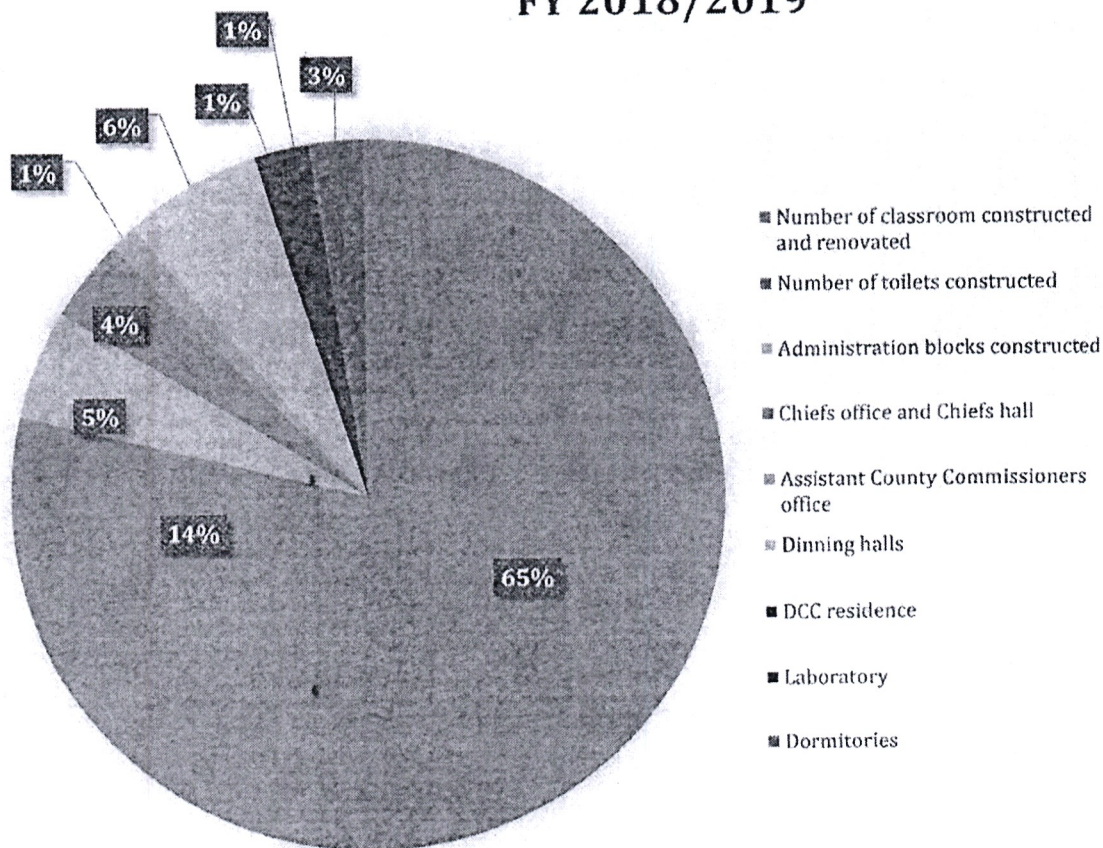


Figure 4A Pie chart Showing Percentage Distribution of Projects Completed By Kuresoi South in FY 2018/2019

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

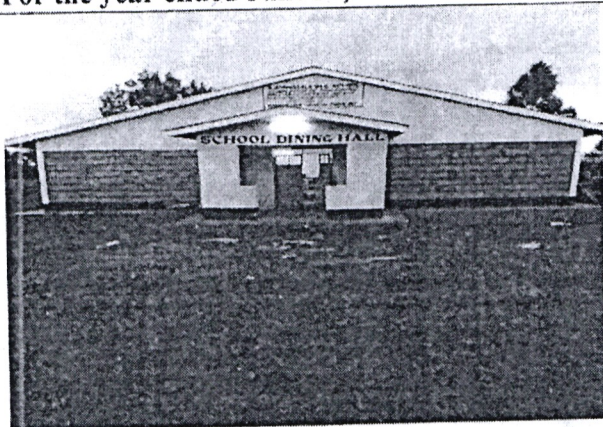


Figure 1 Kamwaura Secondary School Dining Hall completed by NGCDF Kuresoi South FY 2018/2019

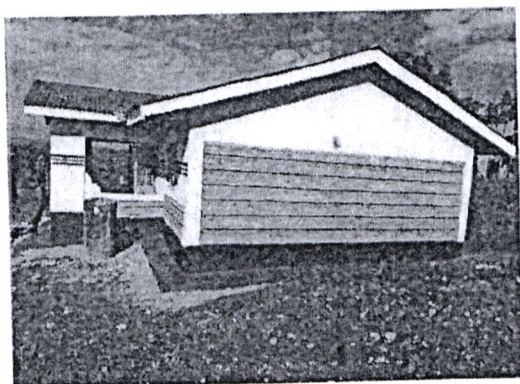
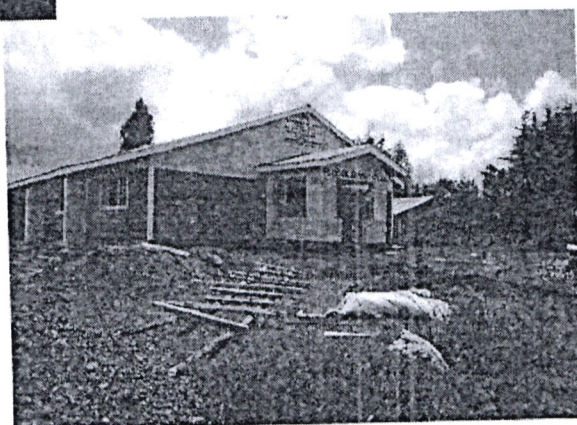
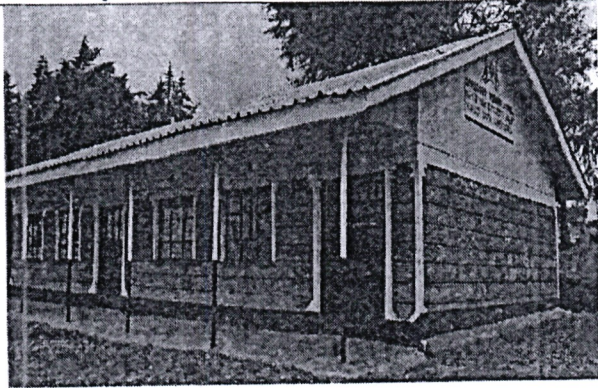
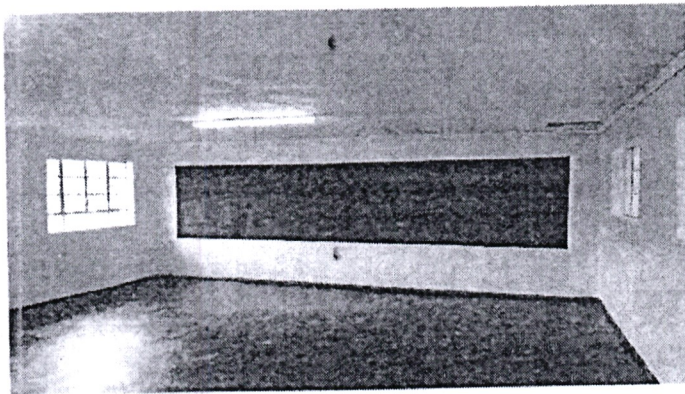


