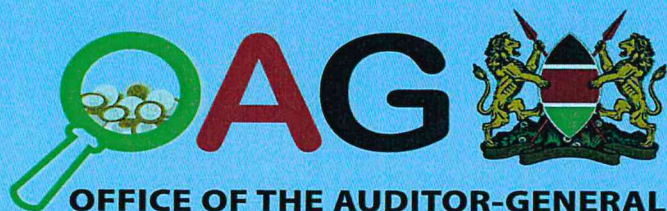


REPUBLIC OF KENYA



*Enhancing Accountability*

<b>REPORT</b>	
THE NATIONAL ASSEMBLY	
PART II	
OF DATE: 21 OCT 2021	DAY: Thursday
TABLED BY: LOMP.	
CLERK-AT THE-TABLE:	Maira Warjken

**THE AUDITOR-GENERAL**

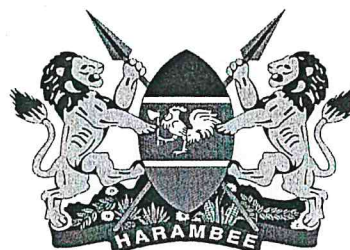
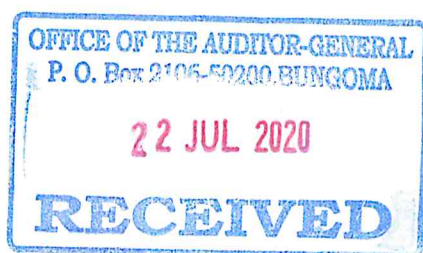
**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – MT ELGON CONSTITUENCY**

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







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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -MT. ELGON  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) MT. ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Core Values**



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) - MT. ELGON CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

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 Mt.Elgon 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 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	CAROLYNE WANYONYI
2.	Sub-County Accountant	SIMON ASAVA
3.	Chairman NGCDFC	JULIAS MASARANJA
4.	Member NGCDFC	NANCY KIMACHAS

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 267  
Planning Building  
DCC office compound  
KAPSOKWONY





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) - MT. ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**(f) NGCDF Mt.Elgon Constituency Contacts**

Telephone: (254) 727625192

E-mail: [ngcdfmtelgon@ngcdf.go.ke](mailto:ngcdfmtelgon@ngcdf.go.ke)

Website: [www.go.ke](http://www.go.ke)

**(g) NGCDF Mt.Elgon Constituency Bankers**

Co-operative Bank of Kenya

Kimilili branch

P.O. Box 552-50204

KIMILILI

**(h) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya





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

### **KEY ACHIEVEMENTS OF THE FUND**

NGCDFB has done great works to the nation Kenya, and more specifically to Mt Elgon Constituency. It has given the local people an opportunity to come up with their own ways (in terms of projects) to address their own developmental problems. It has led to the initiation of development projects at the local level thereby availing financial resources at the grassroots level, thus, empowering communities economically.

It has led to the expansion of education infrastructure through construction of new schools countrywide. This has improved accessibility of education to Kenyans especially to boys and girls at the primary and secondary school level. Parents are relieved from building classrooms. The increase in the number of schools and classrooms has increased enrolment rates and reduced crowding in schools.

Schools have been equipped with books, desks, chairs and laboratory equipment. Dormitories and laboratories have been constructed, renovated or expanded. This, coupled with the gains of free primary education, has increased primary school enrolment.

NG-CDF bursary fund has enabled needy children from poor backgrounds to acquire education, especially in secondary school.

The vocational training institutes have provided the youth with a chance to pursue several courses and to learn life skills.

The NG-CDF has contributed significantly to improvement of infrastructure particularly in rural areas and regions with high agricultural potential thereby making many areas accessible and hence, improving transport and communication. For instance; More rural access roads have been constructed, More feeder roads have been built, Bridges have been erected to connect villages, Drainage systems have been improved and expanded,

The NG-CDF has played a pivotal role in reducing the percentage of roads in poor state. This has increased efficiency in transport and communication which has improved citizens' well being.

