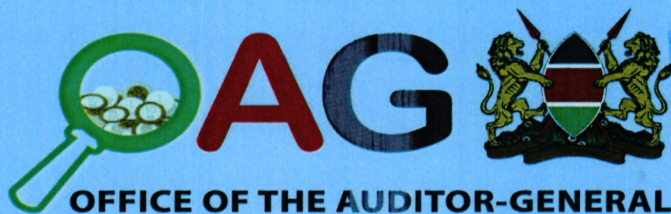


REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY	
DATE: 03 MAR 2022	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	C. Ndlovu

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
MUMIAS EAST CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2020

Revised Template 30<sup>th</sup> June 2020



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –  
MUMIAS EAST CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30TH JUNE 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)**  
**MUMIAS EAST CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended 30 June 2020**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MUMIAS EAST CONSTITUENCY  
Reports and Financial Statements  
For the year ended 30 June 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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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 MUMIAS EAST Constituency day-to-day management is under the following key organs:

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

**(c) Fiduciary Management**

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

NO	DESIGNATION	NAME
1.	A.I.E holder	MALAKI O. MAGERO
2.	Sub-County Accountant	NICHANOR O. ACHOLA
3.	Chairman NGCDFC	TABITHA O. WASHIKA
4.	Member NGCDFC	JUVENALIS O. ODONGO

**(d) Fiduciary Oversight Arrangements**

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

**(e) NGCDF MUMIAS EAST Constituency Headquarters**

P.O. Box 142 – 50106  
CDF HOUSE  
SHIANDA – MALAHA ROAD  
SHIANDA, KENYA

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)*

*MUMIAS EAST CONSTITUENCY*

**Reports and Financial Statements**

**For the year ended 30 June 2020**

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(f) NGCDF MUMIAS EAST Constituency Contacts

Telephone: (254) 721836530  
E-mail: [cdfmumiaseast@ngcdf.go.ke](mailto:cdfmumiaseast@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

(g) NGCDF MUMIAS EAST Constituency Bankers

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya
2. Kenya Commercial Bank  
Mumias Branch  
Account No. 1147339775  
Mumias, 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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**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

I take this humble opportunity to thank God who gave the committee another year to serve the people of Mumias East Constituency.

Am pleased to give the annual report and financial statement for the year ended 30<sup>th</sup> June 2020. This being the seventh year since Mumias East Constituency was carved off the larger Mumias constituency. The constituency has been gaining momentum in terms of development. We in unity with all stakeholders in the constituency we have witnessed great achievements in infrastructure.

As I always say, the impressive results not only reflect good leadership at committee management level but also confirm the stakeholder's involvement and teamwork embraced in Mumias East constituency development matters and decisions making.

**Financial Statements**

The financial statements set out below were prepared on cash basis of accounting regulated by the international public sector accounting standards.

In the Financial Year 2019/2020 we had a budget ceiling of Kshs. 137,367,724.14. The board approved a code list of Kshs. 127,567,724.14 so far as at June 30, 2020 the board has only funded Kshs. 68,000,000.00, we thank the NGCDF Board for that support, as a committee we hope the balance of Kshs. 59,567,724.14 will be channelled on time to enable us complete on-going projects in time.

On the same point Kshs. 10,250,000.00 for the following projects:

	BUDGETED	FINANCIAL YEAR	AMOUNT	ACTIVITIES
1	Mukambi Primary School	2019/2020	7,000,000.00	Storey Block (Classes & Admin)
2	Nyaporo ACC office	2019/2020	300,000.00	Chain Link Fence 1 acre
3	Lusheya ACC office	2019/2020	500,000.00	Chain Link Fence 1 acre & Gate
4	St. Martha's Mwitoti Sec	2019/2020	2,000,000	Construction of Dining
5	Mwichina Primary School	2018/2019	450,000	Completion of 1no classroom
			<b>10,250,000.00</b>	

Above proposal were not approved, we are in process of submitting the request for approval.

Approximate 54% of approved codelist was funded and funds utilised 100% and approximate 46% unutilised due to delayed fund. We also received the following AIE's during the year and were utilised 100%

- AIE No. B096794 of Kshs.7,000,000.00 for FY 2018/2019
- AIE No. B047136 of Kshs.10,000,000.00 for FY 2016/2017
- AIE No. B047120 of Kshs.7,150,000.00 for FY 2015/2016

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

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Mumias East NGCDF Projects in summary

SECTOR	STATUS	REMARKS
Security: Construction of police station at Mutono & Khaunga and Construction of CIPU (AP offices) and sub county Education office	All the projects are 100% complete and in partly use	Wananchi are getting services in a more organised structure and closer to them.
Education: Construction of classrooms, dormitory, and laboratories in primary and secondary schools	Almost all Primary Schools have received facelift to accommodate the increased number of students	NGCDFC is targeting to improve all dilapidated structures in all learning institutions. In the next 2 years we intent to equip secondary school with laboratories and libraries and ensure they are well stocked.
TVET (Wanga)	The NGCDF capitation has been accomplished and all the necessary infrastructure in place	The college is in operation and this has helped in the current government agenda of 100% transition
KMTC Shianda	All necessary infrastructure have been accomplished	The first intake of the college is scheduled for September 2020

**Challenges**

Mumias East NGCDF is faced with a number of challenges like:

1. First being in a rural set up the constituency has no public land on which projects can be developed, land has to be acquired for each project to be undertaken. This consumes a substantial amount of the budget allocation. It is difficult to obtain land at strategic points where it is desired to locate projects especially if the owners are not willing to give up the land.
2. Procurement is mandatory requirement to acquire the rightful contractor, the process takes a long period to get completed at a time the evaluation team encounters non-responsive bidder a situation that leads to retendering.
3. Delayed funding from the board also led to delayed implementation of the projects.
4. As a mandatory requirement management is required to liase with line ministries i.e Public Works and Procurement departments for preparation of Bills of Quantities and approval of projects. Many a times the officers are engaged with a lot of work in both National and County governments, hence it takes long before they clear CDF assignments.

*NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)*  
*MUMIAS EAST CONSTITUENCY*  
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Lastly, we thank the Board for the continued support especially on the major projects of putting up tertiary institutions as they are aimed to promote the government top four agenda. Second I thank the constituency leadership, committed NGCDFC and staffs and finally a Fund Account Manager who is always available to address issues as they arise.

Finally, we will always strive to make Mumias East Constituency the best constituency.