Figure 2 Emitik Chiefs office Completed by NGCDF Kuresoi South FY 2018/2019

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



*Figure 3 Bararget Primary School Completions of
Two Classrooms Funded by NGCDF Kuresoi
South*



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



Figure 4 Sangawet Primary School Construction of 1 classroom funded by NGCDF Kuresoi South

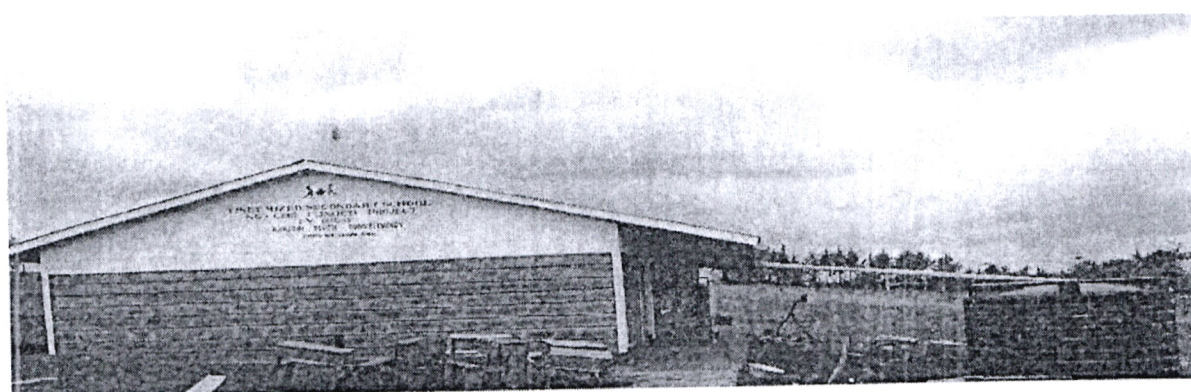


Figure 5 Tinet Mixed Secondary Laboratory Completed by NGCDF Kuresoi South FY 2018/2019

All this success were not realised without challenges, most of the roads to the projects were in bad condition. Some of the schools where projects were implemented could not be accessed by normal means of transport and thus tractors and carts were used to ferry material to the actual site.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KURESOI SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

The number of projects for the year was too many making supervision to be a challenge. During the year we equally noted that capacity of the PMC was still very low.

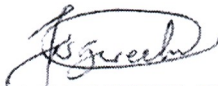
The flow of the fund from the Board not as envisaged by Ng-CDF Act 2015 as it was released small and many tranches.

To address the many challenges the committee felt it good to have few major projects and consistently build the capacity of the PMC. On Roads network the committee resolved to engage KERRA to address the many challenges on accessibility.

However, we were able to manage the many challenges and achieved a 90.5%, which is an excellent.

We look forward for a better 2019/2020 as I forward this statement

Sign



CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KURESOI SOUTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF 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.

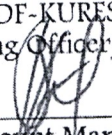
The Accounting Officer in charge of the NGCDF-KURESOI SOUTH Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

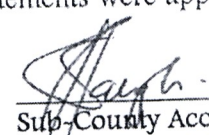
The Accounting Officer in charge of the NGCDF-KURESOI SOUTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Kuresoi South NG-CDFC financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KURESOI SOUTH Constituency further confirms the completeness of the accounting records maintained for the Kuresoi South NG-CDFC, 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-KURESOI SOUTH Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

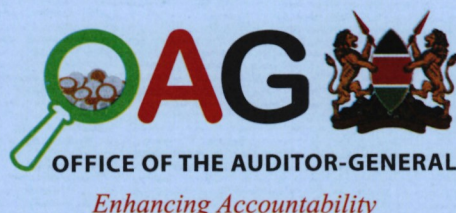
The NGCDF-KURESOI SOUTH Constituency financial statements were approved and signed by the Accounting Officer on 19/ May. 2020


Fund Account Manager
Name: Samuel Kimani Rukwaro


Sub-County Accountant
Name: Richard K. Langat
ICPAK Member Number: 20224

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KURESOI SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kuresoi South Constituency set out on pages 2 to 38, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kuresoi South Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Committee Expenses

The statement of receipts and payments reflects use of goods and services of Kshs.7,589,852 which as disclosed under Note 5 to the financial statements included Kshs.1,541,700 and Kshs.3,619,100 relating to committee expenses and other committee expenses, respectively. However, the committee expenses included Kshs.942,200 being domestic travel expenses misclassified and allowances of Kshs.364,500 for which attendance registers to the meetings were not provided.

In addition, the other committee expenses amounting to Kshs.3,619,100 related to projects monitoring and evaluation. However, supporting documents including details of the projects and activities undertaken were not provided.

Consequently, the accuracy and validity of the reported committee expenses and other committee expenses of Kshs.1,541,700 and Kshs.3,619,100 respectively, could not be confirmed.

2. Unsupported Bursary Payments

The statement of receipts and payments reflects other grants and transfers of Kshs.40,586,449 which as disclosed under Note 7 to the financial statements included Kshs.11,003,035 and Kshs.11,371,778 being bursaries to secondary schools and tertiary institutions respectively, both totaling to Kshs.22,374,813. However, the detailed listing indicating the names of the beneficiaries, admission numbers and institutions / schools was not provided.

Consequently, the accuracy and validity of the bursaries amounting to Kshs.22,374,813 could not be confirmed.

3. Bank Balances

The statement of assets and liabilities and Note10A to the financial statements reflect bank balances of Kshs.11,917,434. However, the June, 2019 bank reconciliation statement reflected unrepresented cheques amounting to Kshs.36,588,211 of which cheques totaling to Kshs.656,226 were stale and had not been written back into the cashbook.

Under the circumstances, the accuracy of the reported bank balances of Kshs.11,917,434 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kuresoi South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, prior year audit issues remained unresolved as at 30 June, 2019. Management has not provided satisfactory reasons for the delay in resolving the issues.

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. Project Management Committee Bank Balances Relating to Completed Projects

Note 15.4 to the financial statements and Annex 5 reflect bank balances of Kshs.17,537,851 held by Project Management Committees (PMCs) as at 30 June, 2019. However, included in the balance was Kshs.956,050 held in forty-three (43) PMC bank accounts relating to completed projects. The balances had not been returned into the Constituency bank account as required under Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee be returned to the constituency account.

The Fund Management was therefore, in breach of the law.

