REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – TURKANA WEST CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2019

Revised Template 30th June 2019

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –TURKANA WEST CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2019

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 Turkana west Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	**MATHEW KIPSANAI**
2.	Sub-County Accountant	**JOEL KAMURUTU**
3.	Chairman NGCDFC	**WYCLIFFE E. EKAL**
4.	Member NGCDFC	**Margaret Nakaina**

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Turkana west **Constituency Headquarters**

P.O. Box 14
CDF Building
KAKUMA

(f) NGCDF Turkana west **Constituency Contacts**

Telephone: (254) 722161839
E-mail: cdfturkanawest@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Turkana west **Constituency Bankers**

1. Equity Bank ltd
   Account No.0990261750094
   Branch Lodwar

(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

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Turkana West Constituency is one of the constituencies that make up Turkana County. The Constituency covers an estimated area of 15,444.80km² and it is divided into seven wards namely: Lapur, Kakuma, Letea, Kalobeyei and Lokichoggio

The Constituencies Development Fund Act, [illegible] requires that at least 2.5% of the National Government share of Ordinary Revenue be allocated to the Board as a statutory obligation. During FY 2018/2019 Turkana West NGCDF was allocated a total of Kshs. 109,040,876.00 through normal allocation. The Fund received Ksh 54,000,000.00 by end of the financial year

The Fund disbursed all the funds received from the Board during the year except for Kshs. 2,634,062 which were still at Equity Bank Lodwar Branch account as at 30/6/2019.

The NGCDFC has strived to achieve its core mandates by ensuring timely and efficient disbursement of funds to all the project management committees.

Turkana West NGCDFC has strengthened monitoring and Evaluation of projects for prudent management of the Fund.

WYCLIFFE E. EKAL
CHAIRMAN
TURKANA WEST NGCDFC

III.STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the NGCDF- TURKANA WEST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *Turkana West NGCDF* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- TURKANA WEST Constituency further confirms the completeness of the accounting records maintained for the NGCDF- TURKANA WEST, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- TURKANA WEST Constituency financial statements were approved and signed by the Accounting Officer on 15TH SEPTEMBER 2019

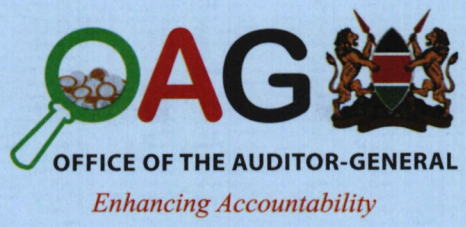
Fund Account Manager
MATHEW KIPSANAI

NATIONAL TREASURY
SUB COUNTY ACCOUNTANT
STATION..... 7/WEST

Sub-County Accountant
JOEL WAWERU KAMURUTU

REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Turkana West Constituency set out on pages 6 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the National Government Constituencies Development Fund - Turkana West Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1.0 Inaccuracies in the Financial Statements

1.1. Statement of Receipts and Payments

The statement of receipts and payments reflects total payments balance of Kshs.107,014,968 whereas the casted balance totals to Kshs.107,389,968 resulting to an unreconciled variance amounting to Kshs.375,000. Further, Note 4 to the financial statements reflects compensation of employees totalling to Kshs.1,886,048 whereas the casted total is Kshs.2,011,187 resulting to an unreconciled variance amounting to Kshs.125,139. In addition, the statement reflects surplus balance totalling to

Kshs.1,823,515 whereas the recomputed amount totals to Kshs.1,769,515 resulting to an unreconciled variance of Kshs.54,000.

1.2. Statement of Cash Flows

The statement of cash flows reflects other grants and transfers totalling to Kshs.67,759,537 whereas the statement of receipts and payment reflects a balance of Kshs.68,134,537 resulting to an unreconciled variance of Kshs.375,000. The statement also reflects other receipts amounting to Kshs.54,000 which is not reflected in the statement of receipts and payments.

1.3. Statement of Assets and Liabilities

As disclosed in Note 10A of the financial statements, the statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.2,634,062 which includes stale cheques totalling to Kshs.482,000 as at 30 June, 2019. However the cheques were not reversed in the cash book. Further, the statement reflects total financial assets balance of Kshs.2,634,062 and nil liabilities. However, the statement reflects net liabilities at the bottom instead of net financial position balance of Kshs.2,634,062.

