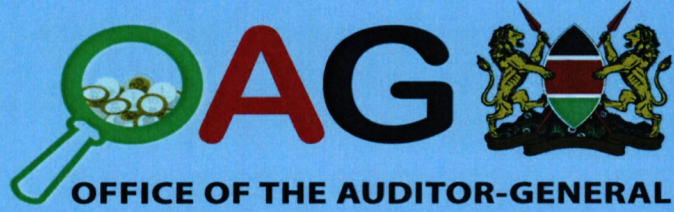


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

NATIONAL ASSEMBLY
PAPERS TAID

DATE: 10 NOV 2021 DAY: Wed AM

TABLED BY: Majority Whip Hon Wargwe

CLERK-AT-THE-TABLE: M. Mado

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND -
TURKANA EAST CONSTITUENCY**

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





OFFICE OF THE AUDITOR GENERAL
ELDORET HUB
15 MAY 2020
RECEIVED
P. O. Box 2774 - 30100, ELDORET

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -TURKANA
EAST CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

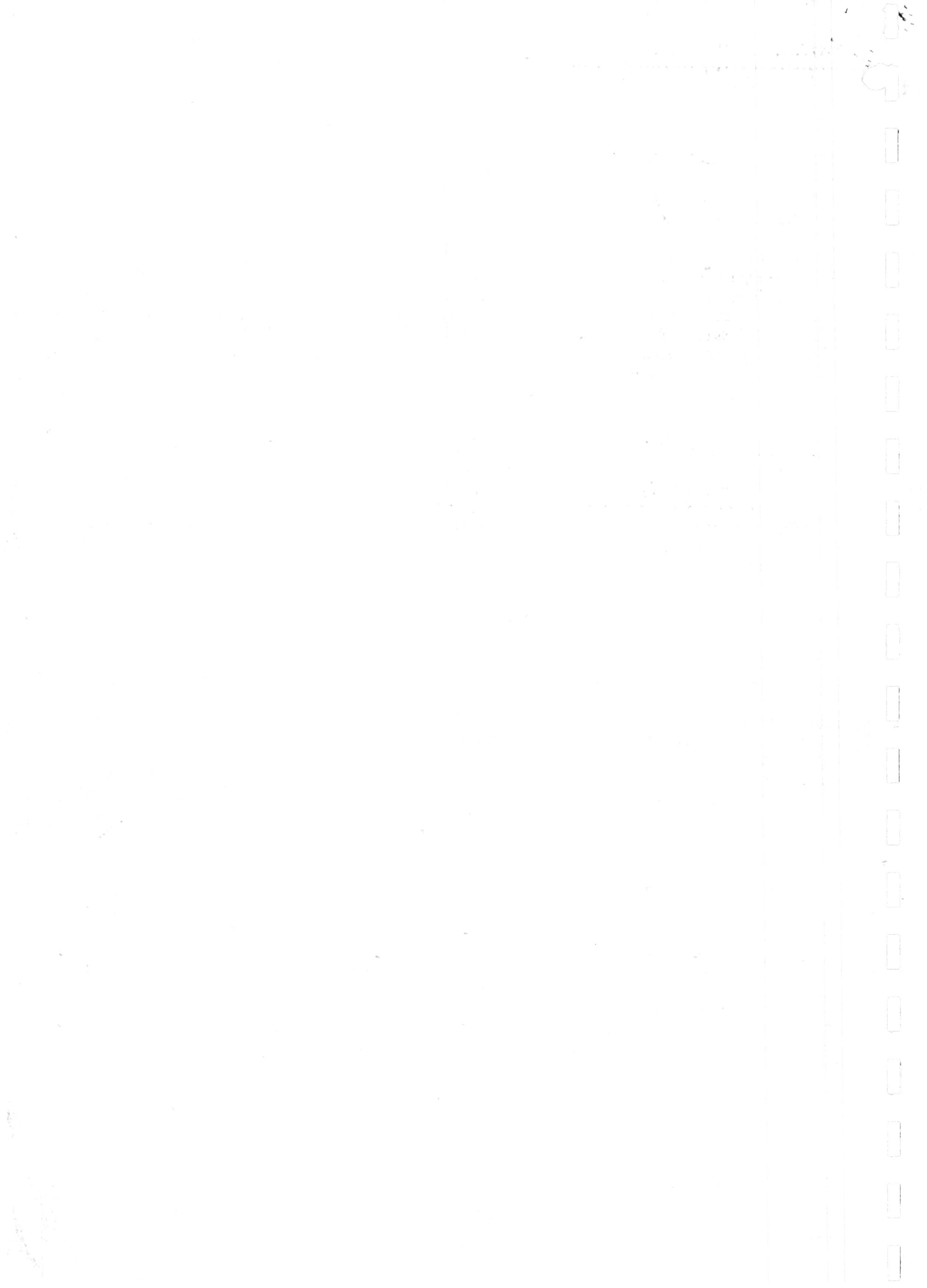


NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

**Reports and Financial Statements
For the Year Ended June 30, 2019**

Core Values

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

(b) Key Management

The NGCDF Turkana East 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Kwena Stephen
2.	Sub-County Accountant	Michael Odhiambo
3.	Chairman NGCDFC	Michael Aparo
4.	Member NGCDFC	Everline Ekaudu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 267
EBUKUT AREA
LOKORI MARKET
LODWAR, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the Year Ended June 30, 2019

(f) NGCDF Turkana East Constituency Contacts

Telephone: (254)