2. Delayed Implementation of Projects

According the project implementation status report as at 30 June, 2019, twenty-eight (28) projects with an allocation of Kshs.40,051,037 were still ongoing, implementation of two (2) projects with a funding allocation of Kshs.1,300,000 had not started and sixty-two (62) prior year's projects with a funding allocation of Kshs.54,678,966 were not prioritized as required under Section 46(2) of National Government Constituencies Development Fund Act, 2015 which requires ongoing projects to take precedence over all other projects in funding.

In the circumstances, Management was in breach of the Law. In addition, delayed completion of projects might lead to loss of public funds through cost escalations.

3. Unsatisfactorily Implemented Projects

Audit inspection in the month of February 2020 of twenty-one (21) projects with a funding allocation of Kshs.40,951,636 revealed various anomalies as shown in **Appendix I**.

Consequently, it could not be confirmed that the constituents of Kuresoi South realized value for money from the projects.

4. Strategic Plan

Included in the PMC bank balances of Kshs.17,537,851 as at 30 June, 2019 as disclosed at Annex 5 is a balance of Kshs.574,380 relating to the strategic plan. However, review of the bank statement revealed unsupported withdrawals of Kshs.614,540 during the year. Additional information indicated prior funding of Kshs.600,000, Kshs.800,000, and Kshs.1,000,000 to the strategic plan in financial years 2014/2015, 2015/2016 and 2017/2018 respectively, which remained incomplete.

Consequently, the propriety and value for money on the cumulative expenditure of Kshs.1,825,620 on the strategic plan could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

31 December, 2021

Appendix I - Unsatisfactorily Implemented Projects

Project Beneficiary and Details	Allocation (Kshs.)	Observations
Silibwet Primary School - Two (2) classrooms	1,500,000	- There was no evidence of advertisement or request for quotations from the prequalified suppliers; - Lowest bid of Kshs.889,980 was disqualified for lack of experience; however, there is no evidence that the contractor awarded the contract at a price of Kshs.1,500,000 had the experience; - Although, the class rooms were complete and in use, specifications used for rain water disposal system of gauge 30 box iron sheets differed from gauge 28 specified in the bill of quantities (BQ). Further, ply wood was used for the ceiling instead of soft board. - The floor had also developed cracks.
Sigowet Primary School - Two (2) classrooms	1,500,000	- There was no evidence of advertisement or request for quotations from the prequalified suppliers while the BQ was filled using erasable pencil; and - The NG-CDF logo and plaque provided for in the BQ at cost of Kshs.10,000 was not mounted.
Ketitui Central Primary school -One (1) storey block. Five (5) classes each floor	2,000,000	- The project works were split into two; ground floor and first floor contrary to Public Procurement and Assets Disposals Act, 2015 provisions; - There was no evidence of advertisement or request for quotations from the prequalified suppliers; - The ground floor BQ was not made available for audit review; - Three (3) classes were complete while plastering, flooring, painting and fitting of windows and doors for two (2) classes had not been done. - The available budget for first floor completion was Kshs.2,000,000 while the BQ reflected Kshs.3,908,157 hence financing deficit of Kshs.1,908,157; and - The contractor was not on site.
Keringet Boarding Primary School -Eighty (80) bed Dormitory	2,000,000	The project cost of Kshs.3,221,830 was at variance with the funding of Kshs.2,000,000 leaving a financing deficit of Kshs.1,221,830;

Project Beneficiary and Details	Allocation (Kshs.)	Observations
		• BQ was not made available for audit review; • Pending works included; plastering, painting, fitting of doors, windows and ceiling but the contractor was not on site.
Keringet Estate Primary School -Renovation of administration block	800,000	• The BQ specifications on floor repairs, plastering walls, metallic gutters and fitting water harvesting pipes were not done; and • Fitted PVC gutters were leaking.
Ndabibi Primary School-Completion one (1) Class room	750,000	• The funding allocation had been spent in full but the water disposal system and painting of NG-CDF logo was not done as provided for in the BQ; • Plywood was used for ceiling instead of soft board specified in the BQ; and • Project management fee of Kshs.25,000 was unaccounted for.
Kirandich Primary School-Completion of one (1) Class room	750,000	• The funding allocation had been spent in full but the water disposal system, painting of NG-CDF logo was not done as provided for in the BQ; • Plywood was used for ceiling instead of soft board specified in the BQ; and • Project management fee of Kshs.25,000 was unaccounted for.
Kiptaragon TTI	4,000,000	• The main building was constructed by Ministry of Education, however, agreement to co-fund the project was not made available for audit review; and gabions had not been installed as provided for in the BQ
Kiptaragon TTI toilet - under Emergency vote	600,000	• There is no evidence of advertisement or request for quotations from the prequalified suppliers; • The BQ was not made available for audit review; • Certificate of completion was not provided; and • The project was unbranded.

Project Beneficiary and Details	Allocation (Kshs.)	Observations
Siwot Girls Secondary school -One (1) Storey Dormitory	2,000,000	- Total disbursements to the project amounted to Kshs.5,000,000 comprising Kshs.1,000,000, Kshs.2,000,000 and Kshs.2,000,000 disbursed in financial years 2014/2015, 2015/2016 and 2018/2019 respectively. - Despite full utilization of the funding, the walling, roofing, doors, windows and ceiling had not been done; - The project drawings were not available for audit review; and - The contractor was not on site.
Tulwet Secondary School -Administration block	1,100,000	- The project cost of Kshs.1,508,740 as per the BQ was at variance with the funding of Kshs.1,100,000 leaving an unfunded balance of Kshs.408,740; and - The Project was incomplete and pending works included flooring, plastering, ceiling works and fitting of window panes.
Ambusketi Secondary School – Purchase of School bus	5,000,000	- The project cost of Kshs.6,700,000 as per the BQ was at variance with the funding of Kshs.5,000,000 leaving out Kshs.1,700,000 to be funded by the School. However, the agreement on counter-part funding was not provided; and - The approved government duty free price for Isuzu buses (46-54 passengers) was Kshs.6,128,449. However the Fund purchased a similar model at a duty free price Kshs.6,656,520, resulting into a loss of Kshs.528,071.
Kipgatich Secondary School -Dining hall	1,800,000	- Kshs.1,500,000 and Kshs.1,200,000 had been disbursed for the project in 2015/2016 and 2017/2018 financial years respectively; and - Supporting documents for the Kshs.1,800,000 disbursed during the year were not provided.
Olunguruone Township Secondary School -Four (4) storey Classrooms	600,000	- Kshs.600,000 and Kshs.1,000,000 had been spent on the Project in 2014/2015 and 2015/2016 financial years respectively. Information available indicated that similar works were being paid for in the 2018/2019 financial year; - Kshs.30,000 for engineer's supervision was not accounted for.

