

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**THE NATIONAL ASSEMBLY  
PAPERS LAID**

**OF**

**DATE:** 07 OCT 2021

**DAY.**

THURSDAY

**TABLED**

**THE AUDITOR-GENERAL**

Lom

**CLERK-AT  
THE-TABLE:**

Benson Inzoga

PARLIAMENT  
OF KENYA  
LIBRARY

**ON**

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

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





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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND ENDEBESS CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2019**

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

Table of Contents

1. CONSTITUENCY INFORMATION AND MANAGEMENT .....	iii
FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE .....	vi
STATEMENT OF MANAGEMENT RESPONSIBILITIES .....	viii
REPORT OF THE AUDITOR GENERAL.....	ix
STATEMENT OF RECEIPTS AND PAYMENTS .....	1
STATEMENT OF ASSETS AND LIABILITIES .....	2
STATEMENT OF CASHFLOW.....	3
SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	4
BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	5
SIGNIFICANT ACCOUNTING POLICIES .....	16
NOTES TO THE FINANCIAL STATEMENTS.....	20

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

Reports and Financial Statements, for the year ended 30 June, 2019  
KEY CONSTITUENCY INFORMATION AND MANAGEMENT

**a) Background Information**

The National Government Constituencies Development Fund (NG – CDF) (hereafter referred to as the Fund) Formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.

The latter was subsequently succeeded by the current NG – CDF Act, 2015. At cabinet level, NG – CDF is represented by the cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

Reports and Financial Statements

For the year ended 30 June 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. Timelines – We adhere to prompt delivery of services
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 NG – CDF Endeless day to - day management is under the following key organs:-

- i) National Government Constituencies Development Fund Board (NG – CDFB)
- ii) National Government Constituencies Development Fund Committee (NG – CDFC)

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June, 2019 and who had direct fiduciary responsibility were:-

No.	Designation	Name
1.	A.I.E. Holder	Benson Tindi
2.	Sub – County Accountant	Jamin Mukapi
3.	Chairman NG – CDFC	Eliud Gilbert Chelimo Ngirio
4.	Member NG-CDFC	Agnes Nasimiyu

d) Fiduciary Oversight Arrangements

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

e) NGCDF ENDEBESS Constituency Headquarters

P.O. Box 29 – 30201,  
NG – CDF / DCC BUILDING,  
KITALE – SUAM HIGHWAY,  
ENDEBESS, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

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

FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

We are pleased to present to you the report and financial statements for Endebess Constituency for financial year 2018/2019. During the year, the committee disbursed funds to Project management for implementation in which the full contract method started being implemented. The committee funded projects in Education, Security, environment and Sports.

In the year under review, the committee received from the NG-CDF Board Ksh 108,784,483 compared to ksh 75,853,447 for the same period in 2017/2018. This increased disbursement to the constituency enhanced the number of projects the committee funded. The committee made higher achievements with these receipts;

The committee utilized Ksh 27,282,000 to support 4,277 students in secondary, tertiary and university institutions of learning, and of this 9 students were on full scholarship, 1,988 were male and 2,289 were female. This bursary project has had a great impact as it helped keep learners in schools and supported the government's policy of 100% transition. I am also pleased to note that the NG-CDF committee has continued to support school infrastructure. In the year 2018/2019 Ksh 290,000 was disbursed to secondary school for construction of classrooms, laboratories, toilets and dormitories compared to Ksh 12,500,000 disbursed in 2017/2018. Ksh 18,430,000 was disbursed to primary schools to support construction of classrooms and toilets compared to Ksh 14,450,000 disbursed in 2017/2018. This positive increase in funding to secondary and primary schools has ensured more and better learning facilities to take care of the ever rising enrollment thus ensuring the success of the 100% government transition and basic education for all.

To harness talent in people from Endebess Constituency, the committee organized and funded (Ksh 30,000) a sports tournament in which the youth participated in football, volleyball, handball, and athletics. While funding and implementing these projects, the committee is keen to protect the environment for today and for the future. In 2018/2019, the committee funded planting of trees in public areas in the constituency utilizing ksh 1,662,500.

We wish to however note that in achieving the above milestones, there were challenges that the committee and implementers faced: The delay in disbursement of funds from the board really had a negative impact especially as the issuance of bursary was done in May 2019. This delay caused some students to stay at home as they were not able to pay for tuition. Some Project Management

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

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

f) NGCDF ENDEBESS Constituency Contacts

Telephone: +254792786366 / + 254726271453

Email: [cdfendebess@ngcdf.go.ke](mailto:cdfendebess@ngcdf.go.ke)

Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

g) NGCDF Endebeess Constituency Bankers

1. Equity Bank of Kenya  
Kitale Branch

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.

committees also are yet to embrace implementing projects through contractors despite the two day workshop conducted by the committee in March 2019; this slowed down the rate of implementation.

I wish to report that the constituency has developed a five year strategic plan. We believe and hope that this will be a guide to the committee and all of us in Endebess to adopt this plan in project identification and implementation. Finally I would like to thank all the stakeholders within and outside the constituency for their role and support.



Eliud Gilbert Chelimo Ngirio

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

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

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 NG – CDF – Endebess 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 the end of the financial year (period) ended on June 30<sup>th</sup> 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 NG-CDF – Endebess 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 NG-CDF Endebess Constituency 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 NG – CDF- Endebess Constituency further confirms the completeness of the Accounting records maintained for the NG – CDF- Endebess Constituency, 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 NG-CDF – Endebess 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 NG-CDF – Endebess Constituency Financial Statements were approved and signed by the Accounting Officer on 16 July, 2019.



