


REPUBLIC OF KENYA



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REPORT

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THE AUDITOR-GENERAL

ON

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

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -ALDAI
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 (NG-CDF) - ALDAI
CONSTITUENCY**

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

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 NG-CDF ALDAI Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Michael Odit
2.	Sub-County Accountant	Regina Ng'etich
3.	Chairman NG-CDFC	Vincent C. Kogo
4.	Member NG-CDFC	Rose Mutai

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF ALDAI Constituency Headquarters

P.O Box 173
NG-CDF Building
Kobujoi

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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(f) NG-CDF ALDAI Constituency Contacts

Telephone: (254) 0720531036

E-mail: aldaicdf1@gmail.com

Website: www.NG-CDF.go.ke

(g) NG-CDF ALDAI Constituency Bankers

Kenya Commercial Bank

Nandi Hills

P.O Box 184-30301

Nandi Hills

(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

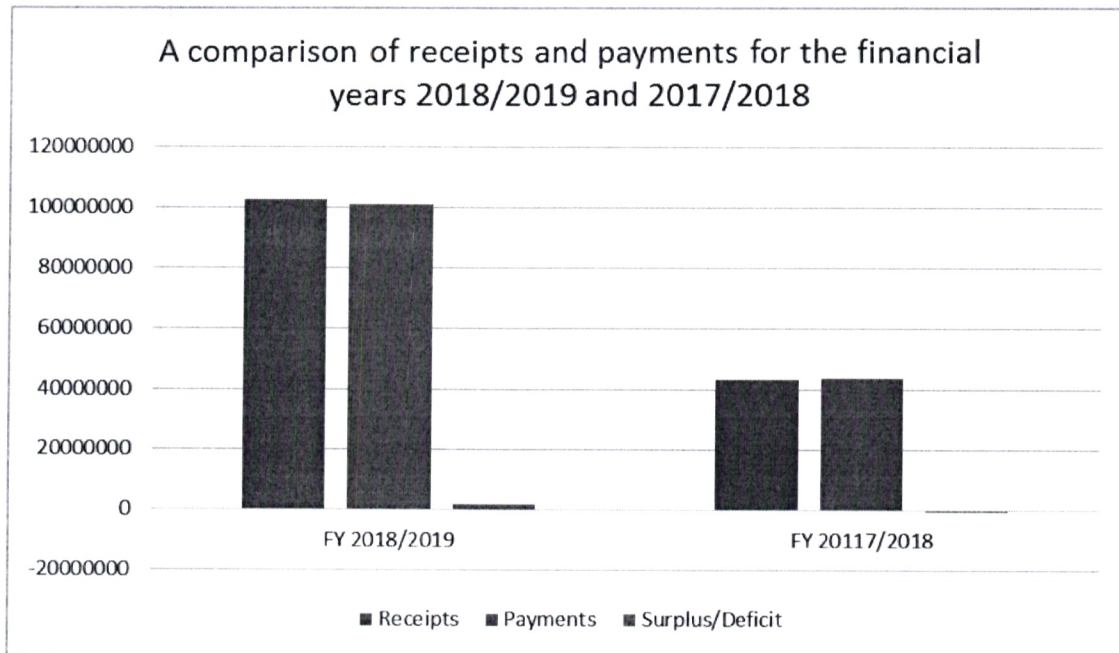
City Square 00200

Nairobi, Kenya

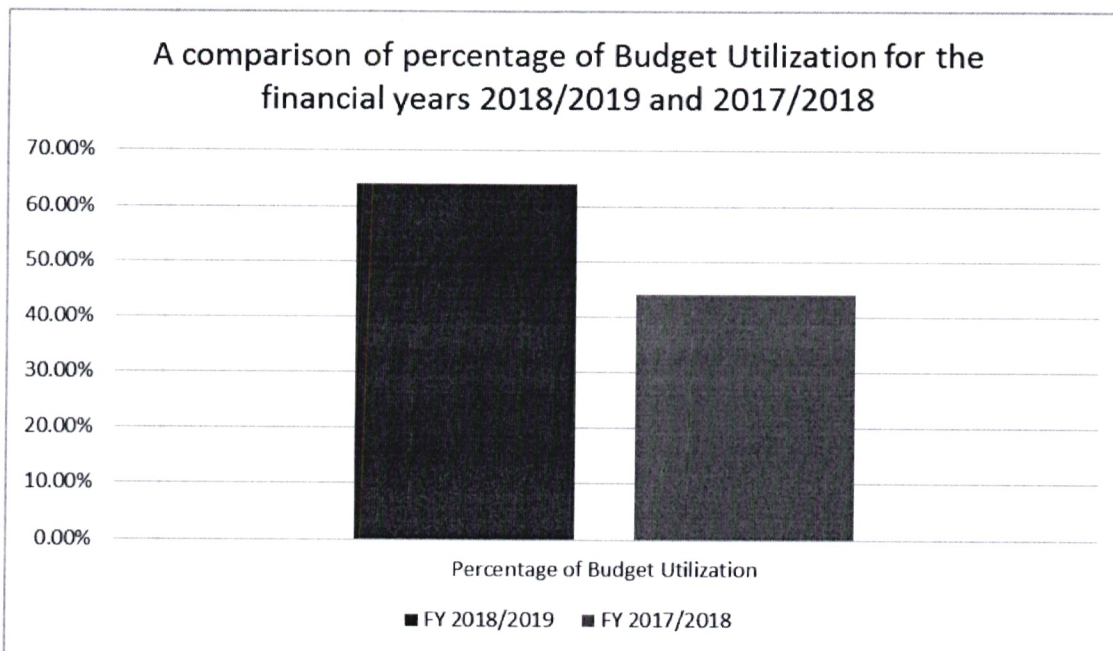
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI CONSTITUENCY

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

II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE



The bar graph above shows a surplus for the financial year under review as compared to the previous financial year. The deficit in the previous financial year came about due to the fact that not all the funds had been received as at the close of that financial year.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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The financial year under review recorded a favourable performance as compared to the financial year 2017/2018 although the constituency was only able to receive 63.0% of its total allocation.

The NG-CDF Committee, Aldai constituency made good progress in terms of budget utilization in that compensation of employees was at 89.2%, use of goods and services 92.5%, transfer to other government units 50.8%, other grants and transfers 76.8% etc.

KEY ACHIEVEMENTS FOR THE FINANCIAL YEAR 2018/2019



