

REPUBLIC OF KENYA



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BY:

CLERK-AT
THE-TABLE:

The majority whip
Hon E. Wargwe MP
Benson Inzofu.

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
NANDI HILLS CONSTITUENCY**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NANDI HILLS
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) NANDI HILLS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

(b) Key Management

The NGCDF NANDI HILLS Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
.		
1.	A.I.E holder	Mr. Joshua Bore.
2.	Sub-County Accountant	CPA Joseph Rotich.
3.	Chairman NGCDFC	Mr. Charles Limo.
4.	Member NGCDFC	Mrs. Sarah Melly.

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF NANDI HILLS Constituency Headquarters

P.O. BOX 731-30100,
NGCDF BUILDING,
NANDI HILLS, KENYA.

(f) NGCDF NANDI HILLS Constituency Contacts

Telephone: (254) 0725289356

E-mail: cdfnandihillsconstituency@gmail.com

Website: www.ngcdfnandihillsconstituency.go.ke

(g) NGCDF NANDI HILLS Constituency Bankers

1. Equity Bank Kenya Limited
Nandi Hills Branch
ACC NO;0920261628747
P O Box 2220-30100
Nandi Hills.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

These reports and financial statements present a true and fair view of the state of affairs of Nandi Hills NG-CDF for the financial year ended 30th June 2020.

It lays down the Receipts and Payments of all the funds that Nandi Hills NG-CDF received from the NG-CDF BOARD during the financial year.

I wish to make the following remarks;

A). Budget Performance

In the financial year 2019/2020 Nandi Hills NG-CDF budget performance against actual amounts for current year based on economic classification and programmes, was to a large extent negatively affected by untimely disbursement of funds by the NG-CDF BOARD, the NG-CDFC in collaboration with other government agencies disbursed received funds to the Project management committees (Pmcs) in a timely manner and is continuously monitoring the execution of the funded programmes.

The performance during the year is summarised as follows;

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	4,095,041	1,992,975	2,102,066	48.7%
Use of goods and services	9,781,824	8,402,589	1,379,235	85.9%
Transfers to Other Government Units	120,750,390	64,210,000	56,540,390	53.2%
Other grants and transfers	62,878,111	47,394,467	15,483,643	75.4%
Acquisition of assets	880,628	387,000	493,628	43.9%
Other Payments(Strategic Plan)	12,147	-	12,147	0.0%
TOTAL	198,398,139	122,387,031	76,011,108	61.7%

b).in detail, NG-CDF NANDI HILLS has been able to achieve the following during the financial year;

- ❖ Funded 31 Primary school projects, 17 Secondary school projects, 2 Police Stations and 2 Chiefs Offices projects. This involved among others, construction and Completion of classrooms, Laboratories, administration blocks, Police stations, purchase of land, and school buses, Some of this infrastructure is already complete and in use while others are nearing completion, contributing to increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions and a more secure environment in line with the constituency 2018-2022 strategic plan. Herein attached are pictorials to depict successful projects undertaken during the year.
- ❖ The NG-CDFC NANDI HILLS also allocated kes.34million for bursary to support needy students in both secondary and tertiary institutions which have resulted in students' retention in school and improved overall academic performance. The absorption of this budget was however largely affected by the outbreak of Covid 19 which resulted in the closure of all learning institutions in March 2020.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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c). Emerging issues related to NG-CDF in NANDI HILLS Constituency are;

- ❖ All learning institutions, security sector, water and roads almost entirely depend on NG-CDF 100% on infrastructure development.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructures.
- ❖ The Outbreak of Covid 19 has negatively impacted on household disposable incomes forcing some constituents to request the NG-CDF to provide food rations and basic items to fight Covid 19.
- ❖ There's a growing Need to compete with the county government to justify the long existence of NG-CDF.

d). NG-CDF Implementation challenges in NANDI HILLS Constituency are;

- ❖ Overdependence of the fund by the public and sub-county National government functions on all development related issues.
(Here public participation is employed in identification of priority projects for funding and bursary beneficiaries within the constituency).
- ❖ Funds disbursement from the board is almost always untimely leading to delays in execution of budgets thus unnecessary adjustments.
(NG-CDF committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC's) as soon as it receives).
- ❖ Many projects are allocated funds- leading to projects receiving insufficient funds
(NG-CDF is focusing on allocating enough funds to complete the project within at most 2 years).

Under my leadership, NG-CDF Committee NANDI HILLS constituency will endeavour to fulfil its mandate in disbursement and monitoring of projects funds as per the guidelines of the NG-CDF ACT 2015.

Sign



Mr. ALFRED ROTICH.

Chairman NGCDF Committee.

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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-NANDI HILLS Constituency's 2018-2022 strategic plan are to:

- a) Improve Education Standards.
- b) Improve Security.
- c) Conserve the environment.
- d) Increase youth, women and persons with disability participation in development objectives
- e) Nurture talent through sporting activities and art.
- f) Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the Constitution.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels.	In FY 19/20 among others, we increased number of classrooms, dormitories, laboratories, school buses etc from ... to... in the following schools/institutions -st Marys High school Soyiet -Jean Marie day sec sch. -ollessos day sec sch. - Bursary beneficiaries at all levels were as per the attached schedules

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Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for their lives and property.	-Decrease in the number of insecurity related incidents. -Improved security and a more secure business environment.	-Numbers of usable physical infrastructure build in DCI offices, Police stations. Chief's offices and county Commissioners security facilities. -Increased deployment of more police officers.	In FY 19/20 -we increased number of DCI Offices, Police stations, chief's offices etc from.... to...in the following localities. -Nandi East. -Kosoiywo . -Sochoi. -Kapkoros. -Ainapngetuny. -Kipsebwo.
Environment	To have a well Conserved and Clean environment.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in both public and private land.	In FY 19/20 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools and private land as per the attached schedules.
Sports	To Nurture sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.	In FY 19/20 -we organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Road Network	To improve the road network in the constituency.	Ease in movement of people, goods and services and access to markets and social services.	Number of usable physical infrastructure builds in kilometres of road network.	In FY 19/20 -we increased kilometres of road network by funding 15kilometres of x access road.

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – NANDI HILLS 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 -

NG-CDF Committee Nandi Hills constituency strongly believes that service provision should not be at the expense of people and the planet.

We have made it our mantra to increase sustainable practices in our daily activities and particularly in;

- sourcing of office consumables and building materials for the projects we fund.
- water use and minimisation
- energy consumption
- risk management
- biodiversity.

In compliance with the United Nations sustainable development goals, on basic literacy, food security, decent housing and universal healthcare etc.

These bold and noble efforts however continue to face broad political and macroeconomic activities that affect sustainability priorities, example, a continued realignment of the governance structure affecting National resource allocation, a skyrocketing population increase, and outbreak of Covid 19 are panning out to be an enormous challenge to the attainment of this strategies.

Key achievements among others include; increased enrolment in school for all children of school going age as a result of increase in the number of usable physical infrastructure build in primary, secondary, and tertiary institutions.

A fair share of failure was also witnessed in the form of inability to achieve the requisite infrastructure count and size due to limited resources.

Despite the challenges, we strongly believe that with continued engagement of all stakeholders, increased Accountability and transparency in our activities, the organisation's activities will remain sustainable to the foreseeable future.

2. Environmental performance

As climate issues intensify, our services, operations and people are helping to create a sustainable future, based on a policy that reduces the organisations energy related carbon emissions on the environment.

This policy is evident in among others;

- the successful distribution and planting of thousands of tree seedlings in schools and public areas coupled with holding annual environmental awareness and conservation meets in the community.