Fund Account Manager  
Name: Benson Tindi



Sub – County Accountant  
Name: Jamin Mukapi ICPAK Member Number:

# 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 – ENDEBESS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Endebess Constituency set out on pages 1 to 30, 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 – Endebess 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 Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **1. Unsupported Project Management Committee Bank Balances**

Note 15.4 to the financial statements reflects Project Management Committee (PMC) bank account balances totalling Kshs.18,472,353 whose details are provided under Annex 5 to the financial statements. However, the cash books and certificate of bank balances as well as bank reconciliation statements for the respective bank accounts were not provided for audit.

Consequently, the accuracy and existence of the PMC bank balances of Kshs.18,472,353 as at 30 June, 2019 could not be confirmed.

## **2. Undisclosed Payables and Unutilized Balances**

The financial statements did not include Annex 2 on analysis of pending staff payables and Annex 3 on unutilized funds. In the circumstances, the financial statements were not presented in accordance with the financial reporting guidelines issued by the Public Sector Accounting Standards Board.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Endebess 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 are no key audit matters to report in the year under review.

### **Other Matter**

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

The summary statement of appropriation-recurrent and development combined reflects final receipts budget and actual receipts on comparable basis of Kshs.168,128,008 and Kshs.113,087,132 respectively resulting to an under-funding of Kshs.55,040,876 or 33% of the budget. Similarly, the Fund spent Kshs.107,600,423 against an approved budget of Kshs.168,128,006 resulting to an under-expenditure of Kshs.60,527,582 or 36% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the Endebess Constituents.

#### **2. Unresolved Prior Year Audit Matters**

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

## **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. Lack of Inspection and Acceptance Certificate for Tree Seedlings**

The other grants and transfers balance of Kshs.34,712,500 reflected in the statement of receipts and payments includes environment projects expenditure of Kshs.1,662,500 as disclosed in Note 5 to the financial statements. The payment was made to a local firm for the supply and delivery of tree seedlings. However, the inspection and acceptance certificate issued in accordance with Section 48(4)(e) of the Public Procurement and Asset Disposal Act, 2015, to confirm that the seedlings supplied were of the right quality and quantity was not provided for audit.

Consequently, value for money may not have been obtained on the expenditure of Kshs1,662,500.

### **2. Delayed Implementation of Projects**

According to the project implementation status report provided for audit, during the financial year 2018/2019 the Fund had planned to implement one hundred and thirty-seven (137) projects with a combined budget of Kshs.150,942,366. However, fifty-two (52) projects with a combined budget of Kshs.52,567,027 were not funded. In addition, forty-seven (47) projects with a total value of Kshs.47,032,672 were still in progress at the end of the financial year, while one (1) project with a funding of Kshs.500,000 had not started.

Delayed implementation of projects denied the residents the benefits that would have been derived from the projects.

### **3. Audit Inspection of Projects**

Audit inspection during the month of July, 2020 revealed the following anomalies:

<b>No.</b>	<b>Project</b>	<b>Activities</b>	<b>Amount (Kshs.)</b>	<b>Remarks</b>
1.	Endebess Centre Primary School	Renovation of classrooms	1,000,000	Renovation works done although the project not budgeted for in 2017/18
2.	AIC Chepsalei Secondary School	Construction of twin laboratory	4,996,079	Project almost 90% complete. One room did not have laboratory benches and tables
3.	Chelulus Secondary School	Purchase of land Construction of classroom	990,000 800,000	Land bought 2.2 acres but agreement was in the name of Andrew Matum, the School Principal and had no title deed.
4.	Chepsalei Primary School	Construction of 6 door toilet	200,000	Emergency project. Incomplete but was

*Report of the Auditor-General on National Government Constituencies Development Fund – Endebess Constituency for the year ended 30 June, 2019*

No.	Project	Activities	Amount (Kshs.)	Remarks
				already cracking, an indication of poor workmanship
5.	Chepsalei Secondary School	Construction of toilet	300,000	The project was funded under emergency and was still incomplete
6.	Nai Primary School	Construction of 8 door toilet	200,000	The project funded through emergency was incomplete though had already been put to use
7.	Andersen High School	Construction of a 6 door toilet	500,000	Funded through emergency. It was complete and in use. However, it was not branded
8.	Maliki Primary School	Construction of two pit latrines and urinal	300,000	Funded through emergency, was complete and in use. However, walls were made of iron sheets instead of bricks as per the BQs.

In view of the poor workmanship, non-adherence to technical specifications in construction and slow progress of works, value for money may not be obtained from the expenditure.

