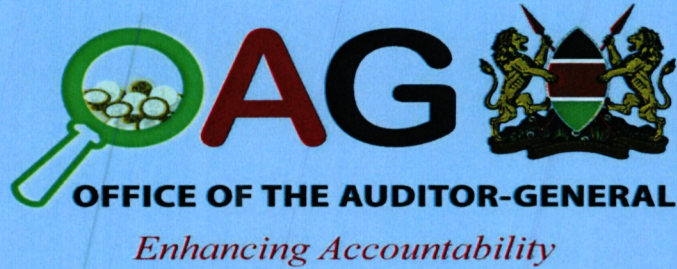


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 FEB 2022

DAY:

Wed.

OF
TABLED
BY:

The majority Whip
Hon. E. Wangwe, MP.
Benson Inzofu.

CLERK-AT
THE TABLE:

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

PARLIAMENT
OF KENYA
LIBRARY

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
KESSES CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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

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

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

KESSES CONSTITUENCY

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Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Gloria Mwasi
2.	Sub-County Accountant	Mary Waa
3.	Chairman NGCDFC	Mary Kogo
4.	Member NGCDFC	John Busienei

(d) Fiduciary Oversight Arrangements

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

P.O. Box 6742- 30100
Annex Off Mti Moja Access Road
Eldoret Nakuru Highway
Eldoret, KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KESSESCONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

(f) NGCDF Kesses Constituency Contacts

Telephone: (254) 777674200
E-mail: cdfkesses@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Kesses Constituency Bankers

1. Cooperative Bank of Kenya
Eldoret Nakuru Highway
P.O. Box 2948
Eldoret, 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)
KESSES CONSTITUENCY

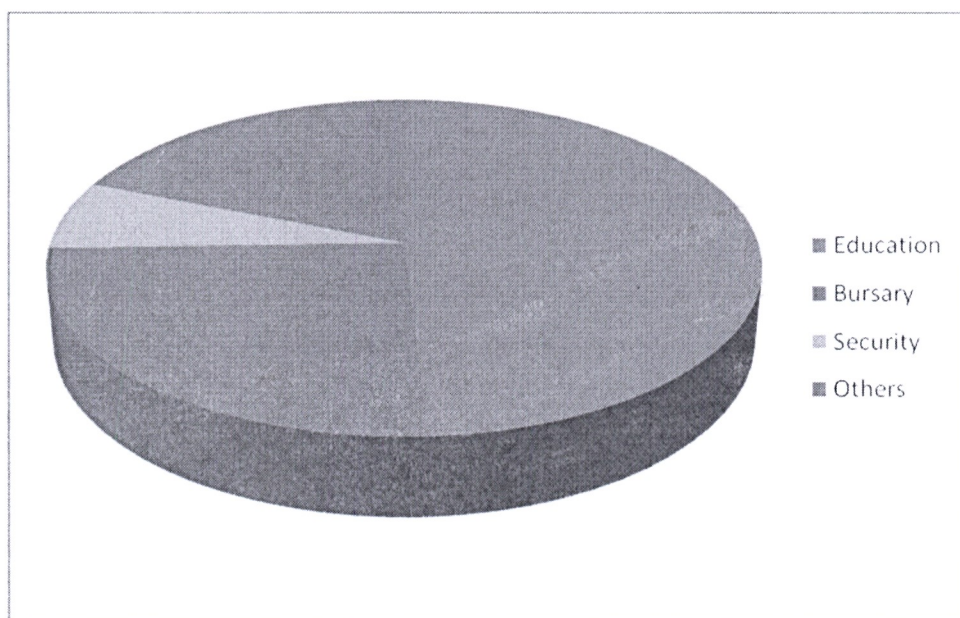
Reports and Financial Statements

For the year ended June 30, 2020

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I wish to take this opportunity to present to you the Kesses NG-CDF financial statements for the year ended 30th June 2020. 2019/2020 financial year performance was relatively low compared to the previous financial year. The entity received balance of funds for the 2018/2019 financial year and first half for 2019/2020 financial year. Funds absorption by the PMCs has been low.

Below is a summary of funds allocated in the 2019/2020 financial year.



Key Achievements for the entity

Quite a number of ongoing projects were completed during the financial year and thus constituents getting value for money as the projects have been put into use and have also improved schools infrastructure as well as service delivery.

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



Construction of school library at Kerita Day Secondary School



Renovation of DCC's office



Construction of modern flush toilet for pupils with septic tank

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY
Reports and Financial Statements
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Construction of Chuiyat Chief Office

Challenges

During the financial year, the entity has encountered several challenges. Firstly, there was slow absorption of funds by PMC. This was occasioned by the delay in receipt of bill of quantities from public works thus delaying implementation of projects.

The corona virus pandemic also affected implementation of projects by PMCs in the last quarter of the financial year. When schools were announced to be closed, most principals of schools who are secretaries for PMCs left their work stations immediately. This resulted to delay in the procurement process and hence projects implementation.

However, the heads of schools were engaged through the Sub-county director of education and urged them to go back to their learning institutions to implement projects. Faster implementation would also see increased number of classrooms which will be in tandem with the ministry of health guidelines of ensuring social distancing.


Mary Kogo

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY
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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-Kesses Constituency's 2018-2022 strategic plan are to:

- a) Improve access to education
- b) Improve infrastructure in learning institutions
- c) Improve academic performance in KCPE and KCSE
- d) Enhance and sustain security in the constituency
- e) Promote sustainable environment management practices
- f) Nature and promote youth sporting talent
- g) Promote sustainable youth empowerment programmes
- h) Increase access to ICT infrastructure

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	- To Improve access to education - Improve infrastructure in learning institutions - Improve academic performance in KCPE and KCSE	- Improved education standards - Increased transition from primary to secondary school - Improved transition from secondary schools to TVET and university	-Number of usable physical infrastructure build in primary, secondary, and tertiary institutions -Number of bursary beneficiaries at all levels	In FY 2019/20 -we increased number of classrooms in primary schools from 848 to 858 and in secondary schools from 289 to 321 We increased number of dormitories from 28 to 30 We increased number of laboratories from 44 to 48. We increased number of libraries from 12 to 14. We increased number of administration blocks from 52 to 55.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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Reports and Financial Statements

