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REPORT

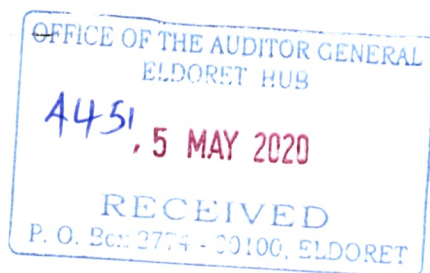
	
THE NATIONAL ASSEMBLY PAPERS TAID	
DATE: 10 NOV 2021	DAY: Wed AM.
TAID BY:	Majority Whip Hon Wargwe
CLERK-AT THE TABLE:	M. Mado

THE AUDITOR-GENERAL

ON

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

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



Revised Template 30th June 2019



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

Reports and Financial Statements

For the year ended June 30, 2019

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SIGOR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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 SIGOR Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Merisia, Krop Musa
2.	Sub-County Accountant	Stanley Mutai
3.	Chairman NGCDFC	Christopher Ng'oleruk
4.	Member NGCDFC	Nicholas Molo

(d) Fiduciary Oversight Arrangements

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

NG-CDF Office Building
P.O. Box 1-30603
WEI WEI KENYA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

SIGOR CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

(f) NGCDF SIGOR Constituency Contacts

Telephone: (254) 0704668788

E-mail: cdfsigor@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF SIGOR Constituency Bankers

1. Equity Bank
Account No 1070296968337
Kapenguria Branch

(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

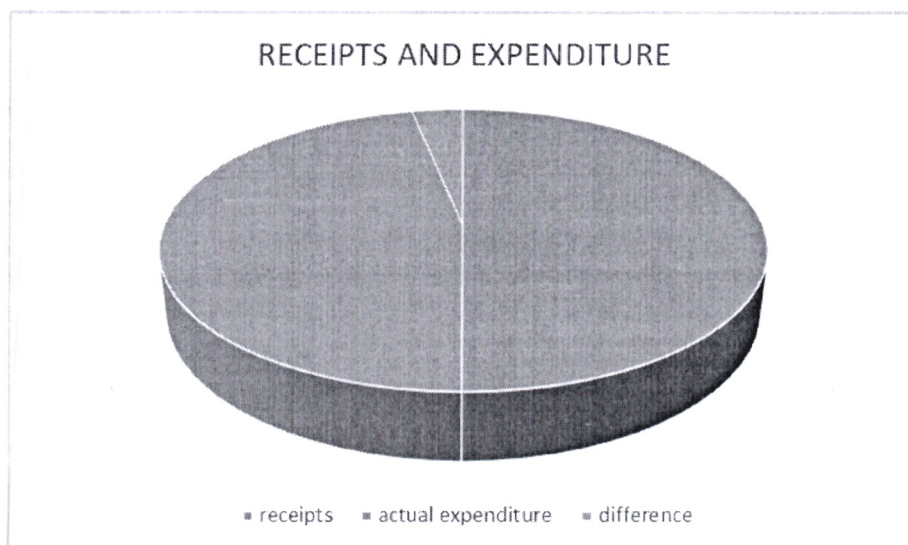
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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Guided by the vision of Sigor Constituency, which is to be a leading Constituency in the effective and efficient management of the fund. Sigor NG CDF has continued to implement in a well-organized and coordinated manner the various projects which follows clearly set performance indicators and time frame, under each of the four strategic priorities namely: education infrastructure and bursary, security, environment and sports through equity and sustainable development in poverty eradication at community level.

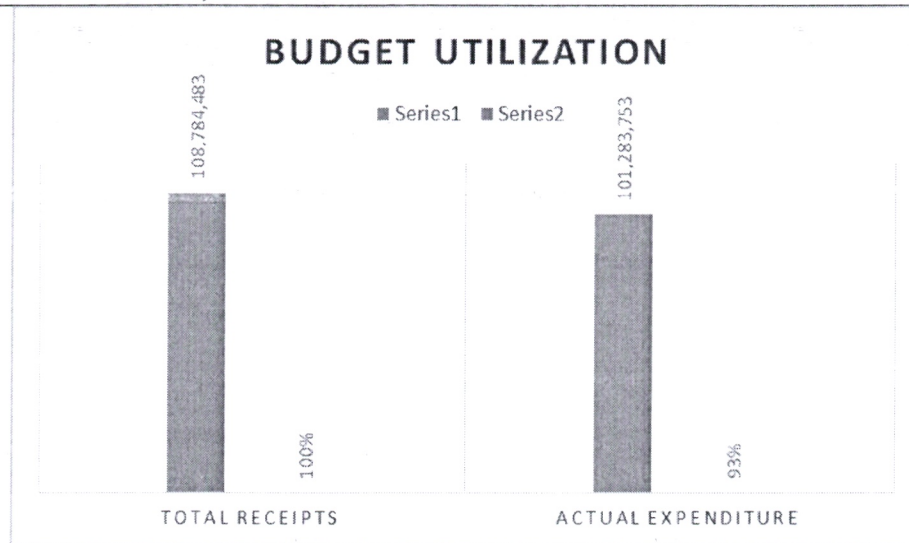
The Key achievements have been access to quality and equal opportunity in education by giving bursaries to the less fortunate children both in secondary and tertiary level. During the year under review, Sigor NGCDFC was able to award bursaries to over 6,000 students both in secondary and tertiary level.