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

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

### Basis for Conclusion

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

## **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**14 September, 2021**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

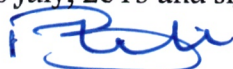
Reports and Financial Statements

For the year ended 30 June, 2019

STATEMENT OF RECEIPTS AND PAYMENTS

	NOTE	2018 – 2019 Ksh.	2017 – 2018 Ksh.
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	108,784,483	75,853,477
<b>TOTAL RECEIPTS</b>		<b><u>108,784,483</u></b>	<b><u>75,853,477</u></b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,108,744	2,427,766
Use of goods and services	3	10,380,083	5,417,651
Transfers to Other Government Units	4	56,045,000	26,950,000
Other Grants and Transfers	5	34,712,500	27,026,294
Acquisition of Assets	6	861,607	12,100,000
Other Payments	7	3,492,490	-
<b>TOTAL PAYMENTS</b>		<b><u>107,600,423</u></b>	<b><u>73,921,711</u></b>
<b>SURPLUS / (DEFICIT)</b>		<b><u>1,184,060</u></b>	<b><u>1,931,766</u></b>

The Accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The NG – CDF Endebess Constituency Financial Statements were approved on 16 July, 2019 and signed by:



Fund Account Manager

Name: Benson Tindi



Sub – County Accountant

Name: Jamin Mukapi

ICPAK Member Number:


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY


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

STATEMENT OF ASSETS AND LIABILITIES

	NOTE	2018 – 2019 Ksh.	2017 – 2018 Ksh.
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	5,486,709	4,302,649
Total Cash and Cash Equivalents		5,486,709	4,302,649
<b>TOTAL FINANCIAL ASSETS</b>		<u>5,486,709</u>	<u>4,302,649</u>
<b>NET FINANCIAL ASSETS</b>			
		<u>5,486,709</u>	<u>4,302,649</u>
<b>PRESENTED BY</b>			
Fund Balance b/fwd 1 <sup>st</sup> July	13	4,302,649	2,370,913
Surplus / Deficit for the year		1,184,060	1,931,766
<b>NET FINANCIAL POSITION</b>		<u>5,486,709</u>	<u>4,302,649</u>

The Accounting policies and explanatory notes to these Financial Statements form an integral part of the financial statements. The NG – CDF Endebess Constituency Financial Statements were approved on 16 July, 2019 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: Benson Tindi

  
\_\_\_\_\_  
Sub – County Accountant  
Name: Jamin Mukapi  
ICPAK Member Number:


NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY


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

STATEMENT OF CASHFLOW

RECEIPTS FOR OPERATING INCOME	NOTE	2018– 2019 Ksh.	2017– 2018 Ksh.
Transfers from NGCDF Board	1	108,784,483	75,853,447
		108,784,483	75,853,447
Payments for Operating Expenses			
Compensation of Employees	2	2,108,744	2,427,766
Use of goods and services	3	10,380,083	5,417,651
Transfers to other Government Units	4	56,045,000	26,950,000
Other Grants and Transfers	5	34,712,500	27,026,294
Other Payments	7	3,492,490	-
		106,738,817	61,821,711
ADJUSTED FOR:			
Adjustments during the year			
Net Cash Flow Operating Activities		2,045,666	14,031,736
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(861,607)	(12,100,000)
Net Cash Flows from Investing Activities		(861,607)	(12,100,000)
		-	
NET INCREASE IN CASH AND CASH EQUIVALENT		1,184,060	1,931,736
Cash and cash equivalent at BEGINNING of the year	13	4,302,649	2,370,913
Cash and cash equivalent at END of the year		<u>5,486,709</u>	<u>4,302,649</u>

The Accounting policies and explanatory notes to these Financial Statements form an integral part of the financial statements. The NG – CDF Endebess Constituency Financial Statements were approved on 16 July, 2019 and signed by:

  
Fund Account Manager  
Name: Benson Tindi

  
Sub – County Accountant  
Name: Jamin Mukapi  
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended 30 June, 2019

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt / Expense Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c= a+b	d	e = c - d	f = d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	109,040,876	59,087,132	168,128,008	113,087,132	55,040,876	67
<b>TOTALS</b>	<b>109,040,876</b>	<b>59,087,132</b>	<b>168,128,008</b>	<b>113,087,132</b>	<b>55,040,876</b>	<b>67</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,700,000	897,392	3,597,392	2,108,744	1,488,648	59
Use of goods and services	8,438,376	7,184,690	15,623,066	10,380,083	5,242,983	66
Transfers to Other Government Units	55,090,000	39,148,053	94,238,053	56,045,000	38,193,053	59
Other Grants and Transfers	34,712,500	5,178,960	39,891,460	34,712,500	5,178,960	87
Acquisition of Assets	3,850,000	2,001,008	5,851,008	861,607	4,989,401	15
Other Payments	4,250,000	4,677,027	8,927,027	3,492,490	5,434,537	39
<b>TOTALS</b>	<b>109,040,876</b>	<b>59,087,130</b>	<b>168,128,006</b>	<b>107,600,423</b>	<b>60,527,582</b>	<b>64</b>

a) There is no AIA included in the revenue items above

b) The under underutilization of funds was due to the delay in disbursement of funds by the NG-CDF Board as at the end financial year.

The NG – CDF – Endeless Constituency Financial Statements were approved on 16 July, 2019 and signed by:



Fund Account Manager  
 Name: Benson Tindi



Sub – County Accountant  
 Name: Jamin Mukapi  
 ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended 30 June, 2019

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	2,700,000	1,189,142	3,889,142	2,108,774	1,780,368
1.2 Committee allowances	2,840,000	-	2,840,000	5,985,550	-
1.3 Use of goods and services	1,000,000	1,338,389	2,338,389	2,175,703	162,686
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,500,882	104,698	1,605,580	1,179,000	426,580
2.2 Committee allowances	1,600,000	2,455,351	4,055,351	1,264,800	2,790,551
2.3 Use of goods and services	170,000	102,926	272,926	100,000	172,926
<b>3.0 Emergency</b>					
3.1 Primary Schools					