- Reduction in energy and paper consumption in our offices, by limiting hardcopy document printouts, recycling paper, use of natural ventilation and reducing staff travel.

These efforts however have been plagued by a number of shortcomings, including among others,

- Lack of awareness in the community and society on the need to conserve the environment.
- Long droughts and erratic rainfall patterns derailing the success of the tree planting exercise.
- Limited resources directed to investment in renewable sources of energy.

Notable effort is particularly being dedicated to manage biodiversity and waste disposal where installation of bio digesters and incineration of waste is encouraged in all our practices

3. Employee welfare

Our hiring process is strictly guided by the provisions of the employment Act 2007 taking into account the gender ratio, with the aim of building a gender balanced organisation focused on management.

We make special provisions for Kenyans with various disabilities and previously marginalized communities. Our practices are designed to ensure that we recruit, retain and engage a high quality and diverse workforce while increasing productivity and efficient service provision,

We endeavour to incorporate stakeholder engagements throughout the process by advertisement of vacancies in the local press and public notice boards, giving details of the vacancies in the prescribed format as per the provisions of the employment Act 2007 section 76(1).

We are continuously improving on our hiring practices to align them with new international best practices anchored on employee engagement, diversity and inclusion.

We provide our employees with continuous on the job training and capacity building and enhance access to training and skills by encouraging staff to undertake personal continuous academic and professional development.

NG-Cdf committee is working on proposals which will be forwarded to the NG-CDF Board to put in place a clear employee succession policy to help manage careers.

However on appraisal and reward system, the board needs to standardise the salaries payable to NG-CDF staff to ensure proper management of the day to day activities of the field offices.

NG-CDF Committee have put in place a written statement of the general policy with respect to the safety and health at work of our employees and the organisation and arrangements for the time being in force for carrying out that policy; as per the requirements of the Occupational Safety and Health Act of 2007.

More however, needs to be done to improve employee health, nutrition and well-being.

4. Market place practices-

The Ngcdfc, in its mandate to support constituency level and grassroots development aimed at achieving equitable distribution of resources and wealth, has put in place measures to ensure fair competition practices in its procurement processes.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

NGCDFC NANDI HILLS ensures responsible competition practices in line with section 37 of the ng-cdf Act and paragraph 27 of the ng-cdf regulations, all works and services relating to projects are procured in accordance with the provisions of the public procurement and disposal Act 2015.

a) Responsible Supply chain and supplier relations-

Payments to suppliers are made promptly on presentation of requisite supporting documentation.

b) How the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

The ngcdf is strictly guided by the provisions of section 31 of the Ngcdf Act, and paragraph 51(2) of the PFM Regulation 2015 which requires that all expenditure commitments for goods and services are based on allocations from the approved budget. Adherence to these provisions

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has guarantees honouring of contracts and respecting payment practices with our suppliers.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Tenders are advertised publicly and no discrimination is entertained that locks out any interested bidder.

d) NGCDFC NANDI HILLS is working with other government agencies with the expertise to safeguard consumer rights and interests where we strive to provide high quality services to our clients and community.

5. Community Engagements-

Public Participation is employed in Project identification, implementation and monitoring. As per the provisions of the Ng-cdf act 2015.

Covid 19 mitigation Measures.

As a major player in the grassroots level, Ngcdfc Nandi Hills heeded the ministry of health call to help in halting the spread of Covid 19 where we donated.

- hand sanitizers,
- face masks and
- Hand washing stations.

Public transport, up skilling and safety training provided.

- sponsored training of drivers and motorcycle riders on safety and licensing,
- carried out sensitization activities on HIV Aids and cancer awareness,
- up skilling of welders, tailors and salon workers in the constituency,
- Drilling of water boreholes and provision of water tanks which has increased access to clean drinking water.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NANDI HILLS CONSTITUENCY**

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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 by the Public Sector Accounting Standards Board of Kenya from time to time.

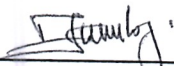
The Accounting Officer in charge of the NGCDF-NANDI HILLS Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2020. This 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-NANDI HILLS 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 in charge of the NGCDF-NANDI HILLS 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-NANDI HILLS 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-NANDI HILLS Constituency financial statements were approved and signed by the Accounting Officer on 30th June, 2020.



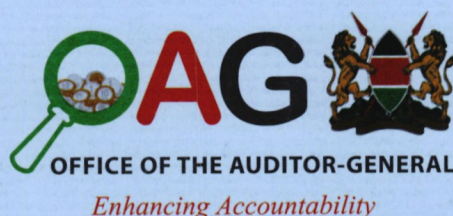
Fund Account Manager
Name: Joshua K. Bore.



Sub-County Accountant
Name: CPA Joseph Rotich
ICPAK Member Number: 16799

REPUBLIC OF KENYA

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituency Development Fund - Nandi Hills Constituency set out on pages 13 to 55, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituency Development Fund - Nandi Hills Constituency as at 30 June, 2020, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Accuracy of the Financial Statements

The statement of receipts and payments reflects total expenditure of Kshs.122,387,031 which is in agreement with the total shown in the budget execution by programmes and sub-programmes. However, casting of the actual expenditure figures as presented under the budget execution by programmes and sub-programmes revealed that the correct figure was Kshs.129,180,155 instead of Kshs.122,387,031 as stated resulting to unexplained and unreconciled variance of Kshs.6,793,124.

Consequently, the accuracy and completeness of the financial statements could not be confirmed.

2.0 Cash and Cash Equivalents

2.1 Cash and Bank Balances

The statement of assets and liabilities as at 30 June, 2020 reflects cash and cash equivalents figure of Kshs.6,643,384. However, an audit examination of the cash book revealed a cash book balance of 7,072,090 as at 30 June, 2020 resulting to unexplained and unreconciled variance of Kshs.428,706.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,643,384 as at 30 June, 2020 could not be confirmed.

2.2 Bank Reconciliation Statement

The statement of assets and liabilities as at 30 June, 2020 reflects bank balances of Kshs.6,643,384. However, the bank reconciliation statement for the month of June, 2020 reflected the following observations: -

(i) Unpresented Cheques

The bank reconciliation statement showed payments in the cash book not yet recorded in bank statement (unpresented cheques) of Kshs.12,337,412. However, cheques totalling to Kshs.2,687,302 were stale as at 30 June, 2020 and it was not clear why the same had not been reversed in the cash book. Further, no information was provided for audit review showing the dates when the remaining cheques totalling Kshs.9,650,110 were subsequently cleared in the bank.

(ii) Receipts in the Bank Statement not yet Recorded in the Cash Book

Receipts in cash book not in bank statement as at 30 June, 2020 amounted to Kshs.20,000 which was made up of two unpaid cheques Nos.6622 dated 02 March, 2020 and 7864 dated 08 June, 2020 each of Kshs.10,000. However, the drawers of the two cheques had not been traced and the cash book had not been updated accordingly.

(iii) Payments in the Bank Statement not in Cash Book

Payments in bank statement not yet recorded in cash book as at 30 June, 2020 amounted to Kshs.391,445. Included were bank charges amounting to Kshs.37,860 and paid cheques not posted in cash book amounting to Kshs.353,585. Further, the bank charges were not adjusted in the cash book and the cheques paid have not been traced and posted in the cash book.

Consequently, the accuracy and completeness of the cash and cash equivalents figure of Kshs.6,643,384 as at 30 June, 2020 could not be confirmed.