Sigor NG- CDF has also made significant progress in its budget especially on the completion rates of the funded projects. The financial statement details the performance and financial position of Sigor NG CDF for financial year 2018/19. Receipts of all the funds Sigor NG-CDFC received from the NG-CDF Board amounts to kshs 108,784,483 in financials year 2018/2019. The total expenditure in the financial year under review amounted to ksh 101,283,753. This represented 93% absorption of total receipts in the year under review. The total budget for the year under review is Ksh 167,215,923. This comprises of the constituency allocation of kshs. 109,040,875.52 in the FY 2018-20189 and a balance brought forward from the previous financial year 2017/18 of kshs 58,175,048.



The Budget utilisation was fairly good considering that a huge amount of Kshs 55,040,875.52 has not been disbursed to the constituency by the Board.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SIGOR CONSTITUENCY
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ACHIEVEMENTS

The Sigor NGCDF achieved a lot during the financial year under review. Just to mention a few, Sigor NGCDF managed to sponsor over 6000 students by awarding them bursary. Some of the achievements are as illustrated below.

Wakor Chief's Office



Completion Works of Chiefs Office. Now it is complete.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Paroo Secondary School



Renovation of dormitory. Now it is renovated and in use.

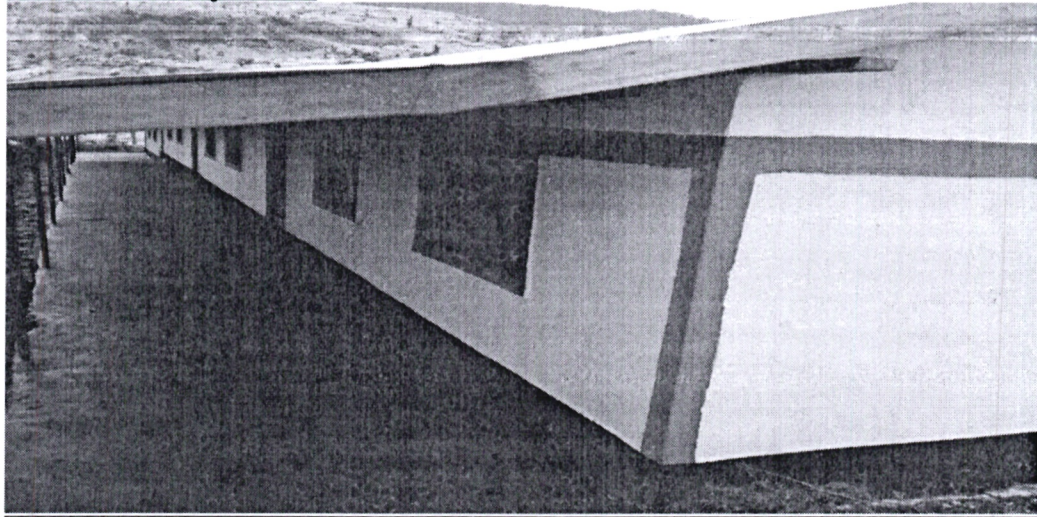
Lomut Primary school



Construction of four classrooms to completion.