Programme/Sub-programme	Original Allocated	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Chesitia Pri. School	150,000	-	150,000	150,000	-
Chesitia Pri. School	300,000	-	300,000	300,000	-
Maliki Pri. School	300,000	-	300,000	300,000	-
Endebess Centre Pri. School	1,000,000		1,000,000	1,000,000	-
Nai Pri. School	200,000	-	200,000	200,000	-
Chepsalei Pri. School	200,000	17,173	200,000	200,000	-
Kiboi Pri. School	150,000	-	150,000	150,000	-
Nabeki Pri. School	300,000	-	300,000	300,000	-
Nabakhwana Pri. School	150,000	400,000	150,000	150,000	-
<b>3.2 Secondary schools</b>		700,000			
Andersen High School	500,000	530,000	500,000	500,000	-
Kietkei Sec. School	100,000	200,000	100,000	100,000	-
<b>3.4 Security projects</b>		1,671,172			
D.C.C Office	200,000	-	200,000	200,000	-
D.C.I. Office	100,000	-	100,000	100,000	-
<b>3.5 Others</b>		-			

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Suam Community Forest	200,000	-	200,000	200,000	-
Soet Kenya Limited	88,000	-	88,000	88,000	-
balance	1,800,993	-	1,800,993	-	1,800,993
<b>4.0 Bursary and Social Security</b>					
4.2 Secondary Schools	15,265,000	-	15,265,000	15,415,000	(150,000)
4.3 Tertiary Institutions	6,000,000	17,173	6,017,173	6,017,173	-
4.4 Universities	6,000,000	-	6,000,000	6,000,000	-
5.0 Sports	1,536,000	-	-	-	1,536,000
Endebess Recreation and Soc. Dev C.B.O	-	400,000	400,000	400,000	-
Endebess Recreation and Soc. Dev C.B.O	-	700,000	700,000	700,000	-
Endebess Recreation and Soc. Dev C.B.O	-	530,000	530,000	530,000	-
Endebess Recreation and Soc. Dev C.B.O		200,000	200,000	200,000	-
6.0 Environment	1,500,000	1,671,172	-		

Programme/Sub programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Benolix CO. LTD	-	787,500	787,500	787,500	-
Benolix CO. LTD	-	875,000	875,000	875,000	-
<b>7.0 Primary Schools Projects</b> <b>(List all the Projects)</b>		<b>12,080,000</b>			
Chepyalil Primary School	800,000	-	800,000	-	800,000
Tulwop Kesis Primary School	800,000	-	800,000	800,000	-
Moss Memorial Primary School	800,000	-	800,000	-	800,000
Chebrirbei Primary School	800,000	-	800,000	-	800,000
Chelulus Primary School	1,000,000	-	1,000,000	1,000,000	-
Chelulus Primary School	800,000	-	800,000	800,000	-
Chepkwirot Primary School	800,000	-	800,000	-	800,000
Koibei Primary School	800,000	-	1,600,000	-	1,600,000
DRP Keben Primary School	1,600,000	-	1,600,000	-	1,600,000
Nabakhwana Primary School	800,000	-	800,000	-	800,000
Chesitia Primary School	1,600,000	-	1,600,000	-	1,600,000
Kiboi Primary School	800,000	-	800,000	-	800,000

Programme/Sub-programme	2018/2019		2019/2020		Budget
	Original Budget	Actual Expenditure	Original Budget	Actual Expenditure	Utilization
Labot Primary School	800,000	-	800,000	800,000	-
Kitinda Primary School	1,000,000	-	1,000,000	-	1,000,000
St. Pius Primary School	1,600,000	-	1,600,000	-	1,600,000
Rwandeet Primary School	800,000	-	800,000	-	800,000
Nabeki Primary School	1,600,000	-	1,600,000	-	1,600,000
A.I.C Cheberem Primary School	1,600,000	-	1,600,000	-	1,600,000
Robinson Primary School	800,000	-	800,000	-	800,000
Kamaroko Primary School	800,000	-	800,000	800,000	-
Amani Primary School	800,000	-	800,000	-	800,000
Chelulus Primary School	65,000	-	65,000	65,000	-
Moss Memorial Primary School	65,000	-	65,000	65,000	-
Chebrirbei Primary School	65,000	-	65,000	65,000	-
Nabakhwana Primary School	65,000	-	65,000	65,000	-
Chepkwirot Primary School	65,000	-	65,000	65,000	-
Labot Primary School	65,000	-	65,000	65,000	-
Chesitia Primary School	65,000	-	65,000	65,000	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	
St. Pius Primary School	65,000	-	65,000	65,000	-
Robinson Primary School	65,000	-	65,000	65,000	-
Njoro Primary School	65,000	-	65,000	65,000	-
Kitinda Primary School	-	500,000	500,000	500,000	-
Kamaroko Primary School	-	1,000,000	1,000,000	1,000,000	-
Rwanda Primary School	-	1,000,000	1,000,000	1,000,000	-
Moss Memorial Primary School	-	1,000,000	1,000,000	1,000,000	-
Kibosit Primary School	-	800,000	800,000	800,000	-
Chepnyalil Primary School	-	500,000	500,000	500,000	-
Tulwop Kesis Primary School	-	500,000	500,000	500,000	-
Feedlot Primary School	-	500,000	500,000	500,000	-
Nabeki Primary School	-	500,000	500,000	500,000	-
Kitinda Primary School	-	500,000	500,000	500,000	-
Koibei Primary School	-	500,000	500,000	500,000	-
Robinson Primary School	-	500,000	500,000	500,000	-
DRP Kebena Primary School	-	500,000	500,000	500,000	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
Kaishaber Primary School	-	500,000	500,000	500,000	-
Chebrirbei Primary School	-	500,000	500,000	500,000	-
Lutaso Primary School	-	500,000	500,000	500,000	-
Kiboi Primary School	-	500,000	500,000	500,000	-
Kibosit Primary School	-	500,000	500,000	500,000	-
Rwanda Primary School	-	500,000	500,000	500,000	-
Amani Primary School	-	500,000	500,000	500,000	-
Maendeleo kwa wote	-	780,000	780,000	780,000	-
Endebess Primary School	-	1,000,000	1,000,000	1,000,000	-
<b>8.0 Secondary Schools Projects (List all the Projects)</b>					
St. Barnabas Girls Sabwani	3,000,000	-	3,000,000	-	3,000,000
St. Barnabas Girls Sabwani	1,200,000	-	1,200,000	-	1,200,000
St. Matthews Cheptantan	3,500,000	-	3,500,000	-	3,500,000
Kokwo Girls	1,600,000	-	1,600,000	-	1,600,000
Chepsalei Secondary School	2,500,000	-	2,500,000	2,500,000	-

