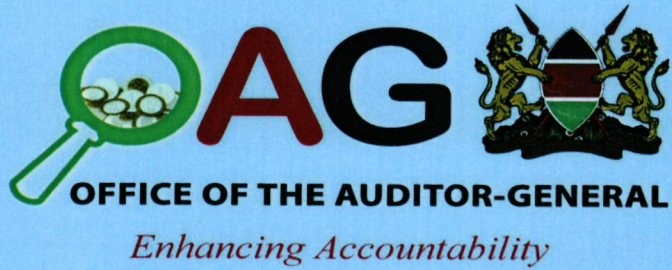



REPUBLIC OF KENYA

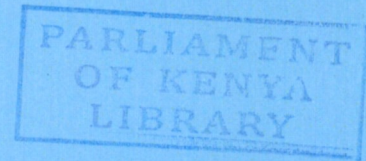


# REPORT

OF

**THE AUDITOR-GENERAL**

 THE NATIONAL ASSEMBLY	
DATE: 08 FEB 2022	
DAY: Tuesday ON	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Benson



## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KACHELIBA CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2020



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

**REPORTS AND FINANCIAL STATEMENTS**

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



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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

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**Core Values**

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

**(b) Key Management**

The NGCDF KACHELIBA 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Wilson K Chemkenei
2.	Sub-County Accountant	Stephen N Marigi
3.	Chairman NGCDFC	Aaron Toroitich
4.	Member NGCDFC	John Losuko Boisio

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 221-30600  
Alale CDF Building Plaza  
Kacheliba Road  
KAPENGURIA, KENYA

**(f) NGCDF KACHELIBA Constituency Contacts**

Telephone: (254) 721 730 821  
E-mail: [kacheliba@ngcdf.go.ke](mailto:kacheliba@ngcdf.go.ke)  
Website: [www.ngcdfboard.go.ke](http://www.ngcdfboard.go.ke)

**(g) NGCDF KACHELIBA Constituency Bankers**

Equity Bank of Kenya  
Kapenguria Branch  
P.O. Box 114-30600  
KAPENGURIA, 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)**

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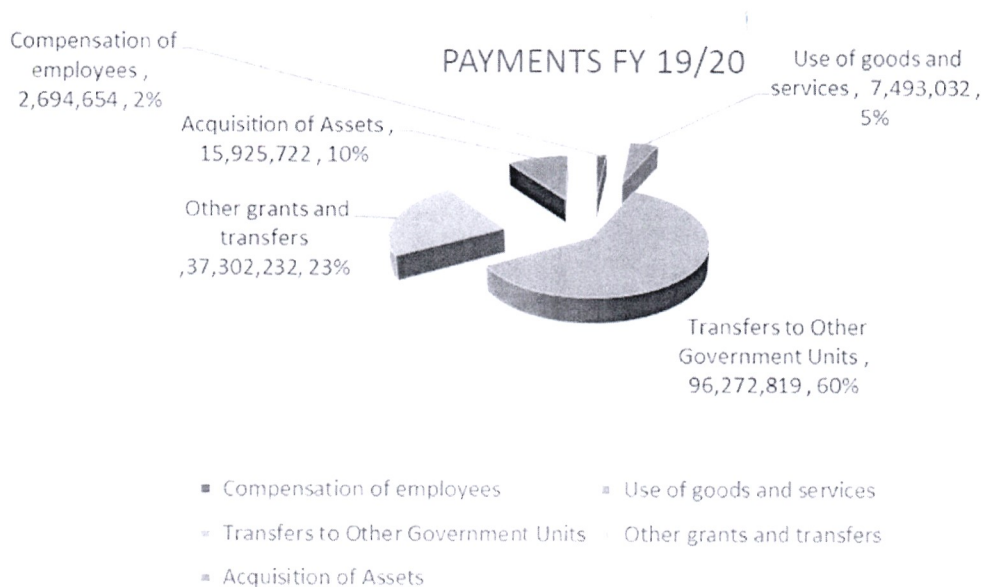
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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

On behalf of Kacheliba NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2019/2020. During the 2018/2019 financial year our overall performance was at 38.1% which was below average. However, in the year under review, 2019/2020 our overall performance was at 66.3 % which was a commendable improvement from the last financial year. This was because the NGCDF board was able to disburse funds for the previous financial years

Kacheliba NG- CDF has made significant progress in its budget especially on the completion rates of the funded projects. The financial statement details the performance and financial position of Kacheliba NG CDF for financial year 2019/20. The total funds Kacheliba NG-CDFC received from the NG-CDF Board amounts to Ksh 150,060,057 during the financial year 2019/2020. The total expenditure in the financial year under review amounted to Ksh. 159,688,459. This represented 66.3% absorption of total receipts in the year under review. The total budget for the year under review is Ksh 232,688,459. This comprises of the constituency allocation of Ksh. 137,367,724 in the FY 2019-2020 and a balance brought forward from the previous financial years of Ksh 103,417,879. Below we present the graphical presentation of the expenses.



Implementation of NG-CDF Kacheliba objectives were achieved through timely providence of service delivery through school infrastructure, security infrastructures, school environmental services through construction of toilets and holding of Constituency tournament at Kodich Ward. Despite of these successes, the NG-CDFC also experienced challenges of expiry of 2 year committee term in December 2019 thus leaving management vacuum until August 2020. In addition, COVID 19 Pandemic was announced in March 2020 in Kenya and as a result all colleges and secondary school were closed down. This made CDF not to disburse bursary fees to schools and colleges. This fund will be relocated to project and forwarded to NGCDF Board for approval.

With these few remarks, I would wish to congratulate my CDFC committee, CDF Board and Fund Accounts manager for making this year a success.

Sign 

**CHAIRMAN NGCDF COMMITTEE**

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED 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-KACHELIBA Constituency's 2018-2022 plan are to: *(Enumerate all the objectives of the constituency as per the Strategic Plan)*

- a) Improve the quality of education at all levels within the learning Institution
- b) To Improve the Quality of Health within the Constituency
- c) To Improve Agricultural Sector and Enhance Security within the Constituency
- d) To Improve Manufacturing Sector within the Constituency
- e) To Improve Tourism Sector within the Constituency
- f) To Enhance Security within the Constituency
- g) To Arrest Environmental Degradation
- h) To Enhance Cohesion through Sports
- i) To Effectively Manage the Constituency Development Fund
- j) To Contain Urgent and Unforeseen Disasters within the Constituency

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- 43 number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- 4,050 number of bursary beneficiaries at all levels</li> </ul>	In FY 19/20 -we increased number of classrooms from 32 to 52 for secondary schools, dormitories from 8 to 10, laboratories from 1 to 3. -we increased number of classrooms from 18 to 24 for primary schools,

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				dormitories from 2 to 4, - Bursary beneficiaries at all levels were as per the attached schedules
Security	Facilitate construction of security infrastructures	Safe, peaceful and conducive environment	-4security infrastructures build within constituency	One additional security construction as compared to 2018/2019
Environment	Environmental Conservation in Kacheliba	Safe environment for students	8 school toilets were constructed	Toilets increased from 6 to 14 in primary schools
Sports	Organise constituency sport tournament	Peaceful co-existence and cohesion among constituents	The tournament in Kodich Ward was more organized	The team from all the six Wards appreciated the tournament
Disaster Management	Handling emergency activities promptly	Properly coordinated management program	2security construction were funded and education stakeholders meeting was funded after education performance crises	Service delivery continued after crises