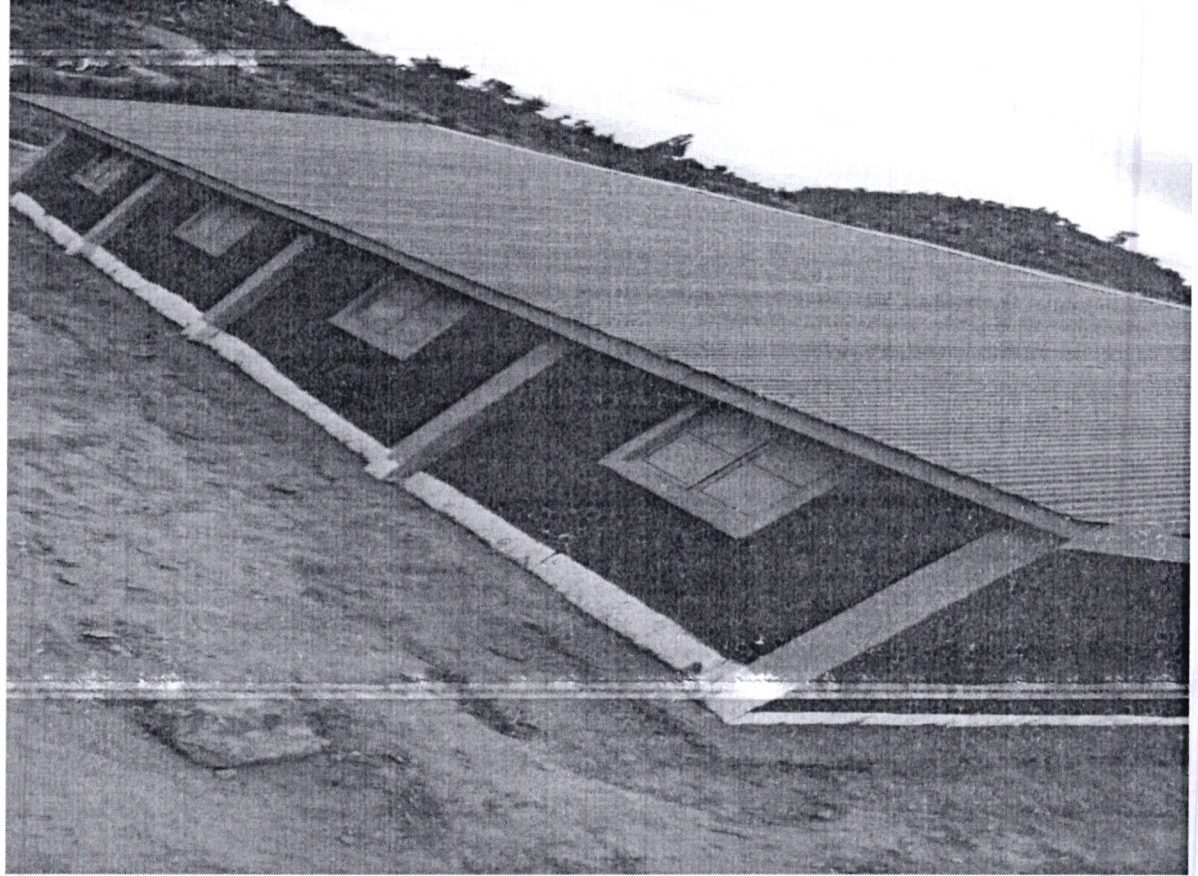
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Sunukur Primary School



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Sororo Primary School



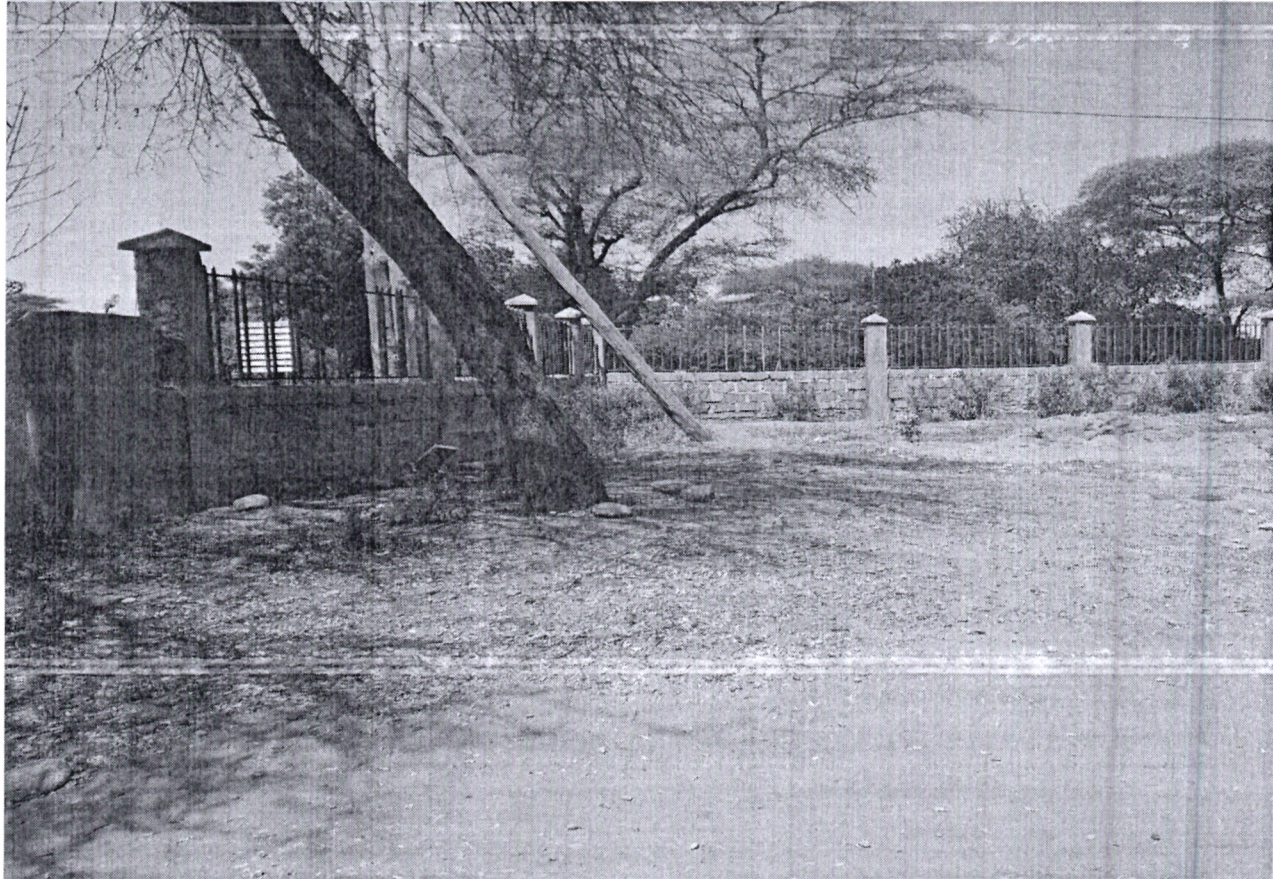
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NG-CDF Office