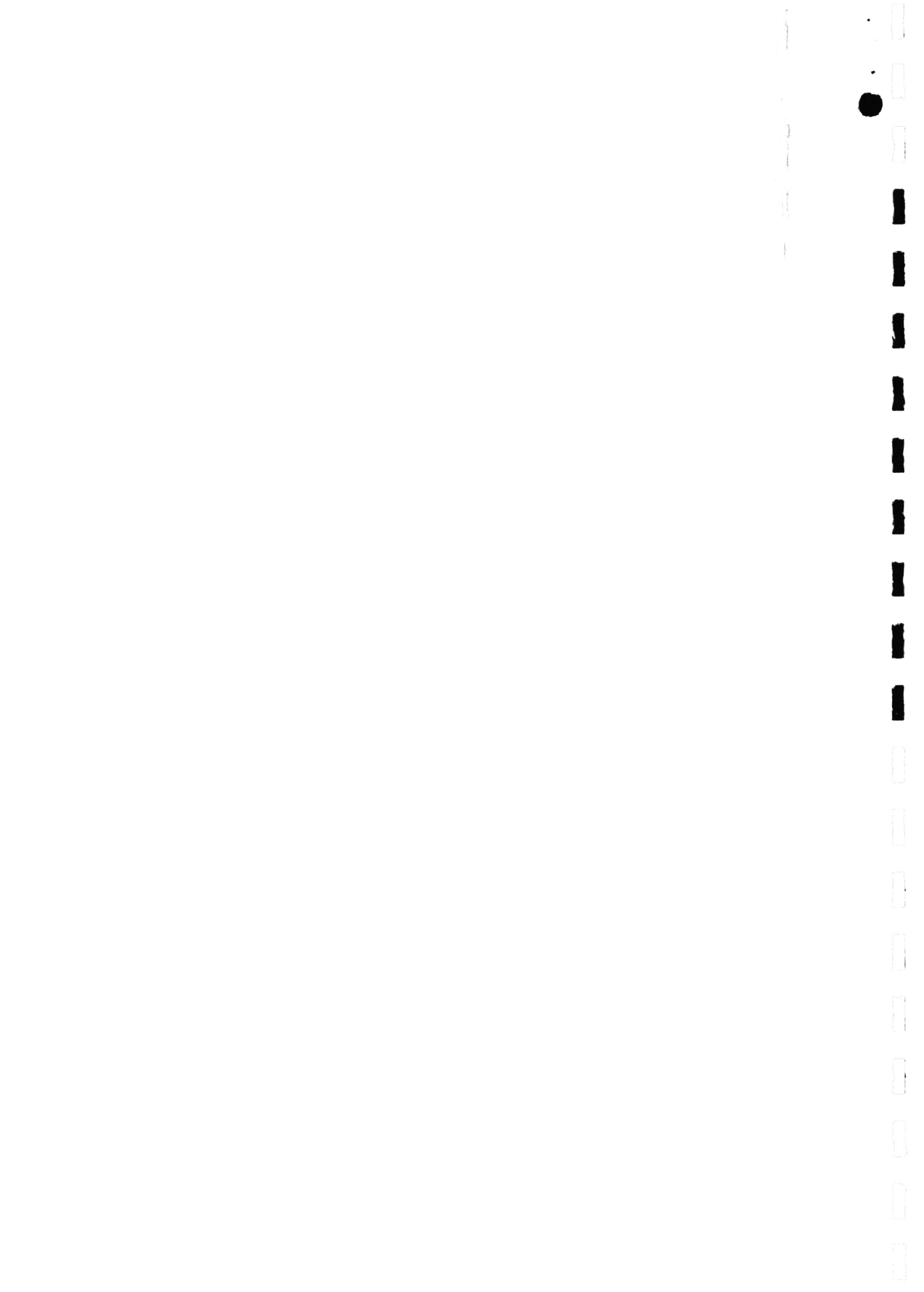
Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Matumbei Secondary School	1,600,000	-	1,600,000	1,600,000	-
Titiment Secondary School	3,500,000	-	3,500,000	-	3,500,000
Kietkei Secondary School	800,000	-	800,000	-	800,000
Japata Secondary School	6,500,000	-	6,500,000	-	6,500,000
Japata Secondary School	1,500,000	-	1,500,000	1,500,000	-
Andersen High School	2,000,000	-	2,000,000	2,000,000	-
St. Francis of Asis Koronga Secondary School	2,500,000	-	2,500,000	2,500,000	-
Njoro Secondary School	2,500,000	-	2,500,000	2,500,000	-
St. Barnabas Sabwani Boys	180,000	-	180,000	180,000	-
Njoro Secondary School	180,000	-	180,000	180,000	-
Kimwondo Secondary School	180,000	-	180,000	180,000	-
Kitum Girls Sec. School	-	500,000	500,000	500,000	-
kietkei Sec. School	-	500,000	500,000	500,000	-
Cherubai Sec. School	-	500,000	500,000	500,000	-
Chepchoina Sec. School	-	500,000	500,000	500,000	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Lutaso Sec. School	-	650,000	650,000	650,000	-
Kokwo Girls Sec. School	-	6,500,000	6,500,000	6,500,000	-
St. Pauls Kitum Secondary School	-	1,000,000	1,000,000	1,000,000	-
Bwala Secondary School	-	1,500,000	1,500,000	1,500,000	-
Nalulingo Secondary School	-	1,500,000	1,500,000	1,500,000	-
Kimwondo Secondary School	-	1,000,000	1,000,000	1,000,000	-
St. Barnabas Secondary Sch. Sabwani	-	500,000	500,000	500,000	-
Titimet Secondary School	-	1,000,000	1,000,000	1,000,000	-
St. Mathews Cheptantan Secondary School	-	1,000,000	1,000,000	1,000,000	-
Japata Secondary School	-	1,500,000	1,500,000	1,500,000	-
Maendeleo kwa wote	-	540,000	540,000	-	540,000
10.0 Security Projects					
Kibosit Police Station	-	1,000,000	1,000,000	-	1,000,000
11.0 Acquisition of assets					
Construction of CDF office					