Fully Funded by NG-CDF Aldai Constituency at a Cost of: Kshs. 6,400,000.00

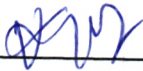
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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**Reports and Financial Statements
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The NG-CDFC, Aldai constituency made considerable achievement towards the implementation of projects within the constituency. It's important to note that as at the end of the financial year under review, the first half of the allocation had been received and this mainly was used to fund statutory allocations e.g. bursaries, emergency, administration and recurrent costs etc.

Nevertheless, during the financial year 2018/2019 the N.G CDFC, Aldai Constituency fully funded Kapsaos Secondary School towards acquisition of a 54-seater School bus. This is a notable achievement given that in the past, the NG-CDFC has been allocating funds towards such ventures piecemeal.

Notable challenges included delay of funding from the secretariat and shortage of technical personnel who are supposed to help with the implementation of the projects.



**Name: Vincent C. Kogo
CHAIRMAN NG-CDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the NG-CDF ALDAI 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, 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the NG-CDF ALDAI 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.

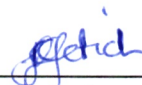
The Accounting Officer in charge of the NG-CDF ALDAI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NG-CDF ALDAI Constituency financial statements were approved and signed by the Accounting Officer on 10/09/19 2019.



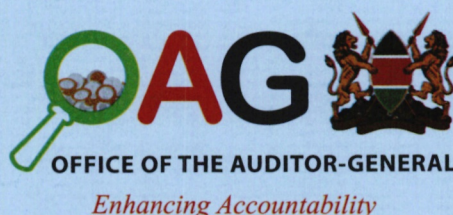
Fund Account Manager
Name: Michael Odit



Sub-County Accountant
Name: Regina Ng'etich
ICPAK Member Number:

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ALDAI 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 - Aldai Constituency set out on pages 8 to 35, 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 - Aldai 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. Inaccuracy in Cash and Cash Equivalent

The statement of assets and liabilities reflects cash and cash equivalents amount of Kshs.2,167,264 whereas Note 10A reflects an amount of Kshs.11,840,006 resulting to an unreconciled variance amounting to Kshs.9,672,742.