Thank and God Bless.



Chairperson,  
Mumias East NGCDF.

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

**MUMIAS EAST CONSTITUENCY**

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**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-MUMIAS EAST Constituency's 2018-2022 plan are to: *(Enumerate all the objectives of the constituency as per the Strategic Plan)*

- a) Improve access to and performance in education and training
- b) Strengthened security coordination and administration
- c) Improved environmental conversation and sustainability of natural resources
- d) Enhanced sports and creative talent for youth career development and economic prosperity
- e) Strengthen capacity of Mumias East NGCDF

**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	Enhance academic performance in both Primary School and Secondary School	To have all children of school going age attending school	- Number of bursary beneficiaries at all levels	In FY 19/20 we increased number of Bursary beneficiaries at all levels were as per the attached schedules. We have a constituency education performance committee that monitors challenges in academic performance. Construction of KMTc and TVC to promote 100% transition
	- Increase the quality of infrastructures	- Increased enrolment in primary	- - number of usable physical	- In FY 19/20 we increased number of classrooms and

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

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	and learning environment in education and training institutions in the constituency	schools and improved transition to secondary schools and tertiary institutions	infrastructure build in primary, secondary, and tertiary institutions	renovated others, laboratories, dining halls and administration blocks We constructed pit latrines and supported school to harvest rain water by installing 5000 litres water tanks. We have connected electricity in all schools in the constituency.
Security	Established and enhance security infrastructure	Wananchi are getting services closer to them		We bought land and constructed ACC's and
	Strengthen community policing			Support Nyumba Kumi initiatives by paying NHIF to the chairperson as appreciation
	Enhanced social security for vulnerable households and individuals			We are paying to 920 member of the community
Environment	Enhance protection and efficiency use of water resources			We increased investment for rain water harvested in schools
Sports	Enhance youth access to sporting and creative arts and allowed them participate fully	Youth have responded positively to the programme	Hold frequency meeting with their leaders	We have supported active club ie Mung'ang'a FC and Lubinu Rangers FC of youth in and out of school with sporting equipment's. Promoted talent by host sports tournaments
Disaster Management	Increase the capacity of Mumias East NGCDF committee and strengthened the management.			Conducted exposure visits. Promoted and enforce code of conduct for all the stakeholders

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

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

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

**1. Sustainability strategy and profile –**

For the past 1 one year the Mumias East NGCDF has engage in major flagstrip projects i.e construction and operalization of

- KMTC Shianda Mumias(19 Million)
- Wanga TVET (100 Million)
- Laboratory for secondary school (35 Million)

Our organisation has established the above mentioned institution and handed them to the relevant agencies. This was a community driven strategy to jump start the capacity of training for the locals.

**2. Environmental performance**

For several years giving a correct approach to this sector has been a hard task. Mostly we were focusing on planting trees in schools. The programme didn't perform well due to lack of engagement with the benefits institution. We have now changed the approach and at the normal we making direct transfer to PMCs and involving them to sustain the environmental activities which could have been put in place.

**3. Employee welfare**

Our organisation specifies that only people for this community are to be listed for the 6 positions available. However if the skills are not available, are not relevant then we have an option of bringing personnel from outside the region. Mumias East comply to all labour laws and stipulated government rates of compensation to employees.

**4. Market place practices-**

*The organisation should outline its efforts to:*

*a) Responsible competition practice.*

*Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors*

*b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.*

*c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices*

*d) Product stewardship- outline efforts to safeguard consumer rights and interests*

**5. Community Engagements -**

Generally we take cognisance of the stakeholder's forum in funds disbursement. Our yearly budget is basically developed after analysing the ward /Priorities.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**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-Mumias East 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 2019/2020 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-Mumias East Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF-Mumias East s financial statements give a true and fair view of the state of NGCDF-Mumias East'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-MUMIAS EAST Constituency further confirms the completeness of the accounting records maintained for the NGCDF-Mumias East ,which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-MUMIAS EAST Constituency confirms that the entity has complied fully with applicable Government Regulations, and that the NGCDF-Mumias East'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-MUMIAS EAST Constituency financial statements were approved and signed by the Accounting Officer on August 20, 2020.



Fund Account Manager

Name: *Musa Adhwa*

FUND ACCOUNT MANAGER  
MUMIAS EAST NGCDF  
KAKAMEGA COUNTY



Sub-County Accountant

Name: *NICHANOR D. ACHOLA*

ICPAK Member Number: *24617*

NT - SUB COUNTY ACCOUNTANT  
MUMIAS EAST  
P.O. Box 13 - 50106  
SHIANDA

# REPUBLIC OF KENYA



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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUMIAS EAST 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 - Mumias East Constituency set out on pages 13 to 35 which comprise the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mumias East 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 CDF Act 2015.

#### Basis for Qualified Opinion

##### 1.0 Accuracy and Presentation of the Financial Statements

##### 1.1 Compensation of Employees

The statement of receipts and payments reflects compensation of employees amounting to Kshs.3,015,457 also disclosed in Note 4 to the financial statements. However, recasting of the amounts in the note adds to Kshs.3,465,457 resulting in unexplained variance of Kshs.450,000. In addition, the prior year comparative amount for compensation of employees is indicated as Kshs.2,743,393 while casting of the amounts making up the total adds to Kshs.3,289,133, resulting in a variance of Kshs.545,740.

Further, the prior year comparative amount of Kshs.2,743,393 for compensation of employees differ with the audited amount of Kshs.2,146,040 for the year ended 30 June, 2019. No explanation was provided for the differences.

## **1.2 Use of Goods and Services**

The statement of receipts and payments also reflects Kshs.10,919,396 under use of goods and services. However, supporting schedules provided for the expenditure reflects a total of Kshs.9,922,756, resulting in unexplained and unreconciled variance of Kshs.996,640.

## **1.3 Other Grants and Transfers**

The other grants and transfers amount of Kshs.46,392,164 reflected in the statement of receipts and payments and detailed in Note 7 to the financial statements. The amount includes Kshs.13,589,850 in respect of bursaries to secondary schools. However, the amount differ with the support schedules provided for audit review, which reflected an amount of Kshs.12,529,427 resulting in unreconciled variance of Kshs.1,060,423.

## **1.4 Summary Statement of Appropriation**

The summary statement of appropriation - recurrent and development combined reflects an amount of Kshs.25,512,423 in respect of total budget adjustments for the year under review. However, the total adjustments differ with unutilized fund balance of Kshs.19,843,194 for the year 2018/2019. No explanation was given on the basis for the adjustments made to the budget during the year under review.

