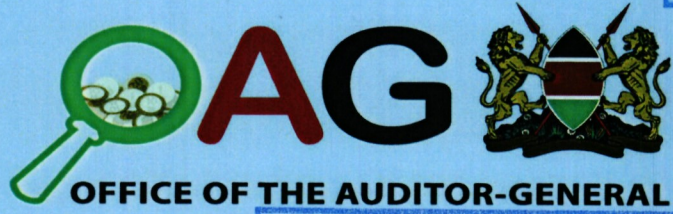



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Enhancing Accountability

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REPORT

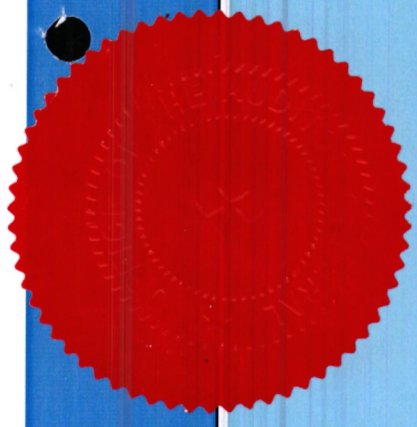
OF

THE AUDITOR-GENERAL

ON

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

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





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

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

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For the year ended June 30, 2020

I KEY CONSTITUENCY INFORMATION AND MANAGEMENT

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

2

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Mission

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

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.

(a) Key Management

The NGCDF Vihiga 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)

(b) 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	Joe Godwin Oduor
2	Sub - County Accountant	Wyckliffe Khamati
3	Chairman NGCDF	James Mundia
4	Member NGCDF	Claris Anaye

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF - Vihiga 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.

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

(d) NGCDF Vihiga Constituency Headquarters

P.O. Box 46682 - 00100,
Harambee Sacco Plaza,
Junction of Uhuru Highway & Haile Selassie Avenue,
Nairobi, KENYA.

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

Reports and Financial Statements

For the year ended June 30, 2020

(e) NGCDF Vihiga Constituency Contacts

Telephone: (254) 725 371 259
E-mail: cdfVihiga@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) NGCDF Vihiga Constituency Bankers

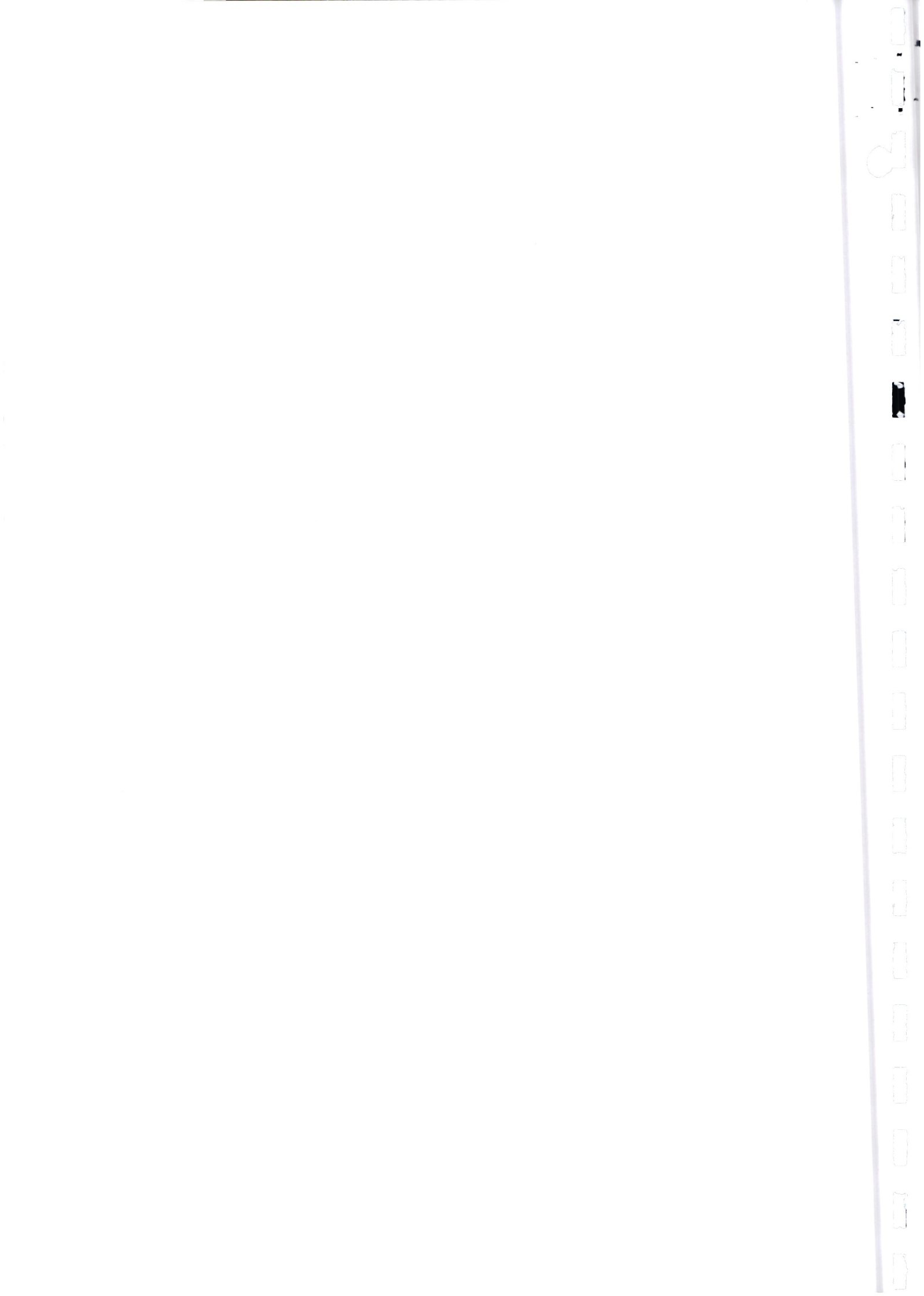
Cooperative Bank of Kenya
A/c No. 01141471496600
P.O. Box,
Mbale, KENYA