2.3 Project Management Committee Balances

Annex 5 of the financial statements reflect Project Management Committee (PMC) bank balances totalling to Kshs.935,316 as at 30 June, 2020. However, cash books, bank statements and bank reconciliation statements were not provided for audit review.

Consequently, the existence, accuracy and completeness of the Project Management Committee bank balances of Kshs.935,316 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined shows that the Fund had an approved budget of Kshs.198,398,139 during the financial year 2019/2020. During the same period, the Fund recorded expenditure of Kshs.122,387,031 or approximately 62% of the budgeted amount resulting to under expenditure of Kshs.76,011,108 or approximately 38% of the budgeted amount.

Failure to utilize all the funds as budgeted for is an indication that programs or activities were not implemented as planned thus not achieving the intended objective of improving service delivery to the people of Nandi Hills Constituency.

2.0 Projects Implementation Status

During the financial year ended 30 June, 2020, National Government Constituency Development Fund - Nandi Hills Constituency budgeted to implement eighty-six (86) projects at a cost of Kshs.128,050,388. However, only fifty-nine (59) projects costing Kshs.70,210,000 were implemented while twenty-seven (27) projects with a total budget of Kshs.59,840,388 were not funded.

As at 30 June, 2020 according to the Projects Implementation Status report, no project had been completed and put into use. All the funded projects were ongoing at different stages of completion with works going on or awaiting further funding from NG-CDF Board.

Further, one project (Mogobich Secondary School) which was not budgeted for received a funding of Kshs.350,000 which was contrary to the law.

Failure by the NGCDF Board to release funds on time may lead to delays in completion of planned projects, and may deny the people of Nandi Hills Constituency the services they deserve.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Transfers to Other Government Units

1.1 Purchase of Land

During the year under review, the Fund purchased several parcels of land for various schools in the constituency at a cost of Kshs.12,650,000. However, procurement records such as opening minutes, evaluation, award, official title deeds were not provided for audit verification.

Under the circumstances, the ownership and propriety of the land purchased costing Kshs.12,650,000 could not be confirmed.

1.2 Purchase of School Buses

The statement of receipts and payments and as disclosed in Note 6 to the financial statements, reflects transfers to other government units amounting to Kshs.64,210,000 which includes Kshs.38,340,000 transfers to secondary schools. Out of this amount is Kshs.16,733,793 paid to a firm for the supply of five (5) school buses. However, documents relating to procurement of the buses such as advertisement, tender opening minutes, tender register, technical and financial evaluation report, letters of award and regret to winning and unsuccessful tenderers bidders respectively, letters of offer and acceptance, contract agreement, delivery notes, mechanical inspection reports. Further, copies of log books were not provided for audit verification.

Under the circumstances, the propriety of the school buses expenses of Kshs.16,733,793 for the year under review could not be confirmed.

2.0 Other Grants and Transfers

2.1 Emergency Projects

As disclosed in Note 7 to the financial statements, the statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers of Kshs.47,394,467 which includes emergency projects payments amounting to

Kshs.6,793,124. However, an examination of the documents in respect of the projects revealed that projects costing Kshs.6,371,394 did not meet the required threshold for emergency funding and could have been budgeted for under normal circumstances.

In the circumstance, the Fund risks inability to respond to emergencies in case of an occurrence due to utilization of emergency funds on normal projects.

2.2 Bursaries to Special Schools

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.47,394,467 which includes bursary disbursements to special schools of Kshs.770,000. An examination of expenditure records relating to the bursary payments to special school revealed that payment of Kshs.770,000 was made to a driving school being part payment for driving/rider course for 45 drivers and 277 motor bike riders. However, minutes of the bursary subcommittee indicating how the beneficiaries were identified and to confirm two co-opted members as required by Constituency Development Fund circular reference No. Voll 1/111 dated 13 September, 2010, were not provided for audit review.

In addition, the list of the beneficiaries, attendance register and evidence of the trainees having received their driving/ rider's licenses upon successful training was not provided for audit verification.

Under the circumstances, the propriety of the special schools' bursary disbursements Kshs.770,000 could not be confirmed.

3.0 Projects Verification

During the year under review, twenty-five (25) projects with total disbursements of Kshs.39,403,793 were verified. Seven (7) projects with a total disbursement amounting to Kshs.3,340,000 were found to be complete and in use, three (3) projects with a total disbursement amounting to Kshs.6,500,000 had not been started, twelve (12) projects with a disbursement of Kshs.18,950,000 were partially completed and three (3) school buses costing Kshs.10,613,793 had been delivered as shown in **Appendix 1**.

Under the circumstances, the incomplete projects have not achieved the intended objectives and no benefits or value have been derived by the citizens of Nandi Hills Constituency.

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 INTERNAL CONTROLS EFFECTIVENESS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 ability of the Fund 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 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

07 February, 2022

Appendix 1

S/No.	Project Name	Project Activity	Amount Disbursed During the year Kshs.	Remarks
1	Kaptien Primary School	Construction of latrines	200,000	One toilet with six (6) doors constructed. Project complete and in use.
2	Jean Marie Day Secondary School	Ongoing construction of a storeyed tuition block of 9 classrooms	4,000,000	Construction works not started. Materials not on-sight. Bank statement not availed for confirmation of funds availability.
3	Kaplelmet Day Secondary School	Construction of a storeyed tuition block of 9 classrooms	1,600,000	Construction works not started. Materials not on-sight. Bank statement not availed for confirmation of funds availability.
4	Keteng Day Secondary	Construction of one classroom to completion	900,000	Construction works not started. Materials not on-sight. Bank statement not availed for confirmation of funds availability.
5	AIC Chesirgan Primary School	Purchase of land	1,000,000	Ownership documents not availed.
6	Nukiat Primary School	Construction of latrines	200,000	One six (6) doors toilet complete and in use.
7	Choimin Primary	Supply & installation of 10liters water tank and tree seedlings.	370,000	Water tank installed and in use. Tree seedlings planted. Project complete.
8	Alfred Keter Choimin Secondary	Purchase of land for the school	1,400,000	Land acquired, valuation report and sales agreement for the purchased land provided. However, ownership documents not provided.
9	Nukiat Primary School	Construction of 1 classroom to completion	700,000	Complete and in use. However, the ceiling was loosely hanging and needs to be fixed.
10	Chepngetuny Secondary School	Purchase of land	1,000,000	Land acquired but ownership documents not yet obtained.
11	Lelwak Boys High School	Ongoing construction of a dining hall	2,000,000	Pillars erected, walling not done, slabbing not done, roofing done. Project incomplete and still requires additional funding.
12	St. Mary's Soyiet Secondary School	Completion of science laboratory	1,400,000	Floors, fittings, plastering, ceiling and painting not done and not in use. Materials not on site.
13	Kaputi Secondary School	Complete construction of a classroom: foundations slabbing, walling and roofing.	750,000	Painting, fittings, plasterworks and ceiling not done. Project incomplete and not in use.