For the year ended June 30, 2020

				We increased number of pit latrines from 1359 to 1403 within the constituency. - Bursary beneficiaries at all levels were as per the attached schedules
Security	Enhance and sustain security in the constituency	- Conducive working environment for security personnel - Increased security coverage - Secure business environment.	Number of rehabilitated and constructed DCC and chief offices.	In FY 2019/20 - We completed construction of two chief offices at Oleinguse sub location and Chuiyat location. - We also renovated DCC's office
Environment	Promote sustainable environment management practices	- Increased forest cover in the constituency - A more informed citizenry on environmental conservation	- Number of trees planted. - Number of water tanks purchased for harvesting rain water	During F/Y 2019/20 - We planted 1000 trees each to 17 schools within the constituency and DCCs office - We supplied 5000litres water tanks to 29 schools within the constituency.
Sports	- Nature and promote youth sporting talent - Promote sustainable youth empowerment programmes	- Positively engaged youth - Reduce crime rate	Number of tournaments sponsored	During F/Y 2019/20 We sponsored Bondeni Football club to participate in a tournament
ICT	Increase access to ICT infrastructure	- Lower cost of doing business - Efficiency in service delivery	- Number of ICT laboratories in schools - Constituency ICT infrastructure	In F/Y 2019/20, - We completed ICT laboratory at Ndungulu secondary school - We installed wifi at the NG-CDF Office

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

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

NG-CDF Kesses is defined by its vision, mission, goals and core values that shape its culture. The strategic framework envisaged in our strategic plan 2018-2022 contains strategic issues and objectives to be realized. The vision, mission and core values stated in the strategic plan echo the call for equity, transparency and sustainable development which summarized the three pillars of Kenya vision 2030, Sustainable Development Goals and the Big Four Agenda.

Vision

To be the leading institution in the effective and efficient management of devolved funds.

Mission

To provide leadership and policy direction in the optimal utilization of devolved funds for equitable development and poverty reduction at the community level.

Description of the Core Values

Core Value	Description of Core Value
Transparency and accountability	The NG-CDFC is open to scrutiny and commits to account for and take full responsibility of all decisions.
Professionalism and integrity	The NG-CDFC commits to uphold professionalism in all undertakings adhering to the guidelines provided for.
Commitment and team work	The NG-CDFC members commit to hold their representative roles with commitment and oneness of purpose
Public participation and inclusivity	The NG-CDFC Commits to involve the community in project identification prioritization and implementation without any form of discrimination
Neutrality and objectivity	The NG-CDFC commits to openly share information with the constituents through all available platforms and receive feedback
Timelines and Excellence	The NG-CDFC commits to do proposals and implement projects within the budgetary cycles
Efficiency and effectiveness	The NG-CDFC Commits to deploy all resources equitably across the constituency as prioritized.

2. Environmental performance

Environmental Policy Statement

NG CDF Kesses recognises that day-to-day operations can impact both directly and indirectly on the environment. We aim to protect and improve the environment through good management and by adopting best practice wherever possible. NG CDF Kesses will work to integrate environmental considerations into our business decisions and adopt greener alternatives wherever possible, throughout our operations.

In all our activities we aspire to:

- Comply fully with all relevant legal requirements, codes of practice and

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements

For the year ended June 30, 2020

regulations.

- Prevent pollution to land, air and water.
- Reduce water and energy use.
- Identify and manage environmental risks and hazards.
- Involve customers, partners, clients, suppliers and subcontractors in the implementation of our objectives.
- Provide suitable training to enable employees to deal with their specific areas of environmental control.
- All employees are responsible for working towards the objectives contained within this policy

3. Employee welfare

NG-CDF Kesses is an equal opportunity employer and thus considers all applicants without discrimination. Recruitment of staff is guided by the NG-CDF Board circular as well as the employment Act of . employees are employed on three years contract while interns are recruited for a contract period of one year. The gender ratio in the employment of NG-CDF Kesses is 1:3 for female and male. The employees are trained regularly on emerging issues as well as on their duties. Appraisals are also done at the end of the financial year
NG-CDF Kesses is guided and complies with the Occupational Safety and Health Act of 2007.

4. Market place practices-

NG-CDF Kesses disburses funds to PMCs for implementation of projects. Guidance is given in ensuring fair competition amongst contractors and suppliers and giving priority to the locals. The organisation ensures responsible completion practices by:

- a) Circulating widely the tender advertisements for supply of goods and construction works.
- b) Payment to suppliers and contractors are made on time as long as all the requisite procedures have been followed.

5. Community Engagements

The community within Kesses constituency is involved in the identification of projects through public participation forums held in every ward after every two years. This has enabled the community to own the projects and ensure sustainability.

NG-CDF Kesses works hand in hand with the constituency office and other development partners. The constituency office is able to cater for needs that cannot be catered for by the NG-CDF Act for example during the fight of Covid 19 the constituency office distributed facemasks and sanitizers to constituents especially at market places and bodaboda parking lots.

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

Reports and Financial Statements

For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

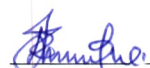
The Accounting Officer in charge of the NGCDF-KESSES Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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

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

The Accounting Officer in charge of the NGCDF-KESSES 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-KESSES Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.



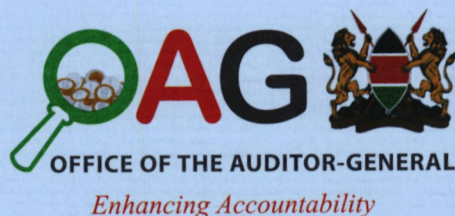
Fund Account Manager
Name: Gloria Mwasi



Sub-County Accountant
Name: Mary Waa
ICPAK Member Number: 7312

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kesses Constituency set out on pages 15 to 51, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unreconciled Variance between Financial Statements and Supporting Schedule

The statement of receipts and payments reflect acquisition of assets of Kshs.5,679,221 which includes an amount of Kshs.5,388,964 in respect to construction of buildings. However, the supporting schedule indicated a total Kshs.5,562,719 resulting to an unexplained variance of 173,755.

In the circumstances, the accuracy of the acquisition of assets of Kshs.5,679,221 reflected in the financial statements as at 30 June, 2020 could not be confirmed.