1.4. Budget Execution by Programmes and Sub-programmes

The budget execution by programmes and sub-programmes has a casting error on secondary and tertiary school final budget of Kshs.1,378,952 and Kshs.1,000,000.

1.5. Summary of Fixed Assets Register

Annex 4, on page 31 the summary of fixed assets register reflects a balance totalling to Kshs.10,590,973 whereas casted balance is Kshs.9725674 resulting to an unreconciled variance of Kshs.865,299.

In the circumstances, the accuracy, completeness, and validity of the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Committees Bank Balances

Annex 4 reflected on page 32 of the financial statements reflects Project Management Committee accounts bank balance amounting to Kshs.20,294,974. However, Management did not provide supporting bank reconciliation statements and bank statements.

Consequently, accuracy, validity and existence of the Project Management Committee bank balance of Kshs.20,294,974 as at 30 June, 2019 could not be confirmed.

3. Unsupported Transfers to Other Government Units

As detailed In Note 6 of the financial statements, the statement of receipts and payments reflects transfer to other Government Units amounting to Kshs.29,348,276. The balance

includes a balance totalling to Kshs.7,000,000, under transfer to secondary schools, disbursement to Lopiding Girls Secondary School for procurement of fifty-two (52) seater bus. The contract for supply of the bus was awarded to a firm at a selling price of Kshs.6,612,000 being the lowest evaluated bidder. By the time of audit on 17 March, 2020, payments totalling to Kshs.6,270,000. However, the Management did not provide log book, mechanical inspection certificate and during physical verification, the presented bus was written Mogila Girls Secondary School.

Under the circumstance, the accuracy, completeness and validity of transfer to Lopiding Girls Secondary School totalling to Kshs.7,000,000 for the year ended 30 June, 2019 could not be confirmed.

4. Unsupported Bursaries

As detailed In Note 7 of the financial statements, the statement of receipts and payments reflects other grants and other payments totalling to Kshs.68,134,537. The balance includes a bursary amount of Kshs.39,300,700. However, the Management did not provide supporting documents for the criteria of identifying the beneficiaries and there was no proof that the students were from the constituency.

Under the circumstances, the accuracy, completeness and validity of the bursary amounting to Kshs.39,300,700 for the year ended 30 June, 2019 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.164,689,905 and Kshs.109,649,029 respectively, resulting to an under-funding of Kshs.55,040,876 or 33% of the budget. Similarly, the statement reflects final expenditure budget and actual on

comparable basis of Kshs.164,635,905 and Kshs.107,014,968 respectively, resulting to an under expenditure of Kshs.57,620,937 or 35% of the budget.

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

2. Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with the Public Sector Accounting Standards Board Requirements

The annual report revealed errors in the table of contents, forward by the chairman NGCDF committee indicates that amounts totalling to Kshs.54,000,000 was received in the year instead of Kshs.108,784,483, significant accounting policies header refers to Gilgil Constituency, statement of entity management responsibilities cites a nonexistent Public Finance Management Act ,2013. This is contrary to Public Sector Accounting Standard Board (PSASB) reporting template issued in June, 2019.

In the circumstances, the presentation of the financial statements for the year under review is not in accordance with the prescribed PSASB format.

2. Project Implementation Status

The Management had budgeted to spend a total of Kshs.97,677,671 towards implementation of twenty-eight (28) projects during the year 2018/2019. Five (5) projects budgeted for an amount of Kshs.33,630,671 were completed, four (4) projects with a total budget of Kshs.16,400,000 were on-going and projects with a funding total of Kshs.47,647,000 were not started.

In the circumstances, I am unable to confirm whether the public obtained value for money for the ongoing and projects not started.

3. Delay in Information Communication Technology (ICT) HUB Sites

As disclosed in Note 9 to the financial statements, the statement of receipts and payments reflects other payments amount of Kshs.1,169,256. This expenditure relates to development of four (4) ICT sites in the Constituency at a contract price of Kshs.4,677,027.20. However, review of records revealed the following unsatisfactory matters:

i) At the time of audit only one site had been equipped and the contract agreement did not have the time frames for implementation making it difficult to determine the project completion period.

ii) Further, there was no evidence to show that Telkom Kenya submitted to the Ministry of Information, Communications and Technology and the National Government Constituencies Development Fund Committee a performance security from a reputable bank or insurance company in Kenya in the amount of the total tender price awarded as specified in Part 7 of Constituency innovation hubs contract agreement dated 5 November, 2018 between the Fund and the Ministry of Information, Communications and Technology through Telkom Kenya.