Consequently, the accuracy, completeness and validity of cash and cash equivalent totalling to Kshs.2,167,264 as at 30 June, 2019 could not be confirmed.

2. Inaccuracies in Notes to the Financial Statements

Note 15.2 to the financial statements reflects pending staff payables totalling to Kshs.616,313 whereas Annex 2 reflects a nil balance. Further, Note 15.4 to the financial statements reflects PMC account balances totalling to Kshs.9,589,455 whereas the

supporting Annex 5 reflects an amount of Kshs.12,313,213 resulting to an unreconciled variance of Kshs.2,723,758.

The errors were not corrected.

Consequently, the accuracy, completeness and validity of balances reflected in Note 15.2 and Note 15.4 to the financial statements as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Aldai 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.164,218,524 and Kshs.103,177,648 respectively, resulting to an under-funding of Kshs.61,040,876 or 37% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.164,218,524 and Kshs.101,010,384 respectively, resulting to an under expenditure of Kshs.63,208,140 or 38% of the budget.

The underfunding and 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. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

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

During the year under review, an amount totalling to Kshs.53,292,053 was allocated to sixty-three (63) projects which were at various stages of completion. As per the Project Implementation Status Report, twenty-eight (28) projects with an allocation amount of Kshs.5,600,000 have been completed, eight (8) projects were new, twenty-four (24) were ongoing and three (3) projects were not started.

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

2. Unsatisfactory Implementation of Projects

Physical verification of sixteen (16) projects revealed various unsatisfactory issues for each project as detailed in **Appendix I**.

Consequently, the public did not benefit from the projects which were not fully implemented.

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

07 October, 2021

Appendix I: Unsatisfactory Implementation of Projects

No.	Payee	Amount (Kshs.)	Observations
1	Dr. Sally Kosgei Secondary School	3,650,000	<ul style="list-style-type: none"> Floor and wall had cracks The roof was leaking Walls were painted with undercoat only Keying of external walls was not neatly recessed No certificate of completion No evidence of professional supervision of works by the relevant department.
2	Kapkoi Primary School	400,000	<ul style="list-style-type: none"> Floor and wall had cracks Gradient of the floor was not even and slanted backwards therefore retaining water There were broken window glasses There were no window panes Poor paint works and Overall poor workmanship.
3	Mogomben Primary School	1,000,000	<ul style="list-style-type: none"> Funding of a Secondary School Land purchased of 1.2 acres had no title deed
4	Samitui Primary School	500,000	Sub-standard painting, Roofing not painted
5	Kimaren Girls Secondary School	3,200,000	<ul style="list-style-type: none"> Project did not exist
6	Kiplengwai Primary School	1,200,000	Purchase of land for the school but no title and no evidence of survey beacons
7	Aldai Boys	4,000,000	<ul style="list-style-type: none"> Inequality in resource allocation whereby all classrooms of two streams up to form four are built although the school is currently at form one level.
8	Ndurio Primary School	1,000,000	Construction of dining hall-slab, walling and roofing done Project ongoing
9	Chepkongony Secondary School	3,000,000	No PVC gutters Undercoat paint only No electricity sockets No certificate of completion.
10	ACK St. Peters Chepkongony Primary School	1,000,000	The project is co-funded with no clear description of CDF phase of the project
11	Kipsartuk Primary School	600,000	Classes had cracked walls and floors
12	Kaptumek Primary School	950,000	Single panel doors instead of double panel doors as per bill of quantities
13	Lebelen Primary School	600,000	Complete and in use
14	Mogoiywo Primary School	400,000	Poor paint works No authority was provided to convert to roofing

No.	Payee	Amount (Kshs.)	Observations
15	Aldai Girls Secondary School	950,000	Bore hole complete and in use but there is no pump house to secure the pump and the panel
16	Koitabut Secondary School	2,800,000	School bus purchased but there was no log book
	Total	25,250,000	

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For the year ended June 30, 2019