2. Misstatement of Opening Balance

The summary of fixed asset register disclosed in Annex 4 to the financial statements reflects total assets opening balance of Kshs.10,888,098 comprising of transport

equipment, motor vehicles and motorcycle and ICT equipment figure of Kshs.10,269,600 and office furniture and fittings figure of Kshs.618,498. However, audited financial statements for the year ended 30 June, 2019 reflected office furniture and fittings figure of Kshs.491,085 resulting to unexplained/unreconciled variance of Kshs.127,413.

In the circumstances, the accuracy of the financial statements as at 30 June, 2020 could not be confirmed.

3. Retentions Money not Reported in the Financial Statements

The statement of assets and liabilities reflects nil balance in respect of accounts payables-deposits and retentions as at 30 June, 2020 as disclosed in Note 12A to the financial statements. However, audit review of payment vouchers, cash book and bank statements revealed outstanding deposits and retention in respect of 10% retention fee deducted from a contractor amounting to Kshs.556,272 as at 30 June, 2020 which is not included in the statement of assets and liabilities.

Consequently, the accuracy and completeness of account payables-deposits and retentions figure of nil balance as at 30 June, 2020 could not be confirmed.

4. Unsupported Project Management Committee Bank Balances

Annex 5 to the financial statements reflects project management committee (PMC) bank balances amounting to Kshs.57,973,123 as at 30 June, 2020 held in forty-one (41) bank accounts in various commercial banks. However, cash books, bank reconciliation statements, and bank statements for the forty-one (41) bank accounts were not availed for audit review. Further, during the year, a total of Kshs.123,755,977 was disbursed to one hundred and eighty-seven (187) projects an indication of non-disclosure of 146 project management bank balances as at 30 June, 2020.

Consequently, the accuracy, completeness and existence of the project management committee bank balances of Kshs.57,973,123 as at 30 June, 2020 could not be confirmed.

5. Unconfirmed Transfers to Institutions

The statement of receipts and payments for the year ended 30 June, 2020 reflects transfers to other government units of Kshs.66,102,321 relating to funds disbursed to various Project Management Committees and Other grants and Transfers of Kshs.49,782,679 which includes bursary to secondary schools and bursary to tertiary institutions totalling to Kshs.35,740,199. However, actual expenditure returns and acknowledgement letters from institutions that received the funds were not availed for audit verification.

In the circumstances, it was not possible to confirm whether the funds were received and utilized as budgeted in the year under review.

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

Development Fund - Kesses 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 communicate in my report.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined for the year under review reflects total budgeted receipts of Kshs.217,538,756 and actual receipts of Kshs.148,171,032 resulting to underfunding of Kshs.69,367,725 or 32% of the budget. Similarly, the statement reflects final expenditure budget and actual totalling to Kshs.217,538,828 and Kshs.129,392,828 respectively, resulting to an under expenditure amounting to Kshs.88,145,928 or 40% of the budget.

The underfunding and under expenditure may have affected delivery of services to the residents of the constituency.

2. Unresolved Prior Year Matters

In audit report for 2018/2019 financial year, several issues were raised under Report on the Financial statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not provided for audit verification the evidence on how the issues were resolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Bursary to Secondary Schools and Tertiary Institutions

The statement of receipts and payments for the year ended 30 June, 2020 reflects other grants and transfers figure of Kshs.49,782,679 which includes bursary to secondary

schools of Kshs.19,010,199 and bursary to tertiary institutions of Kshs.16,730,000 all totalling to Kshs.35,740,199. However, there was no evidence to indicate that vetting, identification and categorizing of needy students was done by the bursary subcommittee. This was contrary to CDF Board guidelines issued vide circular reference VOL1/111 dated 13 September, 2010 which requires formation of a subcommittee of Constituency Development Fund to manage the bursary scheme and that subcommittee should include two co-opted members one who must be an education officer or an officer seconded from Ministry of Education. Further, the Ward Education Fund Appraisal Committees did not inquire from the learning institutions if the bursary applicants had received funding from other sources.

Consequently, the bursaries may have been awarded contrary the CDF Board circular reference VOL1/111 dated 13 September, 2010 and to undeserving students.

2.0 Emergency Payments

The statement of receipts and payments for the year ended 30 June, 2020 reflects other grants and transfers amounting to Kshs.49,782,679 which includes of payments for emergency projects amounting to Kshs.5,850,000 as disclosed in Note 7 to the financial statements. The payments were made to twelve (12) projects which included security projects, secondary and primary schools. However, there was no evidence to indicate that the Constituency Committee reported the emergencies to the Constituencies Development Board within thirty days as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

Consequently, the Fund Management is in breach of regulations.

3.0 Construction of Kesses Constituency Office

The statement of receipts and payments for the year ended 30 June, 2020 reflects acquisition of assets amount of Kshs.5,679,221 which includes construction of buildings amounting to Kshs.5,388,964 as disclosed in Note 8 to the financial statements. During the year, the Fund paid Kshs.5,388,964 to a contractor in respect of construction of NG-CDF Kesses office. However, the contract signed on 23 May, 2019 did not include a clause indicating the expected start date and the contract duration. Also, the tender documents, the inspection and acceptance committee report, supporting documents for project management fees amounting to Kshs.200,000 and ownership document for the land on which constituency Office was being established were not provided for audit.

Further, physical verification of the project carried out in the month of March, 2021 revealed electrical installation from the main grid had not been done.

4.0 Abandoned Motor Vehicle

As reported in the previous year, a Land Rover Puma was purchased on 12 May, 2014 from CMC Motors Ltd at cost Kshs.4,800,000 and included in summary of fixed assets register figure of Kshs.10,760,068 disclosed in annex 4 to the financial statement. Available information indicates that the vehicle developed mechanical problems. The Ministry of Transport carried out an inspection on 13 July, 2016 and the report shows

that the vehicle required an engine overhaul at an estimated cost of Kshs.600,000. The CDF management floated quotations and a firm was awarded the contract at a total cost of Ksh.557,727 to repair the vehicle. After the repairs, the vehicle was released for testing and it again developed a mechanical problem and was again taken back to the same garage on 13 July, 2016. However, the management of the garage demanded payment of Kshs.557,727 for the initial repairs before any further work could be done. On 6 May, 2019, Complaints Resolution Committee vide minute No.Kesses NG CDFC/02/6 May, 2019 indicates that mechanical inspection report estimated the cost of repairing the vehicle at Kshs.3,191,730 which was uneconomical and they resolved not to pay the garage because of lack of LSO and inspection report from mechanical department. The motor vehicle logbook was also not availed, and the existence of vehicle was not physically verified.