In the circumstances, the public failed to receive the benefits accruing from the Funding.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

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

Responsibilities of Management and those charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to

the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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

Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

I. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019 Kshs	2017-2018 Kshs
RECEIPTS			
Transfers from CDF board	1	108,784,483	78,253,447
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		-
TOTAL RECEIPTS		**108,784,483**	**78,253,447**
PAYMENTS			
Compensation of employees	4	1,886,048	658,729
Use of goods and services	5	**6,851,851**	5,319,400
Transfers to Other Government Units	6	29,348,276	28,200,000
Other grants and transfers	7	68,134,537	40,361,740
Acquisition of Assets	8	-	1,500,000
Other Payments	9	1,169,256	3,000,000
TOTAL PAYMENTS		**107,014,968**	**79,039,869**
SURPLUS/DEFICIT		**1,823,515**	**(786,422)**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Turkana West Constituency financial statements were approved on 15th September 2019 and signed by:

Fund Account Manager
MATHEW KIPSANAI

Sub-County Accountant
JOEL WAWERU KAMURUTU

NATIONAL TREASURY
SUB COUNTY ACCOUNTANT
STATION 7/WEST

IV. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,634,062	810,546.15
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		**2,634,062**	**810,546**
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		2,634,062	810,546
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		2,634,062	810,546
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	810,546	1,596,968
Surplus/Defict for the year		**1,823,515**	(786,422)
Prior year adjustments	14	-	-
NET LIABILITIES		2,634,061	810,546

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA WEST Constituency financial statements were approved on 15TH SEPTEMBER 2019 and signed by:

Fund Account Manager
MATHEW KIPSANAI

Sub-County Accountant
JOEL WAWERU KAMURUTU

NATIONAL TREASURY
SUB COUNTY ACCOUNTANT
STATION

V. STATEMENT OF CASHFLOW

			2018 - 2019	2017 - 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Transfers from CDF Board	1		108,784,483	78,253,447
Other Receipts	3		54,000	
Total Receipts			**108,838,483**	**78,253,447**
Payments				
Compensation of Employees	4		1,886,048	658,729
Use of goods and services	5		6,851,851	5,319,400
Transfers to Other Government Units	6		29,348,276	28,200,000
Other grants and transfers	7		67,759,537	40,361,740
acquissition of Assts	8		-	1,500,000
Other Payments	9		1,169,256	3,000,000
Total Payments			**107,014,968**	**79,039,869**
Total Receipts Less Total Payments			**1,823,515**	**(786,422)**
Adjusted for:				
Outstanding Imprest	11	-		
Retention	12A	-		
Gratuity Payable	12B	-		
Prior Year adjustment	14	-		
Net Adjustments			-	-
Net cash flow from operating activities			**1,823,515**	**(786,422)**
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		-	-
Acquisition of Assets	8			
Net cash flows from Investing Activities				
NET INCREASE IN CASH AND CASH EQUIVALENT			**1,823,515**	**(786,422)**
Cash and cash equivalent at BEGINNING of the year	**13**		**810,546**	**1,596,968**
Cash and cash equivalent at END of the year			**2,634,062**	**810,546**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TURKANA WEST Constituency financial statements were approved on 15TH SEP 2019 and signed by:

Fund Account Manager
MATHEW KIPSANAI

Sub-County Accountant
JOEL WAWERU KAMURUTU

NATIONAL TREASURY
SUB COUNTY ACCOUNTANT
STATION.....

VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	55,595,029	164,635,905	109,595,029	55,040,876	66.6%
Other Receipts		54,000	54,000	54,000	-	100.0%
TOTAL RECEIPTS	**109,040,876**	**55,649,029**	**164,689,905**	**109,649,029**	**55,040,876**	66.6%
PAYMENTS			-		-	
Compensation of Employees	1,700,000	897,781	2,597,781	1,886,048	711,733	72.6%
Use of goods and services	7,597,168	3,208,856	10,806,024	6,851,851	3,954,173	63.4%
Transfers to Other Government Units	54,647,000	22,348,276	76,995,276	29,348,276	47,647,000	38.1%
Other grants and transfers	45,096,708	27,970,860	73,067,568	67,759,537	5,308,031	92.7%
Other Payments	0	1,169,256	1,169,256	1,169,256	-	100.0%
TOTAL	**109,040,876**	**55,595,029**	164,635,905	**107,014,968**	57,620,937	65.0%

The NGCDF-Turkana West Constituency financial statements were approved on 15th September 2019 and signed by:

Fund Account Manager
MATHEW KIPSANAI

Sub-County Accountant
JOEL WAWERU KAMURUTU

NATIONAL TREASURY
SUB-COUNTY ACCOUNTANT
STATION.....