(g) Independent Auditors

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

(h) Principal Legal Adviser

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



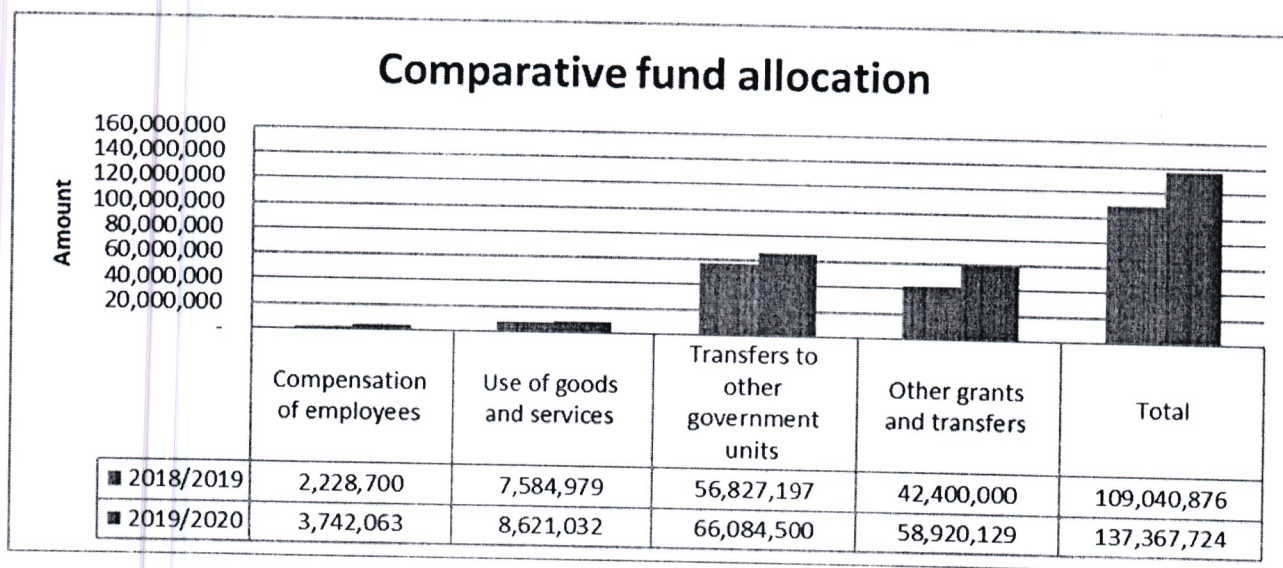
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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For the year ended June 30, 2020

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NG-CDF Vihiga is grateful for the financial year that has been. The committee had a budget of Kes. 137,367,724, which is a 21% increase from the previous financial year's 109,040,724. This was to finance National Government projects in addition to other statutory. The NG-CDFC Vihiga in its budget, apportioned the funds per sector in comparison to the previous financial year as tabulated below;



The NG-CDF has improved education and security infrastructure in Vihiga besides bursaries allocation to needy and deserving students. This is evidenced by comparison on bursary allocation and disbursed of the last financial year.

However, emerging issues like political, economic, social, legal and global challenges influence the implementation of NG-CDF projects. Other issue include late disbursement of funds, re-allocation and late approval of project. As at 30th June, 2020, Kshs. 69,367,724 had not been disbursed by the Board. Its worth noting that late disbursement of funds and the COVID-19 pandemic serious affected implementation of project as operations nearly came to a standstill. The committee requests the Board to kindly disburse the remaining amount early to enable Vihiga constituents realize the much needed development.

It is understood that projects proposal was submitted late thus the NG-CDFC did not receive its allocation in time which translated into delayed implementation of projects. The unutilized funds still remain with the NG-CDF Board.

.....

Sign

CHAIRMAN NGCDF COMMITTEE

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

Reports and Financial Statements

For the year ended June 30, 2020

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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- Vihiga Constituency's 2018-2022 strategic development plan are:

a) Education

The NG-CDF Vihiga takes education and matters education very serious components to achieve development. It has in the past improved existing infrastructure and put in both secondary and primary school. This has in turn improved performance among learners besides increased enrolment as learning environment in now conducive. To ensure 100% transition from one level of learning to another, Vihiga NG-CDFC has come with a bursary awarding system that's all inclusive. Bright but vulnerable students are identified through our bursary committee and fully sponsored.

b) Health care

It's said that a 'Healthy Nation is a Wealthy Nation, and as so Vihiga is not relenting on matters health. Our bursary committee working closely with area Chief's and other relevant bodies, has identified elderly persons within the Constituency and had them registered to benefit in our social health scheme that intends to pay for medical cover (NHIF) through our soon to be implemented social security fund.

c) Environment, Water and Sanitation

The major environmental activity of Vihiga NG-CDF has been tree planting. This has been done over a period to increase forest cover, attract rain, provide habitat for other living things living in forests and of course to reduce pollution. We have started incorporating other activities like construction of toilets and purchase and installation of water tanks in environmental activities. These have gone a long way in keeping our environment clean and healthy besides providing clean water for drinking and domestic use.

d) Security

Development is achievable if its secure and put safe. The Vihiga NG-CDFC has improved infrastructure and put in place new ones at Chiefs' offices / camps, AP camps and police stations within the Constituency. NG-CDF is always ready to equip and facilitate the security agencies' activities if called upon.

e) Sports

Sports and sporting activities are incorporated in our development agenda because through sporting activities, youth realize their talents and able to display them for personal and communal gain. Youth groups, existing and new sports clubs are identified through such activities and

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

empowered therefore reducing dependency. Sports keep the youth busy thus have no time for social evils seen to be on the rise.

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	<ul style="list-style-type: none"> ○ Increase enrolment ○ Reduce dropout rate ○ Improve performance ○ Ensure 100% transition 	Improve existing infrastructure and develop new ones to enhance conducive learning environment for learners	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 ✓ 9 new classrooms constructed to completion out of 14 budgeted for ✓ 1 administration block constructed to completion out of 3 budgeted for ✓ 1 dormitory constructed to completion as budgeted for ✓ 1 laboratory constructed to completion as budgeted for ✓ 2500 Bursary beneficiaries at all levels were as per the attached schedules
Security	Equip and facilitate AP's, Chiefs, ACC's and other security agencies in the Constituency	Improve and develop infrastructure to enhance security and service delivery	Number of physical infrastructure developed and improved within the Constituency	✓ 4 Chiefs' offices renovated as budgeted for ✓ 2 AP camp facilities



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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				renovated as planned
Environment	Conservation of environment through conservation of natural resources, improved access to water and sanitation	<ul style="list-style-type: none"> ✓ Facilitate schools and other public institutions with water and improved / developed sanitation ✓ Tree planting to increase forest cover in public institutions 	<ul style="list-style-type: none"> ✓ Number of water tanks distributed and installed in public institutions ✓ Number of sanitation facilities constructed in public institutions ✓ Number of trees planted 	<ul style="list-style-type: none"> ✓ 12 plastic tanks (10,000 ltrs) distributed to public institutions as planned ✓ 20 pit latrines constructed in public institutions as planned ✓ 30,000 tree seedlings planted as planned
Sports	Empower youth and special groups to develop through sports	Reduced social evils among the youth and special groups	Number of youth groups benefitting through sports programmes	10 new youth groups identified and empowered



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

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

NGCDF – Vihiga Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile

The Vihiga NG-CDFC works within the existing frameworks that helps in enhancing service delivery thus better performance in development matters within the Constituency with the involvement of both internal and external stakeholders. To achieve suitability, the Vihiga NG-CDFC relied heavily on targets set in our strategic plans. We operate under a framework which includes identification of projects, approval of the identified projects, allocation of adequate funds, implementation, evaluation and monitoring.