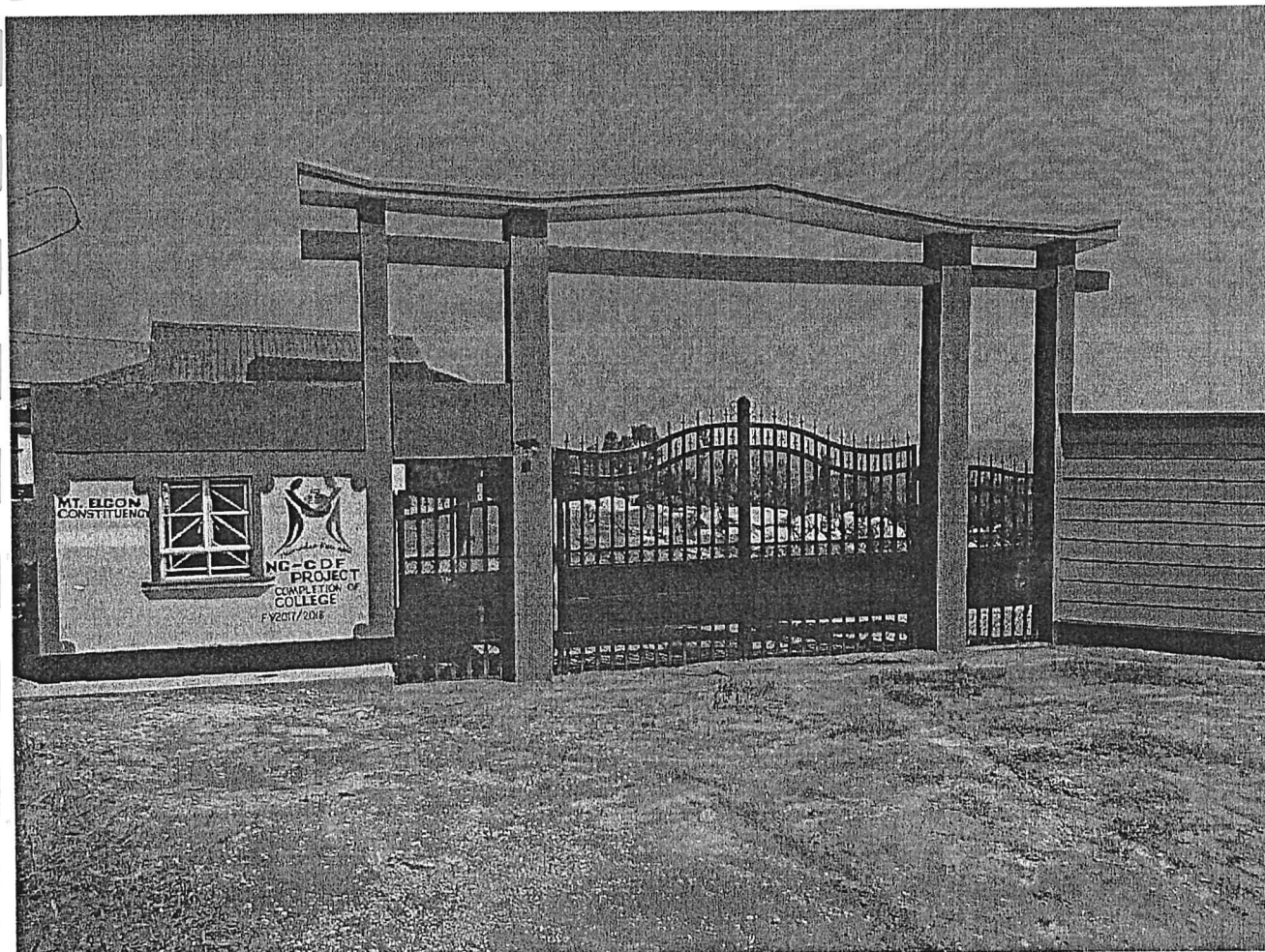
We have made considerable gains in the past few years but we still have more challenges to overcome and opportunities to exploit to attain our vision. I am confident that together we shall sail through. we the Mt Elgon people shall proudly use NGCDF funds to make our desired steps into a very competitive future.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) - MT. ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