E-mail: Turkana east Constituency @ngcdf.go.ke

Website: www.go.ke

(g) NGCDF Turkana East Constituency Bankers

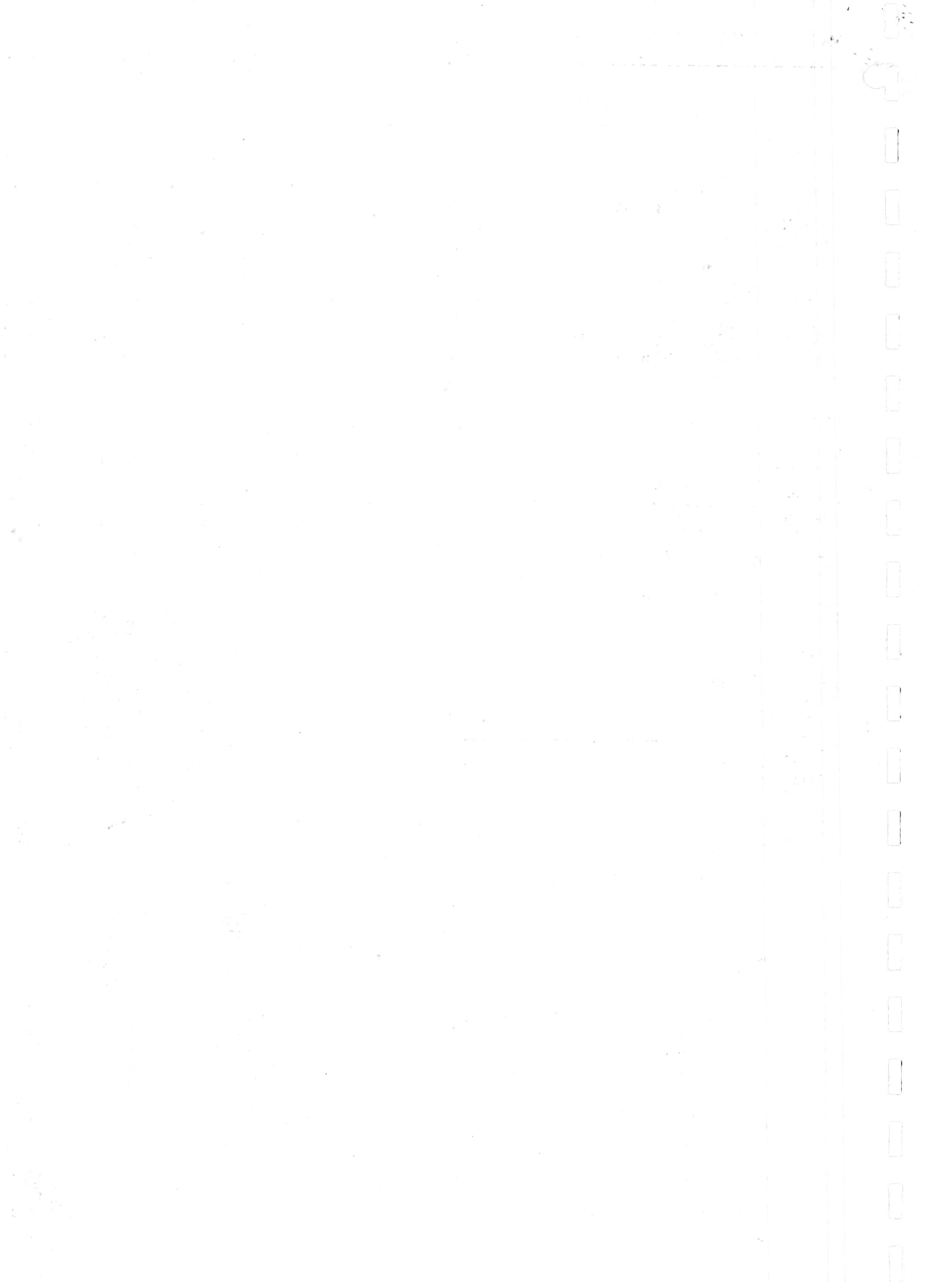
1. Kenya Commercial Bank
Lodwar Branch
P.O BOX 135-30500
Lodwar , Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the Year Ended June 30, 2019

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Turkana East Constituency had a final budget for year ended 30 June 2019 amounting to Kshs.167,989,236 comprising of approved budget for the F/Y 2018/19 amounting to Kshs 109,040,876, budgeted funding for 2017/2018 F/Y received during the year amounting to Kshs.56,754,483 and opening cash and cash equivalents of Kshs.2,163,877. At the end of the financial year June 2019 the constituency had received Kshs 165,825,359 from the board representing 100% of the allocation in the year, Which the Management used to construct 10 classrooms 250 desks for primary schools and 2classrooms and 50 lockers for high schools, 2 masonry peremeter wall and security installations

The actual of the year was 100% for the funds that were received, however the overall performance was 65% due to delays in procurement however 40% of the overall budget was on education as depicted below in the table,

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	% of Utilisation
	Kshs	Kshs	Kshs
Receipts			
Transfers from CDF Board	167,959,236	167,959,236	100.00%
Other Receipts	30,000	30,000	100.00%
Total Receipts	167,989,236	167,989,236	100.00%
Payments			
Compensation of Employees	3,161,248	2,343,336	74.10%
Use of goods and services	8,430,792	7,563,377	89.70%
Transfers to Other Government Units	79,240,332	45,758,638	57.70%
Other grants and transfers	54,539,770	36,608,662	67.10%
Acquisition of Assets	14,500,000	14,060,000	97.00%
Other Payments	8,117,094	3,165,988	39.00%
Total Payments	167,989,236	109,500,001	65.18%

There was going to be 100% utilization however the funds were received 3 days to the closure of the financial year

1. The challenges that Turkana NG-CDFC faces are security where a whole ward (Kapedo-Napeitom ward) is a security operation area still being an, issue. Due to vastness and poor road network of the constituency prices are un consistence hence projects allocations varies across the constituency. Water scarcity in the constituency leading to high costs of the projects and delayed implementations
Due to the board insistence on the costs of the projects by capping classes at 1.4 Million ,the hue and cry from the contractors and this really compromising the quality of work.
2. **Recommendations** .The GOK should increase allocations to the ASAL constituencies at the same time increase the deployment of security personnel to the area, Community participation should be highly encouraged and other development partners should be brought on board and especially the county Government to avail water to the constituents.