S/No.	Project Name	Project Activity	Amount Disbursed During the year Kshs.	Remarks
14	Chepkunyuk Primary School	Complete construction of a classroom: foundations slabbing, walling and roofing.	750,000	Completed and in use
15	St. John Mixed Secondary School	Complete construction of a classroom: foundations slabbing, walling and roofing.	750,000	Completed and in use.
16	Lengubei Primary School	Complete construction of a classroom: foundations, slabbing, walling and roofing.	700,000	Windows, painting and ceiling not done. In use.
17	Oll'lessos primary School	Supply & installation of 10 liters water tank and tree seedlings.	370,000	Supplied and installed. In use.
18	Oll'lessos Stima	Purchase of land	6,000,000	Ownership documents not obtained
19	Koilot Secondary School	Completion of 1 classroom: roofing, plastering, painting fixing of windows and doors	1,300,000	Construction Ongoing. Contractor on site
20	Keben Day Secondary School	Purchase of land	2,000,000	Ownership documents not obtained
21	Kapchumba Primary School	Complete construction of a classroom: foundations, slabbing, walling and roofing.	700,000	Fittings, Plasters, Ceiling, Painting not done. Not in use
22	Ogirgir Primary School	Complete construction of a classroom: foundations, slabbing, walling and roofing.	700,000	Fittings, plasters, ceiling, painting not done. Not in use
23	Kaptien Sec,	Purchase of 3 (three) 51 seater School buses.	10,613,793	Buses delivered and in use. However, only Oll'lessos Secondary availed its Logbook.
24	Sirwa Secondary School	Purchase of 3(three) 51 seater School buses.	Included under Kaptien	Buses delivered and in use. However, only Oll'lessos Secondary availed its Logbook.

S/No.	Project Name	Project Activity	Amount Disbursed During the year Kshs.	Remarks
25	Oll'lessos mixed day Secondary	Purchase of 3(three) 51 seater School buses.	Included under Kaptien	Oll'lessos Secondary availed its Logbook.
		Total	39,403,793	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NANDI HILLS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Not e	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	125,577,085	106,748,273
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	7,000
TOTAL RECEIPTS		125,577,085	106,755,273
PAYMENTS			
Compensation of employees	4	1,992,975	1,778,225
Use of goods and services	5	8,402,589	11,471,720
Transfers to Other Government Units	6	64,210,000	67,361,832
Other grants and transfers	7	47,394,467	34,150,553
Acquisition of Assets	8	387,000	520,288
Other Payments	9	-	2,987,853
TOTAL PAYMENTS		122,387,031	118,270,471
SURPLUS/(DEFICIT)		<u>3,190,054</u>	<u>(11,515,198)</u>

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

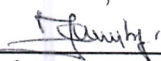

Fund Account Manager
Name: Joshua K Bore.


National Sub-County Accountant
Name: CPA Joseph Rotich.
ICPAK Member Number: 16799

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**NANDI HILLS 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	6,643,384	3,453,330
Cash Balances (cash at hand)	10B	-	0
Total Cash and Cash Equivalents		6,643,384	3,453,330
Accounts Receivable			-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,643,384	3,453,330
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		6,643,384	3,453,330
REPRESENTED BY			
Fund balance b/fwd	13	3,453,330	13,468,528
Prior year adjustments	14	-	1,500,000
Surplus/Deficit for the year		3,190,054	(11,515,198)
NET FINANCIAL POSITION		6,643,384	3,453,330

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


Fund Account Manager
Name: Joshua Bore.

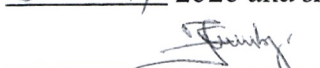

National Sub-County Accountant
Name: CPA Joseph Rotich.
ICPAK Member Number: 16799

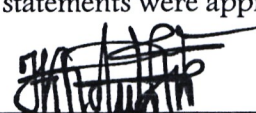
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NANDI HILLS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VIII. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	125,577,085	106,748,273
Other Receipts	3	-	7,000
Total receipts		125,577,085	106,755,273
Payments for operating expenses			
Compensation of Employees	4	1,992,975	1,778,225
Use of goods and services	5	8,402,589	11,471,720
Transfers to Other Government Units	6	64,210,000	67,361,832
Other grants and transfers	7	47,394,467	34,150,553
Other Payments	9	-	2,987,853
Total payments		122,000,031	(117,750,183)
Total Receipts Less Total Payments		3,577,054	(10,994,910)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	1,500,000
Net cash flow from operating activities		3,577,054	(9,494,910)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	387,000	520,288
Net cash flows from Investing Activities		(387,000)	(520,288)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,190,054	(10,015,198)
Cash and cash equivalent at BEGINNING of the year	13	3,453,330	13,468,528
Cash and cash equivalent at END of the year		<u>6,643,384</u>	3,453,330

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


Fund Account Manager
Name: Joshua K Bore


National Sub-County Accountant
Name: CPA Joseph Rotich

ICPAK Member Number: 16799

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	61,030,415	198,398,139	129,030,415	69,367,724	65.0%
Proceeds from Sale of Assets						
Other Receipts						
PAYMENTS						
	137,367,724	61,030,415	198,398,139	129,030,415	69,367,724	65.0%
Compensation of Employees	2,722,000	1,373,040	4,095,041	1,992,975	2,102,066	48.7%
Use of goods and services	9,241,095	540,729	9,781,824	8,402,589	1,379,235	85.9%
Transfers to Other Government Units	75,906,388	44,844,002	120,750,390	64,210,000	56,540,390	53.2%
Other grants and transfers	49,098,241	13,779,869	62,878,111	47,394,467	15,483,643	75.4%
Acquisition of Assets	400,000	480,628	880,628	387,000	493,628	43.9%
Other Payments	-	12,147	12,147	-	12,147	0.0%
TOTALS	137,367,724	61,030,415	198,398,139	122,387,031	76,011,108	61.7%

- i. Compensation of Employees is underutilised due to delayed recruitment of some Ng-cdfc staff.
- ii. Transfers to other government units are underutilized due to delay in disbursement of funds by Ng-cdf board to the constituency.
- iii. Other grants and transfers are underutilized due to delay in disbursement of funds by Ng-cdf board to the constituency.
- iv. Acquisition of assets is underutilized due to delay in disbursement of funds by Ng-cdf board to the constituency.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY

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

Explanation on the changes between the original and final budget as per IPSAS 1.9.23.1:

1. Kes 3,453,330 is the unutilized funds brought forward from FY 2018/2019 (refer to cashbook/bank closing balance as at 30th June 2019).
2. Kes 55,040,875 is funds received from NG-CDF Board being allocation for FY 2018/2019 received this financial year.
3. Kes 2,036,210 is funds received from NG-CDF Board being allocation for FY 2016/2017 received this financial year.
4. Kes 500,000 is funds received from NG-CDF Board being allocation for FY 2015/2016 received this financial year

The NGCDF-NANDI HILLS Constituency financial statements were approved on 31st June, 2020 and signed by:



Fund Account Manager
Name: Joshua K Bore



Sub-County Accountant
Name: CPA Joseph Rotich
ICPAK Member Number: 16799

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

X. 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	2,722,000	1,373,040	4,095,040	1,992,975	2,102,065
1.2 Committee allowances	2,055,000	-	2,055,000	1,351,000	704,000
1.3 Use of goods and services	3,065,063	28,681	3,093,744	3,735,161	(641,417)
1.3 Use of goods and services(AIA)	-	7,000	7,000	-	7,000
2.0 Monitoring and evaluation					
2.1 Capacity building	1,397,400	-	1,397,400	-	1,397,400
2.2 Committee allowances	1,472,800	-	1,472,800	1,839,000	(366,200)
2.3 Use of goods and services	1,250,832	-	1,250,832	1,477,428	(226,596)
3.0 Emergency					
3.1 Emergency	7,198,241	6,166,066	13,364,308	6,793,124	6,571,184
KIPSAMO PRIMARY SCHOOL				200,000	
KAPSOKIO AIC PRIMARY SCHOOL				250,000	
TERENO GIRLS SCHOOL				300,000	
KAPCHANGA PRIMARY SCHOOL				250,000	
KIPKOROR MIXED DAY SECONDARY SCHOOL				300,000	
ST MARKS LOKIRENY PRIMARY SCHOOL				200,000	
KOIMUR PRIMARY SCHOOL				200,000	
NANDI EAST DCC OFFICE ABLUTION BLOCK				100,000	
TIMOBO PRIMARY SCHOOL				200,000	