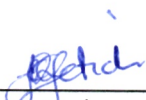
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NG-CDF board	1	102,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		102,784,483	43,405,172
PAYMENTS			
Compensation of employees	4	2,301,017	1,601,668
Use of goods and services	5	7,161,481	5,636,964
Transfers to Other Government Units	6	44,196,053	16,300,000
Other grants and transfers	7	45,085,300	18,615,000
Acquisition of Assets	8	137,000	-
Other Payments	9	<u>2,129,533</u>	<u>1,431,521</u>
TOTAL PAYMENTS		101,010,384	43,585,153
SURPLUS/(DEFICIT)		<u>1,774,099</u>	<u>(179,981)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF ALDAI Constituency financial statements were approved on 10/09/19 2019 and signed by:



Fund Account Manager
Name: Michael Odit



Sub-County Accountant
Name: Regina Ng'etich
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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Reports and Financial Statements

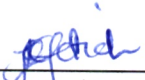
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,167,264	393,165
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		2,167,264	393,165
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		2,167,264	393,165
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		2,167,264	393,165
REPRESENTED BY			
Fund balance b/fwd	13	393,165	573,146
Surplus/Defict for the year		1,774,099	(179,981)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		2,167,264	393,165

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF ALDAI Constituency financial statements were approved on 10/09/19 2019 and signed by:


 Fund Account Manager
 Name: Michael Odit


 Sub-County Accountant
 Name: Regina Ng'etich
 ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) - ALDAI
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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 NG-CDF Board	1	102,784,483	43,405,172
Other Receipts	3	=	=
Total receipts		102,784,483	43,405,172
Payments			
Compensation of Employees	4	2,301,017	1,601,668
Use of goods and services	5	7,161,481	5,636,964
Transfers to Other Government Units	6	44,196,053	16,300,000
Other grants and transfers	7	45,085,300	18,615,000
Other Payments	9	2,129,533	1,431,521
Total payments		100,873,384	(43,585,153)
Total Receipts Less Total Payments		1,911,099	(179,981)
Adjusted for:			
Outstanding imprest	11	(-)	(-)
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments		-	
Net cash flow from operating activities		1,915,099	(179,981)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(137,000)	(-)
Net cash flows from Investing Activities		(137,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		1,774,099	(179,981)
Cash and cash equivalent at BEGINNING of the year	13	393,165	573,146
Cash and cash equivalent at END of the year		<u>2,167,264</u>	<u>393,165</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF ALDAI Constituency financial statements were approved on 10/09/19 2019 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name:
ICPAK Member Number:

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
	<i>a</i>	<i>b</i>	<i>c = a + b</i>	<i>d</i>	<i>e = c - d</i>	<i>f = d/c %</i>
RECEIPTS						
Transfers from NG-CDF Board	109,040,875.52	55,177,648	164,218,524	103,177,648	61,040,875	62.8%
Proceeds from Sale of Assets	-					
Other Receipts	-					
	109,040,875.52	55,177,648	164,218,524	103,177,648	61,040,875	62.8%
PAYMENTS						
Compensation of Employees	2,324,000.00	254,950	2,578,950	2,301,017	277,933	89.2%
Use of goods and services	7,352,679.22	393,165	7,352,679	7,161,481	191,198	92.5%
Transfers to Other Government Units	61,830,586.10	25,100,000	86,930,586	44,196,053	42,734,533	50.8%
Other grants and transfers	37,396,610.20	21,300,000	58,696,610	45,085,300	13,611,310	76.8%
Acquisition of Assets	137,000.00	6,000,000	6,137,000	137,000	6,000,000	2.2%
Other Payments	-	2,129,533	2,129,533	2,129,533	-	100.0%
TOTALS	109,040,875.52	55,177,648	164,218,524	101,010,384	62,814,974	61.5%

As at the end of the financial year 2018/2019, total receipts from NG-CDF Board was 63.0%. This means that 47.0% was yet to be released.