5.0 Projects

5.1 Project Implementation Status

The project status report for the year ended 30 June, 2020 availed for audit review indicates that the Fund had an approved budget of Kshs.194,797,892 to finance hundred and eighty seven (187) projects out of which Kshs.123,755,977 was disbursed to seventy eight (78) with a total budget of Kshs.132,297,892. However, included in the disbursement of Kshs.123,755,977 project is Kshs.17,225,100 disbursed to six (6) projects which had total budget of Kshs.16,233,250 thus resulting to over funding of Kshs.991,850 contrary to section 196(1) of Public Finance Management Act, 2012.

In addition, hundred and nine (109) projects with total budget of 62,500,000 were not funded during the year ended 30 June, 2020.

Non-utilization of budgeted funds indicates that planned programs or activities were not implemented thus not achieving the intended objective of improving service delivery to the people of Kesses Constituency.

5.2 Project Verification

During the year under review, fourteen (14) projects with total disbursements of Kshs.37,137,321 were verified during the audit in April 2021. Seven (7) projects with funding of Kshs.17,314,257 were found to be complete, seven (7) project with funding of Kshs.19,823,064 were incomplete as indicated in **Appendix I**.

Consequently, it has not been possible to confirm if and when value for money will be realized from the incomplete and unsatisfactorily implemented projects.

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.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 National Government Constituencies Development Fund 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists,

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 February, 2022

Appendix I

Project verification Status

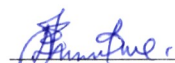
No	Project Name	Project Activity	Amount Disbursed (Kshs.)	Delivery status	Project verification Status
1	NG-CDF Office Constituency motorcycle	Purchase of motorcycle to be used by clerk of works to assist in supervision of projects	290,257	100%	Motor cycle delivered and in use
2	Sosiani Primary School	Renovation of 6classrooms; floor repair, plaster, ceiling, windows and doors repair, painting.	2,500,000	100%	Project completed and in use
3	Oasis Primary School	Construction of modern toilets for pupils with septic tank.	1,680,000	100%	Project completed and in use
4	Oasis Primary School	Electrical wiring of 7classrooms	294,000	100%	Electrical wiring is installed
5	Tumoge Secondary School	Purchase of 1 acre land	550,000	100%	Land purchased and fenced
6	Kesses REA Matching Fund Program	REA matching fund program for installation of three 50 KV transformers with a radius of 600 metres in Chepsiria and Ketiplong areas	5,000,000	100%	Three transformers were delivered and installed and in use.
7	Hill School Secondary	Purchase of 51seater school bus	7,000,000	100%	Delivered and in use
		Sub-total	17,314,257		
8	NG-CDF Kesses Office	Construction of 7 door flush bio toilet at Kshs.700,000, Construction of car shade at Kshs.500,000 and fencing of NG-CDF Office one and half acre using concrete poles, barbed wire and wire mesh at Kshs.600,841 and Construction of CDF Office foundation, wall, roofing, windows, doors Kshs.4,000,000	5,562,719	90%	on-going project
9	Moi Chuiyat Primary School	Completion of administration block: plastering, windows, doors, floor, ceiling, electrical works painting.	1,100,000	60%	Project not complete: superstructure and roofing are done and fixing of doors & windows ,plastering are done but flooring, painting, ceiling are not done
10	Racecourse Secondary School	Construction of storey administration block; walling, plaster, floor, windows, doors, electrical and plumbing works	7,000,000	70%	Project not complete: superstructure and roofing are done and fixing of doors & windows are done but flooring, plastering, electrical & plumbing works are not done

No	Project Name	Project Activity	Amount Disbursed (Kshs.)	Delivery status	Project verification Status
11	Racecourse Secondary School	Construction of storey administration block; foundation and concrete slab	1,010,345	70%	Project not complete: superstructure and roofing are done but fixing of doors & windows are not done and plastering, ceiling & electrical works are not done
12	Barekeiwo Secondary School	Completion of administration block; roofing, plaster, windows, doors, ceiling, electrical works	1,450,000	50%	Project not complete: superstructure and roofing are done but fixing of doors & windows are done but flooring, plastering, electrical & plumbing works are not done
13	Tarakwa Secondary School	Completion of dormitory; roofing, plaster, ceiling, windows, doors, electrical works.	2,200,000	70%	Project not complete: superstructure and roofing are done and fixing of doors & windows are done but ceiling & electrical works are not done
14	Kerita Kosyin Primary School	Completion of dormitory; roofing, plaster, ceiling, plumbing, electrical works, floor, doors, windows, painting	1,500,000	90%	Project not complete: superstructure and roofing are done and fixing of doors & windows, flooring are done but ceiling & plumbing works are not done
		Sub-total	19,823,064		
		Grand-total	37,137,321		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**KESSES CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 ~ 2020	2018 ~ 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,440,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	24,000	45,000
TOTAL RECEIPTS		123,464,876	108,829,483
PAYMENTS			
Compensation of employees	4	2,276,351	3,234,102
Use of goods and services	5	5,402,256	7,422,068
Transfers to Other Government Units	6	66,102,321	40,546,661
Other grants and transfers	7	49,782,679	51,482,872
Acquisition of Assets	8	5,679,221	5,469,600
Other Payments	9	150,000	2,814,827
TOTAL PAYMENTS		129,392,828	110,970,130
SURPLUS/DEFICIT		(5,927,953)	(2,140,647)

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



Fund Account Manager

Name: Gloria Mwasi



National Sub-County Accountant

Name: Mary Waa

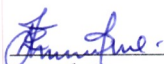
ICPAK Member Number: 7312

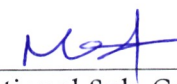
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	18,778,203	24,706,156
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		18,778,203	24,706,156
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		18,778,203	24,706,156
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		18,778,203	24,706,156
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	24,706,156	26,846,803
Surplus/Deficit for the year		(5,927,953)	(2,140,647)
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		18,778,203	24,706,156
FINANCIAL ASSETS			