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
ACK CHEPTINGTING PRIMARY SCHOOL				200,000	
TINGYO PRIMARY SCHOOL				200,000	
LELWAK SECONDARY SCHOOL				400,000	
NANDI EAST AP POLICE OFFICE REPAIRS				70,000	
CHEPNGETUNY PRIMARY SCHOOL				250,000	
NGAME PRIMARY SCHOOL				100,000	
KAPTEN PRIMARY SCHOOL				200,000	
NDUROTO PRIMARY SCHOOL				150,000	
SOCHOI PRIMARY SCHOOL				200,000	
KEBEN PRIMARY SCHOOL				250,000	
JUKIKO CONSTRUCTION LIMITED				120,550	
EMITIOT PRIMARY SCHOOL				230,000	
AINAPNGETUNY PRIMARY SCHOOL				991,394	
KAPTUMA PRIMARY SCHOOL				200,000	
NUKIAT PRIMARY SCHOOL				200,000	
SHAGISO HOLDINGS LIMITED(WATER TANK)				181,180	
PRISCOM TECHNOLOGIES(REPAIRS FURNITURE)				50,000	
MICHANE & SONS COMPANY LTD				800,000	
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	14,412,500	99,877	14,512,377	14,310,000	202,377
4.3 Tertiary Institutions	19,837,500		19,837,500	17,029,700	2,807,800

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
4.4 Universities	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
5.0 Sports					
5.1	1,000,000	1,801,950	2,801,950	1,605,643	1,196,307
6.0 Environment					
6.1	1,850,000	3,717,024	5,567,024	3,656,000	1,911,024
7.0 Primary Schools Projects (List all the Projects)					
MOGOBICH PRIMARY SCHOOL	-	500,000	500,000	500,000	-
KAPCHUMBA PRIMARY SCHOOL	-	200,000	200,000	700,000	(500,000)
KEBEN PRIMARY SCHOOL	500,000	400,000	900,000	400,000	500,000
KIPSAMOO PRIMARY SCHOOL	-	500,000	500,000	-	500,000
KOIMUR PRIMARY SCHOOL	756,388	400,000	1,156,388	400,000	756,388
SIMBI PRIMARY SCHOOL	-	400,000	400,000	400,000	-
NUKIAT PRIMARY SCHOOL	-	700,000	700,000	700,000	-
LELWAK PRIMARY SCHOOL	-	400,000	400,000	400,000	-
NDUROTO PRIMARY SCHOOL	700,000	400,000	1,100,000	400,000	700,000
KAPUTI PRIMARY SCHOOL	-	400,000	400,000	400,000	-
OGIRGIR PRIMARY SCHOOL	-	700,000	700,000	700,000	-
LESSOS HILL PRIMARY SCHOOL	-	300,000	300,000	300,000	-
CHEPKUNYUK PRIMARY SCHOOL	-	700,000	700,000	700,000	-
TURURO PRIMARY SCHOOL	1,500,000	500,000	2,000,000	500,000	1,500,000
KOGAMEI PRIMARY SCHOOL	700,000	400,000	1,100,000	400,000	700,000
LENGUBEI PRIMARY SCHOOL	-	700,000	700,000	700,000	-
SIRWA PRIMARY SCHOOL	-	400,000	400,000	400,000	-
KIMUGUL PRIMARY SCHOOL	-	400,000	400,000	-	400,000

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
AINAPNETUNY PRIMARY SCHOOL	700,000	400,000	1,100,000	400,000	700,000
KAPCHANGA PRIMARY SCHOOL	700,000	450,000	1,150,000	-	1,150,000
EMITIOT PRIMARY SCHOOL	700,000	900,000	1,600,000	1,600,000	-
CHEMALAL PRIMARY SCHOOL	-	1,000,000	1,000,000	1,000,000	-
LENGON PRIMARY SCHOOL	-	700,000	700,000	700,000	-
KIMWOGI PRIMARY SCHOOL	700,000	700,000	1,400,000	700,000	700,000
SOIYET PRIMARY SCHOOL	700,000	1,400,000	2,100,000	1,400,000	700,000
TOWNSHIP PRIMARY SCHOOL	-	700,000	700,000	700,000	-
KIPSEBWO PRIMARY SCHOOL	-	300,000	300,000	300,000	-
CHESIRKAN PRIMARY SCHOOL	-	1,000,000	1,000,000	1,000,000	-
MOSINE PRIMARY SCHOOL	-	400,000	400,000	400,000	-
LESSOS HILLS PRIMARY SCHOOL	-	470,000	470,000	470,000	-
LOLKIRENY PRIMARY SCHOOL	500,000	400,000	900,000	400,000	500,000
CHEROBON PRIMARY SCHOOL	400,000	500,000	900,000	500,000	400,000
NDUBUSAT PRIMARY SCHOOL	250,000	500,000	750,000	500,000	250,000
Ol'lessos Stima Primary School	6,000,000	-	6,000,000	6,000,000	-
Kapnyemis Primary School	400,000	-	400,000	-	400,000
Ollessos Primary School	700,000	-	700,000	-	700,000
Serengonik Primary School	700,000	-	700,000	-	700,000
Great Highlands Prep. School	1,500,000	-	1,500,000	1,500,000	-
Kisoga Primary School	400,000	-	400,000	-	400,000
Kaptuma Primary School	700,000	-	700,000	300,000	400,000
Kapchuria Primary School	200,000	-	200,000	-	200,000
Tigityo Primary School	400,000	-	400,000	-	400,000
Ng'ame Primary School	700,000	-	700,000	-	700,000
St Ludovico primary school	700,000	-	700,000	-	700,000

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St Mathias kapkwang Primary School	400,000	-	400,000	-	400,000
Cheptililik Primary. School	700,000	-	700,000	-	700,000
St Paul's Kaptien Primary School	700,000	-	700,000	-	700,000
Kabikwen Primary School	700,000	-	700,000	-	700,000
Kaplelmet primary school	450,000	-	450,000	-	450,000
Kitechgaa primary school	750,000	-	750,000	-	750,000
Kapsokio Primary school	750,000	-	750,000	-	750,000
8.0 Secondary Schools Projects (List all the Projects)					
AINAPNGETUNY SEC SCHOOL	4,000,000	2,000,000	6,000,000	2,000,000	4,000,000
TERENO GIRLS SEC SCHOOL	-	250,000	250,000	250,000	-
CHEPNGETUNY SEC SCHOOL	-	750,000	750,000	750,000	-
CHOIMIM SEC SCHOOL	-	1,400,000	1,400,000	1,400,000	-
JEAN MARIE SEC SCHOOL	4,500,000	4,000,000	8,500,000	4,000,000	4,500,000
KAPLELMET SEC SCHOOL	4,500,000	1,600,000	6,100,000	1,600,000	4,500,000
KEBEN SEC SCHOOL	2,000,000	500,000	2,500,000	2,000,000	500,000
KETENG SEC SCHOOL	750,000	900,000	1,650,000	900,000	750,000
KIPKIMBA SEC SCHOOL	350,000	750,000	1,100,000	700,000	400,000
KIPKOROR SEC SCHOOL	-	500,000	500,000	-	500,000
KOILLOT SEC SCHOOL	350,000	1,300,000	1,650,000	1,300,000	350,000
KOSOIYWO SEC SCHOOL	-	3,500,000	3,500,000	3,495,000	5,000
LELWAK BOYS SEC SCHOOL	2,000,000	2,000,000	4,000,000	2,000,000	2,000,000
TABOIYAT SEC SCHOOL	-	3,750,000	3,750,000	3,495,000	255,000
KAPKOROS SEC SCHOOL	-	12,000	12,000	-	12,000