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – Kacheliba Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Kacheliba NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short-term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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**

The Kacheliba NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

<b>Model</b>	<b>Definition</b>	<b>Relevance to sustainable strategy</b>
Vision	To be renowned Constituency in advocating for all round socio-economic development and sustainability.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.	This communicates what the office does to attain sustainable developments
Core Values	Accountability, Transparency, Integrity, Honesty, Equality, Equity	These are the norms, principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

**2. ENVIRONMENTAL PERFORMANCE**

**Environment Policy and Action Plan:**

Protection of the environment in which we live and operate is part of Kacheliba NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

**Our Environmental Policy**

In this policy statement Kacheliba NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

**Our Environmental Action Plan**

Kacheliba NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

<b>Impact Area</b>	<b>Approach</b>
Capacity Building	<ul style="list-style-type: none"><li>• Promote environmental awareness by sensitizing the Kacheliba NG-CDFC, NG-CDFC staff and PMCs on good conservation practices</li><li>• To encourage, through regular communication to Kacheliba NG-CDFC, staff , and other stakeholders changes in individual behaviour to reduce usage</li></ul>
Conservation of Energy and Resources	<ul style="list-style-type: none"><li>• To maximize use of available technologies to remove the need to use paper</li><li>• To encourage our clients to engage with us using electronic means where possible</li><li>• To maximize on rain water harvesting</li><li>• To make energy efficiency a key factor in the selection of any new energy devise being purchased</li><li>• To invest in available energy saving technologies and devices within our existing premises</li></ul>

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Environmental Protection and Conservation	<ul style="list-style-type: none"><li>• To promote use of volt guards to control power surges</li><li>• We have constructed culverts and gabions to prevent soil erosion</li><li>• To encourage tree planting in the constituency to improve the forest cover.</li><li>• To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires</li></ul>
Pollution Control and Waste Management	<ul style="list-style-type: none"><li>• To ensure that all paper waste is recycled</li><li>• To ensure segregation of waste</li><li>• To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks</li></ul>

**3. EMPLOYEES WELFARE**

**TERMS AND CONDITIONS OF SERVICE**

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

**Categories of Employment**

Kacheliba NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

**Recruitment Procedure**

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

**Appointment of a selection and Interview subcommittee**

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

**Interviews**

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

**Offer of Appointment**

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

**Letters of Appointment**

## **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

### **KACHELIBA CONSTITUENCY**

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##### **For the year ended June 30, 2020**

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A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

#### **Orientation and Induction of employees**

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

#### **Promotions**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution.

#### **HEALTH, SAFETY AND WELL BEING**

This provides guidelines on the health, safety and well-being of the office staff.

#### **Guidelines to General Safety**

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

#### **Emergency Preparedness**

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

#### **Fire precautions**

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually.

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers.

#### **Provision of protective equipment and clothing**

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

#### **Reporting of an Accident**

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor

should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

### **Guidance and Counselling**

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

### **Health Care Services**

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

### **HIV/AIDS**

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

### **Drug and Substance Abuse**

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

### **Persons Living with Disability**

An employee with impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

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**Sexual harassment and other Forms of Harassment**

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

**Reporting Harassment Cases**

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

**4. MARKET PLACE PRACTICES**

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

**a) Responsible competition practice.**

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

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

**b) Responsible Supply chain and supplier relations**

Payments to suppliers are done promptly upon presentation of requisite supporting documents

**c) Responsible marketing and advertisement**

outline efforts to maintain ethical marketing practices

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

**d) Product stewardship**

In order to safeguard consumer rights and interests, the Kacheliba NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling

policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

## **5. COMMUNITY ENGAGEMENTS**

### **Public Participation in Project Identification and Implementation and Monitoring**

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

Public participation is the process that directly engages the concerned stakeholders in decision making and gives full consideration to public input in making that decision.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

### **Public Awareness**

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings

### **Public Awareness and Sensitisation Exercise Provide**

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

### **Covid-19 Mitigation Measures**

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- NG-CDF distributed 1,000 bottles of 250mls sanitizers to the community free of charge.
- The office purchased hand wash basin and laid outside office for washing hands by the public
- The office purchased facial masks for staff and committees
- The office through FAM and chair sensitize the precaution measures to mitigate Corona Virus through Kalya Radio.

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

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

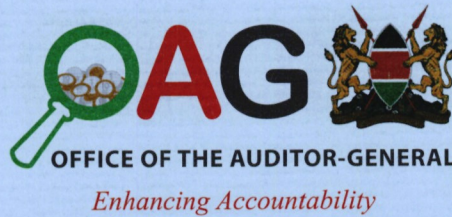
Fund Account Manager  
Name:



Sub-County Accountant  
Name: STEPHEN N MARIKI  
ICPAK Member Number: 11150

# REPUBLIC OF KENYA

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NAIROBI

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kacheliba Constituency set out on pages 18 to 59, 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 the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kacheliba 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 and the Public Finance Management Act, 2012.

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

##### **1.0 Cash and Cash Equivalents**

The statement of assets and liabilities and Note 10A to the financial statements reflect a bank balance of Kshs.3,629,421 as at 30 June, 2020. The June, 2020 bank reconciliation statement reflected unrepresented cheques amounting to Kshs.30,656,065 and payments in the bank statement not recorded in the cash book amounting to Kshs.215,894 in respect of bank charges incurred. Cheques amounting to Kshs.1,112,996 became stale after the end of the financial year and were reversed in the cash book in October, 2020.

However, no evidence was provided that the reversed cheques amounting to Kshs.1,112,996 were replaced.

Further, the bank charges amounting to Kshs.215,8934 had not been included in the expenses reported in the statement of receipts and payments.

Consequently, the accuracy of the reported cash and cash equivalents balance of Kshs.3,629,421 as at 30 June, 2020 and of the total payments of Kshs.159,688,459 could not be confirmed.

## 2.0 Project Management Committee Bank Balances

Note 17.4 and Annex 5 to the financial statements reflect a bank balance of Kshs.16,907,563 held in fifty-six (56) Project Management Committees' (PMCs) bank accounts as at 30 June, 2020. However, the cashbooks, bank reconciliation statements and certificates of bank balances as at 30 June, 2020, in respect of each Project Management Committee bank account were not provided for audit. Further, the project status report indicated that an amount of Kshs.102,837,785 was disbursed to one hundred and eleven (111) projects during the year. However, only balances relating to fifty-six (56) Projects were reported.

Consequently, the accuracy and completeness of the total Project Management Committees' bank balance of Kshs.16,907,563 as at 30 June, 2020, could not be confirmed.

## 3.0 Summary of Fixed Assets Register

The historical fixed assets cost balances for various asset classes reflected in the summary of fixed assets register under Annex 4 to the financial statements, differed with the corresponding balances reflected in the asset register as summarized in the table below:

Asset Class	Assets Cost as per Fixed Assets Register	Assets Cost as per Summary of Fixed Assets Register	Variance
	(Kshs.)	(Kshs.)	(Kshs.)
Buildings and Structures	37,000,000	24,480,000	12,520,000
Transport Equipment	14,747,606	30,134,112	(15,386,506)
Office Equipment, Furniture and Fittings	462,500	-	462,500
ICT equipment, Software and Other ICT Assets	115,999	526,500	(410,501)
Other Machinery and Equipment	16,240,000	-	16,240,000

The variances were not reconciled.