## **1.5 Acquisition of Assets**

The statement of receipts and payments for the year ended 30 June, 2020 reflects nil amount under acquisition of assets. However, review of expenditure on use of goods and services revealed expenditure totalling Kshs.298,885 paid to three (3) suppliers for supply of furniture and office equipment during the year under review. The amounts ought to have been classified under acquisition of assets.

In the circumstances, the accuracy and completeness of the amounts reflected in the financial statements could not be confirmed.

## **2. Unconfirmed of Bursary Disbursements**

Note 7 to the financial statements reflects an amount of Kshs.46,392,164 in respect of other grants and transfers. The amount includes Kshs.12,529,427 and Kshs.7,224,000 disbursed as bursaries to secondary schools and tertiary intuitions respectively. However, only a total of Kshs.8,683,050 was acknowledged to have been received from the beneficiary institutions during the year under review, leaving a balance of Kshs.11,070,377 unconfirmed.

In the circumstances, it could not be ascertained whether bursaries amounting to Kshs.11,070,377 reached the intended recipients.

### **3. Unsupported Payments for Fuel and Lubricants**

The use of goods and services expenditure amounting to Kshs.10,919,396 reflected in the statement of receipts and payments includes an amount of Kshs.750,000 incurred on fuel and lubricants. However, the expenditure was not supported with a detailed schedule of fuel consumption, a fuel register, detail orders and local purchase orders (LPOs).

In the absence of the support documents, the accuracy and validity of the expenditure on fuel and lubricants could not be confirmed.

### **4. Cash and Cash Equivalents**

The statement of assets and liabilities as at 30 June, 2020 reflects cash and cash equivalents amounting to Kshs.5,632,177. Examination of bank reconciliation statements in respect of the bank balances revealed four (4) un-presented cheques totalling Kshs.412,954 which were stale and not payable as at 30 June, 2020. However, the stale cheques were not reversed in the cashbook.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance as at 30 June, 2020 could not be confirmed.

### **5. Unsupported Monitoring and Evaluation Expenses**

Note 5 to the financial statements on use of goods and services reflects committee expenses amounting to Kshs.2,845,600. Included in the amount was Kshs.1,285,600. in respect of monitoring and evaluation of projects. However, the payments were not supported with a list of projects visited, monitoring and evaluation reports by the teams and an attendance register for the of the monitoring and evaluation activities.

In addition, a payment of Kshs.819,200 made on 17 December, 2019 in respect of official launching of Wanga Technical and Vocational College was irregularly charged to monitoring and evaluation.

Consequently, the accuracy and validity of expenditure on monitoring and evaluation 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 - Mumias East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **1. Budget Analysis**

The summary statement of appropriation:- recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.162,880,147 and Kshs.92,301,000 respectively resulting to shortfall of Kshs.70,579,147 or 43% of the approved budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.162,880,147 and Kshs.106,512,017 respectively, resulting in underperformance amounting to Kshs.56,368,130 or 35% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the residents of Mumias East Constituency.

### **2. Project Implementation Status Reports**

The projects implementation status report for Mumias East Constituency revealed that the Management of the Fund had planned to implement seventy-seven (77) projects with a funding allocation of Kshs.99,532,879 in the year under review. The report further indicates that twenty-eight (28) projects with an allocation of Kshs.36,826,795 or 36% of the planned projects had been completed, nineteen (19) projects allocated Kshs.24,244,944 or 25% were ongoing while twenty-nine (29) projects with a funding allocation of Kshs.36,826,795 or 38% had not stated as at the time of audit in March 2021.

Delay in implementation and completion of the projects means that the constituents of Mumias East were deprived of the benefits that may have accrued from the fund.

## **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. Transfer to Other Government Entities**

##### **1.1. Irregularities in Construction Works at KMTTC - Shianda**

Transfers to other government entities amounting to Kshs.46,185,000 as reflected in the statement of receipts and payments includes Kshs.33,485,000 transferred to Kenya Medical Training Collenge (KMTTC) - Shianda for implementation of various projects,

However, review of records relating to the implementation of projects revealed a number of anomalies as detailed below:

- i. A total sum of Kshs.33,485,000 was spent on the project against an approved budget of Kshs.31,985,000, resulting in over expenditure of Kshs.1,500,000.
- ii. An unapproved contract variation entailing construction of six-door pit latrines which was not in the approved design and bills of quantities was incorporated in the project.
- iii. Project progress reports such as site instructions and approvals by the supervising engineer were not availed for audit.
- iv. An ambulance for the institution provided for in the budget at a cost of Kshs.4,500,000 was not purchased.
- v. There were cash withdrawals from Shianda KMTC PMC account amounting to Kshs.3,127,930 which did not have any supporting documentation.

### **1.2. Incompletion Twin Laboratory at St. Mary's Shitoto Girls Secondary School**

During the year under review, the fund awarded a contract to a local firm for construction of a twin laboratory at St. Mary's Girls Shitoto at a contract sum of Kshs.1,968,800. The contractor had been paid in full as at the time of audit in March, 2021.

The scope of works included construction of rainwater collection facilities doors, finishes, fittings, plumbing works, electrical works as well as the completion of the fume chamber in the laboratory. However, physical verification at the project site revealed incomplete works for work tops, rainwater facilities, plumbing and electrical works and fittings. Further, the soak pit drainage and fume chambers works not done.

Consequently, value for money may never be achieved as a result of incomplete works.

### **1.3. Unauthorized Payments**

The Constituency Fund Committee made payments to National Hospital Insurance Fund (NHIF) during the year under review in respect of contributions towards vulnerable community members amounting to Kshs.4,452,000, under social security programs. The payments included Kshs.3,000,000 paid on 18 June, 2020 which had not been authorized by the sub-county accountant. Further, the payment lacked an acknowledgement receipt from NHIF.

In the absence of the supporting documents and requisite approval, the authenticity of the payment could not be confirmed.

## **2. Irregular Procurement of Emergency Items**

Note 7 to the financial statements on other grants and transfers reflects emergency payments amounting to Kshs.9,092,090. The expenditure includes a payment of Kshs.812,000 in April, 2020 in respect of the supply and delivery of 25 infrared forehead

thermometers and 100 boxes of 3ply face masks to the Constituency office. Additionally, a local supplier was paid Kshs.754,650 to Supply and deliver 30 canisters, 22 handwashes and a 250 litres rectangular tanks handwashing set.