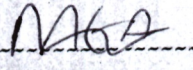


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

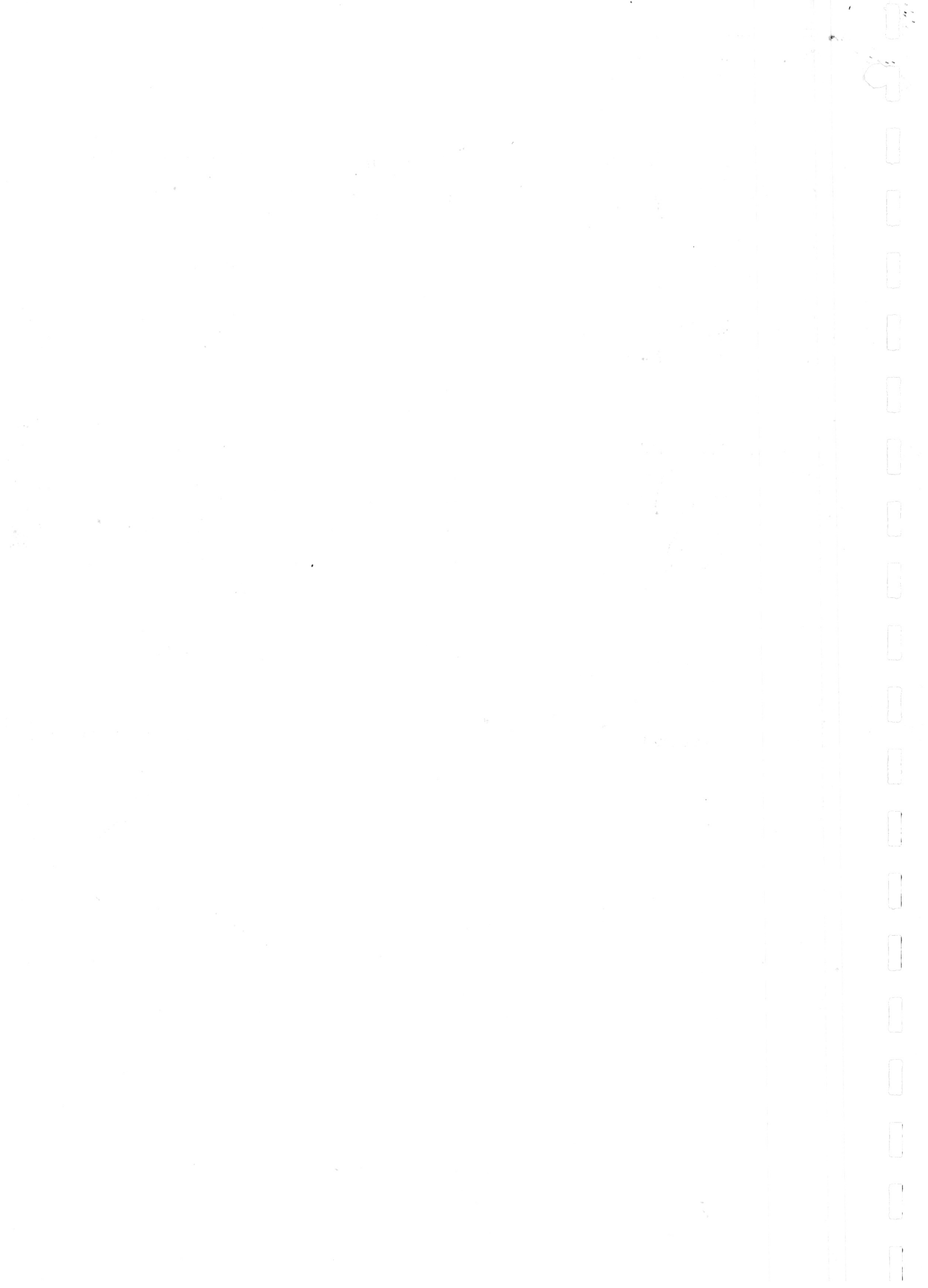
Reports and Financial Statements

For the Year Ended June 30, 2019

3. We look forward to another wonderful financial 2019/20 to continue serving the community.

Sign 

**MICHAEL E. APARO
CHAIRMAN NGCDF COMMITTEE**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the Year Ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

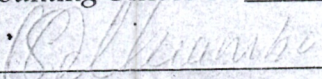
The Accounting Officer in charge of the NGCDF-Turkana East Constituency is responsible for the preparation and presentation of the funds' financial statements, which give a true and fair view of the state of affairs of the fund for and as at the end of the financial year (period) ended on June 30, 2019.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

The Accounting Officer in charge of the NGCDF-Turkana East 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 *Turkana East* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Turkana East Constituency further confirms the completeness of the accounting records maintained for the *Turkana East*, 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.

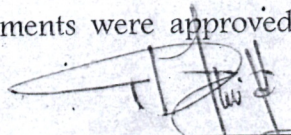
The Accounting Officer in charge of the NGCDF-Turkana East Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the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



Fund Account Manager
Name: Kwena Stephen
ICPAK Member Number:



Sub-County Accountant
Name: Michael Odhiambo

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Turkana East Constituency set out on pages 7 to 34, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Bursaries

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers totalling to Kshs.36,608,662. The balance includes bursaries totaling to Kshs.21,989,970. However, the Management did not provide; official receipts from respective institutions acknowledging receipt of bursary funds, evidence showing that vetting, identification and categorizing of needy students was done by the Bursary Sub-committee that included area Education Officer and formal criteria used in identifying, vetting, awarding of the bursaries.