Consequently, the accuracy and completeness of the total fixed assets historical cost balance of Kshs.55,140,612 as at 30 June, 2020 could not be confirmed.

#### **4.0 Constituency Development Fund Committee (CDFC) Membership**

The statement of receipts and payments reflects use of goods and services of Kshs.7,493,032 which as disclosed in Note 5 to the financial statements, includes committee expenses of Kshs.2,837,540 paid to nine (9) members of the Constituency Committee. However, appointment and gazettement of the members as provided under Section 43(4) of National Government Constituencies Development Fund Act, 2015 was not provided for audit.

Consequently, the accuracy and propriety of the committee expenses amounting to Kshs.2,837,540 could not be confirmed.

#### **5.0 Transfers to Other Government Entities**

The statement of receipts and payments reflects transfers of Kshs.96,272,819 to other government entities which as disclosed at Note 6 to the financial statements, includes transfers of Kshs.10,300,000 to tertiary institutions. The following observations were made regarding the expenditure:

##### **5.1 Unsupported Construction Costs at Kacheliba Technical and Vocational College**

The transfers included Kshs.10,000,000 disbursed to Kacheliba Technical and Vocational College for the construction of a workshop, three (3) lecture rooms and an office. However, tender documents including tender opening register and minutes, tender evaluation reports, contract agreement, expenditure returns and reports indicating how the funds disbursed to the contractor were utilized, details of the financing plan for the Project as well as evidence of ownership of the land on which the Institute was being established were not provided for audit. Further, audit inspection of the Project during the month of March, 2021 revealed that the excavation, foundation laying, walling and fixing of doors and windows had been done while roofing and other finishing works were yet to be done. In absence of progress reports, it could not be confirmed when the Project would be completed and put to use.

Consequently, the propriety and value for money of the expenditure of Kshs.10,000,000 on the project could not be confirmed.

##### **5.2 Consultancy Services for Construction of Kodich Technical Training College**

The amount of Kshs.10,300,000 includes payment of Kshs.300,000 made in respect of environmental impact assessment consultancy services for the proposed construction of Kodich Technical Training Institute. However, procurement records required to be maintained under Section 68(1) of the Public Procurement and Asset Disposal Act, 2015 including the advertisement, minutes of the tender opening, evaluation reports, notification of award, acceptance letter, signed professional opinion, notification of unsuccessful tenderers and consultancy report were not provided for audit.

Consequently, the propriety of the consultancy expenditure of Kshs.300,000 on the Project could not be confirmed.

## **6.0 Unacknowledged Bursary Payments and Lack of Vetting of Beneficiaries**

The statement of receipts and payments reflects other grants and transfers of Kshs.37,302,232 which as disclosed in Note 7 to the financial statements, includes Kshs.4,668,500 and Kshs.10,766,750 being bursary to secondary schools and tertiary institutions respectively, both totalling to Kshs.15,435,250. However, no evidence was provided that vetting, identification and categorizing of needy students was done by the bursary subcommittee that should include Area Education Officer or a representative from the Ministry of Education as provided by the Constituencies Development Fund Board Circular Reference VOL1/111 dated 13 September, 2010. Further, evidence of acknowledgement in the form of receipts and acknowledgement letters from the various institutions that received the bursary funds were not provided for audit neither did the Fund maintain an updated database of secondary schools, colleges and universities registered by the Ministry of Education to ascertain whether the students who applied for and received the bursary funds were undertaking their studies in registered institutions. In addition, the Ward Education Fund Appraisal Committees did not establish from the learning institutions whether the bursary applicants had received funding from other sources.

Consequently, the accuracy and propriety of the bursary payments amounting to Kshs.15,435,250 could not be confirmed.

## **7.0 Lack of Ownership Documents for Motor Vehicle**

The statement of receipts and payments reflects expenditure of Kshs.15,925,722 on acquisition of assets which as disclosed in Note 8 to the financial statements includes Kshs.9,945,722 on purchase of vehicles and other transport equipment paid to a local motor vehicle dealer for a Land Cruiser Hardtop motor vehicle. Although the vehicle had been delivered and was in use, the logbook was not provided for audit.

Consequently, ownership of the vehicle 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 - Kacheliba Constituency's 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**

### **Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.232,685,603 and Kshs.163,317,880 respectively, resulting into an under-funding of Kshs.69,367,723 or 30% of the budget. Similarly, the Fund expended Kshs.159,688,459 against an approved budget of Kshs.232,685,603 resulting into an under-expenditure of Kshs.72,997,144 or 31% of the budget.

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

### **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 Unfunded Projects, Lack of Ownership Documents for Land and Incomplete Projects**

The project status report for the year ended 30 June, 2020 provided for audit, indicated that the Fund had an approved budget of Kshs.182,166,889 to finance one hundred and seventeen (117) projects out of which Kshs.135,215,406 was disbursed to one hundred and eleven (111) projects which had total budget of Kshs.159,897,141. However, six (6) projects with a total budget of Kshs.22,269,748 were not funded. Further, audit inspection in March 2021 of thirteen (13) projects whose total disbursements amounted to Kshs.40,700,000 revealed that ownership documents for the land on which the Projects were implemented - in schools and institutions including the Fund's offices - were not available contrary to Regulation 11(1)(k) of National Government Constituencies Development Regulations, 2016 which requires a Constituency Committee to ensure that where a project involves purchase of a parcel of land or a building, the ownership thereof should be duly verified and ownership documents authenticated with relevant government agencies. In addition, nine (9) projects with a combined funding of Kshs.20,200,000 had not been completed.

Delayed disbursement of funds and non-completion of projects denied the residents of Kacheliba Constituency the benefits that would have accrued from the projects. In addition, the Fund Management was in breach of the law.

## **2.0 Delayed Disbursements of Funds from the Board**

The statement of receipts and payments and Note 1 to the financial statements, reflects transfers of Kshs.150,060,057 from the National Government Constituencies Development Fund Board during the year ended 30 June, 2020. This amount includes Kshs.82,060,056 or 55% of total receipts that was budgeted for between 2015/2016 and 2018/2019 financial years. Further, the Fund had total budget of Kshs.137,367,724 for the financial year 2019/2020 out of which an amount of Kshs.68,000,000 or 49% of budgeted funds was received resulting into a budget underfunding of Kshs.69,367,723 or 51% of the budgeted funds contrary to Section 16(a) of the National Government Constituencies Development Fund Act, 2015 which provides that one of the functions of the Board shall be to ensure timely and efficient disbursement of funds to every Constituency and Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which provides for quarterly disbursement of funds.

Consequently, the Board was in breach of the law.

## **3.0 Undisclosed Historical Cost of Land**

Annex 4 to the financial statements on the summary of fixed assets register reflects a total historical asset cost balance of Kshs.55,140,612 which includes Kshs.24,480,000 on buildings and structures. However, the cost of the land was not disclosed.