Project Beneficiary and Details	Allocation (Kshs.)	Observations
Chebaraa Secondary School- Dining hall	1,000,000	Kshs.500,000 was spent on the project in 2015/2016 financial year. However, the interim certificate of completion was not provided; The BQs had no provision for a kitchen casting doubt on the functionality of the dining hall in absence of a kitchen.
Keringet NGCDF Social Hall- Construction of Social Hall	3,500,000	- Proof of tender advertisement and evaluation of the bids were not available; - Kshs.1,900,000 had been spent in the prior financial year but the BQ in support of the works done was not available; and - Cumulative expenditure on the project by the Fund stood at Kshs.5,400,000; - Rain water and plumbing works, water tanks, painting and windows as per the BQ remained incomplete.
Silibwet Chief's Office- Chief's Office and a Pit Latrine	750,000	- The entire funding had been exhausted. However, finishing works of plastering, ceiling, painting among others were incomplete; and - Construction of the pit latrine had not started.
Keringet Police Station- Construction of Police Station	6,400,000	- Contrary to the provisions of Section 96(1) of the Public Procurement and Asset Disposal Act, 2015 on advertisement of tender, the contractor was single sourced; and - Although the project implementation status report indicated that the Project was 100% complete and full payment had been made to the contractor, the rain water works and fitting of metal curtain rods as provided in the BQ were incomplete.
Deputy County Commissioner's Residence Olenguruone - Deputy County Commissioner's Residence	540,000	The contractor has been paid in full but the BQ for the works done was not available for audit review.
Twenty-four (24) primary schools- Environment projects- Purchase of exotic and indigenous tree seedlings	2,180,818	Each school was to receive 500 indigenous and 1800 exotic cypress tree seedlings. However, audit inspection of six (6) primary schools revealed that none had received the indigenous tree seedlings with only two (2) having received 250 exotic cypress seedlings.

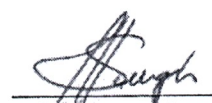
Project Beneficiary and Details	Allocation (Kshs.)	Observations
Sports project -Purchase and distribution of sports equipment	2,180,818	Supporting documents for the purchase of sports uniforms and balls and the beneficiaries was not made available for audit review.
Total	40,951,636	

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V. STATEMENT OF RECEIPTS AND PAYMENTS			(Restated)
	Note	2018- 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	122,620,186	84,610,345 0.3
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	=
TOTAL RECEIPTS		122,620,186	84,610,345
PAYMENTS			
Compensation of employees	4	2,974,994	1,505,336 0.3
Use of goods and services	5	7,589,852	6,045,257 0.6
Transfers to Other Government Units	6	66,360,345	38,600,000 0.3
Other grants and transfers	7	40,586,449	35,710,361 0.3
Acquisition of Assets	8	-	3,143,027 0.3
Other Payments	9	=	=
TOTAL PAYMENTS		117,511,640	85,003,981 0.6
SURPLUS/ (DEFICIT)		<u>5,108,546</u>	<u>(393,636)</u> 0.5

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KURESOI SOUTH Constituency financial statements were approved on 19/06 and signed by:


Fund Account Manager
Name: Samuel Kimani Rukwaro


Sub-County Accountant
Name: Richard K Langat
ICPAK Member Number: 20224

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KURESOI SOUTH CONSTITUENCY**

Reports and Financial Statements

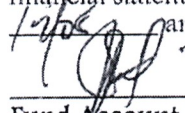
For the year ended June 30, 2019

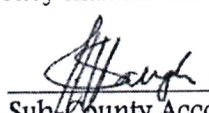
VI. STATEMENT OF ASSETS AND LIABILITIES

(Restated)

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	11,917,434	4,148,500 018
Cash Balances (cash at hand)	10B	-	
Total Cash and Cash Equivalents		11,917,434	4,148,500
 Current Receivables			
Outstanding Imprest	11	-	2,660,388 26
 TOTAL FINANCIAL ASSETS		11,917,434	6,808,888
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	
NET FINANCIAL ASSETS		11,917,434	6,808,888 018
 REPRESENTED BY			
Fund balance b/fwd	13	6,808,888	7,202,524 018
Surplus/Deficit for the year		5,108,546	(393,636) 018
 Prior year adjustments	14	-	
NET FINANCIAL POSITION		11,917,434	6,808,888 018

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KURESOI SOUTH Constituency financial statements were approved on 17/06/2019 and signed by:


Fund Account Manager
Name: Samuel Kimani Rukwaro


Sub-County Accountant
Name: Richard K Langat
ICPAK Member Number: 20224

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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VII. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018- 2019 Kshs	(Restated) 2017- 2018 Kshs
Receipts			
Transfers from NGCDF Board	1	122,620,186	84,610,345
Other Receipts	3	-	-
Total receipts		122,620,186	84,610,345
Payments			
Compensation of Employees	4	2,974,994	1,505,336
Use of goods and services	5	7,589,852	6,045,257
Transfers to Other Government Units	6	66,360,345	38,600,000
Other grants and transfers	7	40,586,449	35,710,361
Other Payments	9	-	-
Total payments		117,511,640	81,860,954
Total Receipts Less Total Payments		5,108,546	2,749,391
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Net Adjustments		-	-
Net cash flow from operating activities		5,108,546	2,749,391
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	3,143,027
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		5,108,546	(393,636)
Cash and cash equivalent at beginning of the year (1 st July, 2018)	13	6,808,888	7,202,524
Prior year adjustments	14	-	-
Cash and cash equivalent at END of the year		<u>11,917,434</u>	<u>6,808,888</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KURESOI SOUTH Constituency financial statements were approved on 29/07/2019 and signed by:

Fund Account Manager
Name: Samuel Kimani Rukwaro

Sub-County Accountant
Name: Richard K Langat
ICPAK Member Number: 20224

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KURESOI SOUTH CONSTITUENCY
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VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget (Kshs)	Adjustments (Kshs)	Final Budget (Kshs)	Actual on Comparable Basis (Kshs)	Budget Utilisation Difference (Kshs)	% of Utilisation f=d/c %
RECEIPTS	A	B	c=a+b	D	e=c-d	
Transfers from NGCDF Board	-	20,388,198	129,429,074	129,429,074	-	0%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTALS	109,040,876	20,388,198	129,429,074	129,429,074	-	0%
PAYMENTS						
Compensation of Employees	3,565,165	-	3,565,165	2,974,994	590,171	83.45%
Use of goods and services	6,248,514	5,292,538	11,541,052	7,589,852	3,951,200	65.76%
Transfers to Other Government Units	55,750,000	10,610,345	66,360,345	66,360,345	-	100%
Other grants and transfers	43,477,197	4,485,315	47,962,512	40,586,449	7,376,063	84.62%
Acquisition of Assets	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-
TOTALS	109,040,876	20,388,198	129,429,074	117,511,640	11,917,434	90.79%

The NGCDF KURESOI SOUTH Constituency financial statements were approved on 15/06/2020 and signed by:


Fund Account Manager
Name: Samuel Kimani Rukwaro


Sub-Country Accountant
Name: Richard K Langat
ICPAK Member Number: 20224

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KURESOI SOUTH CONSTITUENCY
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VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Subprogramme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,565,165	-	3,565,165	2,974,994	-590,171
1.2 Committee allowances	1,977,288	1,039,650	3,016,938	1,541,700	1,475,238
1.3 Use of goods and services	1,000,000	1,000,000	2,000,000	635,175	1,364,825
1.4 Acquisition of assets	-	-	-	-	0
2.0 Monitoring and evaluation	-	-	0	-	0
2.1 Capacity building	1,000,000	400,000	1,400,000	1,345,600	54,400
2.2 Committee allowances	1,200,000	2,712,600	3,912,600	3,619,100	293,500
2.3 Use of goods and services	1,071,226	140,288	1,211,514	448,278	763,236
3.0 Emergency	-	-	0	-	0
3.1 Emergency	5,738,994	568,966	6,307,960	600,000.00	5,707,960
3.3 Tertiary institutions	-	-	0	-	0
4.0 Bursary and Social Security	-	-	0	-	0
4.1 Primary Schools	0	0	0	0	0
4.2 Secondary Schools	10,000,000	14,000	10,014,000	11,003,036	-989,036
4.3 Tertiary Institutions	11,026,568	1,302,350	12,328,918	11,371,778	957,140
4.4 Universities	0	0	0	0	0
4.5 Social Security	0	0	0	0	0
5.0 Sports					
5.1 Constituency Sports Tournament	2,180,818	0	2,180,818	2,180,818	0
6.0 Environment			0		0
6.1 Environment	2,180,818	0	2,180,818	2,180,818	0
7.0 Primary Schools Projects			0		0
Kipleljin Primary School	750,000	0	750,000	750,000	0

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Kimugul Primary School	750,000	0	750,000	750,000	0
Leltany Primary School	750,000	0	750,000	750,000	0
Chenugu Primary School	750,000	0	750,000	750,000	0
Busiengiruk Primary School	750,000	0	750,000	750,000	0
Kipkoibet Primary School	750,000	0	750,000	750,000	0
Aoon Primary School	750,000	0	750,000	750,000	0
Sangawet Primary School	750,000	0	750,000	750,000	0
Ogiek Primary School	600,000	0	600,000	600,000	0
Chepyalilo Primary School	600,000	0	600,000	600,000	0
KoitaTinet Primary School	1,500,000	0	1,500,000	1,500,000	0
Ngenda Primary School	750,000	0	750,000	750,000	0
Kaplamai Primary School	750,000	0	750,000	750,000	0
Ndabibit Primary School	750,000	0	750,000	750,000	0
Chebirwobei Primary School	750,000	0	750,000	750,000	0
Barao Primary School	750,000	0	750,000	750,000	0
Sigowet Primary School	1,500,000	0	1,500,000	1,500,000	0
Ketitui Central Primary School	2,000,000	0	2,000,000	2,000,000	0
Kirandich Primary School	750,000	0	750,000	750,000	0
Tendwet Primary School	750,000	0	750,000	750,000	0
Chigamba Primary School	750,000	0	750,000	750,000	0
Sotiki Primary School	750,000	0	750,000	750,000	0
Emitik G Primary School	600,000	0	600,000	600,000	0
Saptet Primary School	500,000	0	500,000	500,000	0
Keringet Boarding Primary School	2,000,000	0	2,000,000	2,000,000	0
Kapkwon Primary School	900,000	0	900,000	900,000	0
Olunguruone DEB Boarding Primary school	500,000	0	500,000	500,000	0
Ole Tachasis Primary School	750,000	0	750,000	750,000	0
Kapno Primary School	750,000	0	750,000	750,000	0
Keringet Estate Primary School	800,000	0	800,000	800,000	0
Kapkoi Primary School	750,000	0	750,000	750,000	0
Tuiyobei K Primary School	600,000	0	600,000	600,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KURESOI SOUTH CONSTITUENCY
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Seanin Primary School	1,000,000	0	1,000,000	1,000,000	0
Bararget Primary School	950,000	0	950,000	950,000	0
Silibwet Primary School	1,500,000	0	1,500,000	1,500,000	0
Kiptenden Primary School	750,000	0	750,000	750,000	0
Kaptembwo Primary School		400,000	400,000	400,000	0
Siwot Primary School		600,000	600,000	600,000	0
Kipsotet Primary School		500,000	500,000	500,000	0
Tegat Primary School		1,400,000	1,400,000	1,400,000	0
Tembwo Primary school		1,231,035	1,231,035	1,231,035	0
Kabongoi Primary School		600,000	600,000	600,000	0
Mwangate Primary School		200,000	200,000	200,000	0
8.0 Secondary Schools Projects			0		0
Kiptagich Secondary School	1,800,000	0	1,800,000	1,800,000	0
TinetKapkoi Secondary School	550,000	0	550,000	550,000	0
OgiekSotiki Secondary School	1,000,000	0	1,000,000	1,000,000	0
Kapngorot Secondary School	500,000	0	500,000	500,000	0
Siwot Girls Secondary School	2,000,000	0	2,000,000	2,000,000	0
Chigamba Secondary School	500,000	0	500,000	500,000	0
Tulwet Secondary.	1,100,000	0	1,100,000	1,100,000	0
Olenguruone Township Secondary School	600,000	0	600,000	600,000	0
Kamwaura Secondary School	800,000	0	800,000	800,000	0
Tinet Mixed Secondary School	900,000	0	900,000	900,000	0
Kapkeet Secondary School	1,500,000	0	1,500,000	1,500,000	0
Kiptaragon Secondary School	800,000	0	800,000	800,000	0
Ngorofa Secondary School	1,000,000	0	1,000,000	1,000,000	0
Kapsimbeiywo Secondary School	1,000,000	0	1,000,000	1,000,000	0
Kiplemeiywo Secondary School	2,100,000	0	2,100,000	2,100,000	0
Kaplamboi Secondary School	600,000	0	600,000	600,000	0
Chemamer Secondary School	1,500,000	0	1,500,000	1,500,000	0
Chebaraa Secondary School	1,000,000	0	1,000,000	1,000,000	0
Bararget Secondary School	1,200,000	0	1,200,000	1,200,000	0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KURESOI SOUTH CONSTITUENCY
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Ambusket Secondary School		3,000,000	3,000,000	3,000,000	0
Chebotoi Secondary School		679,310	679,310	679,310	0
Ambusket Secondary School		2,000,000	2,000,000	2,000,000	0
9.0 Tertiary institutions Projects			0		0
Kiptaragon TTI	4,000,000	0	4,000,000	4,000,000	0
10.0 Security Projects			0		0
DO's office Kiptagich	1,100,000	0	1,100,000	1,100,000	0
Keringet police station	4,000,000	2,400,000	6,400,000	6,400,000	0
Keringet CDF Social Hall	3,500,000	0	3,500,000	3,500,000	0
DCC Residence	1,500,000	0	1,500,000		1,500,000
Silibwet Chiefs Office	710,000	0	710,000	710,000	0
Emitik chiefs office	300,000	0	300,000	300,000	0
Tinet Chiefs Hall	700,000	0	700,000	700,000	0
DO's Residence Olenguruone	540,000	0	540,000	540,000	0
Kapkembu Chiefs Office	0	200,000	200,000		200,000
11.0 Acquisition of assets			0		0
11.1 Motor Vehicles	0	0	0		0
11.2 Construction of CDF office	0	0	0		0
11.3 Purchase of furniture and equipment	0	0	0	0	0
11.4 Purchase of computers	0	0	0		0
12.0 Others			0		0
12.1 Strategic Plan	0	0	0		0
12.2 Innovation Hub	0	0	0		0
12.2 TIVET	0	0	0		0
TOTALS	109,040,877	20,388,199	129,429,076	117,511,640	11,917,434