However, the following irregularities were noted in respect of the above payments;

- i. No requisitions were made for the procured items hence the users were not identified.
- ii. No counter receipts vouchers were availed for audit such as S11 and S13, and thus it could not be confirmed whether the items were received and distributed.
- iii. No inspection and acceptance committee report was attached as evidence that the required items were delivered in their right quantity and specifications.

In the circumstance, the validity and value for money on expenditure incurred could not be confirmed.

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 standard requires 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.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intentions to liquidate 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 Fund's activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

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

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

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 NGCDF-Mumias East 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 sustainability concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

09 February, 2022

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


**Reports and Financial Statements**


**For the year ended 30 June 2020**

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	92,150,000	166,375,359
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	<u>151,000</u>	-
<b>TOTAL RECEIPTS</b>		<b>92,301,000</b>	<b>166,375,359</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,015,457	2,146,040
Use of goods and services	5	10,919,396	9,345,361
Transfers to Other Government Units	6	46,185,000	86,636,193
Other grants and transfers	7	46,392,164	67,002,709
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>106,512,017</b>	<b>165,130,303</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>(14,211,017)</u></b>	<b><u>1,245,056</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUMIAS EAST Constituency financial statements were approved on July 20, 2020 and signed by:

  
 Fund Account Manager  
 Name: ABEL ACHOLA  
 FUND ACCOUNTANT  
 MUMIAS EAST NG-CDF  
 KAKAMUGA COUNTY

  
 National Sub-County Accountant  
 Name: NICHANOR D. ACHOLA  
 ICPAK Member Number: 24617



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

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	5,632,177	19,843,194
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>5,632,177</b>	<b>19,843,194</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>5,632,177</b>	<b>19,843,194</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>5,632,177</u></b>	<b><u>19,843,194</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	13	19,843,194	18,598,138
Prior year adjustments	14	-	-
Surplus/Defict for the year		(14,211,017)	1,245,056
<b>NET FINANCIAL POSITION</b>		<b><u>5,632,177</u></b>	<b><u>19,843,194</u></b>

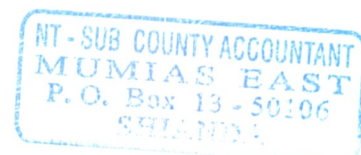
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUMIAS EAST Constituency financial statements were approved on July 20, 2020 and signed by:

Fund Account Manager  
Name: *Maria A. A. A.*

FUND ACCOUNTING MANAGER  
 MUMIAS EAST NG-CDF  
 KAKAMEGA COUNTY

National Sub-County Accountant

Name: *NICHANOR O. ACHOLA*  
ICPAK Member Number: *24617*



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

**IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	92,150,000	166,375,359
Other Receipts	3	151,000	-
<b>Total receipts</b>		<b>92,301,000</b>	<b>166,375,359</b>
Payments for operating expenses			
Compensation of Employees	4	3,015,457	2,146,040
Use of goods and services	5	10,919,396	9,345,361
Transfers to Other Government Units	6	46,185,000	86,636,193
Other grants and transfers	7	46,392,164	67,002,709
Other Payments	9	-	-
<b>Total payments</b>		<b>106,512,017</b>	<b>165,130,303</b>
<b>Total Receipts Less Total Payments</b>		<b>(14,211,017)</b>	<b>1,245,056</b>
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
<b>Net Adjustment</b>			
<b>Net cash flow from operating activities</b>		<b>(14,211,017)</b>	<b>1,245,056</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(14,211,017)</b>	<b>1,245,056</b>
Cash and cash equivalent at BEGINNING of the year	13	19,843,194	18,598,138
Cash and cash equivalent at END of the year		<u>5,632,177</u>	<u>19,843,194</u>

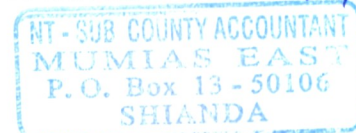
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUMIAS EAST Constituency financial statements were approved on July 20, 2020 and signed by:

Fund Account Manager  
Name: NEEMU ACHOLA

FUND ACCOUNTANT  
 MUMIAS EAST NGCDF  
 KAKAMEGA COUNTY

National Sub-County Accountant

Name: NICHOLAS O. ACHOLA  
ICPAK Member Number: 24617



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

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	25,361,423	162,729,147	92,150,000	70,579,147	57%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	151,000	151,000	151,000	-	100%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>25,512,423</b>	<b>162,880,147</b>	<b>92,301,000</b>	<b>70,579,147</b>	<b>57%</b>
PAYMENTS						
Compensation of Employees	3,326,000	-	3,326,000	3,015,457	310,543	91%
Use of goods and services	8,389,253	2,820,057	11,209,310.45	10,919,206	289,914	97%
Transfers to Other Government Units	69,655,000	12,200,000	81,855,000	46,185,000	35,670,000	56%
Other grants and transfers	55,997,471	10,341,366	66,338,836.71	46,392,164	19,946,673	70%
Acquisition of Assets	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	-
Unallocated funds	-	151,000	151,000	-	151,000	0%
<b>TOTALS</b>	<b>137,367,724</b>	<b>25,512,423</b>	<b>162,729,147</b>	<b>106,512,440</b>	<b>56,367,707</b>	<b>65%</b>

(a) For the other revenue receipts are from AIA reversed of Kshs. 151,000.00

(b) Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

- Major reason is delayed funding from the board
- Changes between the original and final budget are as a result of reallocations of previous years received during this FY 2019/2020.