Consequently, the accuracy of the summary could not be confirmed. In addition, it could not be confirmed that the Fund Management had complied with Regulation, 143(2) of the Public Finance Management (National Government) Regulations, 2015 which provides that the register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

## **4.0 Delayed Disposal of Non-Functional Grader**

As previously reported, the Fund purchased a motor grader registration number GKA 454T in the year 2007. The grader broke down in May 2015 and the District Mechanical Officer was requested to assess and to provide mechanical services to the grader. The technical report issued on 22 June, 2016 revealed that repairing the grader would cost an estimated Kshs.3,074,500 which was un-economical.

On 12 October, 2016, the Fund wrote to the National Government Constituencies Development Fund Board requesting for the approval of the disposal of the grader. However, the grader was still lying down at the Kapenguria Public Works yard at the time of audit, exposed to rust and vandalism contrary to Section 162(3) of Public Procurement and Asset Disposal Act, 2015 which provides that stores, inventory and assets that are procured by a public entity shall not be allowed to suffer deterioration from any preventable cause.

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for 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 National Government Constituencies Development Fund - Kacheliba Constituency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

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

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

In addition to the audit of the financial statements, a compliance 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 Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or 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 continue as a going concern or 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**

**13 January, 2022**

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

**Reports and Financial Statements**

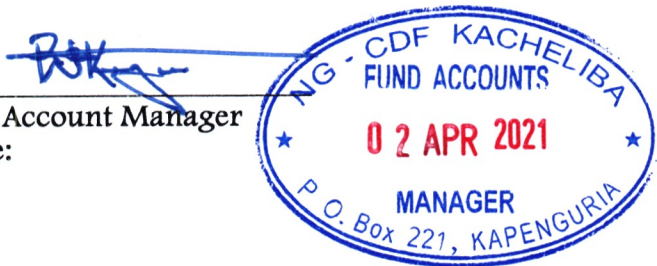
**For the year ended June 30, 2020**

**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	150,060,057	76,265,302
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>150,060,057</b>	<b>76,265,302</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,694,654	1,692,429
Use of goods and services	5	7,493,032	6,637,779
Transfers to Other Government Units	6	96,272,819	22,302,795
Other grants and transfers	7	37,302,232	31,243,350
Acquisition of Assets	8	15,925,722	-
Other Payments	9	-	1,896,551
<b>TOTAL PAYMENTS</b>		<b>159,688,459</b>	<b>63,772,904</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(9,628,403)</b>	<b>12,492,398</b>

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

Fund Account Manager  
Name:



National Sub-County Accountant  
Name: STEPHEN N MATIA  
ICPAK Member Number: 1110

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

**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	3,629,421	13,257,823
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>3,629,421</b>	<b>13,257,823</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,629,421</b>	<b>13,257,823</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b><u>3,629,421</u></b>	<b><u>13,257,823</u></b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	<b>13</b>	13,257,823	765,425
Prior year adjustments	14	-	-
Surplus/Defict for the year		(9,628,403)	12,492,398
<b>NET FINANCIAL POSITION</b>		<b><u>3,629,421</u></b>	<b><u>13,257,823</u></b>

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

Fund Account Manager  
Name: \_\_\_\_\_



National Sub-County Accountant  
Name: STEVEN M. MATIA,  
ICPAK Member Number: 11150

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

**KACHELIBA CONSTITUENCY**

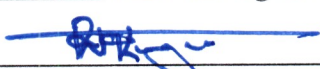
**Reports and Financial Statements**

**For the year ended June 30, 2020**

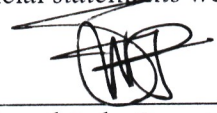
**IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2020**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	150,060,057	76,265,302
Other Receipts	3	-	-
<b>Total receipts</b>		<b>150,060,057</b>	<b>76,265,302</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,694,654	1,692,429
Use of goods and services	5	7,493,032	6,637,779
Transfers to Other Government Units	6	96,272,819	22,302,795
Other grants and transfers	7	37,302,232	31,243,350
Other Payments	9	-	1,896,551
<b>Total payments</b>		<b>143,762,737</b>	<b>63,772,904</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>			
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
		<b>6,297,320</b>	<b>12,492,398</b>
<b>Net cash flow from operating activities</b>			
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	15,925,722	-
<b>Net cash flows from Investing Activities</b>		<b>(15,925,722)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(9,628,403)</b>	<b>12,492,398</b>
Cash and cash equivalent at BEGINNING of the year	10	13,257,823	765,425
Cash and cash equivalent at END of the year		<b>3,629,421</b>	<b>13,257,823</b>

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

  
Fund Account Manager  
Name:



  
National Sub-County Accountant  
Name: **STEPHEN M. MATHIAI**  
ICPAK Member Number: **11150**

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

**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 %
<b>RECEIPTS</b>						
Transfers from NGCDF Board	137,367,724	82,060,056	219,427,780	150,060,057	69,367,723	68.39%
Proceeds from Sale of Assets	-	-	-	-	-	0.00%
Other Receipts	-	-	-	-	-	0.00%
Bank Balance FY 2018/19		13,257,823	13,257,823	13,257,823		100.00%
<b>PAYMENTS</b>						
Compensation of Employees	2,806,560	2,774,302	5,580,862	2,694,654	2,886,208	48.28%
Use of goods and services	9,556,535	7,805,792	17,362,327	7,493,032	9,869,295	43.16%
Transfers to Other Government Units	73,969,748	49,246,801	123,216,549	96,272,819	26,943,730	78.13%
Other grants and transfers	51,034,881	19,490,984	70,525,865	37,302,232	33,223,633	52.89%
Acquisition of Assets	-	16,000,000	16,000,000	15,925,722	74,278	99.54%
Other Payments	-	-	-	-	-	0.00%
<b>TOTALS</b>	<b>137,367,724</b>	<b>95,317,879</b>	<b>232,685,603</b>	<b>159,688,459</b>	<b>72,997,144</b>	<b>68.63%</b>


The absorption rate of the 2019-2020 budgets for Kacheliba Constituency NGCDF stood at 68.63%. This was a marked improvement from last years absorption rate of 38.1%. At the close of the 2019-2020 financial year, Kshs. 69,367,723 for Kacheliba Constituency NGCDF was yet to be disbursed from the Board.

The underutilisation of Other grants and transfers was as a result of low disbursement of bursary funds due to the closure of learning institutions resulting from the COVID pandemic


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KACHELIBA CONSTITUENCY**  
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The increase in the original budget is represented by the unutilised funds carried forward from the previous financial year.