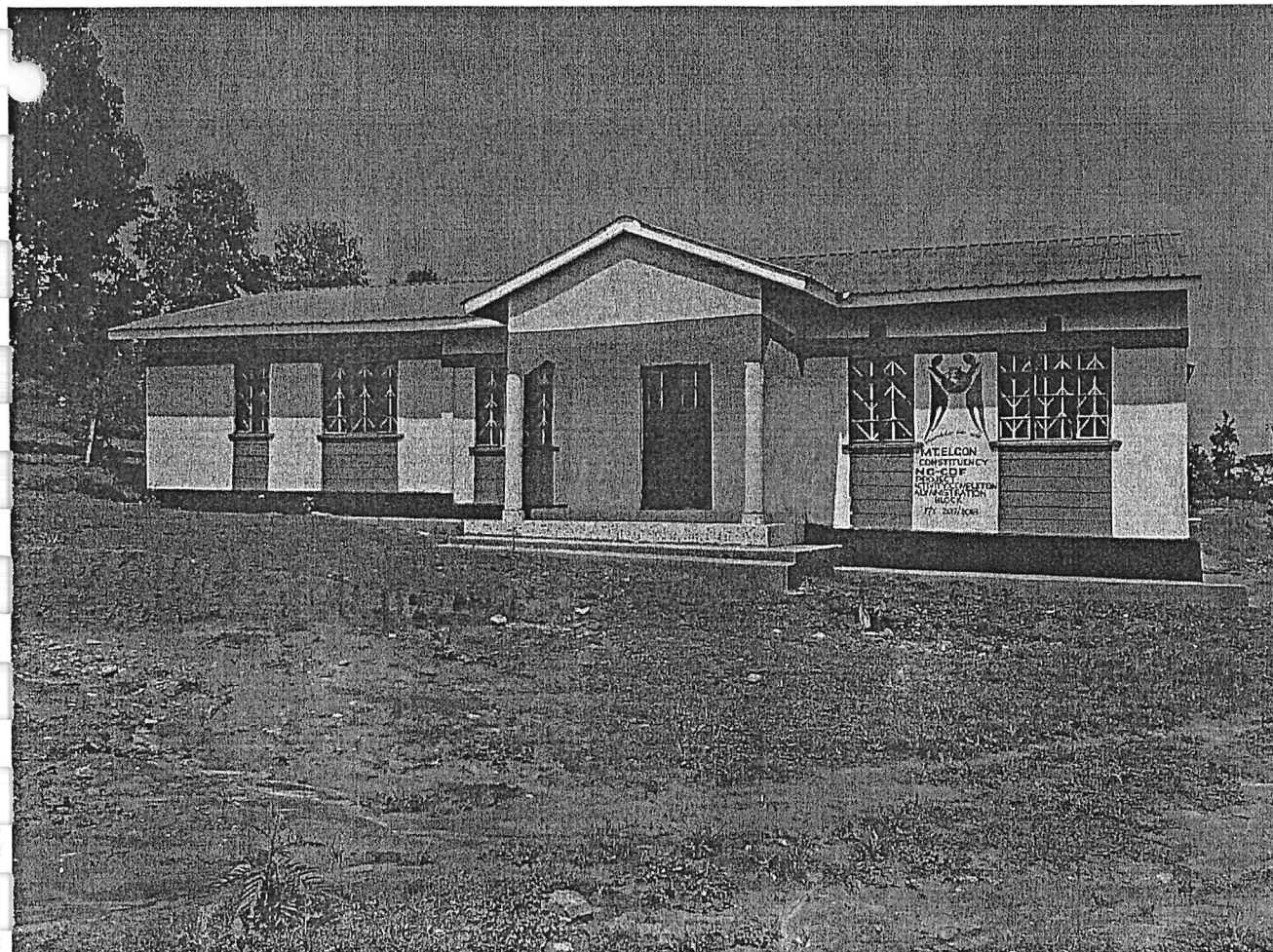
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The photos below show one of the projects that NG-CDF Mt. Elgon has implemented. I believe it will create a great impact to constituents



A gate constructed at cheptais community college with NG-CDF Mt. Elgon





An administration block completed by NG-CDF Mt. Elgon

We as people of Mt. Elgon undergo a number of challenges which includes the following

1. Limited funds
2. Uncompleted projects.
3. New projects especially primary, secondary school, security housing and offices
4. Delays in disbursement of funds
5. Poor terrain which makes transportation of materials very difficult hence raising the cost of construction.