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
Tasco Enterprise	-	416,052	416,052	416,052	-
Comm. of Domestic Tax	-	93,758	93,758	93,758	-
NG-CDF Endeess	-	58,599	58,599	58,599	-
Comm. of Domestic Tax	-	17,580	17,580	17,580	-
Comm. of Domestic Tax	-	37,016	37,016	37,016	-
Comm. of Domestic Tax	-	14,257	14,257	14,257	-
NG-CDF Endeess (Retention)	-	27,562	27,562	27,562	-
Rowa Plambers Construction CO.	-	195,783	195,783	195,783	-
Purchase of furniture and equipment	850,000	789,530	1,639,530	-	1,639,530
12.0 Others					
Strategic Plan	1,500,000	2,000,000	3,500,000	3,492,490	7,510
SMECT Consultancy LTD	-	1,654,974	1,654,974	1,654,974	-
Comm. Of Dom Tax	-	90,271	90,271	90,271	-
SMECT Consultancy LTD	-	994,123	994,123	994,123	-
Comm. Of Dom Tax	-	54,224	54,224	54,224	-
SMECT Consultancy LTD	-	663,954	663,954	663,954	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on	Budget
	2018/2019		2018/2019	comparable basis	utilization
				30/06/2019	difference
Comm. Of Dom Tax	-	34,944	34,944	34,944	-
Innovation Hub	2,750,000	4,677,027	7,427,027	-	7,427,027
Borehole	3,000,000	-	3,000,000	1,054,821	1,945,179
Roads	-	107,780	107,780	-	107,780
<b>GRAND TOTALS</b>	<u>109,040,875</u>	<u>59,087,130</u>	<u>160,702,423</u>	<u>107,600,423</u>	<u>59,087,130</u>

(NB: This statement is a disclosure statement indicating the utilization in the same format at the Entity's budgets which are programme based.



### 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 noted 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 – Endebess 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 recognizes 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.

**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 30<sup>th</sup> 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 recognizes all payments when the event occurs and the related cash has actually been paid out by the Entity.

### Compensation of Employees

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

### Use of Goods and Services

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

### Acquisition of Fixed Assets

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June, 2019

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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 personal 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 authorized 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. Accountants 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 fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted 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 consists 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. Utilized Funds**

Unutilized funds consist of bank balances in the constituency account and previous year (s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financially years consistent with sec 6 (2) and sec 7 (1) 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 2017 for the period 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June 2018 as required by law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

### 12. Comparative Figures

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

### 13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June, 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.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG - CDF) - ENDEBESS  
CONSTITUENCY

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

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018 – 2019 Kshs.	2017 – 2018 Kshs.
NGCDF Board	B005198	54,784,783	-
AIE NO.	B030237	10,000,000	-
AIE NO.	B030383	12,000,000	-
AIE NO.	A699040	11,000,000	-
AIE NO.	B042884	13,000,000	-
AIE NO.	B006325	8,000,000	-
AIE NO.	A892577	-	31,948,275
AIE NO.	A829572	-	500,000
AIE NO.	A855798	-	5,500,000
AIE NO.	A892577	-	37,905,172
<b>TOTAL</b>		<b>108,784,483</b>	<b>75,853,449</b>

2. COMPENSATION OF EMPLOYEES		
	2018 – 2019 Kshs.	2017 – 2018 Kshs.
Basic wages of contractual employees	1,830,694	1,019,224
Basic wages of casual labour	-	-
Personal Allowances paid as part of salary	-	-
House Allowance	192,000	112,000
Gratuity	-	1,270,582
Employer Contribution to NSSF	86,080	25,960
<b>TOTAL</b>	<b><u>2,108,744</u></b>	<b><u>2,427,766</u></b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June, 2019