The NGCDF-KACHELIBA Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

  
\_\_\_\_\_

Fund Account Manager  
Name:

  
Sub-County Accountant  
Name: **STEPHEN N MATHIAI**  
ICPAK Member Number: **MSO.**



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

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

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2019/2020	Kshs	2019/2020	Kshs	2019/2020	Kshs	30/06/2020	Kshs	2019/2020	Kshs
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	2,806,560		777,413		3,583,973		2,694,654		889,319	
1.2 Committee allowances	3,000,000		-		3,000,000		2,124,850		875,150	
1.3 Use of goods and services	2,435,503		4,047,969		6,483,472		6,327,699		155,773	
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	1,200,000		-		1,200,000		1,038,830		161,170	
2.2 Committee allowances	1,500,000		-		1,500,000		712,690		787,310	
2.3 Use of goods and services	1,421,032		-		1,421,032		1,165,333		255,699	
<b>3.0 Emergency</b>										
	7,198,241		499,583		7,697,824		6,534,650		1,163,174	
<b>4.0 Bursary and Social Security</b>										
4.1 Primary Schools										
4.2 Secondary Schools	18,000,000		13,849,290		31,849,290		4,668,500		27,180,790	
4.3 Tertiary Institutions	11,341,931		2,605,849		13,947,780		10,766,750		3,181,030	
4.4 Special Schools	5,000,000		-		5,000,000		-		5,000,000	
<b>5.0 Sports</b>										
5.1 Purchase of sports kits	2,747,354		372,064		3,119,418		2,938,600		180,818	
<b>6.0 Environment</b>										
6.1 Amura primary	300,000		-		300,000		300,000		-	
6.2 Atartar primary	300,000		-		300,000		300,000		-	

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

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

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference
	2019/2020	Kshs	Kshs	Kshs	2019/2020	Kshs	30/06/2020	Kshs	
6.3 Chepurwo primary	300,000		-		300,000		-	300,000	
6.4 Kalia primary	300,000		-		300,000		300,000		
6.5 Kamokongwo primary	300,000		-		300,000		300,000		
6.6 Kapkewa primary	300,000		-		300,000		300,000		
6.7 Kasitet primary	300,000		-		300,000		300,000		
6.8 Shongen primary	300,000		-		300,000		300,000		
6.9 Tantapos primary	347,354		-		347,354		347,354		
<b>7.0 Primary Schools Projects (List all the Projects)</b>									
CHEDAWA PRY									
LOKOMOLO PRY	-		300,000		300,000		300,000		
KASOPT PRY	-		300,000		300,000		300,000		
KAPCHEROR PRY	-		500,000		500,000		500,000		
KATUDA PRY	-		400,000		400,000		400,000		
LOCHERIAMONG PRY	-		700,000		700,000		700,000		
MORUEPONG PRY	-		700,000		700,000		700,000		
CHURUM PRY	-		800,000		800,000		800,000		
LOTEPES PRY	-		500,000		500,000		500,000		
LONYANGALEM PRY	-		500,000		500,000		500,000		
KASITET PRY	-		500,000		500,000		500,000		
AKIRIAMET PRY	-		500,000		500,000		500,000		
AROL PRY	-		700,000		700,000		700,000		
TANTAPOS PRY	-		1,000,000		1,000,000		1,000,000		
LONYANGALEM PRY	-		1,200,000		1,200,000		1,200,000		
MURKORIO PRY	-		500,000		500,000		500,000		
KAPETAKINEI PRY	-		600,000		600,000		600,000		
KACHELIBA PRY	-		-		-		310,817		(310,817)
KANYERUS PRY	-		200,000		200,000		200,000		

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference
	2019/2020	Kshs	Kshs	2019/2020	Kshs	30/06/2020	Kshs		
NASAL PRY	-	-	350,000	350,000	350,000	350,000	350,000	-	
CHEPSEPIN PRY	-	-	350,000	350,000	350,000	350,000	350,000	-	
KASEI PRY	-	-	300,000	300,000	300,000	300,000	300,000	-	
NAKWAPUO PRY	-	-	400,000	400,000	400,000	400,000	400,000	-	
NAGWOILAP PRY	-	-	400,000	400,000	400,000	400,000	400,000	-	
LOBOROI PRY	-	-	500,000	500,000	500,000	500,000	500,000	-	
KATICH PRY	-	-	600,000	600,000	600,000	600,000	600,000	-	
LOKICHAR PRY	-	-	600,000	600,000	600,000	600,000	600,000	-	
LOCHERIAMONG PRY	-	-	700,000	700,000	700,000	700,000	700,000	-	
ST BAKHITA	-	-	700,000.0	700,000	700,000	700,000	700,000	-	
KARAS PRY	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	
LOKICHAR PRY	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	
NGENGE CHWO	-	-	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	-	
NGOTUT PRY	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	
TARKIT PRY	-	-	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	-	
MISTIN PRY	-	-	800,000	800,000	800,000	800,000	800,000	-	
KACHAWA PRY	-	-	500,000	500,000	500,000	500,000	500,000	-	
TICHOT PRY	-	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000	
NAPTIRO PRY	-	-	500,000	500,000	500,000	500,000	500,000	-	
ALALE PRY	-	-	762,262	762,262	762,262	762,262	762,262	-	
CHEPTAPA PRY	1,500,000	-	-	1,500,000	1,500,000	1,500,000	1,500,000	-	
KAPEM PRY	400,000	-	-	400,000	400,000	400,000	400,000	-	
KASES PRY	400,000	-	-	400,000	400,000	400,000	400,000	-	
KOPEYON PRY	300,000	-	-	300,000	300,000	300,000	300,000	-	
KRIMTI PRY	200,000	-	-	200,000	200,000	200,000	200,000	-	
MAYAIPOGHJ PRY	400,000	-	-	400,000	400,000	400,000	400,000	-	
NASAL PRY	300,000	600,000	600,000	900,000	900,000	300,000	300,000	600,000	
SASAK PRY	300,000	-	-	300,000	300,000	300,000	300,000	-	
SASAK PRY	500,000	-	-	500,000	500,000	500,000	500,000	-	

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

**Reports and Financial Statements**

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
TANTAPOS PRY	300,000	-	300,000	300,000	-
WASAT PRY	400,000	-	400,000	400,000	-
ODONG PRY	300,000	-	300,000	300,000	-
NASITIT PRY	1,000,000	500,000	1,500,000	1,000,000	500,000
NAMORU PRY	700,000	-	700,000	700,000	-
NAKUYON PRY	700,000	-	700,000	700,000	-
MOINOI PRY	700,000	-	700,000	700,000	-
LOWOI PRY	800,000	-	800,000	800,000	-
LONYANGALEM PRY	1,600,000	-	1,600,000	1,600,000	-
KOUR PRY	1,000,000	-	1,000,000	1,000,000	-
KITUTI PRY	1,000,000	300,000	1,300,000	1,000,000	300,000
KAWOLOK PRY	2,000,000	-	2,000,000	2,000,000	-
KAWOLOK PRY	300,000	-	300,000	300,000	-
KASEPA PRY	1,500,000	-	1,500,000	1,500,000	-
KARAMERI PRY	700,000	-	700,000	700,000	-
KAPUL PRY	700,000	-	700,000	700,000	-
KAPTOLOMWO PRY	700,000	-	700,000	700,000	-
KALAPATA PRY	600,000	-	600,000	600,000	-
NAUYAPONG PRY	1,800,000	-	1,800,000	900,000	900,000
CHEPTOKOL PRY	1,500,000	-	1,500,000	1,500,000	-
	800,000	-	800,000	800,000	-
<b>8.0 Secondary Schools Projects the Projects)</b>					
(List all					
ST BAKHITA					
KIWAWA BOYS	-	1,000,000	1,000,000	1,000,000	-
KODICH BOYS	-	3,000,000	3,000,000	2,000,000	1,000,000
KAMKETO GIRLS	-	4,000,000	4,000,000	2,000,000	2,000,000
CHELOPOY BOYS	-	2,000,000	2,000,000	2,000,000	-
KOROKOU GIRLS	-	1,800,000	1,800,000	1,800,000	-