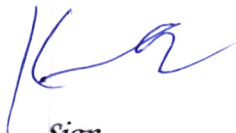
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NG-CDF Office(PERIMETER WALL)



Emerging issues, implementation challenges and recommendations

Some of the emerging issues related to implementation of projects is failure by institutions to present bursary acknowledgement letters as well as presenting the cheques at the bank for clearance leading to huge balances of unpresented cheques on the bank reconciliation statements and eventually stale cheques, poor submission of returns by the PMCs, late disbursement of funds.


Sign

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

SIGOR CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 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.

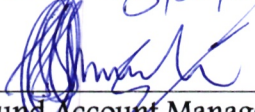
The Accounting Officer in charge of the NGCDF-SIGOR Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019.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

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

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

Approval of the financial statements

The NGCDF-SIGOR Constituency financial statements were approved and signed by the Accounting Officer on 5/5/2020 2019.


Fund Account Manager
Name: Krop Merisia


Sub-County Accountant
Name: STANLEY K. MURIAI
CPAK Member Number:

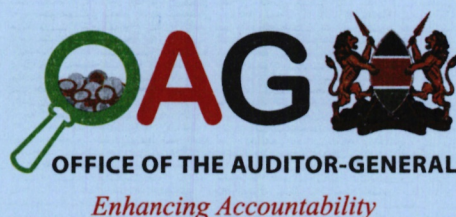


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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Sigor Constituency set out on pages 12 to 43, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 National Government Constituencies Development Fund - Sigor Constituency as at 30 June, 2019, 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments for the year ended 30 June, 2019 reflects total payments of Kshs.100,433,463 which are at variance with the statement of cash flows total payments of Kshs.96,509,392 resulting in unexplained variance of Kshs.3,924,168.

Report of the Auditor-General on National Government Constituencies Development Fund - Sigor Constituency for the year ended 30 June, 2019

Further, the statement of receipts and payments reflects a surplus of Kshs.8,351,020 while the statement of assets and liabilities indicates a surplus of Kshs.7,500,730 resulting in unexplained variance of Kshs.850,290.

In addition, Note VIII on budget execution by programmes and sub-programmes does not include the total amounts. Besides that, some of the figures in the statement do not agree with amounts in the other financial statements as summarized below:

No	Item	Amount as Per Budget Execution (Kshs.)	Amount as per the Financial Statements (Kshs.)	Variance (Kshs.)
1	Committee expenses	1,444,000	2,675,400	(1,231,400)
2	Transfers to primary schools	20,186,206	19,186,206	1,000,000
3	Bursary-tertiary institutions	5,978,500	6,273,500	(295,000)
4	Sports projects	3,916,543	3,579,495	337,048

The resultant variances have not been explained.

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

2. Unconfirmed Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a bank balance of Kshs.12,604,624. However, Management did not provide for audit verification bank reconciliation statements and certificate of bank balances as at 30 June, 2019.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,604,624 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Sigor 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 are no key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.168,078,965 and Kshs.108,784,483 respectively, resulting to an under-funding of Kshs.59,294,482 or 35% of the budget.

Additionally, the Fund spent Kshs.100,433,463 against an approved budget of Kshs.168,078,965 resulting to an under-expenditure of Kshs.71,569,670 or 40% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the people of Sigor Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Delayed Project Implementation

The National Government Constituencies Development Fund - Sigor Constituency had an approved budget for 2018/2019 of Kshs.168,078,965. Out of this budget, an amount of Kshs.64,997,532 was allocated to development projects. Further, out of this, an amount of Kshs.3,400,000 was earmarked for implementation of four projects. However, the projects were not implemented yet the funds had been disbursed to the projects. The details are provided below:

No	Project Name	Activity	Amount Allocated (Kshs.)
1.	Cheptamas Primary School	Construction of one classroom	500,000
2.	Amoler Primary School	Completion of one classroom	400,000
3.	Iyoon Primary School	Renovation of four classrooms	500,000
4.	Chesta Chief's Office	Construction of two administration police houses	2,000,000
	Total		3,400,000

Further, during the year, a verification exercise was conducted on a sample of nineteen (19) projects which received disbursements totalling Kshs.17,347,556. However, various unsatisfactory matters were noted as detailed in **Appendix 1**.

Delay in project implementation may lead to misuse of funds leading to non-delivery or delivery of poor-quality services and goods to the residents of the Sigor Constituency.