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


Fund Account Manager
Name: Gloria Mwasi


National Sub-County Accountant
Name: Mary Waa
ICPAK Member Number: 7312

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KESSES CONSTITUENCY

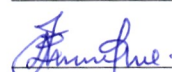
Reports and Financial Statements

For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,440,876	108,784,483
Other Receipts	3	24,000	45,000
		123,464,876	108,829,483
Payments for operating expenses			
Compensation of Employees	4	2,276,351	3,234,102
Use of goods and services	5	5,402,256	7,422,068
Transfers to Other Government Units	6	66,102,321	40,546,661
Other grants and transfers	7	49,782,679	51,482,872
Other Payments	9	150,000	2,814,827
		123,713,607	105,500,530
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(248,732)	3,328,953
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	5,679,221	5,469,600
Net cash flows from Investing Activities		(5,679,221)	(5,469,600)
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,927,953)	(2,140,647)
Cash and cash equivalent at BEGINNING of the year	13	24,706,156	26,846,803
Cash and cash equivalent at END of the year		18,778,203	24,706,156

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


Fund Account Manager
Name: Gloria Mwasi


National Sub-County Accountant
Name: Mary Waa
ICPAK Member Number: 7312

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

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	80,147,032	217,514,756	148,147,032	69,367,725	68.1%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts (AIA)	-	24,000	24,000	24,000	-	100.0%
TOTAL RECEIPTS	137,367,724	80,171,032	217,538,756	148,171,032	69,367,725	68.1%
PAYMENTS						
Compensation of Employees	3,951,228	1,553,027	5,504,255	2,276,351	3,227,904	41.4%
Use of goods and services	7,764,025	1,274,901	9,038,926	5,402,256	3,636,670	59.8%
Transfers to Other Government Units	67,400,000	50,670,321	118,070,321	66,102,321	51,968,000	56.0%
Other grants and transfers	56,451,630	10,931,993	67,383,623	49,782,679	17,600,944	73.9%
Acquisition of Assets	1,800,841	10,854,590	12,655,431	5,679,221	6,976,210	44.9%
Other Payments	-	4,862,200	4,862,200	150,000	4,712,200	3.1%
Unallocated expenditure	-	24,000	24,000	-	24,000	0.0%
TOTAL	137,367,724	80,171,032	217,538,756	129,392,828	88,145,928	59.5%

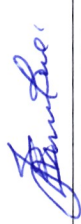
Below we provide our comments on budget utilization

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

- i. Under utilization of funds was brought about by delay in receipt of funds from NG-CDF Board
- ii. The first tranche of funds received for 2019/20 financial year was allocated to bursary, administration and monitoring and evaluation and little funding for projects hence significant underutilization on transfer to other government entities.
- iii. Underutilization on other payments is due to re-allocation of funds from Constituency Innovation Hubs to Electricity and approval for the same delayed.

The changes between the original and final budget were as a result of reallocations within the budget and implementation of prior year activities which were funded within the current financial year FY 2019/20

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



Fund Account Manager
Name: Gloria Mwasi



Sub-County Accountant
Name: Mary Waa
ICPAK Member Number: 7312

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,951,228	1,553,027	5,504,255	2,276,351	3,227,904
1.2 Committee allowances	1,248,000	-	1,248,000	1,213,000	35,000
1.3 Use of goods and services	2,610,941	374,901	2,985,842	1,588,256	1,397,586
Total	7,810,169	1,927,928	9,738,097	5,077,607	4,660,490
2.0 Monitoring and evaluation					
2.1 Capacity building	1,533,084	-	1,533,084	60,000	1,473,084
2.2 Committee allowances	1,432,000	900,000	2,332,000	2,284,000	48,000
2.3 Use of goods and services	940,000	-	940,000	257,000	683,000
Total	3,905,084	900,000	4,805,084	2,601,000	2,204,084
3.0 Emergency	7,198,241	4,738,993	11,937,234	5,850,000	6,087,234
Keringet Sec	-	-	-	200,000	
St Mark Teledet Se	-	-	-	400,000	
St. Michael Tulwop	-	-	-	600,000	
Boror Pry	-	-	-	600,000	
Chuchuniat Pry	-	-	-	400,000	
Tumoge Pry			-	1,000,000	

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

	-	-	-	-	-				
Sigilai Pry	-	-	-	-	-	650,000			
Koilugut Pry	-	-	-	-	-	400,000			
Chagaiya Pry	-	-	-	-	-	400,000			
Chepkoiya Pry	-	-	-	-	-	400,000			
Cengalo Sec	-	-	-	-	-	400,000			
Kiptega Sec	-	-	-	-	-	400,000			
Total	-	-	-	-	-	5,850,000			
4.0 Bursary and Social Security									
4.1 Primary Schools	-	-	-	-	-				
4.2 Secondary Schools	20,000,000				20,000,000	19,010,199			989,801
4.3 Tertiary Institutions	15,000,000			751,000	15,751,000	16,730,000			(979,000)
4.5 Social Security	-	-	-	-	-	-			-
Total	35,000,000			751,000	35,751,000	35,740,199			10,801
5.0 Sports	2,603,389			3,802,244	6,405,633	50,000			6,355,633
Bondenji FC	-	-	-	-	-	50,000			-
Total	-	-	-	-	-	50,000			
6.0 Environment	2,600,000			1,639,756	4,239,756	1,342,480			2,897,276
Bensom contractor	-	-	-	-	-	495,100			-
Rolewins co.	-	-	-	-	-	413,400			-

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

Eldmara agencies	-	-	-	-	433,980	-
Total	-	-	-	-	1,342,480	-
7.0 Primary Schools Projects (List all the Projects)						
Oasis primary School	1,800,000	1,974,000	3,774,000	1,974,000	1,800,000	1,800,000
Racecourse primary School	1,800,000	-	1,800,000	-	1,800,000	1,800,000
Hill school primary	1,800,000	-	1,800,000	-	1,800,000	1,800,000
Rongai primary school	300,000	-	300,000	-	300,000	300,000
Muchorwe primary School	300,000	-	300,000	-	300,000	300,000
Lainguse primary School	200,000	-	200,000	-	200,000	200,000
Chagaiya primary School	200,000	-	200,000	-	200,000	200,000
Kapilat primary School	500,000	-	500,000	-	500,000	500,000
Chemare primary School	400,000	-	400,000	-	400,000	400,000
Chepkitiny primary School	200,000	-	200,000	-	200,000	200,000
Korionat primary School	200,000	-	200,000	-	200,000	200,000
Kapchorua primary School	200,000	-	200,000	-	200,000	200,000
Chereber primary School	300,000	-	300,000	-	300,000	300,000
Silaga primary School	300,000	-	300,000	-	300,000	300,000
Chirchir primary School	200,000	-	200,000	-	200,000	200,000
Kipkorosyo primary School	500,000	-	500,000	-	500,000	500,000