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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

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

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

15. Related Party Transactions

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

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X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	(Restated) 2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NOA855888	1		5,500,000
AIE NOA896759	2		37,905,172
AIE NOA896941	3		41,205,173
AIE NO B005055	1	11,379,310	
AIE NO B030032	2	2,200,000	
AIE NO B030082	3	10,000,000	
AIE NO B030463	4	13,000,000	
AIE NO B006410	5	7,000,000	
AIE NO A699147	6	11,000,000	
AIE NO B042781	7	13,000,000	
AIE NO B047563	8	55,040,876	
TOTAL		122,620,186	84,610,345

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	
Receipts from sale of office and general equipment	-	
Receipts from the Sale Plant Machinery and Equipment	-	
Total	-	

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Basic wages of contractual employees	1,816,656	1,477,336
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Employer contribution to NSSF	33,600	28,000
Leave allowance	1,124,738	-
Gratuity	-	-
Other personnel payments	-	-
Total	2,974,994	1,505,336

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Committee Expenses	1,541,700	3,230,700
Other Committee Expenses	3,619,100	850,000
Utilities, supplies and services	67,000	52,287
Communication, supplies and services	13,423	21,920
Domestic travel and subsistence	104,900	
Printing, advertising and information supplies & services		-
Rentals of produced assets		-
Training expenses	1,345,600	-
Fuel, Oil and Lubricants	450,000	260,000
Hospitality supplies and services		300,000
Insurance costs	-	
Specialized materials and services	-	
Office and general supplies and services	340,288	
Other operating expenses(water and sewerage)	15,000	259,621
Routine maintenance – vehicles and other transport equipment	51,851	1,070,729
Routine maintenance – other assets	40,990	
Total	7,589,852	6,045,257

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

(Restated)

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities		26,100,000
Transfers to primary schools (see attached list)	36,231,035	12,500,000
Transfers to secondary schools (see attached list)	26,129,310	-
Transfers to tertiary institutions (see attached list)	4,000,000	-
Transfers to health institutions (see attached list)		-
TOTAL	66,360,345	38,600,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	11,003,035	12,036,610
Bursary – tertiary institutions (see attached list)	11,371,778	7,000,000
Bursary – special schools (see attached list)	-	
Mock & CAT (see attached list)		
Security projects (see attached list)	13,250,000	2,500,000
Sports projects (see attached list)	2,180,818	1,736,207
Environment projects (see attached list)	2,180,818	1,736,207
Emergency projects (see attached list)	600,000	5,024,310
Other capital grants and transfers		5,677,027
Total	40,586,449	35,710,361

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019 Kshs	(Restated) 2017-2018 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 Office furniture and fittings	-	3,143,027
Purchase of Office Furniture and General Equipment	-	
Purchase of ICT Equipment, Software and Other ICT Assets	-	
Purchase of Specialized Plant, Equipment and Machinery	-	
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	
Acquisition of Land	-	
Acquisition of Intangible Assets	-	
Total	-	3,143,027

9. OTHER PAYMENTS

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-
	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
<i>Equity Bank, Molo, Account No: 0230261796290</i>	11,917,434	4,148,500
		-
		-
		-
Total	11,917,434	4,148,500
10B: CASH IN HAND		
Location 1	-	2,660,388
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	11,917,434	6,808,888
<i>[Provide cash count certificates for each]</i>		

Note: There was an error in reporting opening balance for the year whereby it was erroneously reported

As ksh 3,292,655.00 instead of ksh 4,148,500 secondly a total cash and cash equivalent in financial year 2017-2018. Cash amount of ksh 2,660,388.00 had not been surrendered at the end of June 2018. The opening balance therefore has been reinstated to ksh 6,808,888 and not 3,292,655 as earlier reported.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

	2018 - 2019	(Restated) 2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	(Restated) 2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

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13. BALANCES BROUGHT FORWARD

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Bank accounts	4,148,500	7,202,524
Cash in hand		-
Imprest	2,660,388	-
Total	6,808,888	7,202,524

14. PRIOR YEAR ADJUSTMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES

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

15.3: UNUTILIZED FUND

	Kshs	Kshs
Compensation of employees	590,171	14,664
Use of goods and services	3,951,200	2,535,467
Amounts due to other Government entities		10,493,294
Amounts due to other grants and other transfers	7,376,063	2,677,746
Acquisition of assets		-
Others (<i>Purchase of constituency innovation hub</i>)		4,667,072
	11,917,434	20,388,198

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

15.4: PMC account balances (See Annex 5)

	2018-2019	(Restated) 2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	17,537,851	83,100,000
	17,537,851	83,100,000

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	B	c	d=a-c	
NGCDFC Staff (gratuity)						
1.						
2.						
3.						
Sub-Total						
sOthers (specify)						
4.						
5.						
6.						
Sub-Total						
Grand Total						

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19 Kshs	Restated Outstanding Balance 2017/18 Kshs.	Comments
Compensation of employees		590,171	14,664	
Use of goods & services		3,951,200	2,535,467	
Amounts due to other Government entities		7,376,063	10,443,294	
Sub-Total		11,917,434	12,993,425	
Amounts due to other grants and other transfers			2,677,746	
Sub-Total		-	2,677,746	
Acquisition of assets				
Others (<i>constituency innovation hub</i>)			4,667,027	
Sub-Total				
Grand Total		11,917,434.00	20,388,198	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Restated Historical Cost 2017/18 Kshs	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	89,980	-	-	89,980
Buildings and structures	1,000,000	-	-	1,000,000
Transport equipment	1,000,000	-	-	1,000,000
Office equipment, furniture and fittings	4,143,027	-	-	4,143,027
ICT Equipment, Software and Other ICT Assets	2,000,000	-	-	2,000,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	8,233,007	-	-	8,233,007