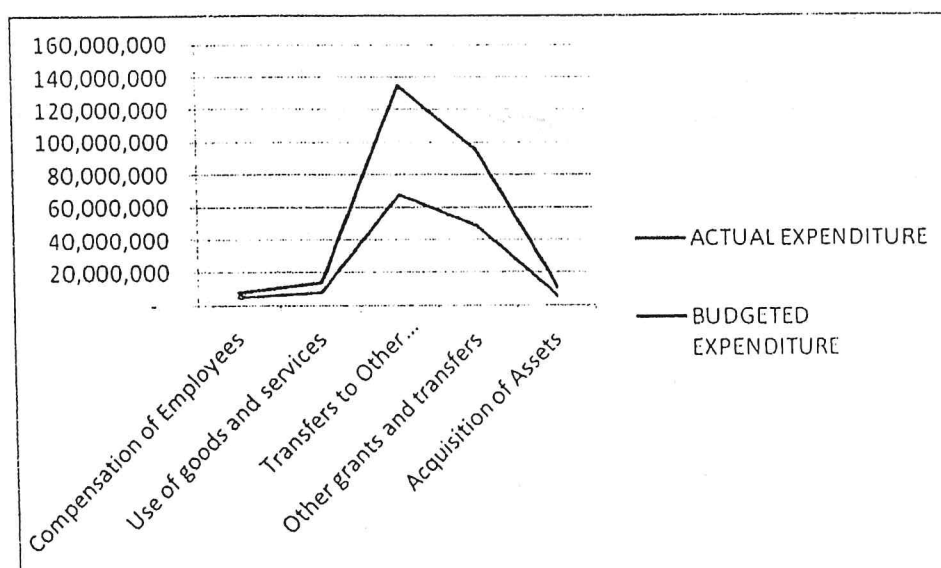
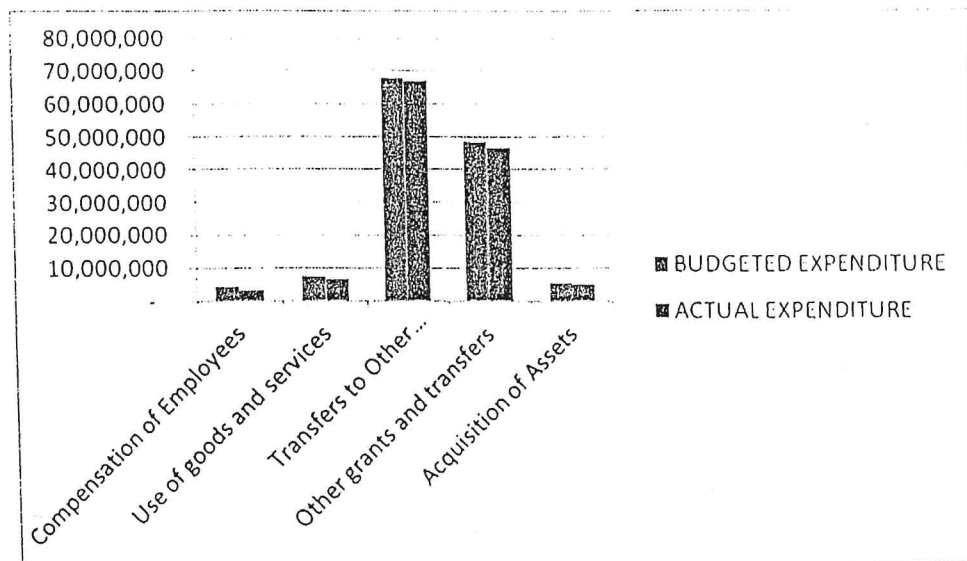
I therefore propose the following measures to overcome the above challenges

1. The National Government to increase the Kitty for Constituency Development Fund.
2. The National Government to release funds on time and at once.
3. The Bursary kitty to increased
4. Liaise with the county government to improve on the road network





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)**  
**MT.ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**



Sign 

CHAIRMAN NGCDF COMMITTEE



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- Mt. Elgon 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- Mt. Elgon 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.

## Approval of the financial statements

The NGCDF- Mt. Elgon Constituency amended financial statements were approved and signed by the Accounting Officer on 20171 2020.

Fund Account Manager

Name: CPA CAROLINE WENTON

Sub-County Accountant

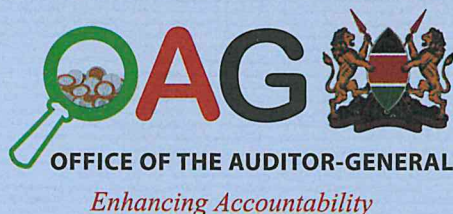
Name: Simon A. S. A.  
ICPAK Member Number: \_\_\_\_\_





# REPUBLIC OF KENYA

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E-mail: [info@oagkenya.go.ke](mailto:info@oagkenya.go.ke)  
Website: [www.oagkenya.go.ke](http://www.oagkenya.go.ke)



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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MT. ELGON CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

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

#### **Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Mt. Elgon Constituency set out on pages 10 to 25, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Mt. Elgon Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### **Basis for Opinion**

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

## **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has indicated the issues as resolved yet Parliament has not discussed the report.