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programmed/Sub-programmed	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,700,000	897,782	2,597,782	1,886,048	711,734
1.2 Committee allowances	1,800,000	341,379	2,141,379	1,705,310	436,069
1.3 Use of goods and services	2,698,112	937,950	3,636,062	2,435,996	
			-		
2.0 Monitoring and evaluation			-		
2.1 Capacity building	900,000	-	900,000	-	900,000
2.2 Committee allowances	949,056	1,588,147	2,537,140	2,123,510	413,830
2.3 Use of goods and services	1,250,000	-	1,250,000	587,035	662,963
3.0 Emergency	5,738,993	1,967,800	7,706,793	5,367,800	2,338,993
4.0 Bursary and Social Security					
4.1 Primary Schools	2,900,000	-	2,900,000	2,900,000	-
4.2 Secondary Schools	12,925,641	119,439	14,424,032	14,145,700	278,332
4.3 Tertiary Institutions	10,000,000	14,225,000	23,225,000	22,225,000	1,000,000

4.4 Universities	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
5.0 Sports					
KAKUMA REGION SPORTS PMC	516,510	-	516,510	516,510	-
LETEA REGION SPORTS PMC	516,510	-	516,510	516,510	-
LOKICHOGGIO REGION SPORTS PMC	516,510	-	516,510	516,510	-
TURKANA WEST REGION SPORTS PMC	516,507	-	516,507	516,507	-
6.0 Environment	2,066,037	-	2,066,037	-	2,066,037
7.0 Primary Schools Projects					
Kalemchuch Primary School	2,500,000	-	2,500,000	-	2,500,000
Nangolemaret Primary School	2,600,000	-	2,600,000	-	2,600,000
Lopwarin Primary School	2,600,000	-	2,600,000	-	2,600,000
Oropoi Primary School	2,500,000	-	2,500,000	-	2,500,000
Natiira Primary School	2,600,000	-	2,600,000	-	2,600,000
Loritit Primary School	2,700,000	-	2,700,000	-	2,700,000
Musug Primary School	2,700,000	-	2,700,000	-	2,700,000
Lokipoto Primary School	1,500,000	-	1,500,000	-	1,500,000
Lokichoggio Mixed Primary School	2,500,000	-	2,500,000	-	2,500,000
Lokichoggio Girls Primary School	2,500,000	-	2,500,000	-	2,500,000
Nakoyo Primary School	2,600,000	-	2,600,000	-	2,600,000

Lochor edome Primary School	1,500,000	-	1,500,000	-	1,500,000
Lodakach Primary School	2,800,000	-	2,800,000	-	2,800,000
Nanam Primary School	2,600,000	-	2,600,000	-	2,600,000
Lopiding Primary School	2,600,000	-	2,600,000	-	2,600,000
Lokudule Primary School	2,600,000	-	2,600,000	-	2,600,000
Emilait Primary School	2,500,000	-	2,500,000	-	2,500,000
KOMUDEI PRIMARY SCHOOL	-	2,848,276	2,848,276	2,848,276	-
8.0 Secondary Schools Projects (List all the Projects)					
Tarach Secondary School	2,700,000	-	2,700,000	-	2,700,000
Lokichoggio Mixed Secondary School	3,047,000	-	3,047,000	-	3,047,000
Lopiding Girls Secondary School	7,000,000	-	7,000,000	7,000,000	-
OUR LADYS GIRLS SECONDARY SCHOOL	-	2,500,000	2,500,000	2,500,000	-
LOKICHOGGIO MIXED SECONDARY SCHOOL	-	5,000,000	5,000,000	5,000,000	-
AIC SONGOT SECONDARY SCHOOL	-	4,000,000	4,000,000	4,000,000	-
KALOBEYEI SECONDARY SCHOOL	-	4,500,000	4,500,000	4,500,000	-