2. Environmental performance

Environmental protection has become an important aspect of NG-CDF Vihiga without which our lives and operations wouldn’t be easy at all. Therefore environmental care is an important aspect which must become everyone’s responsibility.

Environmental Policy

We commit to abide by the following in our environmental policy statement;

- Ensure compliance with all set environmental regulations, approved codes and legislations,
- Minimize our contribution to pollution of environment,
- Minimize wastage by maximizing use of resources and materials at our disposal,
- Managing and disposing all our wastes in required responsible ways,
- Monitoring and continuously improving our environmental performance,
- Encouraging our stakeholders to improve their environmental performance to leverage our environmental impact,
- Offer training to our staff, NG-CDFC and other stakeholders so that we work and live within an environmentally aware culture,
- Communicate our environmental performance to our employees and stakeholders,
- Introducing and including to our management processes to ensure that environmental factors are considered during planning and implementation,
- Recycling paper and plastic wastes,

3. Employee welfare

The NG-CDF Vihiga offers 2 categories of employment; i.e. Contract and Casual employees. Contract employees are employed on a three years contract that is renewable bases on performance and competence. They are eligible for employees’ benefits within statutory requirements. Casual employees on the other hand are hired to perform duties on daily or weekly

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

basis and are paid upon completion of such duties. They aren't entitled to any employee benefits and aren't allowed to work for upto three months continuously.

The Fund Account Manager declares vacancy in the office through the NG-CDFC. An advertisement is then put within the Constituency containing job title, purposes of the job, key responsibilities of the job, education, skills, experience and competence required for the job, location of the job, instructions on how to apply and information to be submitted in the application and closing date for receipt of the application.

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

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

Appointed person is then given appropriate letter of appointment which may be accepted or rejected by the candidate based on how he / she deems terms of appointment favour him / her or otherwise within stipulated period of time.

Upon acceptance of appointment, the candidate is then issued with a written contract of service which is signed by both the Fund Account Manager and the Chairperson of NG-CDFC, Vihiga. The contract of service states particulars of employment including name and address of employee, job description, date of commencement of job, form and duration of the contract, place of work, hours of work, remuneration, termination and terms and conditions of employment the employee is entitled to.

The successful employee is then taken through orientation and induction to familiarize him / her with the mandate, vision, mission and most importantly the operations of the office and how the job contributes to the same. This is done within the first three months of employment.

Based on merits and extra ordinary ability reflected on work performance and results after annual performance appraisal, an employee may be selected for promotion whose recommendation is only made by the NG-CDFC resolutions.

Health, Safety and Well being

As provided in the guidelines on the health, safety and wellbeing of our staff in office, the office has maintained a healthy and safe working conditions for its employees to ensure there's no personal injury caused by accidents. All staff must always consider their safety and that of others when performing their duties.

4. Market place practices

To support grass-root constituency level development, the NG-CDFC fund has to aim at achieving equitable distribution of resources across the constituency and control imbalances



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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brought by partisan politics. It targets constituency level development projects especially those that combat poverty at the constituency level.

a) Responsible competition practice.

Members of public are always involved in identification of projects. The NG-CDFC from time to time identify projects that they deem beneficial to the community for implementation. After approval and funds disbursed, the NG-CDFC transfers funds to PMC accounts of the approved projects. They are then guided on tendering process to ensure that locals competitively benefit in provision of services and materials for the project. Tendering process is open to public.

b) Responsible Supply chain and supplier relations

Upon satisfactory inspection of services and materials provided, supplier is issued with a certificate of completion and other requisite documents that are presented for payment. Payment is done promptly if all supporting documents are in order.

c) Responsible marketing and advertisement

Tender advertisement is placed in public places including government offices notice boards, markets, NG-CDF Offices, Schools and even local dailies. Plans are underway to create a Constituency website to place such adverts in near future. This ensures that no form of discrimination is applied to lock out a interested bidders unfairly.

d) Product stewardship

To safeguard consumers' rights and interests, the Vihiga NG-CDFC came up with a service charter and complaints handling policy. The service charter points out our commitment in ensuring that our customers are provided with high quality services with high level professionalism, dignity, integrity and courtesy. As per our complaints handling policy, shows our commitment to consistent, fair and confidential complaints handling and to resolve complaints as quickly as possible.

5. Community Engagements

As stipulated in the NG-CDF Act 2015 that the Chairperson of the NG-CDFC shall within the first year of commencement of a new parliament and at-least once after two years thereafter, convene open forum public meetings in every Ward of the Constituency to deliberate on development matters in the Ward and in the Constituency, the NG-CDFC Vihiga gives public participation much deserved attention.

The NG-CDF deliberates on project proposals from all the Wards in the Constituency and any other projects which the Constituency committee considers beneficial to the constituency, including joint projects with other Constituencies, considering national development plans and policies and the constituency development strategic plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. Thereafter the list is proposed to the Board.

Public participation is important as it help in providing information that helps them understand the issues, opinions and solutions available for the project. Consulting with the public also helps

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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in obtaining their feedback on alternatives or decisions. Besides, it ensures their concerns are considered throughout the decision process particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

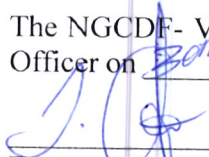
The Accounting Officer in charge of the NGCDF- Vihiga Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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


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

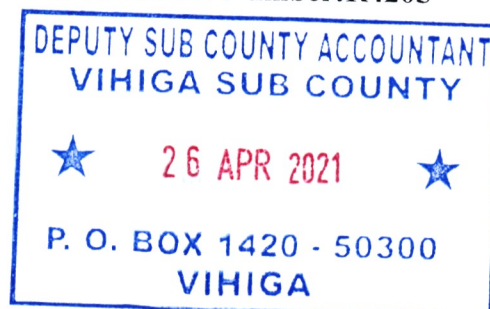
The Accounting Officer in charge of the NGCDF- Vihiga Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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- Vihiga Constituency financial statements were approved and signed by the Accounting Officer on 30th JUNE 2020.