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

3. <u>USE OF GOODS AND SERVICES</u>	2018 – 2019 Kshs.	2017 – 2018 Kshs.
Other Committee Expenses	80,000	459,000
Communication, supplies and services	146,989	120,000
Domestic travel and subsistence	252,810	209,340
Printing, advertising and information supplies and services	126,700	6,941
Training expenses	2,612,000	40,000
Hospitality supplies and services	401,765	174,050
Fuel, Oil and Lubricants	522,500	202,700
Office and general supplies and services	1,303,855	224,194
Other operating expenses	27,250	67,820
Routine Maintenance – vehicles and other Transport Equipment	295,159	370,586
Routine Maintenance – Other Assets	55,820	37,020
Bank Charges and other Communication Services	50,235	-
Electricity	-	43,000
Committee Allowance	4,505,000	3,463,000
<b>TOTAL</b>	<b>10,380,083</b>	<b>5,417,651</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June, 2019

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

<u>Description</u>	<u>2018 – 2019</u> Kshs.	<u>2017 – 2018</u> Kshs.
Transfers to National Government Entities		
Transfers to Primary Schools (see attached list)	18,755,000	14,450,000
Transfers to Secondary School (see attached list)	37,290,000	12,500,000
<b>TOTAL</b>	<b>56,045,000</b>	<b>26,950,000</b>
<b>5. <u>OTHER GRANTS AND OTHER PAYMENTS</u></b>	<b>2018 – 2019 Kshs.</b>	<b>2017 – 2018 Kshs.</b>
Bursary – Secondary Schools (see attached list)	15,914,000	10,316,000
Bursary - Tertiary Institutions (see attached list)	11,368,000	11,047,000
Security Projects (see attached list)	-	388,098
Sports Projects (see attached list)	1,830,000	1,638,966
Environment Projects (see attached list)	1,662,500	1,636,200
Emergency Projects (see attached list)	3,938,000	2,000,000
<b>TOTAL</b>	<b><u>34,712,500</u></b>	<b><u>27,026,294</u></b>

6. ACQUISITION OF ASSETS

<u>None Financial Assets</u>	<u>2018 – 2019</u> Kshs.	<u>2017 – 2018</u> Kshs.
Construction of Buildings	861,607	12,100,000
<b>TOTAL</b>	<b><u>861,607</u></b>	<b><u>12,100,000</u></b>

7. OTHER PAYMENTS

	<u>2018 – 2019 Kshs.</u>	<u>2017 – 2018 Kshs.</u>
Strategic Plan	3,492,490.00	-
<b>Total</b>	<b>3,492,490.00</b>	<b>-</b>

10A: Bank Accounts (Cash Book Bank Balance)

Name of Bank, Account No. & Currency	2018 – 2019 Kshs.	2017 – 2018 Kshs.
<i>Equity Bank, Kitale Branch, 033026168206</i>	5,486,709	4,302,649
<b>TOTAL</b>	<b><u>5,486,709</u></b>	<b><u>4,302,649</u></b>

12: Retention

	2018 – 2019 Kshs.	2017 – 2018 Kshs.
<i>MS Rowa plumbers Construction Company</i>	27,562	-
<b>TOTAL</b>	<b><u>27,562</u></b>	<b><u>-</u></b>

13. BALANCES BROUGHT FORWARD		
	2018 – 2019 Kshs.	2017 – 2018 Kshs.
Bank Accounts	4,302,649	2,370,913
<b>TOTAL</b>	<b><u>4,302,649</u></b>	<b><u>2,370,913</u></b>

15. OTHER IMPORTANT DISCLOSURES		
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)		
	2018 – 2019 Kshs.	2017 – 2018 Kshs.
Construction of Buildings	861,607	481,590
<b>TOTAL</b>	<b><u>861,607</u></b>	<b><u>481,590</u></b>
		-
15.2 PENDING STAFF PAYABLES (See Annex 2)		
	2018 – 2019 Kshs.	2017 – 2018 Kshs.
NG-CDF staff	621,426	-
<b>TOTAL</b>	<b><u>621,426</u></b>	<b><u>-</u></b>
15.3: UNUTILIZED FUNDS (See Annex 3)		
Compensation of Employees	1,780,398	897,392
Use of goods and services	3,996,160	7,184,690
Amounts due to other Government entities (see attached list)	34,718,053	39,148,053
Amounts due to other grants and other transfers (see attached list)	7,771,674	5,178,960
Acquisition of Assets	4,826,761	2,001,008
Others ( <i>Specify</i> )	7,434,537	4,677,027
<b>TOTAL</b>	<b><u>60,527,584</u></b>	<b><u>59,087,132</u></b>

15.4: PMC Account Balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	18,472,353	6,232,151
Total	18,472,353	6,232,151



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS CONSTITUENCY

Reports and Financial Statements

For the year ended 30 June, 2019

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To – Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
	a	b	c	d = a-c		
<b>Construction of Buildings</b>						
1.	19,785,990.00	28/2/2017	19,304,400.00	Nil	481,590.00	Cleared
Sub – Total	19,785,990.00	28/2/2017	19,304,400.00	Nil	481,590.00	
Grand Total	19,785,990.00	28/2/2017	19,304,400.00	Nil	481,590.00	