The NG-CDF-MUMIAS EAST Constituency financial statements were approved on August, 20 2020 and signed by:

  
Fund Account Manager  
Name: **MASON MUMIA**  
KAKAMEGA COUNTY  
MUMIAS EAST  
NG-CDF

  
Sub-County Accountant  
Name: **NICHANOR D. ACOLA**  
ICPAK Member Number: **24617**

  
SUB-COUNTY ACCOUNTANT  
MUMIAS EAST  
P.O. Box 13-50106  
SHIANDA

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,326,000	-	3,326,000	3,015,457	310,543
1.2 Committee allowances	3,000,000	245,779	3,245,779	3,000,000	245,779
1.3 Use of goods and services	1,484,169	4,232	1,488,401	1,433,395	55,006
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,200,000	986,254	2,186,254	1,285,600	900,654
2.2 Committee allowances	1,500,000	-	1,500,000	1,500,000	-
2.3 Use of goods and services	1,205,084	-	1,205,084	2,703,761	(1,498,677)
12.1 Strategic Plan		1,002,905	1,002,905	996,640	6,265
<b>3.0 Emergency</b>					
3.1 Emergency	7,198,24	5,674,135	12,872,376	9,092,090	3,780,286
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	14,000,000	-	14,000,000	13,589,850	410,150
4.3 Tertiary Institutions and Universities	12,542,450	1,045,429	13,587,879	6,163,577	7,424,302
4.4 Social Security	6,000,000	-	6,000,000	4,452,000	1,548,000
<b>5.0 Sports</b>					
5.1 Constituency Sports Tournament	2,603,390	998,725	3,602,115	2,907,620	694,495
<b>6.0 Environment</b>					
6.1 Khaung'a Secondary School	130,000	-	130,000	-	130,000
6.2 Fshimuli Primary School	130,000	-	130,000	-	130,000
6.3 Eluche Secondary School	130,000	-	130,000	-	130,000
6.4 Mukambi Primary School	130,000	-	130,000	-	130,000
6.5 St. Paul's Lubinu Girls Sec. School	130,000	-	130,000	-	130,000

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.6 Shitoto Girl's Sec. School	130,000	-	130,000	-	130,000
6.7 Shitoto Primary School	130,000	-	130,000	-	130,000
6.8 Mungabira Primary School	130,000	-	130,000	-	130,000
6.9 Shanderema Primary School	130,000	-	130,000	-	130,000
6.10 Lusheya ACC's Office	133,390	-	133,390	-	133,390
6.11 Emachina Primary School	130,000	-	130,000	-	130,000
6.12 East Wanga ACC's Office	130,000	-	130,000	-	130,000
6.13 Emusoma Primary School	130,000	-	130,000	-	130,000
6.14 Eshiakhulo Primary School	130,000	-	130,000	-	130,000
6.15 Nyapoto ACC's Office	130,000	-	130,000	-	130,000
6.16 Mabanga Primary School	130,000	-	130,000	-	130,000
6.17 Petros Primary School	130,000	-	130,000	-	130,000
6.18 Malaha Primary School	130,000	-	130,000	-	130,000
6.19 Emutetemo Primary School	130,000	-	130,000	-	130,000
6.20 Makunga Primary School	130,000	-	130,000	-	130,000
<b>7.0 Primary Schools Projects</b>					
7.1 Emusoma Primary School	170,000	-	170,000	-	170,000
7.2 Mukambi primary School	7,000,000	-	7,000,000	-	7,000,000
7.3 Shibinga 'W' Primary School	900,000	-	900,000	900,000	-
7.4 Mutono primary School	100,000	-	100,000	-	100,000
7.5 Eshimuli Primary School	750,000	-	750,000	750,000	-

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.6 Khaimba Primary School	1,200,000	-	1,200,000	1,200,000	-
7.7 Maraba Primary School	900,000	-	900,000	-	900,000
7.8 Mabanga Primary School	500,000	-	500,000	-	500,000
7.9 Lubinu Primary School	1,500,000	-	1,500,000	-	1,500,000
7.10 Shanderema Primary School	1,500,000	-	1,500,000	-	1,500,000
7.11 Shitoto Primary School	1,000,000	-	1,000,000	-	1,000,000
7.12 Emachina Primary School	1,500,000	-	1,500,000	-	1,500,000
7.13 Khwihondwe Primary School	750,000	-	750,000	750,000	-
7.14 Emutelemo Primary School	100,000	-	100,000	-	100,000
7.15 Eluche Primary School	-	1,100,000	1,100,000	1,100,000	-
7.16 Khungoyokosi Muslim Primary School	-	750,000	750,000	750,000	-
7.17 Emusoma Primary School	-	350,000	350,000	350,000	-
<b>8.0 Secondary Schools Projects</b>					
8.1 Lubinu Boys Secondary School	500,000	-	500,000	-	500,000
8.2 Emakhwale Secondary School	550,000	-	550,000	-	550,000
8.3 St. Martha's Mwitoti Sec. School	2,000,000	-	2,000,000	-	2,000,000
8.4 Mahola Secondary School	3,000,000	-	3,000,000	-	3,000,000
8.5 Eshiakhulo Secondary School	7,500,000	-	7,500,000	-	7,500,000
8.6 Shanderema ACK Mixed Sec School	3,000,000	-	3,000,000	-	3,000,000
8.7 St. Stephens Maraba Sec. School	2,000,000	-	2,000,000	-	2,000,000
8.8 Shitoto Girls Sec. School	2,400,000	-	2,400,000	2,400,000	-
8.9 St. Paul's Epusia Sec. School	3,500,000	-	3,500,000	1,500,000	2,000,000
8.10 St. Anne's Indangalasia Sec. School	2,000,000	-	2,000,000	-	2,000,000
8.11 St. Paul's Lubinu Girls Sec. School	350,000	-	350,000	-	350,000
8.12 St. John's Khaimba Secondary School	300,000	-	300,000	300,000	-
8.13 St. Gabriel Isongo Secondary School	200,000	-	200,000	200,000	-
Environment Activities		726,936	726,936		726,936

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
9.0 Tertiary institutions Projects					
9.1 Sub County Education Office Shianda	2,500,000	-	2,500,000	2,500,000	-
9.2 KMTC Shianda	21,985,000	10,000,000	31,985,000	33,485,000	(1,500,000.)
10.0 Security Projects					
Shianda AP Police Office	1,200,000	-	1,200,000	1,200,000	-
Mutono Police Post	1,400,000	-	1,400,000	1,400,000	-
Khaunga Police Post	1,350,000	-	1,350,000	1,350,000	-
Mumias East DCC office	1,300,000	-	1,300,000	1,300,000	-
Mumias East Sub county Compound	2,000,000	-	2,000,000	-	2,000,000
Shianda Police Divisional Headquarters	3,000,000	-	3,000,000	-	3,000,000
Nyaporo ACC's Office	300,000	-	300,000	-	300,000
Lushey ACC's Office	500,000	-	500,000.00	-	500,000
Lushey ACC's Office	-	1,200,000.00	1,200,000	1,200,000	(1,200,000)
East Wanga ACC office	-	1,307,770.20	1,307,770	1,307,770	(1,307,770)
Shianda Police Housing	-	1,169,256.80	1,169,257	1,169,257	(1,169,257)
Malaha AP Camp	-	260,000.00	260,000	260,000	(260,000)
Nyaporo AP Camp	-	1,000,000.00	1,000,000	1,000,000	(1,000,000)
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
12.0 Others					
Innovation Hub Project	-	4,677,027	4,677,027	-	4,677,027
Unallocated Funds (AIA)		151,000	151,000		151,000

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	137,367,724	25,512,423	162,880,147	106,512,017	56,368,130

## **XI. 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-MUMIAS EAST Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

#### **Transfers from the Exchequer**

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

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**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.