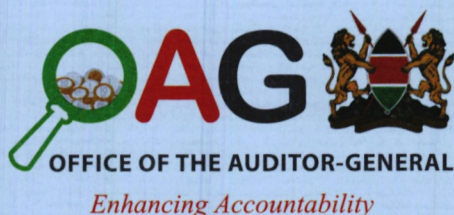

Fund Account Manager
Name: Joe G. Oduor


Sub-County Accountant
Name: Wycliffe Khamati
ICPAK Member Number: R4205



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Vihiga Constituency set out on pages 15 to 39, which comprise the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flow, 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 the National Government Constituencies Development Fund - Vihiga 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

1.0 Inaccuracies in the Financial Statements

1.1 Statement by the Chairman

The financial statements had the following inaccuracies and misstatements:

- (i) The forward statement by the chairman at Note II, paragraph 3 states that as at 30 June, 2020 Kshs.69,367,724 had not been disbursed but in the summary statement of appropriation - recurrent and development combined reflects budget underutilization figure of Kshs.76,058,852 resulting to a variance of Kshs.6,691,128 which has not been explained or reconciled.

1.2 Unsupported Project Management Committee Bank Balances

The financial statements reflects under Note 17.4 a balance of Kshs.7,982,570 as PMC bank balances. However, bank confirmation certificates for eight (8) PMC bank balances totalling Kshs.375,361 were not provided and the balance disclosed in the financial statements were not supported. This is contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and officers' registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible.

1.3 Summary Statement of Appropriation

The summary statement of appropriation reflects the payments final budget of Kshs.202,732,450 which differs from the computed figure of Kshs.201,638,068 resulting to a variance of Kshs.1,094,382 that has not been explained.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2020 could not be confirmed.

2.0 Unsupported Expenditure on Transfer to Other Government Entities

Included in the statement of receipts and payments under Note 6 to the financial statements is transfer to other government units balance of Kshs.72,760,000 which includes transfers to secondary schools of Kshs.35,600,000 out of which Kshs.14,300,000 was disbursed to various schools which however, were not supported by payment vouchers. This is contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible.

Consequently, the accuracy of the expenditure of Kshs.14,300,000 as at 30 June, 2020 could not be confirmed.

3.0 Unsupported Bursary to Secondary Schools

Included in the statement of receipts and payments under Note 7 to the financial statements is other grants and transfers balance of Kshs.43,315,578 which includes bursaries to secondary schools of Kshs.13,987,618 out of which an amount of Kshs.3,430,000 was disbursed to Vihiga High School and Kshs.800,000 to Ikumba Secondary School. However, the schools' managements have acknowledged receipt of Kshs.3,020,000 and Kshs.406,000, leading to unexplained variances of Kshs.410,000 and Kshs.394,000 respectively all totalling to Kshs.804,000. This is contrary to Section 100 of Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall keep in all offices concerned with receiving cash or

making payments a cash book showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible.

Consequently, the accuracy of the expenditure of Kshs.804,000 for the year ended 30 June, 2020 could not be confirmed.

4.0 Unsupported Unutilized Fund Budget

The financial statements under Note 17.3 reflects unutilized fund balance of Ksh.76,058,852 as at 30 June, 2020. However, the figure is not supported by detailed schedules of the beneficiaries of the un-utilized funds as required by the reporting format recommended by the Public Sector Accounting Standards Board (PSASB).

Consequently, the accuracy, validity and completeness of the unutilized fund balance of Kshs.76,058,852 as at 30 June, 2020 could not be confirmed.

5.0 Unexplained Adjustments

The financial statements were revised but they were however not supported as shown below:

	Revised Financial Statement Dated 30 June, 2020 Kshs.	Unsupported Balance Kshs.
Use of Goods and Services	6,407,045	239,385
Compensation of Employees	3,096,594	551,412
Other Grants and Transfers	43,315,578	1,532,675

Consequently, the accuracy of the financial statements could not be confirmed for the year ended 30 June, 2020.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Vihiga Constituency 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 opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.202,732,450 and Kshs.120,560,058 respectively resulting to an under funding of Kshs.82,172,392, or 41% of the budget.

Similarly, the actual expenditure reflects a balance of Kshs.125,579,217 against an approved budget of Kshs.202,732,450 resulting to an under-expenditure of Kshs.77,153,233 or 38% of the budget. The under-funding and under performance affected the planned activities and may have impacted negatively on service delivery to the people of Vihiga.

2.0 Project Implementation Status

The project implementation status report made available for audit review shows that eighteen (18) projects valued at Kshs.19,980,817 were not fully implemented during the year under review. Of the eighteen (18) projects, eight (8) projects valued at Kshs.4,480,818 had not yet started while ten (10) projects valued at Kshs.15,500,000 were still ongoing at various levels of completion as at 30 June, 2020.

The under-performance in project implementation affected the planned activities and may have impacted negatively on service delivery to the people of Vihiga.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the 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 Construction of Classrooms at Mahanga Primary School

Included in the financial statements under transfers to other government entities balance of Kshs.72,760,000 as disclosed in Note 6 is transfers to primary schools of Kshs.37,600,000 out of which Kshs.1,200,000 was disbursed to Mahanga primary school for the construction of 2 No. classrooms at a contract sum of Kshs.1,200,948. However, no contract agreement and acceptance letter were provided for audit review.

In addition, payment certificates availed for audit were not detailed as per the works done from the bill of quantity (BQ) instead a block figure is reflected in the payment certificate thus not possible to ascertain the works being certified for payment.

A physical verification carried out in the month of March, 2021 revealed that the floor was poorly done and the walls of the classrooms had developed cracks.

This is contrary to section 150(1) of the Public Procurement and Asset Disposal Act 2015 which states that an Accounting Officer or his or her appointed representative shall be responsible for ensuring that the goods, works and services are of the right quality and quantity. Further section 150(2) states that the head of the procurement function shall be responsible for assisting the accounting officer to confirm that the right quality and quantity of goods, works and services have been delivered to the procuring entity and shall issue a certificate of acceptance to the accounting officer except where technical specifications are from another technical department or professionals engaged to work.