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

Kapyemit primary School	200,000	800,000	1,000,000	800,000	200,000
Cheboror primary School	200,000	-	200,000	-	200,000
St. catherine kahuho primary School	200,000	-	200,000	-	200,000
St. cornellious tilolwo primary School	400,000	-	400,000	-	400,000
Kamuyu primary School	400,000	-	400,000	-	400,000
Sambul primary School	400,000	-	400,000	-	400,000
Timboroa primary School	400,000	-	400,000	-	400,000
Subukia primary School	250,000	-	250,000	-	250,000
Ndungulu primary School	250,000	-	250,000	-	250,000
St. Mark teldet primary School	500,000	-	500,000	-	500,000
Chereber primary School	200,000	-	200,000	-	200,000
St. mathew central primary School	200,000	-	200,000	200,000	-
Kerita tulwet primary School	200,000	-	200,000	200,000	-
Rehema primary School	600,000	800,000	1,400,000	800,000	600,000
Mogochoret primary School	250,000	-	250,000	250,000	-
Mogochoret primary School	200,000	-	200,000	-	200,000
Kerita Tulwet primary School	400,000	-	400,000	-	400,000
Mugundoi primary School	400,000	-	400,000	400,000	-
Seiyoprimary School	200,000	-	200,000	-	200,000
Koitebes primary School	300,000	600,000	900,000	600,000	300,000

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

Chebii primary School	500,000	-	500,000	-	500,000
Kaptumo primary school	500,000	-	500,000	-	500,000
Kaptumo primary school	500,000	-	500,000	-	500,000
Chebii primary School	800,000	-	800,000	-	800,000
Chesegem primary School	500,000	-	500,000	-	500,000
Kerita primary School	500,000	500,000	1,000,000	500,000	500,000
Saroiyot primary School	600,000	800,000	1,400,000	800,000	600,000
Cheplosgei primary School	1,000,000	-	1,000,000	-	1,000,000
Mogobich primary School	800,000	-	800,000	-	800,000
Lengut primary School	800,000	-	800,000	-	800,000
Emkwen koitebes B primary School	1,600,000	-	1,600,000	-	1,600,000
Kerita Kosyin primary School	250,000	1,500,000	1,750,000	1,500,000	250,000
Tulwopngtuny primary School	500,000	-	500,000	-	500,000
Kapranga primary School	600,000	-	600,000	-	600,000
Kapranga primary School	450,000	-	450,000	-	450,000
Koisolia primary School	400,000	-	400,000	-	400,000
Lelmolok primary School	750,000	-	750,000	-	750,000
Kapserton primary School	700,000	-	700,000	-	700,000
Tulwet primary School	1,000,000	-	1,000,000	-	1,000,000
Tuiyobei gaa primary school	800,000	-	800,000	-	800,000

Reports and Financial Statements
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AIC Ruman chebuiywo primary school	800,000	800,000	1,600,000	800,000	800,000	800,000
AIC Ketiplongprimary school	800,000	-	800,000	-	-	800,000
Kondoo farm nine primary school	800,000	800,000	1,600,000	800,000	800,000	800,000
Toror primary school	500,000	-	500,000	500,000	-	-
Asururiet primary school		400,000	400,000	400,000	-	-
Sosiani primary school		2,500,000	2,500,000	2,500,000	-	-
Nabkoi Boys Boarding primary School		1,000,000	1,000,000	1,000,000	-	-
Koiluget primary School		1,000,000	1,000,000	1,000,000	-	-
Asururiet primary School		800,000	800,000	800,000	-	-
Murgor primary School		800,000	800,000	800,000	-	-
AIC Rev. Mesis primary School		800,000	800,000	800,000	-	-
Boror primary School		800,000	800,000	800,000	-	-
Tumoge primary School		800,000	800,000	-	800,000	-
Moi chuiyat primary School		1,100,000	1,100,000	1,100,000	-	-
Chesunet primary School		600,000	600,000	600,000	-	-
Lingwai primary School		200,000	200,000	200,000	-	-
Chuchuniat primary School		800,000	800,000	800,000	-	-
Kerita Tulwet primary School		800,000	800,000	800,000	-	-
Chemenei primary School		500,000	500,000	500,000	-	-
Tarakwa primary School		450,000	450,000	-	450,000	-
Total	31,800,000	21,924,000	53,724,000	22,224,000	31,500,000	
8.0 Secondary Schools Projects (List all the Projects)						
Racecourse secondary School	2,000,000.00	7,010,344	9,010,344	7,010,344	2,000,000.00	
Sosiani Secondary school	1,600,000.00	-	1,600,000.00	-	1,600,000.00	
Hill school Secondary	7,000,000.00	-	7,000,000.00	7,000,000	-	

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For the year ended June 30, 2020

Koiwoarusen secondary school	7,000,000.00	-	7,000,000.00	7,000,000	-
Ndungulu Secondary school	300,000.00	-	300,000.00	-	300,000.00
Cengalo Secondary school	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Bishop Muge Secondary school	200,000.00	2,600,000	2,800,000	2,600,000	200,000.00
KoilugutSecondary school	400,000.00	-	400,000.00	-	400,000.00
Lainguse Secondary school	800,000.00	-	800,000.00	-	800,000.00
Rehema Secondary school	1,000,000.00	1,086,659	2,086,659	1,086,659	1,000,000.00
Saroiyot secondary School	2,500,000.00	1,000,000	3,500,000	1,000,000	2,500,000.00
AIC Kaptumo secondary school	800,000.00	1,000,000	1,800,000	1,000,000	800,000.00
Keringet Secondary school	500,000.00	-	500,000	-	500,000.00
Kerita Day Secondary School	800,000.00	1,000,000	1,800,000	1,000,000	800,000.00
Lingway Secondary school	2,000,000.00	1,386,659	3,386,659	1,368,659	2,018,000.00
St. Michael Tulwopngetuny Secondary school	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Tumoge Secondary school	400,000.00	-	400,000.00	-	400,000.00
Tumoge Secondary school	800,000.00	550,000	1,350,000.00	550,000	800,000.00
Bindura Secondary school	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Koisagat Gaa Secondary school	800,000.00	-	800,000.00	800,000	-
Lelmolok Secondary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Mkombozi Secondary School	500,000.00	-	500,000.00	-	500,000.00
Cheplaskai boys high School	1,000,000.00	-	1,000,000.00	-	1,000,000.00