2.0 Irregular Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers figure of Kshs.56,313,505 as disclosed in Note 7 to the financial statements. The amount includes bursary disbursements of Kshs.34,895,000 to secondary schools and Kshs.6,273,500 to tertiary institutions all totalling Kshs.41,168,500. However, minutes of the bursary sub-committee indicating how the beneficiaries were identified and evidence that two members, one of whom should be an area education officer or officer seconded from the Ministry of Education were co-opted as required by the CDF Board circular Ref. CDF Board circulars/Vol 1/111 dated 13 September, 2010 were not provided for audit review.

Consequently, the Management is in breach of the law and propriety of the bursary disbursement of Kshs.41,168,500 could not be confirmed.

1.2 Irregularities in Construction of the CDF Office

As previously reported in the year 2017/2018, an amount of Kshs.20,336,979 had been incurred on the construction of the Constituencies Development Fund Office at Sigor. According to the financial records, the initial contract was awarded to a construction firm in the financial year 2015/2016 at a contract sum of Kshs.13,710,381. Available information revealed that the contractor was paid a total of Kshs.12,332,012 or about 90% of the contract sum. However, the procurement records such as tender advertisement, opening minutes, evaluation, award of tender minutes and contract document were not availed for audit review. The payment vouchers were also not supported by minutes of site meeting and interim certificates. It was further noted that the contractor abandoned the project after the payment of 90% of the contract sum. The Management did not explain why the contractor was paid without certificates of completion and evidence of work done.

Further, available information revealed that, after the contractor vacated the site, the CDF Management opted to directly procure materials and labour totalling Kshs.5,000,140 in the financial year 2016/2017. However, the Management did not provide evidence that the procurement was done competitively as per the provisions of Public Procurement and Asset Disposal Act, 2015.

Although physical verification of the project confirmed that the project was complete and in use, the propriety of the total expenditure of Kshs.20,336,079 on construction of the CDF Office for the year ended 30 June, 2019 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 INTERNAL CONTROLS EFFECTIVENESS, RISK MANAGEMENT SYSTEMS AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability 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 intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern or to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021

Appendix 1

Delayed Project Implementation

No.	Institution	Project	Disbursed Amount in 2018/2019 (Kshs.)	Field Visit Report
1	Likwon Primary School	Construction of one classroom	400,000	• Ongoing • More funds to be allocated
2	Ptokou Mixed Primary School	Renovation of two classrooms	400,000	• Procurement procedures not adhered to • Roofing done • Verandah floor well done • Windows well fitted • Classes in use • Labelling not done
3	Rcea Paro Secondary School	Renovation of two classrooms	500,000	• Not labelled • Dormitory in use
4	Tamkal Secondary	Completion of a multipurpose hall	593,388	• No project file • Complete • Good workmanship
5	Tamkal Secondary	Toilet	150,000	• No project files availed for audit • Latrines were not an emergency because there were other latrines in the school
6	Chesegon Ap Station	Construction of two APS Offices	1,000,000	• No ceiling
				• No fascial Board • 4 rooms (3.4x2.5M) • Ordinary sheets • Made of bricks • Plastering not done only painting • Floor not well done

No.	Institution	Project	Disbursed Amount in 2018/2019 (Kshs.)	Field Visit Report
7	Chesegon AP Station	AP post toilets	600,000	• The toilets can't be used • No value for money • Same contractor constructed the buildings • Bathroom doors not fitted • Poor workmanship • Ordinary roofing sheets
8	Karapogh Primary School	Construction of two classrooms	1,736,000	• No window panes • Workmanship fairly done
9	Lomut Primary School	Renovation of (4 four) class rooms	2,000,000	• Poor workmanship • Ordinary roofing sheets instead of pre printed • No fascial Board • Floor and painting not well done
10	Wakor Primary	Renovation of (4) four classrooms	400,000	• Workmanship fairly done
11	Wakor Chiefs Office	Construction of office block	450,000	• Workmanship fairly done
12	St Philips Phogoi Primary School	Roofing of three (3) classrooms	400,000	• Workmanship fairly done
13	Kokworitit Primary School	Renovation of (4) four classrooms	400,000	• Plastering Poorly done • Labelling not done
14	Kokworitit Secondary School	Construction of Twin Lab	2,500,000	• Good workmanship fairly done • Project ongoing

No.	Institution	Project	Disbursed Amount in 2018/2019 (Kshs.)	Field Visit Report
15	Sigor Girls Primary School	Construction of Administration block	500,000	• Workmanship fairly done • Project complete
16	Sigor Mixed Boarding Primary School	Construction of Administration block	400,000	• Workmanship fairly done • Project ongoing
17	Guards Office	Guards office	802,568	• Workmanship fairly done
18	Office Perimeter Wall	Perimeter Wall Completion	2,200,000	• Wall Project complete, guard office ongoing
19	Gabions Construction		1,315,600	• Emergency gabions Completed
	Total		16,847,556	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SIGOR CONSTITUENCY
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IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	43,405,172
PAYMENTS			
Compensation of employees	4	3,062,507	1,188,300
Use of goods and services	5	7,359,296	4,810,780
Transfers to Other Government Units	6	26,181,595	-
Other grants and transfers	7	56,313,505	30,951,000
Acquisition of Assets	8	3,924,168	3,063,927
Other Payments	9	3,592,392	-
TOTAL PAYMENTS		100,433,463	40,014,007
SURPLUS/(DEFICIT)		8,351,020	3,391,165