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
DO's Office Kiptagich	Equity	230177489291.00	8,020.00	1,000,000
Keringet Police Station	Equity	230177722048.00	2,429,721.00	1,500,000
Strategic Plan	Equity	230263875638.00	574,380.00	800,000
Mwangate Primary School	Equity	230162852186.00	451.00	500,000
Tegat Primary School	Equity	230190223963.00	199,389.00	600,000
Tendwet Primary School	Equity	230162562984.00	900.00	300,000
Tuiyobei Primary School	Equity	230163473417.00	139,615.00	600,000
Saptet Primary School	Equity	230162465069.00	1,495.00	600,000
Lelaipei Primary School	Equity	230170341976.00	230.00	500,000
Tembwo Primary School	Equity	230263478621.00	(119.00)	1,000,000
Bararget Primary School	Equity	230167040638.00	42,850.00	600,000
Kiptulwo Primary School	Equity	230161768302.00	104.00	600,000
Kibangu Primary School	Equity	230169555635.00	65.00	1,800,000
Baraka Primary School	Equity	230264001060.00	1,235.00	400,000
Kabeer Primary School	Equity	230162247934.00	402,631.00	900,000
Kaptembwo Primary School	Equity	230171488676.00	148,110.00	600,000
Rwaget Primary School	Equity	230172873672.00	10.00	1,200,000
Kabongoi Primary School	Equity	230162823883.00	224.00	600,000
Korao Primary School	Equity	230162877299.00	996.00	600,000
Tirigoi Primary School	Equity	230263589393.00	210.00	600,000
Angurwet Primary School	Equity	230162803533.00	596.00	600,000

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kiptongoton Primary School	Equity	230177625394.00	20.00	1,200,000
Lelechwet Primary School	Equity	230177462596.00	160.00	600,000
Cheram Primary School	Equity	230263814511.00	240,480.00	600,000
Boron Primary School	Equity	230166650375.00	675.00	400,000
Geticha Primary School	Equity		625.00	600,000
Kamwaura Primary School	Equity	230101439990.00	15.00	500,000
Sigowet Primary School	Equity	230162799287.00	7,587.00	600,000
Kabigeriet Primary School	Equity	230162804058.00	221,995.00	600,000
Kiptenden Primary School	Equity	230177115471.00	50.00	600,000
Lelkoita Primary School	Equity	230177396472.00	65,930.00	500,000
Kwendo Primary School	Equity	230296508659.00	45.00	500,000
Chebara Primary School	Equity	230260681736.00	638.00	600,000
Ketitui Central Primary School	Equity	230162406746.00	1,395,850.00	600,000
Saonet Primary School	Equity	230162463959.00	34.00	300,000
Irongo Primary School	Equity	230162472902.00	584.00	600,000
Kiplemeiywo Primary School	Equity	230162804155.00	357.00	500,000
Kibirech Primary School	Equity	230177440021.00	1,300.00	600,000
Konoin Primary School	Equity	230162799145.00	60,330.00	600,000
Chebotoi Primary School	Equity	230162810306.00	60.00	600,000
Wamkong Primary School	Equity	230171624592.00	205.00	600,000
Olenguruone DEB Day Primary School	Equity	230172813632.00	1,935.00	1,200,000
Chepkiswet Primary School	Equity	230162541864.00	3,540.00	1,000,000

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Siwot Primary School	Equity	230263517630.00	280.00	600,000
Kipsotet Primary School	Equity	230177500574.00	49,770.00	600,000
Kapkeet Secondary School	Equity	230169728456.00	766,960.00	500,000
Cherokyet Secondary School	Equity	230177523242.00	1,880.00	800,000
Korao Secondary School	Equity	230263298937.00	2,970.00	1,600,000
Kapngorot Secondary School	Equity	230162481404.00	259.00	600,000
TinetKapkoi Secondary School	Equity	230263734007.00	395.00	1,200,000
Chemaner Secondary School	Equity	230162050130.00	69.00	600,000
Amani Secondary School	Equity	230162459935.00	2,180.00	500,000
Kaplamboi Secondary School	Equity	230178907055.00	1,200,000.00	600,000
Sinendet Secondary School	Equity	230162804109.00	598,735.00	1,200,000
Chigamba Mixed Day Secondary School	Equity	230162828247.00	828.00	1,000,000
Chebotoi Secondary School	Equity	230162468425.00	1,222.00	500,000
Kimororoch Secondary School	Equity	230177418078.00	140.00	1,200,000
Kiptagich Secondary School	Equity	230162865543.00	1,500,100.00	2,000,000
Sugutek Secondary School	Equity	230166848818.00	796.00	200,000
Kapsimbeiywo Secondary School	Equity	230199768023.00	17,381.00	1,000,000
Ambusket Secondary School	Equity	230170420484.00	67.00	1,500,000
Environment	Equity	230177003957.00	444.00	800,000
Constituency Sports Tournaments	Equity	230177381627.00	637,314.00	500,000
Keringet CDF Social Hall	Equity	230264825937.00	20.00	600,000
DCC Residence	Equity	230170562105.00	99,160.00	300,000

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Silibwet Chiefs Office	Equity	230178946873.00	-	600,000
Emitik Chiefs Office	Equity	230172959955.00	250.00	600,000
Tinet Chiefs Hall	Equity	230179052155.00	0	500,000
DO's Residence Olenguruone	Equity	230178738884.00	53,880.00	1,000,000
Kiptaragon Technical Training Institute	Equity	230266568441.00	800,060.00	600,000
Kipleljin Primary School	Equity	230162808117.00	750,090.00	600,000
Kimugul Primary School	Equity	230162437731.00	750,982.00	1,800,000
Leltany Primary School	Equity	230162812562.00	91,066.00	400,000
Chenugu Primary School	Equity	230163498564.00	10.00	900,000
Busiengiruk Primary School	Equity	230178752238.00	75,660.00	600,000
Kipkoibet Primary School	Equity	230162825364.00	1,610.00	1,200,000
Aoon Primary School	Equity	230178912906.00	182,880.00	600,000
Sangawet Primary School	Equity	230263701964.00	77,760.00	600,000
Ogiek Primary School	Equity	230178737754.00	80.00	600,000
Chepnyalilo Primary School	Equity	230162802865.00	59,900.00	600,000
KoitaTinet Primary School	Equity	230162876754.00	1,060,681.00	1,200,000
Ngenda Primary School	Equity	230266395949.00	1,005.00	600,000
Kaplamai Primary School	Equity	230161759576.00	327.00	600,000
Ndabibit Primary School	Equity	230162460585.00	1,352.00	400,000
Barao Primary School	Equity	230169559394.00	850.00	600,000
Sigowet Primary School	Equity	230162799287.00	7,587.00	500,000
Kirandich Primary School	Equity	230162811179.00	315.00	600,000