Consequently, the accuracy, completeness and validity of bursary payments amounting to Kshs.21,989,970 for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Transfers to Other Government Units

As disclosed in Note 6 to the financial statement, the statement of receipts and payments reflects transfers to other Government Entities totalling to Kshs.45,758,638. The balance comprised of transfers to various primary schools' amount of Kshs.19,258,638 and various secondary schools amount of Kshs.26,500,000 for the construction of classrooms and supply of desks. However, procurement records such as tender opening, evaluation and award minutes, approved work plans, procurement plans and expenditure returns and reports showing how the Project Management Committees utilized the funds were not provided.

Consequently, the accuracy, completeness and validity of transfers to other Government Entities totalling to Kshs.45,758,638 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

3. Unsupported Committee Bank Balances

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balances amounting to Kshs.3,130,829 as at 30 June, 2019 in respect to seventeen (17) bank accounts held at a commercial bank. However, bank reconciliation statements were not provided.

Further, during the year, an amount of Kshs.45,758,638 was disbursed to twenty-eight (28) primary and secondary schools out of which bank balances in respect of eleven (11) Project Management Committee bank accounts were not included and disclosed in Project Management bank balances.

Consequently, the existence, accuracy, and completeness of the Project Management Committee bank balance amount of Kshs.3,130,829 as at 30 June, 2019 could not be confirmed.

4. Inaccuracy in Unutilized Funds

Note 15.3 to the financial statements reflects unutilized fund balance of Kshs.58,489,235 which is at variance with Annex 3 - Unutilized funds total of Kshs.55,040,875 resulting to an unreconciled variance of Kshs.3,448,360.

Consequently, the accuracy, completeness and validity of the unutilized fund balance of Kshs.58,489,235 as at 30 June, 2019 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Turkana East 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. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.167,989,236 and Kshs.167,989,236 respectively. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.167,989,236 and Kshs.109,500,001 respectively, resulting to an under expenditure of Kshs.58,489,235 or 35% of the budget.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. Management has indicated the issues as resolved. However, Parliament has not discussed the issues in the audit report.

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. Delay in Project Implementation

The Project Implementation Status Report as at 30 June, 2019 indicated that the Fund had an approved budget totalling to Kshs.158,173,788 to fund fifty-nine (59) projects out of which amount of Kshs.99,934,582 was disbursed to thirty-two (32) projects which had total budget of Kshs.103,192,971. However, twenty-seven (27) projects with total budget of Kshs.41,212,149 were not funded during the year.

In the circumstances, I am unable to confirm whether the public will obtain value for money from the unimplemented projects.

2. Irregular Emergency Payments

As disclosed in Note 7 to the financial statements, statement of receipts and payments reflects other grants and transfers amount of Kshs.36,608,662. The balance includes emergency projects payments amounting to Kshs.2,637,931.

The emergency payments amount of Kshs.1,000,000 was incurred in construction of a pit latrine at Morlulem Secondary School and an amount of Kshs.1,637,931 was incurred on three (3) security projects. However, the Management did not provide evidence to show the project activities met the emergency criteria specified in Section 8(3) of the NG CDF Act, 2015 which states that “emergency” shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents and therefore ought to have been budgeted for through normal process.

Further, Constituency Committee did not report to the Board within thirty days of occurrence of emergence in respect to utilization of Kshs.2,637,931 in emergencies during the year. This is contrary to Section 20(2) of National Government Constituencies Development Fund Regulations, 2016.

Consequently, the Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

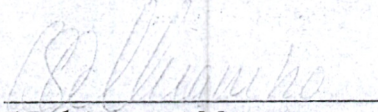
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

**Reports and Financial Statements
For the Year Ended June 30, 2019**

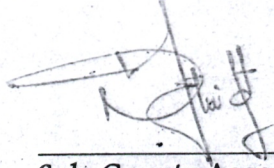
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	165,825,359	50,205,172
Proceeds from Sale of Assets	2	0.00	0.00
Other Receipts	3	<u>30,000</u>	<u>0.00</u>
TOTAL RECEIPTS		165,855,359	50,205,172
PAYMENTS			
Compensation of employees	4	2,343,336	2,314,568
Use of goods and services	5	7,563,377	5,089,321
Transfers to Other Government Units	6	45,758,638	11,600,000
Other grants and transfers	7	36,608,662	31,271,500
Acquisition of Assets	8	14,060,000	0.00
Other Payments	9	<u>3,165,988</u>	<u>0.00</u>
TOTAL PAYMENTS		109,500,001	50,275,389
SURPLUS/(DEFICIT)		<u>56,355,358</u>	<u>(70,217)</u>

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



Fund Account Manager
Name: Kwena Stephen



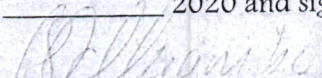
Sub-County Accountant
Name: Michael Odhiambo

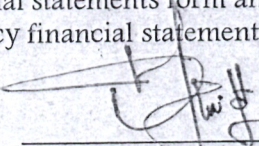
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES As at 30 June 2019