LOPIDING GIRLS SECONDARY SCHOOL	-	3,500,000	3,500,000	3,500,000	-
10.0 Security Projects					
10.1 Oropoi location office project	3,000,000	-	3,000,000	3,000,000	-
10.2 Lokichoggio Police Station Project	3,400,000	-	3,400,000	3,400,000	-
10.3 Songot Location Office Project	3,000,000	-	3,000,000	3,000,000	-
10.4 LOUKOMOR NPR CAMP	-	3,000,000	3,000,000	3,000,000	-
10.5 LOMIDAT AP CAMP	-	2,500,000	2,500,000	2,500,000	-
10.6 NAWOUNTOS NPR CAMP	-	3,000,000	3,000,000	3,000,000	-
10.7 NALAPATUI CHIEFS OFFICE	-	3,500,000	3,500,000	3,500,000	-
11.0 Innovation Hub	-	**1,169,256**	**1,169,256**	**1,169,256**	-
TOTALS	109,040,876	55,595,029	164,635,905	**107,014,968**	57,620,937

(This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based)

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

During the year ended 30th June 2018, 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.

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.

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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

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

13. Subsequent Events
There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

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.

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

GFS CODES				
	Description		2018-2019	2017 - 2018
			Kshs	Kshs
1330407	Normal Allocation	AIE NO: B005137.	54,784,483.15	
		B030306	10,000,000.00	
		B005496	12,000,000.00	
		B007499	8,000,000.00	
		B042637	11,000,000.00	
		B047064	13,000,000.00	
		A892533		5,500,000.00
		A892571		34,848,275.10
		A892803		37,905,172.00
1330408		AIE NO...		-
1330409	Receipt from other Constituency			-
	TOTAL		108,784,483	78,253,447

2. PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS

3510000			
	Description	**2018-2019**	**2017 - 2018**
		Kshs	**Kshs**
3510202	Receipts from the Sale of Buildings	-	-
3510601	Receipts from the Sale of Vehicles and Transport Equipment	-	-
3510801	Receipts from the Sale Plant Machinery and Equipment	-	-
3510803	Receipts from the Sale of Office and General Equipment	-	-
	TOTAL	-	

3. OTHER RECEPTS

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
1410107	Interest Received	-	-
1410405	Rents	-	-
1420601	Sale of Tender Documents		-
1450207	Other Receipts Not Classified Elsewhere (specify)	-	-
	TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,363,683.00	658,729.05
2110202	Basic wages of casual labour		
	Personal allowances paid as part of salary		
2110301	House allowance		
2110314	Transport allowance		
2110320	Leave allowance		
2110326	Other personnel payments		
2120101	Employer contribution to NSSF		
2710120	Gratuity-Paid	647,504.00	
	TOTAL	1,886,048	**658,729**

5. **USE OF GOODS AND SERVICES**

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2210100	Utilities, supplies and services		
2210101	Electricity		
2210102	Water & sewerage charges		
2210104	Office rent		
2210200	Communication, supplies and services		
2210300	Domestic travel and subsistence		580,360.00
2210500	Printing, advertising and information supplies & services		
2210600	Rentals of produced assets		
2210700	Training expenses		723,520.00
2210800	Hospitality supplies and services		60,830.00
2210802	Other committee expenses	2,123,510.00	1,259,550.00
2210809	Committee allowance	1,705,310.00	1,956,000.00
2210900	Insurance costs		
2211000	Specialised materials and services		
2211100	Office and general supplies and services	3,023,031.00	161,480.00
2211200	Fuel , oil & lubricants		138,080.00
2211300	Other operating expenses		
2211301	Bank service commission and charges		
2211313	Security operations		
2220100	Routine maintenance - vehicles and other transport equipment		439,580.00
2220200	Routine maintenance- other assets		
	Strategic Plan		
	TOTAL	**6,851,851**	**5,319,400**

6. **TRANSFER TO OTHER GOVERNMENT ENTITIES**

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2630204	Transfers to Primary schools	2,848,276.00	17,600,000.00
2630205	Transfers to Secondary schools	26,500,000.00	10,600,000.00
2630206	Transfers to Tertiary institutions	-	0
	TIVET		
	TOTAL	**29,348,276**	**28,200,000**

7. **OTHER GRANTS AND OTHER PAYMENTS**

	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2640101	Bursary -Secondary	14,145,700.00	12,202,300.00
2640102	Bursary -Tertiary	22,255,000.00	16,062,000.00
2640104	Bursary-Special schools	2,900,000.00	-
2640105	Mocks & CAT	-	-
2640507	Security	21,400,000.00	4,100,000.00
2640509	Sports	2,066,037 .00	3,330,000.00
2640510	Environment	-	1,730,000.00
2640200	emergency	5,367,800.00	2,937,440.00
	TOTAL	**68,134,537.00**	**40,361,740.00**