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference
	2019/2020	Kshs	Kshs	Kshs	2019/2020	Kshs	30/06/2020	Kshs	
ATULIA SECONDARY	-		1,800,000		1,800,000		1,800,000		-
CHELOPOY BOYS	4,000,000		-		4,000,000		4,000,000		-
CHELOPOY BOYS	4,000,000		-		4,000,000		4,000,000		-
HOLYCROSS KACHELIBA SECONDARY	500,000		2,000,000		2,500,000		500,000		2,000,000
KAMKETO GIRLS SECONDARY	1,969,748		-		1,969,748		1,969,748		-
KAMKETO GIRLS SECONDARY	1,000,000		-		1,000,000		1,000,000		-
KONGOLETIANG GIRLS SECONDARY	4,000,000		-		4,000,000		4,000,000		-
KIWAWA BOYS SECONDARY	2,000,000		-		2,000,000		2,000,000		-
KODICH BOYS SECONDARY	7,500,000		-		7,500,000		-		7,500,000
KONYAO MIXED SECONDARY	2,000,000		-		2,000,000		2,000,000		-
KOROKOU GIRLS SECONDARY	2,000,000		-		2,000,000		-		2,000,000
KOROKOU GIRLS SECONDARY	2,000,000		-		2,000,000		2,000,000		-
KORPU BOYS SECONDARY	500,000		-		500,000		500,000		-
NASAL SECONDARY	2,000,000		-		2,000,000		2,000,000		-
ST ANNE CHELOPOY GIRLS	3,600,000		-		3,600,000		3,600,000		-
ST BHAKITA KARON SECONDARY	500,000		-		500,000		500,000		-
	7,500,000		-		7,500,000		-		7,500,000
					-				-
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>					-				-
9.1 KODICH TTI					-				-
9.2	5,500,000		10,000,000		15,500,000		10,300,000		5,200,000
<b>10.0 Security Projects</b>					-				-
KONYAO D.O.'S OFFICE					-				-
OROLWO CHIEF'S OFFICE			1,500,000		1,500,000		1,000,000		500,000
ALALE D.O.'S/ CHIEF'S OFFICE			500,000		500,000		500,000		-
KASEI D.O.'S/ CHIEF'S OFFICE	1,000,000		1,500,000		2,500,000		1,500,000		1,000,000
KACHELIBA POLICE STATION	1,000,000		1,500,000		2,500,000		1,500,000		1,000,000
MORIETY ENT LTD	2,000,000		-		2,000,000		2,000,000		-

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

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

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
MORIETY ENT LTD	-	700,000	700,000	700,000	-
	-	-	-	-	-
	-	-	-	-	-
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles (including motorbikes)		10,000,000	10,000,000	9,945,722	54,278
11.2 Construction of CDF office	-	-	-	-	-
11.3 Construction of office fence	-	6,000,000	6,000,000	5,980,000	20,000
	-	-	-	-	-
<b>12.0 Others</b>					
12.1 Strategic Plan	-	-	-	-	-
12.2 Innovation Hub	-	103,449	103,449	-	103,449
12.2	-	-	-	-	-
<b>Totals</b>	<b>137,367,723</b>	<b>95,317,879</b>	<b>232,685,602</b>	<b>159,688,459</b>	<b>72,997,143</b>

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

## **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-KACHELIBA 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 30<sup>th</sup> 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 1<sup>st</sup> July 2019 to 30<sup>th</sup> 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 30<sup>th</sup> 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.

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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 B005107	1		43,265,302
AIE NO B030248	2		10,000,000
AIE NO B030411	3		12,000,000
AIE NO B047087			11,000,000
AIE NO B047913	1	1,519,181	
AIE NO B047235	2	40,780,657	
AIE NO B 047319	3	27,260,219	
AIE NO. B041386	4	10,000,000	
AIE NO. B041464	5	20,000,000	
AIE NO. B047433	6	4,000,000	
AIE NO. B104305	8	15,000,000	
AIE NO. B104220	9	500,000	
AIE NO. B049281	10	15,000,000	
AIE NO. B104206	11	2,000,000	
AIE NO. B096567	12	14,000,000	
<b>TOTAL</b>		<b>150,060,057</b>	<b>76,265,302</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

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**3. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,012,682	1,692,429
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	614,172	-
Employer Contributions Compulsory national social security schemes	67,800	-
<b>Total</b>	<b>2,694,654</b>	<b>1,692,429</b>

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**5. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,837,540	1,480,950
Utilities, supplies and services	1,187,927	1,165,550
Communication, supplies and services	-	-
Domestic travel and subsistence	230,600	664,402
Office rent	240,000	490,000
Printing, advertising and information supplies & services	165,360	17,040
Rentals of produced assets	-	-
Training expenses	1,138,300	1,017,900
Hospitality supplies and services	121,739	51,437
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	504,525	705,150
Fuel oil and lubricants	350,000	304,100
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	661,241	741,250
Routine maintenance – other assets	55,800	-
<b>Total</b>	<b>7,493,032</b>	<b>6,637,779</b>

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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	45,123,079	14,116,200
Transfers to secondary schools (see attached list)	40,849,740	8,186,595
Transfers to tertiary institutions (see attached list)	10,300,000	-
Transfers to health institutions (see attached list)	-	-
<b>TOTAL</b>	<b>96,272,819</b>	<b>22,302,795</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	4,668,500	16,831,400
Bursary – tertiary institutions (see attached list)	10,766,750	5,012,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	10,121,378	2,490,000
Sports projects (see attached list)	2,923,600	1,670,540
Environment projects (see attached list)	2,287,354	-
Emergency projects (see attached list)	6,534,650	5,239,410
<b>Total</b>	<b>37,302,232</b>	<b>31,243,350</b>

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**8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	5,980,000.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	9,945,722.00	-
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	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>15,925,722.00</b>	<b>-</b>

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	1,896,551
ICT Hub	-	-
	-	1,896,551

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**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity bank Kacheliba NGCDF</i>	<b>3,629,421</b>	<b>13,257,823</b>
<b>Total</b>	<b>3,629,421</b>	<b>13,257,823</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<i>[Provide cash count certificates for each]</i>		



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**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	13,257,823	765,425
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>13,257,823</b>	<b>765,425</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

Description of the error	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
	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 <sup>st</sup> 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 <sup>st</sup> 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	-	-

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**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	2,886,208	777,413
Use of goods and services	9,869,295	28,185
Amounts due to other Government entities (see attached list)	26,943,730	44,131,530
Amounts due to other grants and other transfers (see attached list)	33,223,633	38,100,275
Acquisition of assets	74,278	17,600,000
Others ( <i>specify</i> )	0	2,780,476
	<b>72,997,144</b>	<b>103,417,879</b>

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**17.4: PMC account balances (See Annex 5)**

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	16,907,563.00	42,148.00
	<b>16,907,563.00</b>	<b>42,148.00</b>

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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
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
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	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