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	58,519,236	2,163,877
Cash Balances (cash at hand)	10B	0.00	0.00
Total Cash and Cash Equivalents		58,519,236	2,163,877
Current Receivables			
Outstanding Imprests	11	0.00	0.00
TOTAL FINANCIAL ASSETS		58,519,236	2,163,877
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0.00	0.00
Gratuity	12B	0.00	0.0
TOTAL FINANCIAL LIABILITES		0.00	
NET FINANCIAL ASSETS		58,519,236	2,163,877
REPRESENTED BY			
Fund balance b/fwd	13	2,163,878	2,234,094
Surplus/Defict for the year		56,355,358	(70,217)
Prior year adjustments	14	0.00	0.00
NET FINANCIAL POSITION		58,519,236	2,163,878

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


Fund Account Manager
Kwena Stephen


Sub-County Accountant
Michael Odhiambo

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY**

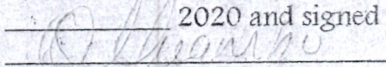
Reports and Financial Statements

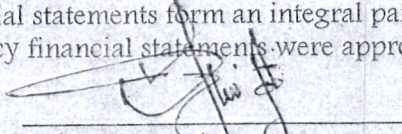
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	165,825,359	50,205,172
Other Receipts	3	30,000.00	0.00
Total receipts		165,855,359	50,205,172
Payments			
Compensation of Employees	4	2,343,336	2,314,568
Use of goods and services	5	7,563,377	5,089,321
Transfers to Other Government Units	6	45,758,638	11,600,000
Other grants and transfers	7	36,608,662	31,271,500
Other Payments	9	3,165,988	0.00
Total payments		(95,440,001)	50,275,389
Total Receipts Less Total Payments		70,415,358	(70,217)
Adjusted for:			
Outstanding imprest	11	(0.00)	(0.00)
Retention Payable	12A	0.00	0.00
Gratuity Payable	12B	0.00	0.00
Prior year adjustments	14	0.00	0.00
Net Adjustments		0.00	
Net cash flow from operating activities		70,415,358	(70,217.08)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	9	(14,060,000)	(0.00)
Net cash flows from Investing Activities			(70,217.08)
NET INCREASE IN CASH AND CASH EQUIVALENT		56,355,358	(70,217.08)
Cash and cash equivalent at BEGINNING of the year	13	2,163,877	2,234,094.70
Cash and cash equivalent at END of the year		<u>58,519,235</u>	<u>2,163,877</u>

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


Fund Account Manager
Name: Kwena Stephen

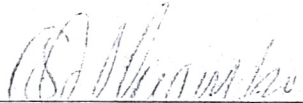

Sub-County Accountant
Name: Michael Odhiambo

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

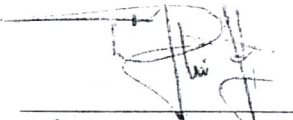
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	58,918,360	167,959,236	167,959,236	0	100.00%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	30,000	30,000	30,000	-	100.00%
TOTAL RECEIPTS	109,040,876	58,948,360	167,989,236	167,989,236	-	100.00%
PAYMENTS						
Compensation of Employees	2,559,832	601,416	3,161,248	2,343,336	817,912	74.10%
Use of goods and services	7,103,848	1,326,944	8,430,792	7,563,377	867,415	89.70%
Transfers to Other Government Units	57,745,122	21,495,210	79,240,332	45,758,638	33,481,694	57.70%
Other grants and transfers	41,632,074	12,907,696	54,539,770	36,608,662	17,931,108	67.10%
Acquisition of Assets	-	14,500,000	14,500,000	14,060,000	440,000	97.00%
Other Payments	-	8,117,094	8,117,094	3,165,988	4,951,106	39.00%
TOTAL	109,040,876	58,948,360	167,989,236	109,500,001	58,489,235	65.18%

- (a) Kshs 30,000 is AIA which is included in the revenue
- (b) On use of goods and services of 89.7 % there was an adjustments from the original budget making the original to be higher
- (c) On Transfer to the Government units 57.7% is due the funds were prioritized to meet other grants and acquire assets
- (d) On transfer to other Government units 67.1% , the funds were prioritised on disbursement