8. **ACQUISITION OF ASSETS**

	Non-Financial Assets	2018-2019	2017 - 2018
		Kshs	Kshs
3110102	Purchase of Buildings	-	-
3110202	Construction of Buildings	-	-
3110302	Refurbishment of Buildings	-	-
3110701	Purchase of Vehicles		-
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-
3111001	Purchase of office furniture and fittings	-	1,500,000.00
3111002	Purchase of computers ,printers and other IT equipment	-	
3111005	Purchase of photocopier	-	-
3111009	Purchase of other office equipment	-	-
3111112	Purchase of soft ware	-	-
3130101	Acquisition of Land	-	-
	TOTAL	-	**1,500,000**

9. **OTHER PAYMENTS**

	Non-Financial Assets	2018-2019	2017 - 2018
	ICT HUB	1,169,256.00	-
	strategic plan	-	3,000,000.00
	specify	-	-
	TOTAL	**1,169,256.00**	**3,000,000.00**

10A: Bank Accounts (cash book bank balance)

	Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
			Kshs (30/6/2019)	Kshs (30/6/2018)
	Turkana West NGCDF,Equity Bank, Lodwar Branch	*A/C no.09902611750094*	**2,634,062**	**810,546**

11: OUTSTANDING IMPRESTS

	Name of Officer		*Amount Taken*	*Amount Surrendered*	*Balance (30/6/2019)*
		Date imprest taken	*Kshs*	*Kshs*	*Kshs*
				-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
			-	-	-
					-

12A. RETENTION

	12 Retention			
	Supplier/Contractor	**PV No.**	**2018-2019**	**2017 - 2018**
	-	-	-	
	-	-		-
	TOTAL		-	-

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	**2017-2018**
	Kshs	**Kshs**
David Lokiru Eregae	-	-
Miriam Nyanga Naweet	-	-
Sarah Etoot Lokur	-	-
Lochoriang Lokuyam Eregae	-	-
Ali Ekitoe Eweet	-	-
Total	-	-

13. BALANCES BROUGHT FORWARD

		2018-2019	2017 - 2018
		(1/7/2018	(1/7/2017)
		Kshs	Kshs
	Bank accounts	810,546	1,596,968
	Cash in hand		-
	Imprest		-
	TOTAL	**810,546**	**1,596,968**

14. PRIOR YEAR ADJUSTMENTS

		2018-2019	2017 - 2018
		Kshs	Kshs
	Bank accounts	1,883,760.00	-
	Cash in hand	-	-
	Imprest	-	-
	TOTAL	1,883,760.00	

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

		2018-2019	2017 - 2018
		Kshs	Kshs
	NGCDFC Staff	-	-
	Others (specify)	-	-
		-	-

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	586,595	-
Use of goods and services	2,624,555	-
Amounts due to other Government entities	47,647,000	-
Amounts due to other grants and other transfers	4,933,030	-
Acquisition of assets	-	
Others (*specify*)	-	
	55,791,180	00

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	20,292,974.00	13,730,000.00
	20,292,974.00	

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (*specify*)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		586,595		Amounts remaining for staff salaries
Use of goods & services		2,624,555		Committee allowances training and general office expenses
Amounts due to other Government entities		47,647,000		Amounts due to Primary schools and secondary schools
Sub-Total				
Amounts due to other grants and other transfers		**4,933,030**		Amounts due to emergency and environment
Sub-Total				
Sub-Total				
Acquisition of assets				
Others (*specify*)				
Sub-Total				
Grand Total				

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0	0	0	0
Buildings and structures	0	0	0	0
Transport equipment	8,032,803.00	0	0	8,032,803.00
Office equipment, furniture and fittings	2,074,469.70	0	0	1,209,171.00
ICT Equipment, Software and Other ICT Assets	483,700.00	0	0	483,700.00
Other Machinery and Equipment	0			0
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	**10,590,972.70**	0	0	**10,590,972.70**