**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.

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**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. 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, Mumias East NG-CDFC had no errors needing correction recognized as part of the financial statements presented for review

**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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**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO: B041151	1	4,000,000	
AIE NO: B047815	2	26,000,000	
AIE NO: B049396	3	20,000,000	
AIE NO: B104421	4	18,000,000	
AIE NO: B096794	5	7,000,000	
AIE NO: B047120	6	7,150,000	
AIE NO: B047136	7	10,000,000	
AIE NO: B005206	1		54,784,483
AIE NO: B030202	2		10,000,000
AIE NO: B005421	3		13,000,000
AIE NO: B006468	4		7,000,000
AIE NO: A724487	5		11,000,000
AIE NO: B042952	6		13,000,000
AIE NO: B047075	7		10,000,000
AIE NO: B047574	8		47,590,876
<b>TOTAL</b>		<b>92,150,000</b>	<b>166,375,359</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>

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

**3. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	151,000	-
Other Receipts Not Classified Elsewhere- Reversed Bursary cheques and stale	-	-
<b>Total</b>	<b>151,000</b>	<b>-</b>

**4. COMPENSATION OF EMPLOYEES**

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,570,070	1,565,642
Personal allowances paid as part of salary	450,000	545,740
- House Allowance	174,000	188,500
- Transport Allowance	252,000	273,000
- Leave Allowance	24,000	24,000
Pension and other social security contributions (Gratuity)	917,627	597,353
Employer Contributions Compulsory national social security schemes	77,760	84,240
Other Personnel Payment (KRA Penalty)	-	10,658
<b>Total</b>	<b>3,015,457</b>	<b>2,743,393</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,845,600	2,753,000
Utilities, supplies and services	649,540	566,750
Electricity	32,820	34,129
Communication, supplies and services	197,438	174,830
Domestic travel and subsistence	674,560	594,000
Printing, advertising and information supplies & services	159,716	137,250
Rentals of produced assets	-	-
Training expenses	980,456	250,000
Hospitality supplies and services	307,689	114,113
Other Committee expenses	428,750	472,300
Insurance costs	-	33,378
Specialized materials and services	-	-
Office and general supplies and services	836,400	752,100
Fuel, oil and lubricants	800,010	700,000
Other operating expenses	261,490	157,968
Routine maintenance – vehicles and other transport equipment	589,800	554,600
Routine maintenance – other assets	154,793	133,050
Security operations	700,200	715,200
Bank Service commission and charges	303,450	205,603
Strategic Plan	996,640	997,090
<b>Total</b>	<b>10,919,396</b>	<b>9,345,361</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	5,800,000	17,424,000
Transfers to secondary schools	4,400,000	25,577,381
Transfers to tertiary institutions	35,985,000	43,634,812
Transfers to health institutions	-	-
<b>TOTAL</b>	<b>46,185,000</b>	<b>86,636,193</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	12,529,427	11,020,000
Bursary – tertiary institutions	7,224,000	15,058,000
Bursary – special schools	-	191,000
Mock & CAT	-	-
Social Security Programme	4,452,000	10,890,489
Security projects	10,187,027	18,746,000
Sports projects	2,907,620	1,966,206
Environment projects	-	3,917,014
Emergency projects	9,092,090	5,214,000
<b>Total</b>	<b>46,392,164</b>	<b>67,002,709</b>



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

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Kenya Commercial Bank Mumias Account No. 1147339775</i>	5,632,177	19,843,194
<b>Total</b>	<b>5,632,177</b>	<b>19,843,194</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>5,632,177</b>	<b>19,843,194</b>
<i>[Provide cash count certificates for each]</i>		

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

**11: OUTSTANDING IMPRESTS**

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

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

**12A. RETENTION**

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

*[Provide short appropriate explanations as necessary]*

**12B. GRATUITY DEPOSITS**

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
		-
		-
		-
Add as appropriate		
<b>Total</b>		

*[Provide short appropriate explanations as necessary]*

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**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	5,632,176	19,843,194
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>5,632,176</b>	<b>19,843,194</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

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

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

	2019 – 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <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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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

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

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	-
Staff gratuity		-
George Kweya Muhandia	33,703.20	
Kennedy Okomboli Chitechi	33,703.20	
Evans Salasia Munyendo	29,126.40	
Josephine Muka Okoti	22,819.70	
Sylvia Liaka Wanjala	22,819.70	
Paul Nyangweso Washika	22,819.70	
	164,992	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	310,543	-
Use of goods and services	289,914	2,820,057
Amounts due to other Government entities	35,670,000	12,200,000
Amounts due to other grants and other transfers	19,946,673	10,341,366
Acquisition of assets		-
Others ( <i>ICT Hub</i> )		
Unallocated - AIA	151,000	151,000
	56,368,130	25,512,423

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	19,185,889	4,026,837
	19,185,889	4,026,837

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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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>Contract Employees</b>						
1. George Kweya Muhandia		33,703				
2. Kennedy Okomboli Chitechi		33,703				
3. Evans Salasia Muniyendo		29,126				
4. Josephine Muka okoti		22,819				
5. Sylvia Liaka Wanjala		22,820				
6. Paul nyangweso washika		22,820				
7.						
<b>Sub-Total</b>		<b>164,992</b>				
<b>Grand Total</b>						