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
TIGITYO SEC SCHOOL	-	12,000	12,000	-	12,000
ST MARY'S HIGH SCHOOL SOYIET	1,600,000	1,400,000	3,000,000	1,400,000	1,600,000
KIMUGUL SEC SCHOOL	750,000	400,000	1,150,000	400,000	750,000
KAPUTI SEC SCHOOL	-	750,000	750,000	750,000	-
ST JOHNS CHEPKUNYUK SEC SCHOOL	-	750,000	750,000	750,000	-
AIC SOCHOI GIRLS SEC SCHOOL	950,000	-	950,000	-	950,000
OLLESSOS DAY SEC SCHOOL	7,200,000	-	7,200,000	3,600,000	3,600,000
SIRWA SEC SCHOOL	7,200,000	-	7,200,000	3,600,000	3,600,000
TAITO KTGA SEC SCHOOL	1,400,000	-	1,400,000	-	1,400,000
KIPSEBWO DAY SEC SCHOOL	4,000,000	-	4,000,000	-	4,000,000
KAPTIEN SEC SCHOOL	7,200,000	-	7,200,000	3,600,000	3,600,000
OUR LADY OF PEACE GIRLS SEC SCHOOL	1,500,000	-	1,500,000	-	1,500,000
MOGOBICH SECONDARY SCHOOL	-	-	-	350,000	(350,000)
9.0 Tertiary institutions Projects (List all the Projects)					
10.0 Security Projects					
KAPKOROS CHIEF'S OFFICE	-	700,000	700,000	700,000	-
SOCHOI CHIEFS OFFICE	-	700,000	700,000	700,000	-
KOSOYWO CHIEF'S OFFICE	-	700,000	700,000	700,000	-
DCI NANDI EAST OFFICE RENOVATION	-	500,000	500,000	500,000	-
OLLESSOS POLICE STATION	1,900,000	-	1,900,000	-	1,900,000
AINAPNG'ETUNY CHIEF'S OFFICE	700,000	-	700,000	700,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NANDI HILLS CONSTITUENCY

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
KIPSEBWO CHIEF's OFFICE	700,000	-	700,000	700,000	-
HIMAKI POLICE STATION	1,500,000	-	1,500,000	-	1,500,000
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	-	-		-
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	400,000	480,629	880,629	387,000	493,629
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
12.0 Others					
12.1 Strategic Plan	-	12,147	12,147	-	12,147
12.2 Innovation Hub	-	-	-	-	-
12.2					
	137,367,724	61,030,415	198,398,139	122,387,031	76,011,108

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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XI. 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-NANDI HILLS 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.

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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.

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

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDF Board		
AIE NO B005308		28,000,000
AIE NO B005291		24,748,273
AIE NO B030203		10,000,000
AIE NO B005434		12,000,000
AIE NO B006481		8,000,000
AIE NO A724493		11,000,000
AIE NO B042953		13,000,000
AIE NO A724493	55,040,876	
AIE NO B047156	2,036,210	
AIE NO B041164	4,000,000	
AIE NO B041327	18,000,000	
AIE NO B047744	5,000,000	
AIE NO B047993	6,000,000	
AIE NO B104055	14,000,000	
AIE NO B104434	21,000,000	
AIE NO B096819	500,000	
TOTAL	125,577,085	106,748,273

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	7,000
Other Receipts Not Classified Elsewhere	-	-
Total	-	7,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,299,674	1,190,964
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	652,261	587,261
Employer Contributions Compulsory national social security schemes	41,040	-
Total	1,992,975	1,778,225

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	3,190,000	3,335,140
Utilities, supplies and services	2,180,318	2,310,106
Communication, supplies and services	9,950	-
Domestic travel and subsistence	512,200	-
Printing, advertising and information supplies & services	454,522	-
Refined fuel, oil and lubricants	385,036	-
Training expenses	-	-
Hospitality supplies and services	11,500	-
Insurance costs	43,213	-
Specialized materials and services	-	-
Office and general supplies and services	329,000	-
Other operating expenses	518,750	5,026,474
Routine maintenance – vehicles and other transport equipment	713,100	800,000
Routine maintenance – other assets	55,000	-
Total	8,402,589	11,471,720

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	25,870,000	17,976,249
Transfers to secondary schools (see attached list)	38,340,000	49,385,583
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	64,210,000	67,361,832

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	14,310,000	12,161,800
Bursary – tertiary institutions (see attached list)	16,259,700	14,057,000
Bursary – special schools (see attached list)	770,000	1,000,000
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	4,000,000	1,500,000
Sports projects (see attached list)	1,605,643	1,915,074
Environment projects (see attached list)	3,656,000	-
Emergency projects (see attached list)	6,793,124	3,516,679
Total	47,394,467	34,150,553

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	387,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	520,288
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	387,000	520,288

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	2,987,853
ICT Hub	-	0
	-	2,987,853

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Nandi Hills, Account No. 0920261628747.</i>	6,643,384	3,453,330
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
	-	-
Total	6,643,384	3,453,330
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

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

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	263,923
Name 2	-	-
Name 3	-	-
Total	-	263,923

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	3,453,330.00	13,468,528
Cash in hand	-	-
Imprest	-	-
Total	3,453,330	13,468,528

[Cashbook closing balance as at 30th June 2019]

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14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	652,261	-
Deposit and Retentions paid during the Year (C)	652,261	-
Net changes in account Payables D= A+B-C	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,102,066	1,373,040
Use of goods and services	1,379,235	540,729
Amounts due to other Government entities (see attached list)	56,540,390	44,344,002
Amounts due to other grants and other transfers (see attached list)	15,483,643	13,837,510
Acquisition of assets	493,628	480,628
Others (<i>specify</i>)	12,147	12,147
	76,011,108	60,588,056

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account balances (See Annex 5)	935,315.60	-
	935,315.60	-

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		2,102,066	1,373,040	
Use of goods & services		1,379,235	540,729	
Amounts due to other Government entities		56,540,390	44,344,002	
Sub-Total		60,021,690	46,257,771	
Amounts due to other grants and other transfers		15,483,643	13,837,510	
Sub-Total		15,483,643	13,779,869	
Sub-Total		75,505,333	60,095,281	
Acquisition of assets		493,628	480,628	
Others (<i>specify</i>)		12,147	12,147	
Sub-Total		505,775	492,775	
Grand Total		76,011,108	60,588,056	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures				
Transport equipment	4,117,536	-	-	4,117,536
Office equipment, furniture and fittings	1,116,088	387,000	-	1,503,088
ICT Equipment, Software and Other ICT Assets	573,300	-	-	573,300
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	5,806,924	387,000	-	6,193,924