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Tendwet Primary School	Equity	230162562984.00	900.00	600,000
Chigamba Primary School	Equity	230162803730.00	230.00	600,000
Sotiki Primary School	Equity	230161728101.00	1,131.00	500,000
Emitik G School	Equity	230179087539.00	-	500,000
Keringet Boarding Primary School	Equity	230172555967.00	197,600.00	600,000
Kapkwon Primary School	Equity	230190262073.00	92,266.00	600,000
Olenguruone DEB Boarding Primary School	Equity	230162838200.00	50,334.00	300,000
Ole Tachasis Primary School	Equity	230162803751.00	400,284.00	600,000
Kapno Primary School	Equity	230169981354.00	205.00	500,000
Keringet Estate Primary School	Equity	230169801172.00	140.00	600,000
Kapko Primary School	Equity	230177473132.00	890.00	600,000
Seanin Primary School	Equity	230263520599.00	125.00	600,000
Silibwet Primary School	Equity	230162804026.00	215.00	600,000
Kiptenden T Primary School	Equity	230178912906.00	182,880.00	1,200,000
TinetKapko Secondary School	Equity	230263734007.00	395.00	1,000,000
OgiekSotiki Secondary School	Equity	230172999002.00	-	600,000
Siwot Girls Secondary School	Equity	230266562089.00	199,880.00	600,000
Chigamba Secondary School	Equity	230162828247.00	828.00	500,000
Tulwet Secondary School	Equity	230163314568.00	768,670.00	800,000
Olenguruone Township Secondary School	Equity	230166674527.00	2,650.00	1,600,000
Kamwaura Secondary School	Equity	230263373966.00	9,052.00	600,000
Tinet Mixed Secondary School	Equity	230264378281.00	71,580.00	1,200,000

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kiptaragon Secondary School	Equity	230162825143.00	800,644.00	600,000
Ngorofa Secondary School	Equity	230162855293.00	6,044.00	500,000
Kiplemeiywo Secondary School	Equity	230179103633.00	-	600,000
Chebara Secondary School	Equity	230166593721.00	65.00	1,200,000
Bararget Secondary School	Equity	230179087254.00	-	1,000,000
Total			17,537,851.00	83,100,000

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ANNEX 6: 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	Issue/ observation from Auditor	Management comment	Focal Point person to resolve the issue (Name and designation)	Status(Resolved/ Not resolved)	Time frame
1	Non preparation of trial balance	Already resolved	NG-CDFC & FAM	Resolved	
2	Undisclosed and unsurrendered imprest of Ksh. 2,660,388	Imprest surrendered in 2018-2019	NG-CDFC & FAM	Resolved	
4	Irregular recruitment of staff	Committee recruited a competent clerk of works	NG-CDFC & FAM	Resolved	
5	Kapkeet Secondary School The school had a budget of kshs 1 million for construction of one classroom to completion. However, the PMC constructed 2 classrooms which were not completed contrary to the project activity in the code list and no approval of change of activity was sought from the board. Extra project implemented without approval.	It is true that Kuresoi NG-CDFC implemented two classrooms instead of one as planned . However , NG-CDFC is in process of getting the approval and funding of the extra one classroom done	NG-CDFC & FAM	In progress	6 months
6	Tinet Kapkoi Secondary School kshs 800,000 budget was approved for the year 2017/18 to construct an administration block. On physical verification it was noted the project was complete. However, no	At the time of the audit project verification , the file for the project was misfiled and misplaced. However, the project design, bill of quantity is now in place	PMC, NG-CDFC & FAM	Resolved	

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	project design nor certificate of completion nor inspection and acceptance report were provided for audit review.				
7	Sugutek Secondary School ksh 1 million had been budgeted with kshs 400,000 for laboratory fixings and ksh 600,000 for one new classroom construction. However, no classroom was done apart from gas and water fixtures in lab. Further no inspection and acceptance report for works done nor PMC bank account statement were provided for audit review.	In Sugutek Secondary School the works of equipping the laboratory exceeded the planned work that had initially been provided , However, the NG-CDFC is in process of applying for change of use from the NG-CDF Board to reconcile what is in the records with what is in the ground	NG-CDFC & FAM	In progress	6 Months
8	Kapngorot Secondary School Budget of kshs 500,000 was approved for plastering, flooring, painting, windows and door fixing of a classroom done earlier. However, audit inspection revealed the PMC did a different activity of installation of lab equipment. No authority on change of activity was sought from the CDF board.	It is a fact that the physical project was a laboratory. The initial purpose of the building was a classroom that was supposed to be floored and painted. Due to pressure of laboratories challenges the Board of the School converted the classroom to be a laboratory. The activities of plastering and flooring were done. The NG-CDF Board is in process of requesting for the change of activity from the Board	NG-CDFC & FAM	In progress	6 Months
9	Kimoroch Secondary School				

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	Budget set was kshs 1.2 million and code list indicated the amount was to construct two classrooms to completion. Though the PIS indicated the project as complete, physical verification done on 10/4/19 confirmed that the project was not complete as no painting was done and no stone keys done on the walls. Further, the walls and floor were cracking and the windows were very small also. No certificate of payment nor building plan was provided to confirm that the class measurements were done as provided. Also no inspection and acceptance report was produced for audit.				
10	Chemamer Secondary School Project was budgeted for construction of one classroom at kshs 600,000 and another kshs 1 million for construction of a dormitory. Though the works were quite good, no design plan nor inspection and acceptance report as well as completion certificate from department of works was provided for audit review.	It is true that the classrooms were not painted. This was because the quantities of painted was not included in the bill of quantity. However the committee has increased the cost of construction of a classroom from 600,000 to Kshs750,000 to include the works of painting. During the visit by auditors the file had been misplaced but they are now available for verification	NG-CDPC & FAM	Resolved	
11	Tinet Kabongoi Girls	It is true that the former committee	NG-CDPC & FAM	Resolved.	

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	The school was fully funded in earlier years as a model school and classes, laboratory, administration block as well as dormitories were constructed and finalized in 2016/17. During physical verification of an adjacent primary school in which they share a compound, it was noted that the school is not fully utilized as a board member confirmed it only had 17 students out of a possible 180 from form one to form four. The reason for the poor student enrolment was cited as lack of TSC teachers who cannot be posted to the school as it has not been registered as a public school by the Ministry of Education. The CDF therefore funded a school that was not registered.	were funding a project that was not duly registered with the ministry of education. I happy to report that it is now fully registered and in operation.			
	Chepkiswet Primary School Construction of two classrooms Metal pillars not installed to support the roof in front of the classroom	It is a fact that there was no metal pillars installed to support the roof during the visit by auditors. However, the issue has now been resolved	NG-CDFC & FAM	Resolved	
	Kabongoi Primary School Construction of three classrooms 1. Not painted 2. Ceiling not installed 3. Not being utilized	The bill of quantity had no provision of paintinting due to budget constraint. However, it is now provided upto ceiling level and electrical installation.			

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	Kipsotet Primary School 1. Construction of one classroom as per the contract agreement which was change of activity without Board approval 2. Failure to brand the CDF project which is clear manifestation of misappropriation of funds. Completion of 3 classrooms (plastering, walling, painting windows and doors) The three classrooms seem were constructed by the same donor ie. Better World as per the explanation by clerk of works hence the money was not utilized for the intended purpose	The Committee is in process of seeking NG-CDF Board approval	NG-CDFC & FAM	In progress	6 Months