Compensation to employees was 89.2% and similarly use of goods and services stood at 92.5%

Transfer to other government departments recorded a lower figure of 50.8% mainly due to the fact that the authority to incur expenditure (AIE) for the financial year 2018/2019 of Ksh.54,000,000 took care of statutory allocations

On the same note, other grants and transfer did not record 100.0% expenditure because of the amounts that were yet to be released by the NG-CDF Secretariat.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI CONSTITUENCY

Reports and Financial Statements

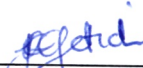
For the year ended June 30, 2019

Of significance to note was acquisition of assets. An amount of ksh.6,000,000 had been allocated towards acquisition of Office Vehicle and yet the NG-CDF Secretariat was yet to issue code list and even the funds to enable it implementation

The NG-CDF ALDAI Constituency financial statements were approved on 10/09/ 2019 and signed by:



Fund Account Manager
Name: Michael Odit



Sub-County Accountant
Name: Regina Ng'etich
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent	-	-	-	-	-
1.1 Compensation of employees	2,324,000.00	254,950.00	2,578,950.00	2,497,017.00	81,933.00
1.2 Committee allowances	2,000,000.00	-	2,000,000.00	1,996,000.00	4,000.00
1.3 Use of goods and services	2,077,434.68	-	2,077,434.68	2,077,434.68	-
1.4 Acquisition of assets	-	-	-	552,654.17	552,654.17
2.0 Monitoring and evaluation	-	232,371.56	232,371.56	-	232,371.56
2.1 Capacity building	2,000,000.00	-	2,000,000.00	1,668,371.00	331,629.00
2.2 Committee allowances	600,205.12	-	600,205.12	-	600,205.12
2.3 Use of goods and services	671,021.15	-	671,021.15	671,021.15	-
3.0 Emergency	5,738,993.45	-	5,738,993.45	5,096,000.00	642,993.45
3.1 Primary Schools	-	700,000.00	700,000.00	700,000.00	-
3.2 Secondary schools	-	3,000,000.00	3,000,000.00	3,000,000.00	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	300,000.00	300,000.00	300,000.00	-
4.0 Bursary and Social Security	-	-	-	-	-
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	12,300,000.00	7,230,000.00	19,530,000.00	10,505,000.00	9,025,000.00
4.3 Tertiary Institutions	15,000,000.00	7,634,300.00	22,634,300.00	22,624,300.00	10,000.00
4.4 Universities	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
5.0 Sports	-	-	-	-	-
5.1	2,180,817.51	-	2,180,817.51	190,000.00	1,990,817.51
5.2	-	523,099.00	523,099.00	-	523,099.00

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

5.3	-	-	-	-	-
6.0 Environment	-	-	-	-	-
6.1	2,180,817.51	1,070,643.61	3,251,461.12	670,000.00	2,581,461.12
6.2	-	-	-	-	-
6.3	-	-	-	-	-
7.0 Primary Schools Projects	-	-	-	-	-
7.1	26,950,000.00	7,000,000.00	33,950,000.00	18,450,000.00	15,500,000.00
7.2	-	-	-	-	-
7.3	-	-	-	-	-
7.4	-	-	-	-	-
8.0 Secondary Schools Projects	-	-	-	-	-
8.1	32,380,586.10	17,200,000.00	49,580,586.10	24,946,053.00	24,634,533.10
8.2	-	-	-	-	-
8.3	-	-	-	-	-
8.4	-	-	-	-	-
9.0 Tertiary institutions Projects	-	-	-	-	-
9.1	1,500,000.00	-	1,500,000.00	800,000.00	700,000.00
9.2	-	-	-	-	-
9.3	-	-	-	-	-
9.4	-	-	-	-	-
10.0 Security Projects	-	-	-	-	-
10.1	1,000,000.00	1,500,000.00	2,500,000.00	2,000,000.00	500,000.00
10.2	-	-	-	-	-
10.3	-	-	-	-	-
11.0 Acquisition of assets	-	-	-	-	-
11.1 Motor Vehicles	-	6,000,000.00	6,000,000.00	-	6,000,000.00
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	137,000.00	9,585.83	146,585.83	137,000.00	9,585.83
	-	-	-	-	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

12.0 Others	-	29,533.00	29,533.00	29,533.00	-
12.1 Strategic Plan	-	2,100,000.00	2,100,000.00	2,100,000.00	-
12.2 Innovation Hub	-	-	-	-	-
12.2 TIVET	-	-	-	-	-
TOTAL	109,040,875.52	55,177,648.00	164,218,524.52	101,010,384.00	63,208,140

(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)

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
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**Reports and Financial Statements
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IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NG-CDF ALDAI 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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
CONSTITUENCY**