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Moi university Secondary school	200,000.00	-	200,000.00	-	200,000.00
Barekeiwo Secondary school		1,450,000	1,450,000	1,450,000	-
Tarakwa Secondary school		2,200,000	2,200,000	2,200,000	-
Matharu Secondary school		800,000	800,000	800,000	-
Chagaiya Secondary school		1,000,000	1,000,000	1,000,000	-
St. Mark Teldet Secondary school		1,000,000	1,000,000	1,000,000	-
AIC Tulwet Secondary school		1,000,000	1,000,000	1,000,000	-
Bindura Secondary school		1,000,000	1,000,000	1,000,000	-
Chepkoiyo Secondary school		1,000,000	1,000,000	1,000,000	-
AIC Isaac Kosgei Secondary School		1,000,000	1,000,000	1,000,000	-
R.C.F.A Seiyu Secondary School		3,012,659	3,012,659	3,012,659	-
Total	35,600,000	29,096,321	64,696,321	43,878,321	20,818,000
9.0 Tertiary institutions Projects (List all the Projects)					
10.0 Security Projects					
Lainguse chief office	1,000,000.00	-	1,000,000.00	1,000,000	-
Lainguse chief office	200,000.00	-	200,000.00	-	200,000
Chuiyat chief office	800,000.00	-	800,000.00	800,000	-
Chuiyat chief office	200,000.00	-	200,000.00	-	200,000
Kapkoi chief office	200,000.00	-	200,000.00	-	200,000
Kapkoi chief office	150,000.00	-	150,000.00	-	150,000.00
Kipchamo chief office	200,000.00	-	200,000.00	-	200,000.00
Kesses police station	6,300,000.00	-	6,300,000.00	-	6,300,000.00
Total	9,050,000		9,050,000	1,800,000	7,250,000

Reports and Financial Statements
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11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	380,400	380,400	290,257	90,143	
11.2 Construction of CDF office	1,800,841	9,124,190	10,925,031	5,388,964	5,536,067	
11.3 Purchase of furniture and equipment	-	1,350,000	1,350,000	-	1,350,000	
11.4 Purchase of computers	-	-	-	-	-	
11.5 Purchase of land	-	-	-	-	-	
12.0 Others		-	-	-	-	
12.1 Strategic Plan	-	185,173	185,173	150,000	35,173	
12.2 Innovation Hub	-	4,677,027	4,677,027	-	4,677,027	
Unallocated expenditure		24,000	24,000	-	24,000	
TOTAL	137,367,724	80,171,032	217,538,756	129,392,828	88,145,928	

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

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XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Kesses Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO. B 030339			54,784,483
AIE NO. B 006268			15,000,000
AIE NO. B 042764			10,000,000
AIE NO. B 042906			29,000,000
AIE NO. B 047291		55,040,876	
AIE NO. B 047454		4,000,000	
AIE NO. B 041472		20,000,000	
AIE NO. B 047915		6,000,000	
AIE NO. B 049301		14,000,000	
AIE NO. B 104326		15,000,000	
AIE NO. B 096580		9,000,000	
AIE NO. B 104207		400,000	
TOTAL		123,440,876	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	24,000	45,000
Total	24,000	45,000

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	1,548,190	1,766,480
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	108,000	108,000
Transport allowance	96,000	96,000
Leave allowance	-	-
Other personnel payments- NHIF	43,050	57,200
Employer contribution to NSSF	103,680	129,600
Gratuity-contractual employees	377,431	1,076,822
TOTAL	2,276,351	3,234,102

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KESSES CONSTITUENCY**

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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	18,144	-
Domestic travel and subsistence	151,900	84,100
Printing, advertising and information supplies & services	-	114,200
Rentals of produced assets	-	-
Training expenses	60,000	1,325,800
Hospitality supplies and services	-	-
Other committee expenses	3,268,050	3,716,006
Committee allowance	1,213,000	1,425,000
Insurance costs	192,297	250,292
Specialised materials and services	-	-
Office and general supplies and services	366,400	350,800
Fuel , oil & lubricants	52,566	-
Other operating expenses	-	-
Bank service commission and charges	67,000	155,870
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	12,899	-
Routine maintenance- other assets	-	-
TOTAL	5,402,256	7,422,068

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	22,224,000	22,500,000
Transfers to Secondary Schools	43,878,321	16,846,661
Transfers to Tertiary Institutions	-	1,200,000
TOTAL	66,102,321	40,546,661

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	19,010,199	23,889,903
Bursary -Tertiary	16,730,000	20,289,000
Bursary- Special Schools	-	-
Electricity	5,000,000	-
Security	1,800,000	2,607,931
Roads and Bridges	-	-
Sports	50,000	2,066,038
Environment	1,342,480	-
Emergency Projects	5,850,000	2,630,000
TOTAL	49,782,679	51,482,872

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

8. ACQUISITION OF ASSETS

Non Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	5,388,964.00	-
Purchase of Vehicles	-	5,469,600.00
Purchase of Bicycles & Motorcycles	290,257.00	-
Purchase of office furniture and fittings	-	-
TOTAL	5,679,221	5,469,600

9. OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Strategic Plan	150,000	2,814,827
ICT Hubs	-	-
TOTAL	150,000	2,814,827

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

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
<i>Co-operative Bank of Kenya, Eldoret Branch, Kesses NG- CDF</i>	<i>A/C no.1141443590500</i>	18,778,203	24,706,156
10B: CASH IN HAND)			
		2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