## **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. Delay in Project Implementation**

According to the Project Implementation Status, the Fund was to implement a total of sixty-six (66) projects during the financial year, twenty-six (26) projects representing 39% of all projects were still on-going and forty (40) projects representing 61% had been completed as at 30 August, 2019.

Further, although the Project Implementation Status indicated that an amount of Kshs.5,738,993 for Emergency Reserve allocation was fully utilized during the year, the projects that were funded were not specified.

In the circumstances, I am unable to confirm whether the public will obtain value for money from the delayed projects and Emergency Reserve allocation.

### **2. Non-Prioritization of Projects**

The Project Implementation Status showed that a number of projects with total allocated amount of Kshs.101,266,813, which were to be implemented from 2013/2014 to 2017/2018 financial years had not been completed as at 30 June, 2019. This indicated that Management did not prioritize on-going projects as required by

Section 46 (2) of the National Government Constituencies Development Fund Act, 2015.

Consequently, the Management is in breach of the law.

### **3. Failure to Insure Fixed and Movable Assets**

Annex 2 on summary of fixed assets register to the financial statements for the year under review reflects fixed assets totalling to Kshs.27,568,595. However, the assets had not been insured, contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.

Consequently, the Management is in breach of the law.

### **4. Irregular Construction of Kamuneru AP Camp**

Included in other grants and transfers expenditure totalling to Kshs.46,812,276 reflected in the statement of receipts and payments is an amount of Kshs.1,000,000 on construction of Kamuneru Administration Police Camp by a local company. However, the Project Management Committee did not provide procurement documents such as letter of acceptance of ward, contract agreement and payment certificates from the Works Department. In addition, the contractor was awarded the contract despite not having a valid Kenya Revenue Authority Tax Compliance Certificate. The certificate provided was dated 27 June, 2019, after the contract was awarded.

In the circumstances, I am unable to confirm the validity of expenditure amounting to Kshs.1,000,000 for the year ended 30 June, 2019.

### **5. Irregular Payment of Retention Fees**

A local company was awarded a contract for renovation of five (5) classrooms at Korngotuny Primary School at a contract sum of Kshs.3,121,386. During the year under review, the contractor was paid a total of Kshs.1,210,634 on 21 February, 2019, based on the recommendation of the Ministry of Public Works. However, it was noted that this payment included retention money of Kshs.121,063 which should only have been paid after the default period of six (6) months as per the Public Procurement and Asset Disposal Act, 2015.

Consequently, the Management is in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities



that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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

### Basis for Conclusion

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

### Responsibilities of Management and those charged with Governance

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

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

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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



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

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**


**Nairobi**  
**01 October, 2021**


**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) - MT. ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**VII. STATEMENT OF CASHFLOW**

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for operating income			
Transfers from other government entities	1	125,920,186	81,310,345
Other receipts	2	12,100	-
<b>Payments for operating expenses</b>			
Compensation of employees	3	(3,317,322)	(3,651,140)
Use of goods and services	4	(6,626,580)	(6,938,240)
Transfers to other government units	5	(67,244,500)	(28,500,000)
Other grants and transfers	6	(46,812,276)	(36,975,800)
Other payments	8	-	(2,500,000)
<b>Adjusted for:</b>			
Prior year adjustment	11	1,253,493	882,498
<b>Net cash flow from operating activities</b>		<b>3,185,101</b>	<b>3,627,663</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of assets	7	(5,200,000)	(850,000)
<b>Net cash flows from Investing Activities</b>		<b>(5,200,000)</b>	<b>(850,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(2,014,899)</b>	<b>2,777,663</b>
Cash and cash equivalent at BEGINNING of the year	11	8,136,523	5,358,860
Cash and cash equivalent at END of the year		6,121,624	8,136,523

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Mt. Elgon Constituency amended financial statements were approved on 2019/1 2020 and signed by:

  
Fund Account Manager  
Name: **CPA CAROLINE WANJONYI**  
MT. ELGON NGCDF  
FUND ACCOUNT MANAGER  
P.O. Box 267 - 50203,  
KAPSOKWONY