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SIGOR Constituency financial statements were approved on _____ 2019 and signed by:


Fund Account Manager
Name: Krop Merisia




Sub-County Accountant
Name: [Signature]
ICPAK Member Number:

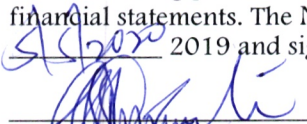


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SIGOR CONSTITUENCY
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V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2018 Kshs	2018 - 2017 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,604,624	4,253,605
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		12,604,624	4,253,605
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		12,604,624	4,253,605
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		12,604,624	4,253,605
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	4,253,605	863,040
Surplus/Defict for the year		7,500,730	3,390,565
Prior year adjustments	14	850,289	-
NET LIABILITIES		12,604,625	4,253,605

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


Fund Account Manager
Name: Krop Merisia


Sub-County Accountant
Name: STANLEY K. MUIA
ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
SIGOR CONSTITUENCY
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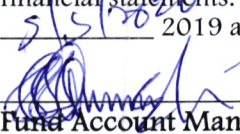
VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts			2018 - 2019 (Kshs)	2017 - 2018 (Kshs)
Transfers from CDF Board	1		108,784,483	43,405,172
Other Receipts	3		-	-
Total Receipts			108,784,483	43,405,172
Payments				
Compensation of Employees	4		(3,062,507)	(1,188,900)
Use of goods and services	5		(7,359,296)	(4,810,780)
Transfers to Other Government Units	6		(26,181,595)	-
Other grants and transfers	7		(56,313,505)	(30,951,000)
Other Payments	9		(3,592,392)	(3,063,927)
Total Payments			(96,509,295)	(40,014,607)
Total Receipts Less Total Payments			12,275,188	3,390,565
				-
Adjusted for:				
Outstanding Imprest	11	-		0
Retention	12A	-		0
Gratuity Payable	12B	-		0
Prior Year adjustment	14			0
Net Adjustments				
Net cash flow from operating activities			12,275,188	3,390,565
CASHFLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale of Assets	2		-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Acquisition of Assets	8	(3,924,168)	
Net cash flows from Investing Activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		8,351,020	3,390,565
Cash and cash equivalent at BEGINNING of the year	13	4,253,605	863,040
Cash and cash equivalent at END of the year		12,604,625	<u>4,253,605</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-SIGOR Constituency financial statements were approved on 5/5/2020 2019 and signed by:


Fund Account Manager
Name: Krop Merisia


Sub-County Accountant
Name: Stanley K. Mutai
ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	59,038,089	168,078,965	108,784,483	59,294,482	64.7%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-	-	-	0.0%
TOTAL RECEIPTS	109,040,876	59,038,089	168,078,965	108,784,483	59,294,482	64.7%
PAYMENTS					-	
Compensation of Employees	2,840,000	1,532,042	4,372,042	3,062,507	1,309,535	70 %
Use of goods and services	6,419,226	1,357,997	7,777,223	7,359,296	258,487	94.6 %
Transfers to Other Government Units	35,462,262	24,211,664	59,673,926	26,181,595	33,492,331	43.9%
Other grants and transfers	59,764,935	11,624,859	71,389,794	56,313,505	19,000,457	78.9%
Acquisition of Assets	4,554,453	11,634,500	16,188,953	3,924,168	12,408,544	24.2%
Other Payments		8,677,027	8,677,027	3,592,392	5,084,635	41.4%
TOTAL	109,040,876	59,038,089	168,078,965	100,433,463	71,569,670	59.8%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY

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The percentage utilisation of the 2018-2019 budget stood at 59.8%. This was as a result of lack of funding of the 2018-2019 budget. At the close of the 2017-2018 financial year, NG CDF Sigor had received Kshs. 108,784,483 which is 64.7% of the budget with Kshs. 59,294,482.00 still owed to the constituency from the Board.

The increase in the original budget is represented by the unutilised funds carried forward from the 2017-2018 budget.