12A. RETENTION

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

12B. GRATUITY DEPOSITS

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

13. BALANCES BROUGHT FORWARD

		2019 - 2020	2018 - 2019
		Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts		24,706,156	26,846,803
Cash in hand		-	-
Imprest		-	-
TOTAL		24,706,156	26,846,803

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 – 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,739,280	1,553,027
Use of goods and services	4,329,760	1,474,901
Amounts due to other Government entities (see attached list)	52,318,000	50,670,321
Amounts due to other grants and other transfers (see attached list)	21,745,520	10,731,993
Acquisition of assets	6,993,395	10,854,590
Others (<i>specify</i>)	19,973	4,862,200
	88,145,928	80,147,032

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

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	57,973,123	22,876,011
	57,973,123	22,876,011

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Construction of buildings	a	b	c	d=a-c	
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 2020	Comments
		a	b	c	d=a-c	
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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[illegible]

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures		5,388,964		5,388,964
Transport equipment – motor vehicle and motor cycle	10,269,600	290,257		10,559,857
Office equipment, furniture and fittings	618,498			618,498
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	10,888,098	5,679,221		16,567,319

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

PMC	Bank	Account number	Bank Balance 2019/20
Koitebes Pry	Co-operative	01141440957700	600,294.00
Oasis Pry	Co-operative	01141673444100	383,209.50
Sosiani Pry	Co-operative	01141673872400	1,849.50
Chuchuniat Pry	Equity	1090297423785	1,284,255.00
Saroiyot Pry	Co-operative	011418102298600	829,565.00
Kerita Tulwet Pry	KCB	1171020082	958,894.00
Murgor Pry	Co-operative	01141810276100	800,035.25
Asururiet Pry	Co-operative	01141440095702	823,295.50
Chesunet Pry	Co-operative	01141443670100	601,065.00
Nabkoi Boys Boarding	Co-operative	01141442103400	1,028,819.81
Rehema Pry	National	1024028600401	493,549.00
Koiluget Pry	Equity	300297864171	1,437,039.50
Kerita Kosyin Pry	National	10240027774901	1,501,068.57
Chuiyat Pry	Co-operative	01141672532200	1,100,862.50
Boror Pry	Equity	1090297628384	1,433,729.00
AIC Rev Mesis	Co-operative	01141672756900	797,958.50
Chemenei Pry	Co-operative	01141443223500	506,362.50
Aic Ruman Pry	Co-operative	01139443844500	772,907.50
Toror Pry	Co-operative	01139442730100	502,241.00
Mogochoret Pry	Sidian	1008030000383	250,480.00
Saroiyot Sec	National	1025081888802	1,001,081.00
Kaptumo Sec	Co-operative	01141673528700	1,012,312.50
Lingway Sec	Co-operative	01141673452000	1,391,810.50

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Aic Tulwet Sec	National	1021030761802	57,502.00
Bishop Muge Sec	KCB	1152096419	2,323,603.50
Seiyo Sec	Co-operative	01141440093300	3,015,801.50
Kerita Day Sec	KCB	1234305291	855,783.50
Racecourse Sec	Transnational	65231001	7,865,076.80
Bindura Sec	Co-operative	01141672522800	53,425.50
Rehema Sec	Co-operative	011414438003400	1,089,244.50
St Mark Teldet Sec	Equity	300262296784	1,589,006.60
Matharu Sec	KCB	1236047443	800,855.00
Chagaiya Sec	Co-operative	01141442714000	1,276,565.50
Chepkoiyo Sec	KCB	1157528805	1,019,815.00
AIC Isaac Kosgei	National	1025028640702	981,000.00
Barekeiwo Sec	Co-operative	01139440906400	1,660,950.00
Hill School Girls	KCB	1129707407	7,158,657.50
Koiwoarusen Sec	Co-operative	01141674019700	7,022,170.00
Koisagat Sec	Co-operative	01139443402800	802,427.50
Lainguse Chief	Co-operative	01141674116200	68,030.00
Chuiyat Chief Office	Co-operative	01141673845400	820,524.50
Total			57,973,123.53

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)
1.1	Compensation of employees; statement of receipts and statements for the year ended 30 th June 2019 disclose compensation of employees figure of Kshs. 3,234,102 whereas supporting documents indicate a figure of Kshs. 3,668,672 resulting to a variance of Kshs 434,570 which has neither been explained nor reconciled. Consequently the accuracy and completeness of the compensation of employees figure of Kshs. 3,234,102 as at 30 th June 2019 could not be confirmed.	The difference of Kshs. 434,570 was gratuity set aside but not paid. However, the financial statements and supporting schedules have been reconciled.	Gloria Mwasi-FAM	Resolved	
2.0	The summary statement of appropriation recurrent and development combined for the year ended 30 th June 2019 also reflects adjustment figure of Kshs. 82,031,286 whose supporting documents were not provided for audit review. As a result the completeness of the adjustment figure of Kshs.	Supporting documents for the adjustment figure of Kshs. 82,031,286 have been submitted to the auditors for review.	Gloria Mwasi-FAM	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.0	82,031,286 for the year ended 30th June 2019 could not be confirmed. A review of the assets register availed for audit shows that 15 assets did not have the cost of the asset of which 5 were transferred from CDF Board and 10 were inherited from the former Eldoret South. Consequently the accuracy and completeness of the assets register as at 30th June 2019 could not be confirmed	The management if following up with NG-CDF Board head office to ascertain the prices of the assets received as well as get prices of 10 inherited assets from Kapseret Constituency	Gloria Mwasi-FAM	Not resolved	31 st December 2020
3.2	Purchase of motor vehicle-The statement of receipts and payments for the year ended 30th June 2019 indicates acquisition of assets balance of Kshs. 5,469,600 in respect of purchase of motor vehicle. Available records show that CDF management purchased a Toyota Hillux double cab competitively from M/s Bhogals Toyota Nakuru on 16th January 2019 and the vehicle delivered on 01 February 2019 after pre-delivery inspection by the Ministry of	The management if following up with NG-CDF Board head office to get the log book since it is registered in the name of the Board.	Gloria Mwasi-FAM	Not resolved	31 st December 2020

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	Transport. However, the motor vehicle log book was not availed for audit verification. In the circumstance, the ownership of the vehicle could not be confirmed.				