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



Fund Account Manager
Name: Kwena Stephen



Sub-County Accountant
Name: Michael Odhiambo



	Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization
		2018/2019		2018/2019	30/06/2019	difference
		Kshs	Kshs	Kshs	Kshs	Kshs
	1.0 Administration and Recurrent					
	1.1 Compensation of employees	2,559,831.52	682,758.62	3,242,590.14	2,005,776.80	1,236,813.34
	1.2 Committee allowances	1,006,342.00	-	1,006,342.00	2,845,033.00	(1,838,691.00)
	1.3 Use of goods and services	2,646,880.00	-	2,646,880.00	939,950.00	1,706,930.00
	1.4 NSSF Deductions	194,400.00	-	194,400.00	250,560.00	(56,160.00)
	1.5 NHIF Deductions	135,000.00	-	135,000.00	87,000.00	48,000.00
	Sub-Total	6,542,453.52	682,758.62	7,225,212.14	6,128,319.80	1,096,892.34
	2.0 Monitoring and evaluation					
	2.1 Capacity building	1,553,741.00		1,553,741.00	608,500.00	945,241.00
	2.2 Committee allowances	1,567,485.00	1,059,728.15	2,627,213.15	3,624,407.59	(997,194.44)
	2.3 Use of goods and services	-	-	-	-	-
	Sub-Total	3,121,226.00	1,059,728.15	4,180,954.15	4,232,907.59	(51,953.44)
	3.0 Emergency					
	3.1 Primary Schools	-		-	-	-
	3.2 Secondary schools	-		-	1,000,000.00	(1,000,000.00)
	3.3 Tertiary institutions	-		-	-	-
	3.4 Security projects	-	692,462.83	692,462.83	1,418,910.00	(726,447.17)
	3.5 others	5,738,993.00	1,637,931.51	7,376,924.51	219,021.00	7,157,903.51
	Sub-Total	5,738,993.00	2,330,394.34	8,069,387.34	2,637,931.00	5,431,456.34
	4.0 Bursary and Social Security					
	4.1 Secondary Schools	12,712,263.00	2,031,414.00	14,743,677.00	2,754,507.00	11,989,170.00
	4.2 Universities/Tertiary	20,000,000.00	-	20,000,000.00	19,235,463.00	764,537.00
	Sub-Total	32,712,263.00	2,031,414.00	34,743,677.00	21,989,970.00	12,753,707.00
	5.0 Sports					
	5.1 bal b/f	2,180,818.00	1,268,350.20	3,449,168.20	3,449,168.00	0.20
	Sub-Total	2,180,818.00	1,268,350.20	3,449,168.20	3,449,168.00	0.20
	6.0 Environment					
	6.1 Kaibole primary school	500,000.00		500,000.00	500,000.00	-
	6.2 Morulem primary school	500,000.00		500,000.00	500,000.00	-
	6.3 Nayanakton Primary school	500,000.00		500,000.00	500,000.00	-
	6.4 Lopii primary school	500,000.00		500,000.00	500,000.00	-
	6.5 Kapedo Do office		400,000.00	400,000.00	400,000.00	-
	Sub-Total	2,000,000.00	400,000.00	2,400,000.00	2,400,000.00	-
	7.0 Primary Schools Projects					
	7.1 KAIBOLE PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.2 LOKORKOR PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.3 NAMORUTUNGA PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.4 LOPII PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.5 ECHOKE PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.6 AIC LOKWII PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.7 NAKATONGWA PRIMARY SCHOOL	300,000.00	-	300,000.00	300,000.00	-
	7.8 NAMALTENY PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.9 KAMUGE PRIMARY SCHOOL	300,000.00	1,400,000.00	1,700,000.00	1,700,000.00	-
	7.10 KAPEDO GIRLS PRIMARY SCHOOL	8,000,000.00	-	8,000,000.00	8,000,000.00	-
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SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED					
Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference
	a	b	c=a+b	d	e=c-d
RECEIPTS					
Transfers from NGCDF Board	109,040,875.52	58,978,360.00	168,019,235.52	109,499,999.08	58,519,236.44
Proceeds from Sale of Assets					
Other Receipts		30,000.00	30,000.00		30,000.00
TOTALS RECEIPTS	109,040,875.52	59,008,360.00	168,049,235.52	109,499,999.08	58,549,236.44
PAYMENTS					
Compensation of Employees	2,559,831.52	601,416.00	3,161,247.52	2,343,336.00	817,911.52
Use of goods and services	7,103,848.00	1,326,944.00	8,430,792.00	7,563,374.80	867,417.20
Transfers to Other Government Units	57,745,122.00	21,495,210.00	79,240,332.00	48,158,638.08	31,081,693.92
Other grants and transfers	41,632,074.00	12,907,696.00	54,539,770.00	34,208,662.20	20,331,107.80
Acquisition of Assets	-	14,500,000.00	14,500,000.00	14,060,000.00	440,000.00
Other Payments	-	8,177,094.00	8,177,094.00	3,165,988.00	5,011,106.00
TOTALS	109,040,875.52	59,008,360.00	168,049,235.52	109,499,999.08	58,549,236.44

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Turkana East 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.

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.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY**

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustment 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

3



**ATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
URKANA EAST CONSTITUENCY**

Reports and Financial Statements

~~For the year ended June 30, 2019~~

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO:B005136	1	42,348,276.25	
AIE NO:B005144	2	2,000,000.00	
AIE NO:B030314	3	5,936,206.90	
AIE NO:B030218	4	10,000,000.00	
AIE NO : B005493	5	12,000,000.00	
AIE NO :B 007496	6	8,000,000.00	
AIE NO: B042634	7	11,000,000.00	
AIE NO B040853	8	13,000,000.00	
AIE NO B047077	9	6,500,000.00	
AIE NO: B041004	10	55,040,875.50	
AIE NO.892530	1		5,500,000
AIE NO 892749	2		6,800,000
AIE NO 892854	3		37,905,172
TOTAL		165,825,358.65	50,205,172

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0.0	0.0
Receipts from sale of office and general equipment	0.0	0.0
Receipts from the Sale Plant Machinery and Equipment	0.0	0.0
Total	0.0	0.0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY
Reports and Financial Statements**

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from Sale of tender documents	30,000.00	0.00
Other Receipts Not Classified Elsewhere	0.0	0.00
Total	30,000.00	0.00

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	2,218,056	2,088,248
Basic wages of casual labour	0.00	0.00
Personal allowances paid as part of salary		
House allowance	0.00	0.00
Transport allowance	0.00	0.00
Leave allowance		
Employer Contribution to NSSF	125,280	216,320
Gratuity -Paid		0.00
Accrued		0.00
Other personnel payments	0.00	0.00
Total	2,343,336	2,314,568

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	939,950	1,622,641
Utilities, supplies and services	647,581	402,000
Communication, supplies and services	0.00	0.00
Other committee expenses	3,778,392	1,410,000
Printing, advertising and information supplies & services	54,736	0.00
Office Rent	260,000	200,000
Training expenses	0.00	135,000
Hospitality supplies and services	.00	0.00
Insurance costs	0.00	0.00
Fuel , oil and lubricants	903,936	500,000
Bank service commission and charges	36,536	39,521
Other operating expenses	297,232	0.00
Routine maintenance – vehicles and other transport equipment	625,014	780,159.08
Routine maintenance – other assets	20,000	0.00
Total	7,563,377	5,089,321