Consequently, the residents of Vihiga Constituency did not get value for money.

2.0 Incomplete Works at the Children Detention Centre

Included in other grants and transfers balance of Kshs.43,315,578 is security expenditure of Kshs.9,203,142 as disclosed under Note 7 to the financial statements which includes a payment of Kshs.1,000,000 for the construction of a Children Detention Centre at a contract sum of Kshs.1,745,357. However, acceptance letter and signed contract agreement were not provided for audit.

A physical verification of the Project carried out in the month of March, 2021 revealed that the construction works had stalled and the contractor was not on site. Roofing had been done though, there was no ridge caps, hence the roofing timber is exposed to rains and may be damaged before the completion of the building.

Consequently, the residents of Vihiga Constituency did not get value for money so far spent on the project.

3.0 Unlabelled Primary Schools

Included in the financial statements under Note 6 is transfers to other government entities balance of Kshs.72,760,000 which includes transfer to primary schools of Kshs.37,600,000 out of which Kshs.2,700,000 was disbursed to three (3) primary schools for various activities. A physical verification carried out in the month of March, 2021 revealed that the schools were completed but not labelled hence it was not possible to ascertain if the activities were done by the Fund.

Consequently, the accountability of the funding could not be confirmed.

4.0 Unlabelled Kegoye Administrative Police Camp

Included in the financial statements under Note 7 is other grants and transfers balance of Kshs.43,315,578 which includes security balance of Kshs.9,203,142, out of which Kshs.2,000,000 was disbursed to Kegoye Administrative Police Camp for the purchase of land and construction of a police camp. A physical verification carried out in the month

of March, 2021 revealed that the camp was completed but not labelled and therefore it was not possible to ascertain if the activities were done by the Fund.

Consequently, the accountability of the funding 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 review so as to obtain limited assurance as to 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 review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance was maintained 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 governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

04 February, 2022

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


Reports and Financial Statements


For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	120,560,058	108,784,260
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		120,560,058	108,784,260
PAYMENTS			
Compensation of employees	4	3,096,594	2,281,854
Use of goods and services	5	6,407,045	8,077,077
Transfers to Other Government Units	6	72,760,000	52,456,999
Other grants and transfers	7	43,315,578	49,363,206
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		125,579,217	112,179,136
SURPLUS/DEFICIT		(5,019,158)	(3,394,876)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Vihiga Constituency financial statements were approved on 30th June 2020 and signed by:


Fund Account Manager
Name: Joe G. Oduor


Sub-County Accountant
Name: Wycliffe Khamati
ICPAK Member Number:R4205



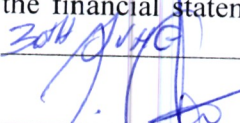
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
VIHIGA CONSTITUENCY**

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


VII.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	4,210,310	9,229,468
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		4,210,310	9,229,468
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,210,310	9,229,468
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL SSETS		4,210,310	9,229,468
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	9,229,468	9,526,260
Surplus/Defict for the year		(5,019,158)	(3,394,876)
Prior year adjustments	14	-	3,098,084
NET FINANCIAL POSITION		4,210,310	9,229,468

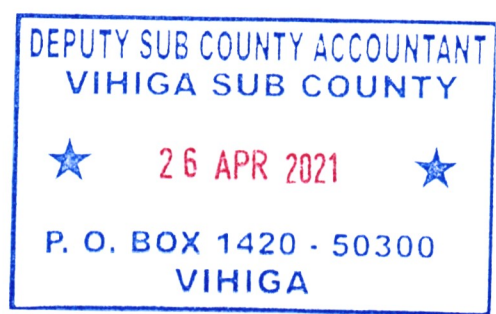
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
VIHIGA CONSTITUENCY

Reports and Financial Statements

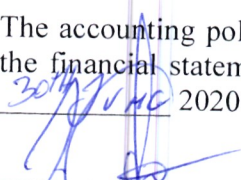
For the year ended June 30, 2020


IX. STATEMENT OF CASHFLOW

STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	120,560,058	108,784,260
Other Receipts	3	-	-
		120,560,058	108,784,260
Payments for operating expenses			
Compensation of Employees	4	3,096,594	2,281,854
Use of goods and services	5	6,407,045	8,077,077
Transfers to Other Government Units	6	72,760,000	52,456,999
Other grants and transfers	7	43,315,578	49,363,206
Other Payments	9	-	-
		125,579,217	112,179,136
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	3,098,084
Net Adjustments		-	3,098,084
Net cash flow from operating activities		(5,019,158)	(296,792)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,019,158)	(296,792)
Cash and cash equivalent at BEGINNING of the year	13	9,229,468	9,526,260
Cash and cash equivalent at END of the year		4,210,310	9,229,468

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Vihiga Constituency financial statements were approved on 30th June 2020 and signed by:


Fund Account Manager
Name: Joe G. Oduor


Sub-County Accountant
Name: Wycliffe Khamati
ICPAK Member Number: R4205



**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	64,270,344	202,732,450	120,560,058	82,172,392	59%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	-	-	-	-	-	
TOTAL RECEIPTS	137,367,724	64,270,344	202,732,450	120,560,058	82,172,392	59%
PAYMENTS						
Compensation of Employees	3,742,063	501,015	4,243,078	3,096,594	1,146,485	73%
Use of goods and services	8,621,032	3,817,330	12,438,362	6,407,045	6,031,317	52%
Transfers to Other Government Units	66,084,500	23,500,000	89,584,500	72,760,000	16,824,500	81%
Other grants and transfers	58,920,129	30,017,472	88,937,601	43,315,578	45,622,023	51%
Acquisition of Assets	-	-	-	-	-	
Other Payments	-	6,434,527	6,434,527	-	6,434,527	0%
TOTAL	137,367,724	64,270,344	202,732,450	125,579,217	76,058,852	62%

- i. Couldn't achieve utilization of over 90% due to late disbursement of funds by the NG-CDF Board.
- ii. Funds were disbursed late besides the COVID - 19 pandemic that put on hold most of our planned activities of the financial year ending 30th June, 2020.
- iii. The adjustments of K.shs. 64,270,344 is the total sum for the funds for financial year 2018-2019 of K.shs. 52,560,058 disbursed in the financial year 2019-2020 by the board plus the cash book opening balance of K.shs. 9,229,468 plus the K.shs. 2,480,818 for the financial 2018-2019.