The NGCDF-SIGOR Constituency financial statements were approved on 26/2020 2019 and signed by:


Fund Account Manager
Name: Krop Merisia


Sub-County Accountant
Name: Stanley K. Mutai
ICPAK Member Number:



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,840,000	1,532,042	4,372,042	3,062,507	1,309,535
1.2 Committee allowances	1,348,000	600,000	1,948,000	1,877,206	70,794
1.3 Use of goods and services	1,800,000	213,997	2,013,997	1,952,948	61,049
2.0 Monitoring and evaluation					
2.1 Capacity building	1,071,226	100,000	1,171,226	1,146,100	25,126
2.2 Committee allowances	1,000,000	444,000	1,444,000	1,444,000	-
2.3 Use of goods and services	1,200,000	-	1,200,000	1,098,483	101,517
3.0 Emergency					
3.1 Primary Schools					
3.2 Secondary schools	5,738,994	4,637,931	10,376,925	8,800,000	1,576,925
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	32,164,306	3,000,000	35,164,306	34,895,000	269,306
4.3 Tertiary Institutions	6,000,000	386,207	6,386,207	5,978,500	407,707
4.4 Universities					
4.5 Social Security					
5.0 Sports					
5.1	2,180,818	1,736,206	3,917,024	3,916,543	481

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
5.2					
5.3					
6.0 Environment					
6.1	2,180,818	-	2,180,818	1,315,600	865,218
6.2					
6.3					
7.0 Primary Schools Projects (List all the Projects)					
7.1	18,462,262	18,686,206	37,148,468	20,186,206	16,962,262
7.2					
7.3					
7.4					
8.0 Secondary Schools Projects (List all the Projects)					
8.1	18,000,000	4,495,389	22,495,389	6,995,389	15,500,000
8.2					
8.3					
8.4					
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
9.2					
9.3					
9.4					
10.0 Security Projects					
10.1	11,500,000	1,450,000	12,950,000	1,450,000	11,500,000
10.2					
10.3					



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SIGOR CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	10,400,000	10,400,000	-	10,400,000
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment	554,453	280,223	834,676	921,600	56,835
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
12.1 Strategic Plan	4,000,000	-	4,000,000	3,592,392	407,608
12.2 Innovation Hub	-	4,677,027	4,677,027	-	4,677,027
12.2					

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

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

Reports and Financial Statements

For the year ended June 30, 2019

IX. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
SIGOR CONSTITUENCY**
Reports and Financial Statements
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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 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

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

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
SIGOR CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
	1		5,500,000
	2		37,905,172
	1	44,384,483.15	
	2	10,000,000.00	
	3	12,000,000.00	
	4	8,000,000.00	
	5	11,000,000.00	
	6	10,400,000.00	
	7	13,000,000.00	
TOTAL		108,784,483 .15	43,405,172

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4 COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	2,915,771	2,605,195
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	146,736	
Gratuity-Paid		-
TOTAL	3,062,507	2,605,195

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	2,675,400	2,063,200
Utilities, supplies and services	-	-
Electricity	55,000	-
Communication, supplies and services	66,000	-
Domestic travel and subsistence	167,500	128,200
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,146,100	336,000
Hospitality supplies and services	195,000	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,367,013	142,145
Other operating expenses	143,759	1,246,400
Fuel oil and lubricants	300,000	201,455
Routine maintenance – vehicles and other transport equipment	1,063,124	693,380
Routine maintenance – other assets	180,400	-
Total	7,359,296	4,810,780

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019 Kshs	2017-2018 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	19,186,206	-
Transfers to secondary schools (see attached list)	6,995,389	-
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	26,181,595	-

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bursary – secondary schools (see attached list)	34,895,000	25,341,000
Bursary – tertiary institutions (see attached list)	6,273,500	4,675,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	1,450,000	-
Sports projects (see attached list)	3,579,405	435,000
Environment projects (see attached list)	1,315,600	-
Emergency projects (see attached list)	8,800,000	500,000
Total	56,313,505	30,951,000

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8. ACQUISITION OF ASSETS

Non Financial Assets

	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	3,002,568	3,003,927
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	921,600	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	60,000
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	3,924,168	3,063,927

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	3,592,392	-
ICT Hub	-	-
Total	3,592,392	-

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
<i>Equity Bank- Kapenguria branch, Account No. 1070296968337</i>	12,604,625	4,253,605
Total	12,604,625	4,253,605
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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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>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total				-

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

12A. RETENTION

	2018 - 2019	2017-2018
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	4,253,605	863,040
Cash in hand	-	-
Imprest	-	-
Total	4,253,605	863,040

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	~	~
Others (<i>specify</i>)	~	~
	~	~

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,652,623	1,532,042
Use of goods and services	258,487	1,357,997
Amounts due to other Government entities (see attached list)	32,492,331	24,211,664
Amounts due to other grants and other transfers (see attached list)	14,739,151	11,624,859
Acquisition of assets	12,408,543	11,634,500
Others (<i>specify</i>)	5,084,635	8,677,027
	66,635,770	59,038,088

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15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)		

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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



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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		1,652,623	1,532,042	
Use of goods & services		258,487	1,357,997	
Amounts due to other Government entities		32,492,331	24,211,664	
	Sub-Total	34,562,882	27,101,703	
Amounts due to other grants and other transfers		14,739,151	11,624,859	
	Sub-Total	14,739,151	11,624,859	
	Sub-Total	49,302,033	38,726,562	
Acquisition of assets		12,408,543	11,634,500	
Others (<i>specify</i>)		5,084,635	8,677,027	
	Sub-Total	17,493,178	20,311,527	
	Grand Total	66,795,211	59,038,088	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	17,410,052	3,002,568	-	20,412,620
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	2,510,000	921,600	-	3,281,841
ICT Equipment, Software and Other ICT Assets	878,000	-	-	878,000
Other Machinery and Equipment	1,781,000	-	-	1,781,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	22,579,052	3,924,168	-	26,359,461