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to National Government entities	0.00	0.00
Transfers to primary schools (see attached list)	19,258,638	5,200,000
Transfers to secondary schools (see attached list)	26,500,000	6,400,000
Transfers to tertiary institutions (see attached list)	0.00	0.00
Transfers to health institutions (see attached list)	0.00	0.00
TOTAL	45,758,638	11,600,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,235,463	12,032,000
Bursary – tertiary institutions (see attached list)	2,754,507	12,609,000
Bursary – special schools (see attached list)	0.00	0.00
Mock & CAT (see attached list)	0.00	0.00
Security projects (see attached list)	5,667,094	2,000,000
Sports projects (see attached list)	3,913,667	1,130,500
Environment projects (see attached list)	2,400,000	0.00
Emergency projects (see attached list)	2,637,931	3,500,000
Total	36,608,662	31,271,500

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets

	2018-2019 Kshs	2017-2018 Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	7,600,000	0.00
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	6,460,000	0.0
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	0.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialised Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
Total	14,060,000	0.00

9. OTHER PAYMENTS

	2018-2019 Kshs	2017-2018 Kshs
Strategic plan	3,165,988	0.00
ICT Hub	0.00	0.00
TIVET	0.00	0.00
	3,165,988	0.00

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Kenya Commercial Bank, Account No. 1147030472</i>	58,519,236	2,163,877
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	58,519,236	2,163,877
10B: CASH IN HAND		
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations (<i>specify</i>)		
Total	0.00	0.00
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY**

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Total</i>				<u>0.00</u>

[Include an annex of the list if longer than 1 page.]

12A. RETENTION

- 1.
- 2.
- 3.

2018 - 2019
Kshs

2017-2018
Kshs

Total

0.00

0.00

[The Funds is the retention on the construction of the office

12B. STAFF GRATUITY OUTSTANDING

0.00

0.00

13. BALANCES BROUGHT FORWARD

2018-2019
Kshs

2017-2018
Kshs

Bank accounts
Cash in hand
Imprest

2,163,877

2,234,094

0.00

.00

0.00

0.00

Total

2,163,877

2,234.094

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY
Reports and Financial Statements
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14. PRIOR YEAR ADJUSTMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	0.0	0.00
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	0.00	0.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
TURKANA EAST CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	Kshs	Kshs
Compensation of employees	1,242,453.52	682,758.62
Use of goods and services	121,226.00	1,059,728.15
Amounts due to other Government entities (see attached list)	36,545,122.00	12,337,695.71
Amounts due to other grants and other transfers (see attached list)	17,132,074.00	4,667,094
Acquisition of assets	0.00	14,500.00
Others (<i>Strategic plan</i>)	0.00	3,500.00
	55,040,875.52	53,316,897.17

	2018-2019 Kshs	2017-2018 Kshs
Construction of buildings	400,000	0.00
Construction of civil works	0.00	0.00
Supply of goods	200,000.0	0.0
Supply of services	0.00	0.00
	600,00.00	0.00

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	0.00	0.00
Middle management	0.00	0.00
Unionisable employees	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
	0.00	0.00

15.3: UNUTILIZED FUND (See Annex 3)

Compensation of employees	817,912	682,759
Use of goods and services	867,415	1,059,728
Amounts due to other Government entities (see attached list)	33,481,694	12,337,696
Amounts due to other grants and other transfers (see attached list)	17,931,108	4,667,094
Acquisition of assets	440,000	14,500.00
Others (<i>Strategic plan</i>)	4,951,106	3,500.00
	58,489,235	53,316,897

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

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	3,130,829.00	8,827,383.05
	3,130,829.00	8,827,383.05

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY
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For the year ended June 30, 2019 (Kshs)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.	8,000,000.00	Aug-18	7,600,000.00	400,000.00	0
Sub-Total	8,000,000.00		7,600,000.00	400,000.00	-
Construction of civil works					
2.					
Sub-Total					
Supply of goods					
3.	300,000.00	1/7/2018	100,000.00	200,000.00	
4.	56,240.00	1/7/2018	56,240.00	-	
5.	365,550.00	1/7/2018	365,550.00	-	
Sub-Total	721,790.00			200,000.00	
Supply of services					
6.	300,000				
7.					
8.				0	
Sub-Total	300,000				
Grand Total	9,021,790.00			600,000.00	



ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
		a	b	c	d=a-c		
NGCDF Staff salary							
1. ESIKWAN AUGUSTINE EYANAE					-	0	
2. EDUKIO NAMOE MARGRET					-	0	
3. EYENAE PAUL IBUYA					-	0	
4. ASHUKATA LOBOKAU					-	0	
5. LOSIYEL JAMES LOSIKE					-	0	
6. EKAL EKIDOR JOSHUA					-	0	
7. EKAI NAKWANG					-	0	
8. LONYODUK LOTUKUI KULA					-	0	
9. KAKONYA EVALYN NGACHURO					-	0	
10. LORE CHRISTOPHER EKAAL					-	0	
11 LORIPO JOSEPH EMURON					-	0	
	Sub-Total						
NGCDFC Staff gratuity							
1. ESIKWAN AUGUSTINE EYANAE		76,570.00	1/6/2018		-	76,570.00	0
2. EDUKIO NAMOE MARGRET		80,600.00	1/6/2018		-	80,600.00	0
3. EYENAE PAUL IBUYA		52,390.00	1/6/2018		-	52,390.00	0
4. ASHUKATA LOBOKAU		52,390.00	1/6/2018		-	52,390.00	0
5. LOSIYEL JAMES LOSIKE		52,390.00	1/6/2018		-	52,390.00	0
6. EKAL EKIDOR JOSHUA		100,750.00	1/6/2018		-	100,750.00	0
7. EKAI NAKWANG		80,600.00	1/6/2018		-	80,600.00	0
8. LONYODUK LOTUKUI KULA		52,390.00	1/6/2018		-	52,390.00	0
9. KAKONYA EVALYN NGACHURO		49,600.00	1/6/2018		-	49,600.00	0
10. LORE CHRISTOPHER EKAAL		6,200.00	1/6/2019		-	6,200.00	0
11 LORIPO JOSEPH EMURON							
	Sub-Total	656,270.00				656,270.00	0
Others (specify)							
1		0				0	0
2		0				0	0
3		0				0	0
	Sub-Total	0				0	0
	Grand Total	656,270.00				656,270.00	