iv. The Budget utilization difference of Kshs. 76,058,852 representing 62% is the Funds not yet received from for the board for the financial 2018-2019 of Kshs. 2,480,818 and financial year 2019 -2020 of Kshs. 69,367,724 plus the cashbook balance as at 30th June 2020 of Kshs. 4,210,310

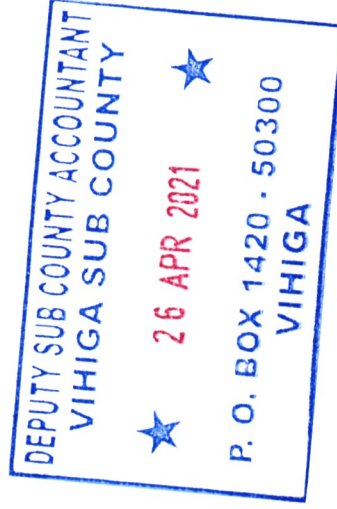
The NGCDF- Vihiga Constituency financial statements were approved on 30th June 2020 and signed by:



Fund Account Manager
Name: Joe G. Oduor



Sub-County Accountant
Name: Wycliffe Khamati
ICPAK Member Number:R4205



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 Compensation of employees	3,742,063	501,015	4,243,078	3,096,594	1,146,484
1.2 Committee allowances	1,500,000	498,562	1,998,562	1,190,000	808,562
1.3 Use of goods and services	3,000,000	1,280,935	4,280,935	1,599,045	2,681,890
1.4 Purchase of computers	-	-	-	-	-
2.0 Monitoring and evaluation					
2.1 Capacity building	1,700,000	985,874	2,685,874	1,400,000	1,285,874
2.2 Committee allowances	900,000	550,000	1,450,000	900,000	550,000
2.3 Use of goods and services	1,521,032	501,959	2,022,991	1,318,000	704,991
3.0 Emergency					
Emergency	7,198,241	7,472,989	14,671,230	13,987,618	4,171,230
4.0 Bursary					
4.1 Primary Schools	-		-		-
4.2 Secondary Schools	28,660,679	6,785,623	35,446,302		20,364,302
4.3 Tertiary Institutions	14,500,000	4,879,345	19,379,345	4,929,000	14,450,345

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

4.4 Universities	-	-	-	-	-	-	-
4.5 Special Schools	550,000	250,000	800,000	515,000	285,000	-	-
5.0 Sports							
5.1 Constituency Sports Tournament	2,747,354	-	2,747,354				
5.2 Sports PMC		2,180,818	2,180,818	2,180,818			2,747,354
6.0 Environment							
6.1 Vihiga ACC's Office	200,000		200,000				200,000
6.2 Agonya AP Camp	200,000		200,000				200,000
6.3 Vihiga Police Station	200,000		200,000				200,000
6.4 Mbale Police Station	200,000		200,000				200,000
6.5 Kagoye Chief's Office	200,000		200,000				200,000
6.6 Navuhi Primary School	200,000		200,000				200,000
6.7 Kigadahi Primary School	200,000		200,000				200,000
6.8 Wumulale Secondary School	200,000		200,000				200,000
6.9 Kitumba Secondary School	200,000		200,000				200,000
6.10 Chonda Primary School	200,000		200,000				200,000
6.11 Environment PMC		2,180,818	2,180,818	2,000,000	180,818		

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

7.0 Primary Schools Projects							
7.1 Chambale Primary School	1,200,000				1,200,000	1,200,000	-
7.2 Chanda Primary School	1,300,000				1,300,000		1,300,000
7.3 Chango Primary School	1,200,000				1,200,000		1,200,000
7.4 Chanzoka Primary School	1,000,000				1,000,000	1,000,000	-
7.5 Chavungami Primary School	1,500,000				1,500,000		1,500,000
7.6 Enanga Primary School	1,200,000				1,200,000	1,200,000	-
7.7 Got Kabindi Primary School	1,000,000				1,000,000	1,000,000	-
7.8 Idavagi Primary School	1,200,000				1,200,000	1,200,000	-
7.9 Iduku Primary School	1,200,000				1,200,000		1,200,000
7.10 Inyanza Primary School	1,200,000				1,200,000	1,200,000	-
7.11 Isaku Primary School	1,000,000				1,000,000	1,000,000	-
7.12 Kitumba Primary School	1,200,000				1,200,000	1,200,000	-
7.13 Lyamidi Primary School	1,200,000				1,200,000	1,200,000	-
7.14 Madzugi Primary School	1,200,000				1,200,000	1,200,000	-
7.15 Magaka Primary School	1,400,000				1,400,000		1,400,000
7.16 Magui Primary School	1,200,000				1,200,000	1,200,000	-



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

7.17 Mahanga Primary School	1,200,000		1,200,000		1,200,000	-
7.18 Muhanda Primary School	1,200,000		1,200,000		1,200,000	-
7.19 Musunguti Primary School	1,200,000		1,200,000		1,200,000	-
7.20 Matsigulu Primary School	1,200,000		1,200,000		1,200,000	-
7.21 Vigna Primary School	1,000,000		1,000,000		1,000,000	-
7.22 Vihiga Primary School	1,200,000		1,200,000		1,200,000	-
7.23 Visiru Primary School	1,200,000		1,200,000		1,200,000	-
7.24 Bosamu Primary School	-	1,500,000	1,500,000		1,500,000	-
7.25 Chanzuvu Primary School	-	1,200,000	1,200,000		1,200,000	-
7.26 Ingidi Primary School	-	1,200,000	1,200,000		1,200,000	-
7.27 Igakara Primary School	-	1,200,000	1,200,000		1,200,000	-
7.28 Itengi primary School	-	1,200,000	1,200,000		1,200,000	-
7.29 Kisingilu Primary School	-	1,000,000	1,000,000		1,000,000	-
7.30 Madzuu Primary School	-	1,200,000	1,200,000		1,200,000	-
7.31 Mukuli Primary School	-	1,000,000	1,000,000		1,000,000	-
7.32 Masana AIC Primary School	-		-		1,200,000	(1,200,000)
7.33 Chavavo Primary School	-	-	-		1,200,000	(1,200,000)