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 Kenya Commercial Bank 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 NG-CDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
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
NG-CDF Board			
AIE NO. A896792	1		5,500,000
AIE NO. A855755	2		37,905,172
AIE NO. B005093	1	45,756,161	
AIE NO. B030025	2	2,000,000	
AIE NO. B030134	3	10,000,000	
AIE NO. B030344	4	12,000,000	
AIE NO. B006283	5	8,000,000	
AIE NO. A699019	6	11,000,000	
AIE NO. B042666	7	1,028,321.80	
AIE NO. B042866	8	13,000,000	
TOTAL		102,784,483	43,405,172

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	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	<u>-</u>	<u>-</u>

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	1,541,185.00	1,412,468.00
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	748,032.00	-
Other personnel payments	11,800.00	189,200.00
Total	<u>2,301,017.00</u>	<u>1,601,668.00</u>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,357,400	3,184,000
Utilities, supplies and services	259,440	152,434
Communication, supplies and services	176,000	235,475
Domestic travel and subsistence	345,680	195,200
Printing, advertising and information supplies & services	286,900	58,000
Rentals of produced assets	-	-
Training expenses	1,668,371	841,940
Hospitality supplies and services	279,525	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	112,137	-
Fuel, oil and lubricants	200,000	500,000
Other operating expenses	310,228	418,365
Routine maintenance – vehicles and other transport equipment	160,800	51,550
Routine maintenance – other assets	5,000	-
Total	7,161,481	5,636,964

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
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	-	-
Transfers to primary schools	18,450,000	7,900,000
Transfers to secondary schools	24,946,053	8,400,000
Transfers to tertiary institutions	800,000	-
Transfers to health institutions	-	-
TOTAL	44,196,053	16,300,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools	10,505,000	7,044,000
Bursary – tertiary institutions	22,654,300	7,791,000
Bursary – special schools	-	-
Mock & CAT	-	-
Security projects	2,000,000	-
Sports projects	190,000	800,000
Environment projects	640,000	980,000
Other capital grants and transfer	-	-
Emergency projects	9,096,000	2,000,000
Total	45,085,300	18,615,000

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
CONSTITUENCY**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non-Financial Assets</u>	2018-2019	2017-2018
	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	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	137,000.00	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	137,000.00	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	2,100,000	1,400,000
Bank Charges	29,533	31,521
ICT Hub	-	-
TIVET	-	-
	2,129,533	1,431,521

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
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For the year ended June 30, 2019

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>KCB Nandi Hills Branch, 1106819578</i>	11,840,006.50	7,600,574.75
Total	11,840,006.50	7,600,574.75
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	<u>-</u>	<u>-</u>

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Ursila Jepleting	191,864.58	-
Fred Ruto	170,117.46	-
Josephine Jepkesio	96,230.82	-
David Kirui	111,600.00	-
Philip Kering	46,500.00	-
Total	<u>616,312.86</u>	<u>-</u>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) – ALDAI
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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	2,167,264.00	573,146.00
Cash in hand		-
Imprest		-
Total	2,167,264.00	573,146.00

14. PRIOR YEAR ADJUSTMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others. Gratuity	616,312.86	-
	616,312.86	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	81,933.00	254,950.00
Use of goods and services	615,551.51	-
Amounts due to other Government entities	9,035,000.00	25,100,000.00
Amounts due to other grants and other transfers	47,072,904.18	21,300,000.00
Acquisition of assets	6,009,585.83	6,000,000.00
Others	-	2,129,533.00
	62,814,974.52	54,784,483.00

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances	9,589,455.43	14,194,259
Total	9,589,455.43	14,194,259

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		<i>a</i>	<i>b</i>	<i>c</i>	<i>d = a - c</i>	
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 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	-	-	-	-
Buildings and structures	7,995,659	-	-	7,995,659
Transport equipment	3,278,290	-	-	3,278,290
Office equipment, furniture and fittings	978,570	-	-	978,570
ICT Equipment, Software and Other ICT Assets	366,450	137,000	-	503,450
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	12,618,969	137,000	-	12,755,969