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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	18,500,000	5,980,000	-	24,480,000
Transport equipment	20,188,390	9,945,722	-	30,134,112
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, Software and Other ICT Assets	526,500	-	-	526,500
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>39,214,890</b>	<b>15,925,722</b>	<b>-</b>	<b>55,140,612</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
A G C KATICH PRIMARY SCHOOL		263176/500UCA00/2/0	42,454	-
AGC KANGOLETIANG GIRLS SEC SCH		263503/500UCA00/1/0	1,985,986	-
AKIRIAMET PRIMARY SCHOOL		263174/500UCA00/1/0	1,624	-
AROL PRIMARY SCHOOL		263131/500UCA00/1/0	2,058	-
CDF OFFICE ALALE		263455/500UCA00/1/0	376,610	-
CHEDAWA PRIMARY SCHOOL		263155/500UCA00/1/0	30,296	-
CHELOPOY TRINITY BOYS SECONDARY SCHOOL		263147/500UCA00/1/0	4,484,053	-
CHURUM PRIMARY SCHOOL		263134/500UCA00/2/0	578	-
CONSTITUENCY FENCING		263169/500UCA00/1/0	12,924	-
D.O. OFFICE ALALE		263173/500UCA00/1/0	1,133,298	-
D.O. OFFICE KASEI		263261/500UCA00/1/0	983,792	-
ELCK KORKOU GIRLS SEC SCHOOL		263113/500UCA00/1/0	2,468,100	-
ELCK KORPU BOYS SECONDARY SCHOOL		263504/500UCA00/1/0	1,986,262	-
KACHAWA PRIMARY SCHOOL		263132/500UCA00/1/0	215	-
KACHELIBA POLICE STATION		263471/500UCA00/1/0	2,464	-
KALIA PRIMARY SCHOOL		263512/500UCA00/1/0	1,003	-
KANYERUS PRIMARY SCHOOL		263262/500UCA00/1/0	198	-
KAPEM PRIMARY SCHOOL		263518/500UCA00/1/0	1,003	-
KAPETAKINEI PRIMARY SCHOOL		263248/500UCA00/1/0	21,222	-
KAPLELACHKOROR PRIMARY SCHOOL		260752/500UCA00/1/0	1,048	-
KAPUL PRIMARY SCHOOL		263514/500UCA00/1/0	1,003	-
KARAMERI PRIMARY SCHOOL		263508/500UCA00/1/0	1,003	-
KASEI PRIMARY SCHOOL		263137/500UCA00/2/0	16,898	-
KASES PRIMARY SCHOOL		263516/500UCA00/1/0	1,003	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
KASITET PRIMARY SCHOOL		263179/500UCA00/1/0	281,610	-
KASOPIT PRIMARY SCHOOL		263136/500UCA00/1/0	1,045	-
KATUDA PRIMARY SCHOOL		263133/500UCA00/1/0	15	-
KOUR		263127/500UCA00/1/0	988,462	-
LOBIROI PRIMARY SCHOOL		263175/500UCA00/1/0	1,515	-
LOCHERIAMONYANG PRIMARY SCHOOL		263167/500UCA00/1/0	40,472	-
LOKICHAR PRIMARY SCHOOL		263214/500UCA00/1/0	29,449	-
LOKOMOLO PRIMARY SCHOOL		263158/500UCA00/1/0	30,134	-
LONYANGALEM PRIMARY SCHOOL		263124/500UCA00/1/0	1,016,130	-
LOWOI PRIMARY SCHOOL		263513/500UCA00/1/0	1,003	-
MAYAIPOGH PRIMARY SCHOOL		260628/500UCA00/1/0	944	-
MISTIN PRIMARY SCHOOL		260533/500UCA00/1/0	7,019	-
MOINOI PRIMARY SCHOOL		263520/500UCA00/1/0	1,003	-
MORWEBONG PRIMARY SCHOOL		263247/500UCA00/2/0	75,851	-
MURKORIO PRIMARY SCHOOL		263177/500UCA00/1/0	5,284	-
NAGWOILAP PRIMARY SCHOOL		263172/500UCA00/1/0	3,074	-
NAMORU PRIMARY SCHOOL		263517/500UCA00/1/0	1,003	-
NAPITIRO PRIMARY SCHOOL		260640/500UCA00/1/0	5,510	5,418
NAPITIRO PRIMARY SCHOOL		263138/500UCA00/1/0	1,358	-
NGENGECHWO PRIMARY SCHOOL		260633/500UCA00/1/0	300	-
NGOTUT PRIMARY SCHOOL		260639/500UCA00/1/0	249	-
NGOTUT PRIMARY SCHOOL		260639/500UCA00/2/0	11,228	-
ST ANNES GIRLS SEC SCH		263519/500UCA00/1/0	1,003	-
TANTAPOS PRIMARY SCHOOL		263159/500UCA00/1/0	768,098	-
TIGHOT PRIMARY SCHOOL		263110/500UCA00/1/0	678	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
KASEI PRIMARY SCHOOL		263137/500UCA00/1/0	16,898	-
TARAKIT PRIMARY SCHOOL		263162/500UCA00/1/0	63,133	-
NANGWOILAP PRIMARY SCHOOL		263172/500UCA00/2/0	-	-
KONYAO POLICE STATION		263507/500UCA00/1/0	-	-
KASEPA PRIMARY SCHOOL		263510/500UCA00/1/0	-	-
KRIMTI PRIMARY SCHOOL		263511/500UCA00/1/0	-	-
ST BAKHITA GIRLS SEC SCHOOL		1070164376662		36,730
<b>Total</b>			<b>16,907,563</b>	<b>42,148</b>