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20
KOIMUR PRIMARY SCHOOL	equity	0920262403702	5,315
KAPNYEMIS PRIMARY SCHOOL	equity	0920268299333	6,973
KEBEN PRIMARY SCHOOL	equity	0920262758083	788.90
SERENGONIK PRIMARY SCHOOL	equity	0920270078993	523,285.00
EMITIOT PRIMARY SCHOOL	equity	0920271245310	11,405.00
KAPCHANGA PRIMARY SCHOOL	equity	0920262193085	250,911.50
AINAPNGETUNY PRIMARY SCHOOL	equity	0920262195099	401,562.50
CHEROBON PRIMARY SCHOOL	equity	0920262206701	2,421.00
GREAT HIGHLANDS INTERGRATED PRIMARY SCHOOL	equity	0920262711352	40,223.60
KISOGA PRIMARY SCHOOL	equity	0920261663877	56,615.00
KIMWOGI PRIMARY SCHOOL	equity	0920262238124	95,697.50
NDUBUSAT PRIMARY SCHOOL	equity	0920299835462	586.00
KAPTUMA PRIMARY SCHOOL	equity	0920266841655	38,155.00
KOGAMEI PRIMARY SCHOOL	equity	0920262195724	278.00
NDUROTO PRIMARY SCHOOL	equity	0920265208755	434
KAPCHURIAI PRIMARY SCHOOL	equity	0920262447405	112.00
TIGITYO PRIMARY SCHOOL-CDF A/C	equity	0920272192713	3,550.00
NGA'MEI PRIMARY SCHOOL	equity	0920264788144	101,200.00
ST.LUDOVICO PRIMARY SCHOOL	equity	0920271083150	505.00
ST MATHIAS ACADEMY- KAPKWANG	equity	0920294173389	2,907.50
CHEPTILILIK PRIMARY SCHOOL- DEVELOPMENT A/C	equity	0920271172410	327,045.00
ST. PAUL'S ACK KAPTIEEN NG-CDF	equity	0920278605717	3,295.00
TURURO PRIMARY SCHOOL	equity	0920267450809	470.00
SOIYET PRIMARY SCHOOL	equity	0920262167766	16,160.00
CHELAGAT MUTAI OLLESSOS TOWNSHIP PRIMARY SCHOLL	equity	0920262783777	2,225.00

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PMC	Bank	Account number	Bank Balance 2019/20
KOILLOT SECONDARY SCHOOL	equity	0920295277620	6,983.58
SOCHOI SECONDARY SCHOOL	equity	0920262238895	7,152.50
SOCHOI CHIEFS OFFICE	equity	0920279336705	1,304.50
OLLESOS MIXED DAY SEC SCHOOL	equity	0920263641708	1,709.00
OLLESSOS STIMA SCHOOL	equity	0920266755443	139,755.00
SIRWA SECONDARY SCHOOL	equity	0920262546040	122,611.
LELWAK SECONDARY SCHOOL	equity	0920264466602	33,080.00
LELWAK PRIMARY SCHOOL	equity	0920266785712	905.00
TAITO KTGA SECONDARY SCHOOL CDF	equity	0920296992361	221,073.50
JEAN-MARIE SERONEY SECONDARY SCHOOL NANDI HILLS	equity	0920263509617	4,057,255.95
KIPSEBWO PRIMARY SCHOOL	equity	0920262246974	209.00
KAPLELMET SECONDARY SCHOOL	equity	0920268451579	5,246.00
KAPLELMET PRIMARY SCHOOL	equity	0920261650447	49,952.75
KETENG PRIMARY SCHOOL	equity	0920264349490	24,419.75
ST.MARYS HIGN SCHOOL,SOIYET	equity	0920263517148	324,530.95
OUR LADY OF PEACE GIRLS SECONDARY SCHOOL	equity	0920270480118	118,925.00
KAPTIENT SECONDARY SCHOOL	equity	0920262581103	1,195.00
LESSOS POLICE STATION	equity	0920278741026	295,926.50
AINAPNG'ETUNY SECONDARY SCHOOL	equity	0920264495589	1,032,242.70
KIPSEBWO CHIEF'S OFFICE-PMC ACCOUNT	equity	0920279884703	387,530.00
AINAPNG'ETUNY CHIEF'S OFFICE-PMC ACCOUNT	equity	0920279896508	700,000.00
KOSOIYWO CHIEF'S OFFICE	equity	0920179457230	700,000.00
KAPKOROS CHIEF'S OFFICE	equity	0920279311002	40.00
KITECHGAA PRIMARY SCHOOL	equity	0920261816470	7,988.00
SERENGONIK PRIMARY SCHOOL	equity	0920270078993	523,285.00
SILE PRIMARY SCHOOL	equity	0920262563208	254.35

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PMC	Bank	Account number	Bank Balance 2019/20
SIMBI PRIMARY SCHOOL	equity	0920262198366	20,822.00
TERENO PRIMARY SCHOOL	equity	0920261685049	1,695.00
KIMWOGI PRIMARY SCHOOL	equity	0920262238124	95,697.50
ST.STEPHENS CHEBILAT PRIMARY SCHOOL	equity	0920271261951	1,640.00
CHEBINYINY PRIMARY SCHOOL	equity	0920262239686	51.20
ACK CHEPTINGTING PRIMARY SCHOOL	equity	0920261809151	1,062.50
KABIKWEN PRIMARY SCHOOL	equity	0920262335859	24,170.00
MOGOBICH PRIMARY SCHOOL	equity	0920270486700	44,624.00
KAPCHUMBA PRIMARY SCHOOL	equity	0920271101522	54,535.00
KAPNYEMIS PRIMARY SCHOOL	equity	0920268299333	6,973.00
KAPSEAN PRIMARY SCHOOL	equity	0920262510724	2,285.00
KETENG PRIMARY SCHOOL	equity	0920264349490	24,419.75
KIMOLONIK PRIMARY SCHOOL	equity	0920262195918	29,415.80
KIPKOROM PRIMARY SCHOOL	equity	0920262606162	9,504.00
KIPSAMO PRIMARY SCHOOL	equity	0920262198292	868.50
SIWO SECONDARY SCHOOL	equity	0920262484083	12,949.00
KOSOIYWO MIXED SECONDARY SCHOOL	equity	0920261666976	1,369.00
CHEPTUINGENY PRIMARY SCHOOL	equity	0920270480427	5,155.00
KABOTE ADVENTIST SECONDARY SCHOOL	equity	0920262544408	4,473.85
CHEPTABACH MIXED DAY SECONDARY SCHOOL	equity	0920262486330	159.00
TERENO GIRLS SECONDARY SCHOOL	equity	0920269217735	1,811.89
TABOIYAT MIXED DAY SECONDARY SCHOOL	equity	0920262415703	2,335.00
ST.JOHNS CHEPKUNYUK SECONDARY SCHOOL	equity	0920262388848	2,326.00
KIPKOROR MIXED DAY SECONDARY SCHOOL	equity	0920262430184	8,091.00
KIPKIMBA PRIMARY SCHOOL	equity	0920270255542	526,755.00