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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	700,000	-	-	700,000
Buildings and structures	10,241,971	-	-	10,241,971
Transport equipment	3,504,212	-	-	3,504,212
Office equipment, furniture and fittings	760,375	217,499	-	977,874
ICT Equipment, Software and Other ICT Assets	351,499	-	-	351,499
Other Machinery and Equipment	176,735	-	-	176,735
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>15,952,291</b>	<b>217,499</b>	<b>-</b>	<b>15,952,291</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Eshimuli Primary School	Cooperative Bank	01141498728600	262,669	1,664
Bumini Primary School	Cooperative Bank	01141067167000	1,276	1,276
Bumwende Primary School	Cooperative Bank	01141068245000	75,559	75,559
Ebubere Primary School	Cooperative Bank	01141068387800	3,936	3,836
Ebung'ale Primary School	Cooperative Bank	01141234819500	64,563	64,563
Ebwaliro primary School	Cooperative Bank	01141067545200	1,372	1,372
Eluche primary School	Cooperative Bank	01141067000400	71,649	5,907
Elwasambi Primary School	Cooperative Bank	01141067173500	2,221	2,221
Emakhwale Primary School	Cooperative Bank	01141067559600	35,314	35,314
Emukhalari Primary School	Cooperative Bank	01141068239900	1,124	1,124
Emusoma Primary School	Cooperative Bank	01141234973600	16,054	1,559,142
Epanja Primary School	Cooperative Bank	01141498101000	3,836	1,956
Eshiakhulo Primary School	Cooperative Bank	01141067874000	2,255	2,255
Eshisenye Primary School	Cooperative Bank	01141234598800	67,725	1,114,645
Ikoli Primary School	Cooperative Bank	01141234892500	829	949
Indangalasia Primary School	Cooperative Bank	01141067544700	2,069	52,069
Isango Primary School	Cooperative Bank	01141067126200	12,030	12,030

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Khabakaya Primary School	Cooperative Bank	01141067764600	4,468	64,368
Khabondi Primary School	Cooperative Bank	01141067874400	4,479	4,479
Khaimba Primary School	Cooperative Bank	01141234543900	21,627	3,710
Khungoyokosi Muslim Primary School	Cooperative Bank	01141498737200	96	53,476
Lubinu Primary School	Cooperative Bank	01141067708900	7,852	7,852
Mabanga Primary School	Cooperative Bank	01141067873600	65,432	65,432
Mahola Primary School	Cooperative Bank	01141068234300	1,140	1,140
Makunga Primary School	Cooperative Bank	01141067029300	1,987	2,587
Malaha Primary School	Cooperative Bank	01141067550700	400,553	400,552.00
Maraba Primary School	Cooperative Bank	01139067874801	35,700	35,700
Mukambi Primary School	Cooperative Bank	01141067577200	2,006,910	2,006,910
Mungabira Primary School	Cooperative Bank	01141498113300	1,344	1,344
Muroni Primary School	Cooperative Bank	01141067874300	12,283	12,283
Musango Primary School	Cooperative Bank	01141067836600	8,860	8,860
Mutono primary School	Cooperative Bank	01141068432600	12,346	72,246
Mwichina Primary School	Cooperative Bank	01141067116600	195,753	298,343
Mwitoti Primary School	Cooperative Bank	01141067474200	27,464	27,464
Petros Primary School	Cooperative Bank	01141068399700	3,616	3,616
Shanderema Primary School	Cooperative Bank	01141067141000	11,118	11,523

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PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Shibinga W. Primary School	Cooperative Bank	01141234854700	115,739	608,209
Shitoto Primary School	Cooperative Bank	01141067251600	6,510	1,506,509.00
St.Patrick's Eubere Sec. School	Cooperative Bank	01141498111100	11,463	7,473
Ebwaliro Secondary School	Cooperative Bank	01141498112800	11,997	36,905
Epanja Secondary School	Cooperative Bank	01141498098900	8,720	10,973
Eshiakhulo Secondary School	Cooperative Bank	01141498097000	440,376	424,090
Lubinu Boy's Secondary School	Cooperative Bank	01141498107100	218,471	15,971
Mahola Secondary School	Cooperative Bank	01141498103500	546,306	449,540
Makunga Secondary School	Cooperative Bank	01141067248400	41,951	4,291
Musango Secondary School	Cooperative Bank	01141498108200	11,569	108,484
St.Anne's Ingangalasia Secondary School	Cooperative Bank	01139068240001	30,166	24,718
St.Gabriel Isongo Secondary School	Cooperative Bank	01139233804600	8,571	5,546
St.John's Khaimba Secondary School	Cooperative Bank	01141234427500	228,822	1,948
St.Mathew's Mung'ang'a Secondary School	Cooperative Bank	01141068297300	97,087	13,677
St.Paul's Ebusia Secondary School	Cooperative Bank	01141068272000	973	1,288
St.Peter's Khabakaya Secondary School	Cooperative Bank	01141498086900	28,114	18,084
St.Peters's Khaunga Secondary School	Cooperative Bank	01139067309502	1,080	8,065
St. Stephens Kamashia Secondary School	Cooperative Bank	01141067118100	38,521	29,813

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PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
St.Stephens's Maraba Sec. School	Cooperative Bank	01141498724700	4,537	144,919
Mwitoti A.P Camp	Cooperative Bank	01141234580700	3,691	114,190
Malaha A.P Camp	Cooperative Bank	01141498554900	41,239	32,591
Kamashia A.P. Camp	Cooperative Bank	01141498602800	14,833	14,833
Mumias East Constituency Office.	Cooperative Bank	01141234718700	277	103,776

PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Khwihondwe Primary School	Kenya Commercial Bank	1178488152	316,635	61,460
Eluche Secondary School	Kenya Commercial Bank	1156577357	98,608	3,128
St.Martha's Mwitoti Secondary School	Kenya Commercial Bank	1178576353	3,016,669	3,018,498
Mutono Police Post	Kenya Commercial Bank	1174860774	76,655	25,851
Khaunga Police Post	Kenya Commercial Bank	1149794755	1,136,047	979,235
Shianda Administration Police	Kenya Commercial Bank	1183736525		0
DCC Office Extension	Kenya Commercial Bank	1208043986		0
Mumias East Bodaboda Sheds	Kenya Commercial Bank	1175230065	6,467	6,467
Wanga College Of Science & Technology	Kenya Commercial Bank	1173232745	119,717	2,507,958
Mumias CDF Strategic	Kenya Commercial Bank	1156542197	1,090	351,290
Mumias East CDF water	Kenya Commercial Bank	1153764776	11,865	11,865