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Lomut Primary School	EQUITY	1070278830597	60.00	0.00
Sakat Primary School	EQUITY	1070179682442	260.00	0.00
Sunukur Primary School	EQUITY	1070177646466	60.00	0.00
Chepkokogh Primary School	EQUITY	1070177650886	60.00	0.00
Sengelel Primary School	EQUITY	1070278832885	4,275.00	0.00
Chirkil Primary School	EQUITY	1070177647571	60.00	0.00
Simbol Primary School	EQUITY	1070177630506	890.00	0.00
Krongon Primary School	EQUITY	1070177681620	260.00	0.00
Karapogh Primary School	EQUITY	1070277693706	216.00	0.00
TOTAL			6,141	0.00

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

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)
FY 2017/2018	The statement of financial assets as at 30 June 2018 reflects bank balances figure of Kshs.4,253,605 . However, the bank reconciliation statement availed for audit review reflects un-presented cheques totaling Kshs.2,213,687 which had become stale and had not been reversed back to the cash book. No explanation was provided for this anomaly.	The stale cheques have since been reversed in the cash book.	Krop Musa Merisia - FAM	Not Resolved	30/9/2019
FY 2017/2018	The financial statements submitted for audit do not disclose unutilized balances in the project management committee bank accounts. In addition, cash books, bank confirmation certificates and bank reconciliation statements	The project management committee balances were availed for audit review. We have since written to the concerned PMCs to avail the cash books, bank confirmation certificates, and bank	Krop Musa Merisia - FAM	Not Resolved	30/9/2019



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Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	for various project management committee which received fund from the CDF were not availed for audit review	reconciliation statements.			
FY 2017/ 2018	The summary statement of appropriation: recurrent and development combined for the year ended 30 June 2018 reflects approved original budget figure of Kshs.86,810,345 which is at variance with the Board approved budget figure of Kshs.98,189,655 resulting in unexplained or unreconciled difference of Kshs.11,379,310. Under the circumstances, the accuracy and completeness of the approved original budget figure of Kshs.86,810,345 for the year ended 30 June 2018 could not be confirmed.	The original budget FY 2017/18 was Kshs. 86,810,345. Unreconciled difference of Kshs. 11,379,310.00 was a supplementary budget for the financial year 2017/18 which aggregates to a total board approved budget figure of Kshs. 98,189,655. The difference has since been adjusted in the financial statement.	Krop Musa Merisia - FAM	<i>Not Resolved</i>	30/9/2019
FY 2017/ 2018	The summary of fixed asset register as reflected under	The historical cost brought forward 2016/17 of kshs.	Krop Musa Merisia - FAM	<i>Not Resolved</i>	30/9/2019

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Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	Timeframe: (<i>Put a date when you expect the issue to be resolved</i>)
	annex 4 indicates historical cost brought forward 2016/2017 figure of Kshs 25,642,979 which is at variance with prior year audited figure of Kshs 22,579,052 resulting in unexplained difference of Kshs 3,063,927. Under the circumstances, the accuracy and completeness of the historical cost brought forward 2016/2017 figure of Kshs 25,642,979 could not be confirmed.	25,642,979 which is at variance with prior year audited figure of kshs. 22,579,052 resulting in a difference of 3,063,927. The difference was as a result of the addition budget of Ksh 2,000,000 for the completion of the NGCDF office and another Ksh 2,000,000 for the construction of NGCDF office perimeter wall where in the financial year under review, Kshs 1,953,980.00 was paid to Elerai Building and Construction Co Ltd in respect of Construction of perimeter wall whereas Kshs 1,049,947.00 was paid for the completion of NGCDF office totalling to Ksh 3,063,927			
FY 2017/ 2018	The statement of receipts and payments reflects acquisition of assets figure of Kshs.3,063,927 which includes an amount of	in the financial year under review, Kshs 1,953,980.00 was paid to Elerai Building and Construction Co Ltd in	Krop Musa Merisia - FAM	<i>Not Resolved</i>	30/9/2019



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs.3,003,927 incurred on the completion of constituency office administration block in Sigor. However, the management did not provide evidence that the procurement was done competitively as per the provisions of Public Procurement and Asset Disposal Act,2015.	respect of Construction of perimeter wall whereas Kshs 1,049,947.00 was paid for the completion of NGCDF office. Both contracts were awarded competitively as per the provisions of the Public Procurement and disposal Act 2015 to M/s Elerai Bulding and Construction Co Ltd. Both projects were carried out under the supervision of the Sub county works office and a certificate of completion for the construction of the office issued before the payment was made. the construction of the perimeter wall is still on going			

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