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
KALOBEYEI SECONDARY SCHOOL	KCB LOKICHOGGIO	1148128816	1,180,266.00	
LOPIDING GIRLS SECONDARY SCHOOL	Equity Bank,Kakuma	16502776180558	7,396820.20	00
LOUKOMOR NPR CAMP	Equity Bank, Kakuma	. 1650277735445	180.00	
NAWOUNTOS NPR CAMP	Equity Bank, Kakuma	1650277490619	304,441.00	
NALAPATUI CHIEFS OFFICE	Equity Bank, Kakuma	1650277490125	448,640.00	
OROPOI LOCATION OFFICE PROJECT	Equity Bank, Kakuma	1650178882099	3,000,000.00	
LOKICHOGGIO POLICE STATION OFFICE PROJECT	KCB LOKICHOGGIO	1257434594	3,400,000.00	
SONGOT LOCATION OFFICE PROJECT	Equity Bank, Kakuma	1650178883798	3,000,000.00	
KAKUMA REGION SPORTS PMC	Equity Bank, Kakuma	1650277280695	406,030.00	
LETEA REGION SPORTS PMC	Equity Bank, Kakuma	1650277280740	406,030.00	
LOKICHOGGIO REGION SPORTS PMC	Equity Bank, Kakuma	1650277280727	430,430.00	
TURKANA WEST REGION SPORTS PMC	Equity Bank, Kakuma	1650277280848	320,137.00	
			20,292,974	

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expec the issue to be resolv ed)*
REF: ELD/TURWCDF/33/16/2	Irregular payment of bursaries to both secondary and tertiary school	Querry responded	FAM	Not Resolved	
REF: ELD/TURWCDF/33/16/2	Transfers to secondary schools and other grants transfers	Querry responded	FAM	Not Resolved	
REF: ELD/TURWCDF/33/16/2	Irregular expenditure of Emergency funds	Querry responded	FAM	Not Resolved	
2017-2018-1-01-0124-09-03	Management should ensure that the financial statements are revised to reflect a true and fair presentation of the financial position of NGCDF	***We have amended the financial statements accordingly to reflect a true and fair view.***	FAM	Not Resolved	
2017-2018-1-01-0124-09-03	Included in the training expenses figure of Kshs. 745,020 reflected in note 5 to the financial statements is an expenditure of Kshs. 310,000 which was not supported by invitation, attendance registers, and work tickets.	Querry responded	***Transfers to Secondary Schools had a variance of Ksh 5,000,000 attributed to voucher no. 10 for Lokichoggio mixed secondary***	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
			school dated 26.7.2018 erroneously included in the financial year under review.		
	Included in transfers to primary schools figure of Kshs17,600,000 is environment and emergency projects expenditure of Kshs.1,130,000 and ksh1,100,000 respectively were transferred to Emiliat Primary bank account. No explanation has been provided for not opening separate bank accounts for each project and no reason was provided for not charging each expenditure to its expenditure item.	*The Ksh1, 100,000 was funds approved by the Board under code K4-023-124-2630204-104-2017/2018-006 for Completion of the girls dormitory (Walling, flooring, painting, roofing and branding) and not under emergency funds. Ksh 1,130,000 was funds disbursed to the school for construction of boys and girls latrines which had been submerged by floods. The NGCDFC has put in measures to ensure that each Project Management committee opens a separate bank account for NGCDF Funded projects*	FAM		

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)*
2017-2018-1-01-0124-09-0	Note6 to the financial statements reflects transfers to secondary schools figure of Kshs.10, 600,000 which vary with the supporting documents figure of Kshs.15, 600,000 resulting to a variance of Kshs.5,000,000 which has not been explained or reconciled. Further, the transfers were made to one project management committee bank account used for the secondary school projects contrary to section 15(1) and 29(3) of the National Government Constituency Development Fund Regulations, 2016 which requires the project management committee to open a separate bank account in an approved bank for each approved project. Further, expenditure returns by the project management committee were not availed for audit verification	***Transfers to Secondary Schools had a variance of Ksh 5,000,000 attributed to voucher no. 10 for Lokichoggio mixed secondary school dated 26.7.2018 erroneously included in the financial year under review.***	FAM	Not Resolved	
2017-2018-1-01-0124-09-0	The propriety of the expenditure Emergency figure of Kshs 937,440 for the year ended June 2018 could not be confirme	***The NGCDFC has put place measures to ensure that emergencies are of unforeseen nature of which it***	FAM	Not Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue *(Name and designation)*	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		cannot be delayed without harming the public interest of the constituents.			