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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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
2.1	A review of the Financial Statements availed for audit review for the year ending 30 <sup>th</sup> June 2019 show the following opening balances which do not agree with the figures reflected in the audited report:	<i>Responded as below:</i>	FAM	Resolved	
i	Domestic travel and subsistence variance of Ksh173,275	The budget proposal for 2018/2019 for domestic was higher as compared to that of 2017/2018	FAM	Resolved	
ii	Office general Supplies and services variance of -Ksh 130,275	NG-CDFC minimized expenditures for this service as compared to 2017/2019	FAM	Resolved	
iii	Fuel oil and lubricants of – Ksh43,000	NG-CDFC minimized expenditures for this service as compared to 2017/2019	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)
2.2	Included in the transfers to other government entities balance of Kshs 22,302,795 disclosed in the statement of receipts and payments for the year ended 30 <sup>th</sup> June 2019 is expenditure on transfers to primary schools' figure of kshs 17,086,200 which includes kshs 2,970,000 to Kodich secondary school on 7 <sup>th</sup> September 2018 for the construction of dormitory. However, it was wrongly classified as transfers to primary instead of transfers to secondary.	The classification of Ksh 2,970,000 erroneously classified to primary but has been corrected to secondary class.	FAM	Resolved	
2.3	<b>Variances Between Financial Statements and Supporting Schedules:</b> The financial statement availed for audit review reflected variances between the financial statement and supporting schedules as shown below:				
i	Bursary to tertiary variance of – ksh198,000	<i>Responded as below:</i> Ksh 198,000 was paid in the next financial year 2019/2020	FAM	Resolved	
ii	Compensation of employees variance of Ksh198,546	Budget proposal for 2018/2019 was higher as compared to 2017/2018. One additional employee was	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)
iii	Domestic travel and subsistence variance of –Ksh546	recruited. Variance to –ksh546 was an error but has been corrected	FAM	Resolved	
2.4	<b>Variances between Budget Execution per Programs and Supporting Schedules</b> The financial statements availed for audit review reflected variances between budget execution per programs and supporting schedules with a net effect of Kshs4,547,949 as shown below:	<b>Responded as below:</b>			
i	Sports variance of Ksh510,278	Expenditures for sports was for the financial year 2017/2018.	FAM	Resolved	
ii	Environment variance of ksh2,180,818	Environment fund had not been utilized at the time of audit	FAM	Resolved	
iii	Kiwawa boys secondary variance of ksh3,000,000	The fund had not been utilized at the time of audit because the board had not yet released the fund to the constituency	FAM	Resolved	
iv	Konyao D.O office variance of ksh2,000,000	The utilized fund was for the financial year 2017/2018	FAM	Resolved	
v	Boralee secondary variance of Ksh1,631,595	The utilized fund was for the financial year 2017/2018	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)
vi	Holy Cross Boys secondary variance of Ksh1,631,595	The utilized fund was for the financial year 2017/2018	FAM	Resolved	
vii	Construction of CDF office variance of 4.0 million	The utilized fund was for the financial year 2017/2018	FAM	Resolved	
viii	Strategic Plan variance of Ksh103,449	Variance of ksh 103,000 come as a result of saving as compared to the quoted price of contractor.	FAM	Resolved	
2.5	<b>Summary Statement of Appropriation: Recurrent and Development</b>	<b>Responded as below:</b>			
	The summary statement of appropriation: recurrent and development combined for the year ended 30 June 2019 also reflect adjustment figure of ksh58,148,908 whose supporting documents were not provided for audit review. As a result, the accuracy and completeness of the adjustment figure of ksh58,419,908 for the year ended 30 June could not be confirmed. Further, according to the statement of appropriation an amount of ksh85,030,727 was received from the CDF Board whereas the statement of receipts and payments indicates a figure of	NG-CDFC office has taken heed of the audit recommendation by ensuring revised financial statement to reflect a true and fair view.	FAM	Resolved	

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<b>3.0</b>	<p>kshs84,265,302 resulting in unexplained variance of kshs765,425</p> <p><b>Office Rent</b>            Included in the use of goods and services balance of kshs6,657,233 disclosed in the statement of receipts and payments for the year ended 30 June 2019 is rent payment of ksh490,000 paid through voucher number 18b dated 17 April 2019 paid to Elgonet Communication Technologies Ltd. However, a valuation report and lease agreement were not availed for audit review.</p>	<p><i>Responded as below:</i>            NGCDFC a had availed the lease agreement of the Landlord which is Elgonet Communication Technologies Ltd.</p>	FAM	Resolved	
<b>4.0</b>	<p><b>Construction Buildings</b>            Included in the Transfers to other Government Entities figure of Kshs 22,302,795 and as disclosed in note 6 to the Financial statements is transfers to primary schools figure of Kshs 17,086,200 which included Kshs2,740,000 as shown below for the construction of buildings:</p>	<p><i>Responded as below:</i></p>			
i	<p><b>Mistin primary school:</b> Building of one classroom from foundation to</p>	<p>NG-CDFC has attached contract agreement, level of</p>	FAM	Resolved	

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	roofing Ksh980,000	completion, inspection report from public works and expenditure returns for the project. The project is two classrooms at the lintel level. Ksh20,000 were incurred for public work BQ, drawing and design as well as inspection report.			
ii	<b>Tarakit primary:</b> Building of one classroom from foundation to roofing kshs980,000	NG-CDFC has attached contract agreement, level of completion, inspection report from public works and expenditure returns for the project. The project is two classrooms at the lintel level. Ksh20,000 were incurred for public work BQ, drawing and design as well as inspection report.	FAM	Resolved	
iii	<b>Ng'eng'echwo primary:</b> Finishing of dormitory from lintel to roofing Kshs780,000	NG-CDFC has attached contract agreement, level of completion, inspection report from public works and expenditure returns for the project. The project is two classrooms at the lintel level. Ksh20,000 were incurred for public work BQ, drawing and	FAM	Resolved	

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		design as well as inspection report.			
	However, procurement records, contract agreement, level of completion, inspection reports and expenditure returns were not availed for audit review.	<i>Responded as below:</i>			
5.0	Disposal of Non Functional Komatsu Grader 521 GKA 454T	The grader continued to rust and deteriorate in the public Works yard which may lead to huge loss through vandalizing and normal depreciation. Also the residents of Kacheliba constituency are not getting value for money used to purchase the grader. Recommendation, the management should dispose the grader to avoid further deterioration and loss of value of the grader.	FAM	Resolved	
6.1	<b>Budget Absorption</b> During the year under review, Kachelibang cdf had approved budget of kshs167,190,783 comprising development budget kshs99,443,325, Bursary Kshs40,764,306, environment	<i>Responded as below:</i> 2017 was the year of Kenya General election and fund were released by the board in the next financial year 2018/2019. Most funding were released towards almost	FAM	Resolved	

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	<p>projects of kshs 2,180,817 and recurrent expenditure of kshs71,772,904 or 42% of the approved budget of kshkshs167,190.783 resulting in underutilization of Kshs 95,417,879 or 57%.</p> <p><b>Recommendation:</b> Management should ensure that all the projects and services which were planned to be implemented through CDFC funds should be done accordingly to the budget and in the correct financial year to avoid delay of services to the people of Kacheliba Constituency.</p>	<p>the end of the year thus resulting expenditure in the next financial year.</p> <p>Agreed implementation of audit recommendation</p>			
6.2	<p><b>Project Implementation Status</b></p> <p>During the financial year 2018/2019, Kacheliba CDF had an approved development budget of kshs99,443,325 to be spend on fifty-eight projects. However, projects implementation status report reflect only thirty-three projects at a total cost of kshs24,792,795 was financed during the year of review.</p> <p><b>Recommendation:</b> There is need</p>	<p><i>Responded as below:</i></p> <p>Agreed implementation of audit recommendation</p>	FAM	Resolved	

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	for management to relook at its budgeting mechanism while paying attention to priority areas and strategies to fast track budget implementation.				
<b>6.3</b>	<b>Project Verification</b> During the year under review, nine (9) projects with a budget of kshs14,700,000 and the disbursement of kshs9,130,000 were verified during the audit in February 2020 and the following observation were made as shown: Recommendation: The Management should ensure that all CDF project are completed on time for the benefit of the intended users.	<b>Responded as below:</b>	FAM	Resolved	
<b>6.4</b>	<b>None implementation of Projects</b> During the year under review Kacheliba CDF allocated Ksh 99,443,325 for development projects out of which Kshs 61,731,530 or 62% of the allocation was not utilized as at 30 June 2019. The undisbursed fund were mainly for construction of Technical Training Institute at Kodich Ward at the cost of Ksh10	Agreed implementation of audit recommendation  -The mentor institution (Ziwa Technical Training Institute delayed in procuring of the fund). -NG-CDF Board delayed in releasing of the land cruiser vehicle fund of Ksh10 million	FAM	Resolved	

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	<p>million and acquisition of assets of ksh17,600,000.</p> <p><b>Recommendation:</b> Management should ensure that projects are implemented as per the procurement plan and the budget for the year under review.</p>	Agreed to implementation of audit recommendation			