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PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Mumias East CDF Sports	Kenya Commercial Bank	1153916274	2,384	2,384
Mumias East CDF Environment	Kenya Commercial Bank	1160097070	693	1,314,583
Nyaporo ACC Office	Kenya Commercial Bank	1207075671	(2,930)	23,391
Shikulu ACC Office	Kenya Commercial Bank	1207237493		1,976
East Wangi ACC office	Kenya Commercial Bank	1265013810	21,540	0
Lusheya ACC Office	Kenya Commercial Bank	1206925817		0
Lusheya ACC Office	Kenya Commercial Bank	1250240123	219,625	0
Mumias East NGCDF NHIF	Kenya Commercial Bank	1234942836	191,832	483
KMTC Shianda	Kenya Commercial Bank	1250724627	309,430	22,879,790
Ekeru Police Post	Kenya Commercial Bank	1274703379	450,000	0
Shianda AP Police Housing	Kenya Commercial Bank	1251264565	6,988	0
Sub County Education office Shianda	Kenya Commercial Bank	1262289432	73,494	0
St. Teresa Eshisenye Girl's Sec. School	Kenya Commercial Bank	1260539261	700	0

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

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PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Ebubole Primary School	Equity Bank	0680298533144	1,223	360,791
Ebulechia Primary School	Equity Bank	0680299136741	255,670	255,670
Emachina Primary School	Equity Bank	0680299005632	1,706	1,706
Emuberi Primary School	Equity Bank	0680299750442	937	937
Emutetemo Primary School	Equity Bank	0680299767478	11,352	15,843
Eshukufu Primary School	Equity Bank	0680295367658	60,764	60,764
Isongo Primary School	Equity Bank	0680299861025	3,233	3,233
Kamashia Primary School	Equity Bank	0680298282964	368	368
Khaunga Primary School	Equity Bank	0680299780973	2,938	2,938
Mung'ang'a Primary School	Equity Bank	0680295070358	4,791	4,791
Rise and Shine Special School For Physically Disabled	Equity Bank	0680294901823	203,591	1,205,914
Ebubole Secondary School	Equity Bank	0680295062124	266,635	688,115
Emakhwale Secondary School	Equity Bank	0680297847167	57,031	54,256
Shanderema ACK Mixed Secondary School	Equity Bank	0680299769294	1,500	1,502,718
Shitoto Girls Secondary School	Equity Bank	0680295066232	10,370	1,252,152
St. Joseph's Shibinga W. Mixed Secondary School	Equity Bank	0680297378152	3,075	204,157
St. Pauls Lubinu Girl's Secondary School	Equity Bank	0680294938836	2,021,405	1,818,905
St. Theresa's Bumini High School	Equity Bank	0680295255215	224,394	21,894

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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PMC	Bank	Account number	Bank Balance As at 30 <sup>th</sup> June 2020	Bank Balances As at 30 <sup>th</sup> June 2019
Shianda Police Patrol Base	Equity Bank	0680298989066	41,684	41,684
Shianda Police Housing	Equity Bank	0680272815755	4,597,201	3,496,805
<b>TOTAL</b>			<b>19,185,889</b>	<b>4,026,837</b>

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	Cash and Cash Equivalents	The status of stale cheques and bank charge during the period has been explained. All the cheques were reversed and a vouchers were prepared to cover the bank charges expense	Fund Account Manager	Resolved	2 weeks
<b>Other Matter</b>					
2.1	Budget Performance	<b>Receipts</b> <i>Transfers from the board</i> Funding from board normally delay due to various reasons. For this particular financial year the underutilization of	Fund Account Manager	Resolved	1 months

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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)
		<p>funds was due to outstanding issues of project which required clarification before being cleared. Secondly, the board normally disburses fund in tranches thereby creating an overlap to the succeeding year.</p> <p><b>Payments</b>  <i>Compensation of employees</i>                      There was an accrued amount of gratuity that had not been paid during that period. The NG CDF had also not approved the computed increment to employees. These amounts were later paid as per the contractual agreements.</p> <p><i>Transfers to other government units</i>                      We normally take caution while setting up the PMCs as well as opening their respective bank accounts. Further, before funds are transferred to PMC banks</p>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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)
		<p>accounts the NGCDF always undertake training programs with the aim of reducing pilferage during project implementation. Due to the above mentioned reasons some delay occurred but the funds were later on disbursed to project appropriately.</p> <p><i>Other grants and transfers</i>                      Most of the funds in this category were blocked in the slow moving bursary kitty. The processing of the funds (realistic appraisal of beneficiaries) and subsequent disbursement is spread for more than 4 months.</p> <p><i>Unapproved budget</i>                      During the time of preparation of financial statements some funds were still being held at the board level for one reason or</p>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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	Project Implementation Status	<p>another. As explained below and the current status.</p> <p>As revised status of project implementation status was given and it depicts the current status of project funded for the last 3 financial years and beyond</p> <p>i) Indeed public participation was undertaken before the execution of this project. The community was involved at the ward level (East Wanga ward) and more importantly essence such a project required in-depth sensitization from the NG CDFC leadership so that the populace could comprehend the need. ii) There was initial request from NGCDF to the KMTC board for establishing the same. As a matter of procedure the KMTC Board communicated and</p>	Fund Account Manager/ clerk of work	Resolved	1 week
2.3	Kenya Medical Training College Shianda		Fund Account Manager	Not resolved	6months

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMLIAS EAST CONSTITUENCY**  
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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)
		<p>giving details of infrastructure required to establish such an institution</p> <p>iii) The NGCDF underestimated the magnitude of the project and therefore unforeseen situation arose due to lack of realistic I estimate to project. The ideal situation would have been to provide a site plan entailing costs of buildings and other essential infrastructure. The same would warrant hiring services of a consultant at a cost.</p> <p>iv) Updated status of the land purchased (10.33 acres) for KMTC is illustrated</p> <p>v) The benefit accruing from this institution are manifold. The institution shall spur the economies within the region i.e: Businesses shall grow in areas of accommodation, food supplies and other</p>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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)
		<p>essential facility providers shall mushroom within the region immensely. Admission of a given number of students from Mumias East to pursue medical courses as well as hiring of low cadre staff at the institution shall be significant.</p> <p>vi A detailed memorandum on the benefits that shall accrue to the community shall be delivered to the NGCDF in due course. This has been a negotiated and it shall be customized according to community contribution to the project.</p>			
2.4	Lusheya ACC Office	<ul style="list-style-type: none"> <li>We have attached the initial procurement details the advert, award evaluation and acceptances letter.</li> <li>The contractor</li> </ul>	Fund Account Manager	Not Resolved	6months

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUMIAS EAST CONSTITUENCY**  
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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)
		<p>failed to adhere to timelines as envisaged in the contract work plan. NG CDF shall take appropriate action on this particular contractor including removal from the list of competing bidders for works in Mumias east constituency</p>			