7.34	Kegoye Primary School	-	-	-	-	1,200,000	(1,200,000)
7.35	Masana Primary School	-	-	-	-	1,700,000	(1,700,000)
7.36	Vumale Primary School	-	-	-	-	1,200,000	(1,200,000)
7.37	Madira Primary School	-	-	-	-	800,000	(800,000)
8.0 Secondary Schools Projects (List all the Projects)							
8.1	Chango Secondary School	3,000,000			3,000,000		3,000,000
8.2	Chavavo Secondary School	3,660,000			3,660,000	3,660,000	-
8.3	Idavaga Muslim Secondary School	762,250			762,250		762,250
8.4	Ikumba Secondary School	2,800,000			2,800,000	2,800,000	-
8.5	Kerongo Secondary School	7,162,250			7,162,250		7,162,250
8.6	Kidinye Secondary School	2,700,000			2,700,000	2,700,000	-
8.7	Kisienya Secondary School	500,000			500,000		500,000
8.8	Kitumba Secondary School	1,000,000			1,000,000		1,000,000
8.9	Madira Girls Secondary School	3,000,000			3,000,000	3,000,000	-
8.10	Masana Secondary School	3,000,000			3,000,000		3,000,000
8.11	Mbilhi Girls Secondary School	2,500,000			2,500,000		2,500,000
8.12	Madzuu Secondary School	2,000,000			2,000,000		2,000,000
8.13	St. Claire Maragoli Girls Secondary School	3,000,000			3,000,000		3,000,000

8.14 Vihiga High School	1,500,000		1,500,000	1,500,000	-
8.15 Womulale Secondary School	2,100,000		2,100,000	2,100,000	-
8.16 Chambiti Secondary School	-	1,000,000	1,000,000	1,000,000	-
8.17 Chandolo Secondary School	-	1,200,000	1,200,000	1,200,000	-
8.18 Chavavo Secondary School	-	800,000	800,000	-	800,000
8.19 Ideleri Secondary School	-	1,200,000	1,200,000	1,200,000	-
8.20 Kidinye Secondary School	-	2,000,000	2,000,000	2,000,000	-
8.21 Kijienya Secondary School	-	1,500,000	1,500,000	1,500,000	-
8.22 Madzoo Secondary School	-	2,000,000	2,000,000		2,000,000
8.23 Masana Secondary School	-	2,300,000	2,300,000	2,300,000	-
8.24 Vihiga Secondary School	-	2,000,000	2,000,000	2,000,000	-
8.25 Mudavadi Girls Secondary School	-			1,000,000	(1,000,000)
8.26 Mudavadi Girls Secondary School	-			2,000,000	(2,000,000)
8.27 Manager Coop Bank	-			1,200,000	(1,200,000)
8.28 Kidundu Secondary School	-			4,000,000	(4,000,000)
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					

10.0 Security Projects										
10.1 Mbale Police Station		1,000,000	-			1,000,000			1,577,027	(577,027)
10.2 Maragoli Central Chief's Office		800,000	800,000			1,600,000			1,600,000	-
10.3 Kegoye Chief's Office		840,000				840,000			840,000	-
10.4 Ideleri AP Camp		623,854				623,854			623,854	-
10.5 Angoya AP Camp		-	2,000,000			2,000,000				2,000,000
10.6 Kegoye AP Camp		-	2,000,000			2,000,000			2,000,000	-
10.7 Lugaga Chief's Camp		-	1,200,000			1,200,000			1,200,000	-
10.8 Mugoma AP Camp		-	800,000			800,000			800,000	-
10.9 Vihiga Police Station		-	562,262			562,262			562,262	-
11.0 Acquisition of assets										
11.1 Motor Vehicles (including motorbikes)		-	-			-			-	-
11.2 Construction of CDF office		-	-			-			-	-
11.3 Purchase of furniture and equipment		-	-			-			-	-
11.4 Purchase of computers		-	-			-			-	-
11.5 Purchase of land		-	-			-			-	-
12.0 Others										
12.1 Strategic Plan			1,757,500			1,757,500				1,757,500

12.2 Innovation Hub	-	4,677,027		-				
12.2 Rural Electrification	-	-	4,677,027	-				4,677,027
	-	-	-	-				-
	137,367,724	65,364,726	202,732,450	125,579,217				76,058,852

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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



SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
	B005186		46,984,260.15
Normal Allocation	B005400		7,800,000.00
	B047066		44,000,000.00
	A699014		10,000,000.00
	B	52,560,058.00	
	B 041238	4,000,000.00	
	B 047822	18,000,000.00	
	B 104513	15,000,000.00	
	B 104177	15,000,000.00	
	B 096649	16,000,000.00	
TOTAL		120,560,058	108,784,260

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts from the Sale of Buildings		-	-
Receipts from the Sale of Vehicles and Transport Equipment		-	-
Receipts from the Sale Plant Machinery and Equipment		-	-
Receipts from the Sale of Office and General Equipment		-	-
TOTAL		-	-

3. OTHER RECEIPTS

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Interest Received		-	-
Rents		-	-
Sale of Tender Documents		-	-
Other Receipts Not Classified Elsewhere		-	-
TOTAL		-	-



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4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	2,935,746	2,209,509
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	160,848	72,345
Gratuity-contractual employees	-	-
TOTAL	3,096,594	2,281,854

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	350,000	101,000
Electricity	6,500	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	55,360	105,000
Domestic travel and subsistence	38,925	182,376
Printing, advertising and information supplies & services	-	76,000
Rentals of produced assets	-	-
Training expenses	1,400,000	990,000
Hospitality supplies and services	-	600,000
Other committee expenses	900,000	1,280,500
Committee allowance	1,190,000	1,210,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	250,000	611,540
Fuel , oil & lubricants	-	-
Other operating expenses	380,000	700,077
Bank service commission and charges	182,260	-
Security operations	336,000	935,638
Routine maintenance - vehicles and other transport equipment	638,000	950,000
Routine maintenance- other assets	680,000	1,742,500
TOTAL	6,407,045	9,484,631

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	37,600,000	33,122,000
Transfers to Secondary Schools	35,160,000	19,334,999
Transfers to Tertiary Institutions		
TOTAL	72,760,000	52,456,999

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	13,987,618	26,769,500
Bursary -Tertiary	4,929,000	14,185,000
Bursary- Special Schools	515,000	190,500
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	9,203,142	1,000,000
Roads and Bridges	-	-
Sports	2,180,818	1,736,207
Environment	2,000,000	1,732,000
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	10,500,000	1,499,999
TOTAL	43,315,578	47,113,206



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8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers, printers and other IT equipment	-	-
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	-	-

9. Other Payments

Strategic Plan	-	-
ICT Hubs	-	-
TOTAL	-	-

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10. A BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Cooperative Bank, Mbale Branch, VIHIGA NG-CDF '01141471496600</i>	4,210,310	9,229,468
Total	4,210,310	9,229,468
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	4,210,310	9,229,468