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PMC	Bank	Account number	Bank Balance 2019/20
KAPTEN SECONDARY SCHOOL	equity	0920262581103	1,195.00
A.I.C CHESIRIGAN PRIMARY	equity	0920262554614	1,385.00
NANDI HILLS TOWNSHIP PRIMARY SCHOOL	equity	0920299914220	38,546.00
TURURO PRIMARY SCHOOL	equity	0920267450809	470.00
KAPCHANGA PRIMARY SCHOOL	equity	0920262193085	24,131.50
KAPKOROS PRIMARY SCHOOL	equity	0920262193039	15,620.00
CHEMALAL VIEWPOINT PRIMARY SCHOOL	equity	0920262563786	82,377.95
CHEROBON PRIMARY SCHOOL	equity	0920262206701	2,421.00
LENGON PRIMARY SCHOOL	equity	0920261699227	210,700.00
KIMWOGI PRIMARY SCHOOL	equity	0920262238124	95,697.50
KAPCHURIAI PRIMARY SCHOOL	equity	0920262447405	112.00
KOGAMEI PRIMARY SCHOOL	equity	0920262195724	278.00
NUKIAT PRIMARY SCHOOL	equity	0920262551391	41,703.15
KAPUTI PRIMARY SCHOOL	equity	0920262489385	3,718.00
NDURURO PRIMARY SCHOOL	equity	0920262247905	555.00
ST.MARKS LOKIRENY PRIMARY SCHOOL	equity	0920262510977	203,745.00
NDUROTO PRIMARY SCHOOL	equity	0920265208755	434.00
LOLDUGA PRIMARY SCHOOL	equity	0920270484232	625
OGIRGIR PRIMARY SCHOOL	equity	0920262193677	1,177.50
MOSINE PRIMARY SCHOOL	equity	0920271062449	51,254.00
CHEPKUNYUK PRIMARY SCHOOL	equity	0920264342184	645.00
KABIKWEN PRIMARY SCHOOL	Equity	0920262335859	24,170.00
KIPSAMO PRIMARY SCHOOL	Equity	0920262198292	868.50
KIMOLONIK PRIMARY SCHOOL	Equity	0920262195918	29,415.80
SIRWA PRIMARY SCHOOL	Equity	0920262518123	75,590.00
TIMOBO PRIMARY SCHOOL	Equity	0920262446845	1,560.00

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PMC	Bank	Account number	Bank Balance 2019/20
KITECHGAA PRIMARY SCHOOL	Equity	0920261816470	7,988.00
CHEPLELACHBEI PRIMARY SCHOOL	Equity	0920264421695	4,655.00
KIPKOROM PRIMARY SCHOOL	Equity	0920262606162	9,504.00
KAPSOKIO A.I.C PRIMARY SCHOOL	Equity	0920262578782	1,485.00
Total			935,315.60

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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)	Time frame: (Put a date when you expect the issue to be resolved)
4.1 Other Receipts	Observation The statement of receipt and payments reflects Kshs.106,748,273 as total receipts. Schedules provided however, support Kshs.106,755,273, the difference being Kshs 7,000 which was receipts from sale of tender documents. However, note 3 of the financial statements reported other receipts as a nil balance hence has not been correctly stated. Risk(s)/Effect(s)/Implications The financial statement may not portray a true and fair view Recommendation Management should adjust the financial	The management has noted the error in the financial statement and has adjusted accordingly.	FAM	RESOLVED	N/A

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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)	Time ame: (Put date when you exp the issu to b reso ed)
	statement accordingly				
4.2Accounts Payable	The statement of Asset and Liabilities reflect a nil balance under accounts payable, whereas note 12B of the financial statement reflects Kshs 263,923 as outstanding staff gratuity. Supporting schedules has not been provided as well as explanation of the discrepancies between statement of asset and liabilities and the notes. Risk(s)/Effect(s)/Implications The financial statement may not portray a true and fair view. Recommendation Management should adjust the financial statement accordingly	The management appreciates the audit findings on the above item and responds as follows: The financial statements have been adjusted accordingly.	FAM	RESOLVED	N/A
4.3Purchase of Office Furniture	The statement of receipts and payments reflects Kshs.520,288 as acquisition of assets,	The management has noted and appreciates the above findings and has adjusted the	FAM	RESOLVED	N/A

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Time frame: (<i>Put a date when you expect the issue to be resolved</i>)
and General Equipment	whereas note 8 of the financial statements reflects Kshs.502,335 as purchase of furniture and general equipment. Further the schedule provided shows Kshs.520,288, hence a variance of Kshs.17,953 between the statement of receipts and payments, note 8 of the financial statement and supporting schedule Risk(s)/Effect(s)/Implications The financial statement may not portray a true and fair view Recommendation Management should adjust the financial statement accordingly	financial statement accordingly			
4.4 Utilities and Supplies	The statement of receipt and payments reflects Kshs.11,475,050 as use of goods and services.	The management has noted and appreciates the above findings and has adjusted the financial statement accordingly.	FAM	RESOLVED	N/A

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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)	Time ame (Pul date wher you exp the issu to b resc ed)
	Included in this is Kshs.2, 313,436 reported as utilities supplies and services. Schedules provided however, support Kshs.2, 310,106 as expenditure for utilities, supplies and services. Hence Kshs.3, 330 remains unsupported. Risk(s)/Effect(s)/Implications The financial statement may not portray a true and fair view Recommendation Management should adjust the financial statement accordingly				
4.5 Underfunding of Budget KShs. 98,603,254	During 2018/19 financial year Nandi Hills constituency had an approved budget of Kshs.177, 351,527 as detailed in the Summary Statement of Appropriation. Of this amount only Kshs.78, 748,273 or 44.4% was disbursed from the CDF	There was delay in disbursement of funds by the NG-CDFB to the constituency. The NG-CDFC is in constant communication with the NG-CDFB to ensure timely disbursement to the constituency.	NGCDFC/FAM	ONGOING	N/A

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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)	Time frame: (Put a date when you expect the issue to be resolved)
	Board to the constituency i.e underfunded by Kshs.98, 603,254 Risk(s)/Effect(s)/Implications The underfunding negatively affects the implementation of the planned projects and programs thus denying the residents of Nandi Hills Constituency the services they are entitled to. Recommendation The Board should ensure timely disbursement of funds to the constituency so as to enable implementation of the projects in timely manner				
4.6 Delay in Submission of Proposed Projects to Board	The submission of proposed projects for funding of Kshs.109,040,876 relating to the 2018/2019 financial year was done in	The Fund Account Manager received the circular from the NG-CDF Board on Budgetary Ceiling in the month of October 2018. It is this circular that	NGCDFC/FAM	ONGOING	N/A

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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)	Time ame (Put date when you exp the issu to b reso ed)
for 2018/2019 Financial Year	November 2018, that is 9 months after due date of February 2018. As a result, first disbursement to constituency for year was received in November 2018. Risk(s)/Effect(s)/Implications There was delay in fund disbursement to the constituency from the CDF Board and consequently delay in implementation of projects that are expected to benefit the constituents during the year. Recommendation The Fund Management should ensure that proposed projects are submitted to the CDF Board within the set statutory time lines.	gives the NG-CDFC the node to start preparing project proposal. The management is in touch with the NGCDF Board to ensure timely release of budgetary ceiling which triggers preparation of project proposal.			
4.7 Staff	During the audit of	The management has	NGCDFC/FAM	RESOLVED	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Time ame: (<i>Put a date when you expect the issue to be resolved</i>)
Establish ment	Nandi Hills NGCDF, the following anomalies were noted i. Nandi Hills NGCDF had only three members of staff who were; one driver, one records management officer and one clerical officer. • There was no clerk of works who should be there with knowledge of construction and to assist in projects implementation and monitoring. • There was also no accounts assistant. ii. The three officers were appointed on 3rd January 2018 by CDFC on contracts of two	taken note of additional staff recruitment for position of Clerk of works and accounts assistant and had initiated the process by factoring in the 2019/2020 financial year budget. Advertisement for the same has been made and the interviews ongoing. The management through the NGCDFC has initiated the process of reviewing the employee contracts to a three year term according to the regulations and realigning the employee salaries and allowances to the respective job groups			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Time ame (<i>Put date when you exp the issu to b reso ed</i>)
	(2) and not 3 years which are in contravention of the regulations. The basis of the salaries and allowances paid were also not clear since no job groups were quoted in their appointment letters. Risk(s)/Effect(s)/Implications The Fund operations may be hampered by lack of key staff in the office. Recommendation The management should implement the provisions of the CDF acts for effective operations of the Fund				