ANNEX 3 - ANALYSIS OF UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,242,453.52	682,758.62	
Use of goods & services		121,226.00	1,059,728.15	
Amounts due to other Government entities				
1. Lokichada Primary school		545,122.00		
2. Namorutunga secondary school		500,000.00		
3. AIC Kanagitit girls		7,000,000.00		
4. Katilia Girls		10,500,000.00		
5. Turkana TTI		10,000,000.00		
6. Lomelo Primary school		8,000,000.00		
7. KAIBOLE PRIMARY SCHOOL			1,400,000.00	
8. LOKORKOR PRIMARY SCHOOL			1,400,000.00	
9 NAMORUTUNGA PRIMARY SCHOOL			1,400,000.00	
9 LOPII PRIMARY SCHOOL			1,400,000.00	
10. ECHOKE PRIMARY SCHOOL			1,400,000.00	
11. AIC LOKWII PRIMARY SCHOOL			1,400,000.00	
12. NAMALTENY PRIMARY SCHOOL			1,400,000.00	
13. KAMUGE PRIMARY SCHOOL			1,400,000.00	
14. EMANMAN PRIMARY SCHOOL			500,000.00	
15. NAMALTENY PRIMARY			1,900,000.00	
16. LOKAMUSIO PRIMARY			558,620.69	
18. LOKWI PRIMARY			500,000.00	
19. ECHOKE PRIMARY			500,000.00	
20. NAPEITOM PRIMARY			1,400,000.00	
	Sub-Total	37,908,801.52	18,301,107.46	
Amounts due to other grants and other transfers				
1. Bursary		12,393,081.00	2,031,414.00	
2. Emergency		4,738,993.00	1,637,931.51	
3. security			7,000,000.00	
4.Sports			1,268,350.20	
5.Environment			400,000.00	
	Sub-Total	17,132,074.00	12,337,695.71	
Acquisition of assets			6,500,000.00	
Motor Vehicle			8,000,000.00	
office construction				
Others (specify)				
1. ICT			4,677,094.00	
2. Strategic Plan			3,500,000.00	
	Sub-Total	-	22,677,094.00	
	Grand Total	55,040,875.52	53,315,897.17	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs')

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0.00	0.00	0.00	0.00
Buildings and structures	4,000,000	7,600,000	0.00	11,600,000
Transport equipment	4,975,000	6,460,000	0.00	11,435,000
Office equipment, furniture and fittings	2,373,070	0.00	0.00	2,373,070
ICT Equipment, Software and Other ICT Assets	180,000	0.00	0.00	180,000
Other Machinery and Equipment	0.00	0.00	0.00	0.00
Heritage and cultural assets	0.00	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	0.00
Total	11,528,070	14,060,000	0.00	25,588,070



NATIONAL GOVERNMENT ENTITY - (TURKANA EAST CONSTITUENCY)

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs)

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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
LOTUBAE GIRLS SECONDARY S CHOOL	KCB LODWAR	1234844044	2,229,780	2,090,157.55
NGAMIA ONE SECONDARY SCHOOL	KCB LODWAR	1240532962	0.00	2,210,710.00
KAPEDO SECONDARY SCHOOL	KCB LODWAR	1109850190	5,671.78	1,121,223.78
KAPEDO GIRLS PRIMARY SCHOOL	KCB LODWAR	1255422899	0.00	2,436,730.00
NAMORUTUNGA PRIMARY SCHOOL	KCB LODWAR	1165591308	4,946.55	3,745.55
NAMALTENY PRIMARY SCHOOL	KCB LODWAR	1157386644	8,930.00	12,740.00
NAKATONGWA PRIMARY SCHOOL	KCB LODWAR	1238658385	0.00	3,895.00
LOPII PRIMARY SCHOOL	KCB LODWAR	1238167179	0.00	301,635.00
LOKWI PRIMARY SCHOOL	KCB LODWAR	1236781619	0.00	15,105.00
LOKORKOR PRIMARY SCHOOL	KCB LODWAR	1136413359	5,878.30	304,797.80
LOKAMUSIO PRIMARY SCHOOL	KCB LODWAR	1165591189	264.55	4,822.05
KAMUGE PRIMARY SCHOOL	KCB LODWAR	1157385753	4,997.55	4,897.55
KAIBOLE PRIMARY SCHOOL	KCB LODWAR	1157385885	20,070.00	276,670.00
EMANMAN PRIMARY	KCB LODWAR	1171209703	6,502.05	5,331.55
ECHOKE PRIMARY SCHOOL	KCB LODWAR	1157385656	4,236.52	8,156.02
AIC LOKWII PRIMARY SCHOOL	KCB LODWAR	1236841972	0.00	4,335.00
LOMOMUNG RESETLEMENT	KCB LODWAR	1232792896	839,551.20	22,431.20
Total			3,130,829.00	8,827,383.05

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
TURKANA EAST CONSTITUENCY.**

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs')

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
ELD/TURECDF/2017/20-18-1-01-909-0128-9-12	Cash and cash equivalent		FAM	Resolved	
	Pmc account balances		FAM	Resolved	
	Unutilised balances		FAM	Resolved	
	Budget performance		Fam	Resolved	



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