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) VIHIGA
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11. OUTSTANDING IMPRESTS

<i>Name of Officer</i>	<i>Date imprest taken</i>	<i>Amount Taken Kshs</i>	<i>Amount Surrendered Kshs</i>	<i>Balance (30/6/2020) Kshs</i>
			-	-
		-	-	-
		-	-	-
				-

12. Retention

Supplier/Contractor	PV No.	2019 - 2020	2018 - 2019
TOTAL			

13. BALANCES BROUGHT FORWARD

	2019 - 2020 Kshs (1/7/2019)	2018 - 2019 Kshs (1/7/2018)
Bank accounts	9,229,468	9,526,260
Cash in hand		
Imprest		
TOTAL	9,229,468	9,526,260

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2019/2020 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances	-	-	3,098,084
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
	-	-	3,098,084

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15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION

	2019-2020	2018-2019
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Net changes in accounts payable (D=A+B-C)	-	-
	-	-

17. 0 OTHER IMPORTANT DISCLOSURES

17.1. PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2. PENDING STAFF PAYABLES (See Annex 2)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	-	-
Others (specify)	-	-
	-	-

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17.3. UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,146,485	501,015
Use of goods and services	6,031,317	3,817,330
Amounts due to other Government entities (see attached list)	16,824,500	23,500,000
Amounts due to other grants and other transfers (see attached list)	45,622,023	30,017,471
Acquisition of assets	-	-
Others	6,434,527	6,434,527
	76,058,852	64,270,343

17.4. PMC account balances (See Annex 5)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
	7,982,570	14,744,538
	7,982,570	14,744,538



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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) VIHIGA CONSTITUENCY
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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
		a	b	c	d=a-c
Senior Management					
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) VIHIGA CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Transfers	1,146,485	501,015	
Use of goods & services	Transfers	6,031,317	3,817,330	
Sub-Total		7,177,802	4,318,345	
Amounts due to other grants and other transfers				
Security	Transfers	3,000,000	6,562,262	
Sports	Transfers	2,747,354	2,180,818	
Environment	Transfers	2,000,000	2,180,818	
Emergency	Transfers	5,942,561	8,272,989	
Bursary	Transfers	3,134,585	10,820,585	
Sub-Total		16,824,500	30,017,472	
Amounts due to other Government entities				
Primary School Projects	Transfers	28,000,000	9,500,000	
Secondary School Projects	Transfers	17,622,023	14,000,000	
Sub-Total		45,622,023	23,500,000	
Acquisition of assets				
Others (specify)				
Constituency Innovation Hub	Transfers	4,677,027	4,677,027	
Strategic Plan	Transfers	1,757,500	1,757,500	
Sub-Total		6,434,527	6,434,527	
Grand Total		76,058,852	64,270,344	

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Vihiga Police Station	KCB	1268052043	49,631	-
Masana Secondary School	KCB	1209519372	231,256	-
Chavavo secondary school	coop bank	1141471197600	523,344	-
Klomulali secondary school	coop bank	1141471125800	538,973	-
Chango primary school	coop bank	1141015000900	38,975	-
Vihiga primary school	coop bank	1141471048800	38,961	-
Kitumba PAG Sec.school	coop bank	1141471317500	8,975	-
LyavoraAP camp	coop bank	1141471316200	123,975	-
Kerougo secondary school	coop bank	1141246206200	375	-
Mahanga secondary school	coop bank	1141471128700	48,975	-
Matsigulu primary school	coop bank	1141471099500	58,855	-
Visiru primary school	coop bank	1141471152400	38,975	-
Indeleri AP Camp	coop bank	1141471151500	44,822	-
Musunguti primary school	coop bank	1141471084400	47,532	-
Madzugi primary school	coop bank	1141471111500	38,975	-
Magaka PAG primary school	coop bank	1141471048600	1,025	-
Enanga primary school	coop bank	1141471048400	18,975	-
Madira primary school	KCB	1205545069	5,267.00	-
Mkombozi Magaka primary	KCB	1205545115	12,655	-
Chanzeywe primary school	KCB	1205545212	3,250	-
Chanzoka primary school	KCB	1210884127	4,855	-
Itengi primary school	KCB	1210291614	97,760	-
Malindi primary	KCB	1209393360	142,433	-
Mukuli primary school	KCB	1210249162	40,376	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Ideleri secondary	KCB	1209512688	68,765	-
			7,982,570	11,866,742



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)
4.2	Unexplained cash book over/Undercasts	Cheque No.6187 was posted twice both on the debit and credit side of the cash book. The reversal on 12/02/2018 was meant to correct this error. The amount of Kshs 250,000.00 did not reflect in the Bank reconciliation statement as an outstanding item because the second entry for Kshs 250,000.00 did not indicate the cheque number.	Joe Godwin Oduor Fund Account Manager	Resolved	Issue has been resolved and amended in the cashbook.
4.3	Ledger balances not agreeing with the financial statement figures criteria	The necessary adjustments have been made in amended Financial statements.	Joe Godwin Oduor Fund Account Manager	Resolved	Issue resolved in the 2017/2018 financial statement.



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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)
4.4	Under absorption-Kshs.43,364,733 was utilized thus an under absorption of 14.6%	The under absorption was caused by late disbursement of funds from the board	Joe Godwin Oduor Fund Account Manager	Resolved	Issue resolved in the proposal preparation to avoid late disbursement of funds.
4.5	Unimplemented projects	The delay in implementation of the projects was due to late disbursement of funds by the board for the financial year 2017/2018. The same has been disclosed in the financial statements. Payments were made to Hotel much earlier because the venue was to be booked earlier. The committee members were paid earlier because the training was starting on a Monday and the imprest holder could not have stayed with the cash during	Joe Godwin Oduor Fund Account Manager	Resolved	Issue resolved in proposal preparation to avoid late disbursement of funds.
4.12	Training expenses		Joe Godwin Oduor Fund Account Manager	Resolved	Issue Resolved



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		the weekend. All members attended the training as as scheduled.			
4.14	Emergency	Emergency projects were paid directly from the main account because the funds had not been allocated directly to the projects in question.	Joe Godwin Oduor Fund Account Manager	Resolved	Issue Resolved
4.19	Misstatements in the trial balance	Adjustments have been made in the Financial Statements.	Joe Godwin Oduor Fund Account Manager	Resolved	Financial statements have been adjusted