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

Asset Class	Historical Cost b/f (Kshs) 2017/2018	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/20189
Land				
Buildings and structures	19,304,400	481,590	-	19,785,990
Transport Equipment	6,253,343	-	-	6,253,343
Office Equipment, furniture and fittings	93,835	-	-	93,835
ICT Equipment, Software and Other ICT Assets	243,000	-	-	243,000
Other machinery and Equipment	26,750	-	-	26,750
<b>Total</b>	<b>25,921,328</b>	<b>-</b>	<b>-</b>	<b>26,402,918</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS CONSTITUENCY

Reports and Financial Statements  
For the year ended 30 June, 2018

ANNEX 5 –PMC BANK BALANCES AS AT 30 JUNE 2018

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Endebess Centre Primary School	Equity	0330277783719	1,020,230.00	-
Chebrirbei Primary School	Equity	0330277410132	535.00	-
Rwanda Primary School	Equity	0330268597051	1,224.80	-
Tulwop Kesis Primary School	Equity	0330268661063	799,953.95	-
Maliki Primary School	Equity	0330290715625	6,648.00	-
Lutaso Primary School	Equity	0330297420356	2,260.75	-
Kaisheber Primary School	Equity	0330298964600	13,995.00	-
Feedlot Primary School	Equity	0330290840915	1,950.00	-
Moss Memorial Primary School	Equity	0330269273816	11,715.00	-
Chesitia Primary School	Equity	0330261721889	2,106.00	-
Koibei Primary School	Equity	0330266654404	1,015.00	-
Kitinda Primary School	Equity	0330270885297	3,174.80	-
Cheptikit Primary School	Equity	0330277385096	945.00	-

PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
Cheptandan Primary School	Equity	0330290746218	0.50	-
Amani Primary School	Equity	0330266690863	972.00	-
Kamaroko Primary School	Equity	0330269055059	1,419,225.00	-
Chepkwirot Primary School	Equity	0330269592154	11,580.00	-
Kiboi Primary School	Equity	0330262666896	370.15	-
Imbuye Primary School	Equity	0330269158736	320.00	-
Kapkures Primary School	Equity	0330198772493	332.05	-
Sabwani Primary School	Equity	0330192686574	6,232.30	-
Suam Primary School	Equity	0330261804916	6,025.00	-
Naminit Primary School	Equity	0330261721889	2,106.00	-
Chelulus Primary School	Equity	0330278736583	809,367.50	-
Andersen High School	Equity	0330264699473	2,102,767.00	-
Kietkei Secondary School	Equity	0330290881582	449.00	-
Chepchoina Secondary School	Equity	0330267149101	41.60	-
Lutaso Secondary School	Equity	0330297420356	2,260.75	-
St. Veronica Kokwo Girls	Equity	0330263591529	2,853.00	-
St. Mary's Nai Girls Sec. School	Equity	0330263650267	950,427.00	-

PMC	Bank	Account number	Bank Balance	Bank Balance
			2018/19	2017/18
Chepsalei Secondary School	Equity	0330299493719	1,312,074.00	-
St. Francis Of Asis Koronga Sec. School	Equity	0330290818059	2,640,224.50	-
Nalulingo Secondary School	Equity	0330266676708	1,578,630.00	-
Kimwondo Secondary School	Equity	0330293646213	7,913.30	-
St. Barnabas Sec. School	Equity	0330265885412	14,643.00	-
Japata Secondary School	Equity	0330264495532	1,766,535	-
Titimet Girls Secondary School	Equity	0330268501928	363	-
Maendeleo Kwa Wote	Equity	0330216438760 6	748,234.55	-
Matumbei Scondary School	Equity	0330190813861	1,612,043.85	-
Endebess Recreation And Social Dev.	Equity	0330266715113	892.70	-
2017/2018 PMC Bank A/c Balances				6,232,151
<b>TOTAL</b>			<b>18,472,352.65</b>	<b>6,232,151</b>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS CONSTITUENCY

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

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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	1.1 Remittance of statutory deductions in time	Management has since revalidated the respective cheques, KRA staff collected them in person and banked the cheques	Benson Tindi F.A.M	Resolved	30/6/2019
2.0	Other Grants and Transfers				
	2.1 Emergency Expenses	Management has responded	Benson Tindi F.A.M	Not resolved	30/6/2020
	2.2 Bursary Expenses– Secondary Schools	Management has responded	Benson Tindi F.A.M	Not resolved	30/6/2020
	2.3 Unapproved Distribution of bursary funds	Management has responded	Benson Tindi F.A.M	Not resolved	30/6/2020



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG – CDF) – ENDEBESS  
CONSTITUENCY

Reports and Financial Statements  
For the year ended 30 June, 2018

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. in the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Presentation and errors of the financial statement				
	Presentation				
	1.1 Remittance of statutory deductions in time	Deductions effected	Benson Tindi F.A.M	Not resolved	30/6/2019
2.0	Other Grants and Transfers				
	2.1 Emergency Expenses	Management has complied with guideline on emergency	Benson Tindi F.A.M	Not resolved	30/6/2019
	2.2 Bursary Expenses– Secondary Schools	Management has complied with guideline on bursary	Benson Tindi F.A.M	Not resolved	30/6/2019
	2.3 Unapproved Distribution of bursary funds	Management has complied with guideline on bursary	Benson Tindi F.A.M	Not resolved	30/6/2019