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

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kapkures Secondary School	KCB	1102054151	7,262.03	-
Koitabut Secondary School	KCB	1110583222	134,174.90	-
Amkiruk Primary School	KCB	1255689633	29,155.00	-
Kapsaos Secondary School	KCB	1254365745	4,298,695	-
Kamarich Primary School	National Bank	12455719102	98,000	-
Dr. Sally Kosgei Sec School	National Bank	1025056594200	2,267,977.90	-
Teldet Sec School	KCB	1183641338	253,750.00	-
Ack Christ The King Kiplengwai Pry	KCB	1256879959	299,035.00	-
Lebelen Primary School	KCB	1179546423	242,340.00	-
Kipsartuk Primary School	KCB	1260176037	NIL	-
Kaptumek Primary School	KCB	1259718735	950,000	-
Koimet Primary School	KCB	1199212172	502,720.50	-
Kiprotgorik Primary School	National Bank	1024018702700	NIL	-
Tendwet Primary School	National Bank	1022055747000	NIL	-
Kimaren Primary School	KCB	1183522665	2,723,758	-
Kipkegenda Primary School	KCB	1183879407	1,180.00	-
Kaborowo Primary School	National Bank	1024055751801	NIL	-
Nderio Primary School	KCB	1154202550	505,165.10	-
Total			12,313,213.43	-

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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.

Referen ce No. on the externa l 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>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
1.0 Transfe rs to Other Govern ment Units	The statement of receipts and payments for the year ended 30 June 2018 reflects transfers to other government entities of Kshs. 14,194,259 relating to transfers to secondary schools and primary schools. However, acknowledgement, a record of minutes, accounting documents such as cash books and other related records in relation to the projects which were being implemented showing how much had been spent and amount outstanding or unused as at 30 June 2018 were not provided for audit verification. Under the circumstances, it was not possible to confirm whether the transfers to other government entities totalling Kshs. 14,194,259 was actually received, utilized and accounted for the budgeted projects in the year.	Cashbook and accounting records to be prepared. Similarly, acknowledgement to be done by the beneficiary project management committees	Michael Odit-FAM	Not resolved	The issue to be resolved by end of october 2019
2.0 Other Grants and	Included in the other grants and payments figure of Kshs. 18,615,000 is a total expenditure of Kshs. 2,000,000 comprising of other capital grants and emergency projects.	Bill of quantities and Certificates of completion to be provided by the technical departments	Michael Odit-FAM	Not resolved	The issue to be resolved by end of october 2019

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Payments	However, bills of quantities for the projects were not provided for audit review. Further, certificates of completion were also not produced for audit review. Consequently, the propriety of other capital grants and emergency projects expenditure totaling Kshs. 2,000,000 as at 30 June 2018 could not be confirmed.				
3.0 Project Management Committee Accounts Balance	Note 15.4 to the financial statements reflects project management committee account balance of Kshs. 16,400,000 relating to disbursed funds to the projects during the year which had not been utilized by the end of the year. However, accounting records such as cash books and bank reconciliation statements were not provided for audit review. In consequence, the accuracy and existence of project management committee accounts balances of Kshs. 16,400,000 as at 30 June 2018 could not be ascertained.	Cashbook and bank reconciliation statements to be prepared	Michael Odit-FAM	Not resolved	The issue to be resolved by end of October 2019
	Other Matter				
1.0 Budgetary Performance	During the year under review, Aldai Constituency Development Fund had an approved budget of Kshs. 98,762,801, but incurred expenditure totaling to Kshs. 43,585,153 resulting to under expenditure of Kshs. 55,177,648 or 44.1% of the approved budget as summarized below	The under expenditure was due to circumstances beyond our control as a committee. The funds were not released in time			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Under expenditure is an indication of failure to provide optimal service delivery to citizens of Aldai Constituency				
	.				
	Basis of Conclusion				
Compensation of Employees	Examination of personal files availed for audit verification revealed that Aldai Constituency Development Fund did not carry out appraisal of staff as provided for in the National Government Constituency Development Fund Human Resource Policies and Procedure Manual section 9.1 which stipulate methods by which an employee will be appraised and job elements to be used as indicative of performance will be determined from time to time and approved by the board. Hence, it was not possible to justify how the CDF appraised individual performance against the set performance targets.	The committee has resolved that the staff appraisal be done as a matter of agency	Michael Odit-FAM	Not Resolved	The issue to be resolved by end of October 2019