  
Sub-County Accountant  
Name: **Simon Asava**  
ICPAK Member Number:  
SUB-COUNTY ACCOUNTANT  
MT. ELGON



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) - MT. ELGON CONSTITUENCY**


**Reports and Financial Statements**


**For the year ended June 30, 2019**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018-2019	2017- 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from Other Government Units	1	125,920,186	81,310,345
Other Receipts	2	12,100	-
<b>TOTAL RECEIPTS</b>		<b>125,932,286</b>	<b>81,310,345</b>
<b>PAYMENTS</b>			
Compensation of employees	3	3,317,322	3,651,140
Use of goods and services	4	6,626,580	6,938,240
Transfers to Other Government Units	5	67,244,500	28,500,000
Other grants and transfers	6	46,812,276	36,975,800
Acquisition of Assets	7	5,200,000	850,000
Other Payments	8	-	2,500,000
<b>TOTAL PAYMENTS</b>		<b>129,200,678</b>	<b>79,415,180</b>
<b>SURPLUS/DEFICIT</b>		<b>(3,268,392)</b>	<b>1,895,165</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Mt. Elgon Constituency amended financial statements were approved on 2017/ 2020 and signed by:

  
Fund Account Manager  
Name: **CPA CAROLINE WANTONYI**  
MT. ELGON NG-CDF  
FUND ACCOUNT MANAGER  
P.O. Box 201-60263,  
KAPSOKWONYI

  
Sub-County Accountant  
Name: **Simon Asava**  
ICPAK Member Number:

SUB-COUNTY ACCOUNTANT  
MT. ELGON





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) - MT. ELGON CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**


**VI. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents			
Bank balances	9	6,121,624	8,136,523
Total cash and cash equivalents		6,121,624	8,136,523
<b>TOTAL FINANCIAL ASSETS</b>		6,121,624	8,136,523
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	10	8,136,523	5,358,860
Surplus/Deficit for the year		(3,268,392)	1,895,165
Prior year adjustments	11	1,253,493	882,498
<b>NET FINANCIAL POSITION</b>		6,121,624	8,136,523

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- Mt. Elgon Constituency amended financial statements were approved on 20/7/2020 and signed by:

  
Fund Account Manager

Name: **CPA CAROLINE WANYONYI**

  
Sub-County Accountant

Name: **SIMON ASAM**

ICPAK Member Number:

**SUB-COUNTY ACCOUNTANT  
MT. ELGON**



## VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from other government entities	109,040,876	25,015,833	134,056,709	134,056,709	-	100%
Other receipts	-	-	-	12,100	(12,100)	∞
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>25,015,833</b>	<b>134,056,709</b>	<b>134,068,809</b>	<b>(12,100)</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of employees	3,986,520	643,000	4,629,520	3,317,322	1,312,198	72%
Use of goods and services	5,627,158	1,740,567	7,367,725	6,626,580	741,145	90%
Transfers to other government units	58,450,000	9,500,000	67,950,000	67,244,500	705,500	99%
Other grants and transfers	40,977,197	7,632,266	48,609,463	46,812,276	1,797,188	96%
Acquisition of assets	-	5,500,000	5,500,000	5,200,000	300,000	95%
<b>TOTAL PAYMENTS</b>	<b>109,040,876</b>	<b>25,015,833</b>	<b>134,056,709</b>	<b>129,200,678</b>	<b>4,856,031</b>	<b>96%</b>
<b>SURPLUS DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,868,131</b>	<b>(4,868,131)</b>	

## Notes

- a) The unbudgeted receipt of Kshs.12,100 was as a result of sale of tender which has been budgeted for in the financial year 2019/2020.
- b) The utilization in compensation of employees of 72% was as a result of gratuities which were not yet due for payment as at 30 June 2019.
- c) The adjustments figure of Kshs.25,015,833 is explained as follows:
- Kshs.5,500,000- being a balance not received from NG-CDF board
  - Kshs. 8, 136, 523 -being a balance b/d as at 1/7/2019
  - Kshs.11,379,310 -being additional budget for the financial year as supported by the circular.

The NGCDF- Mt.Elgon Constituency amended financial statements were approved on 30/7/2020 and signed by:

  
Fund Account Manager

Name: CPA CAROLINE WANJAU

  
Sub-County Accountant

Name: SIMON ASAVA SUB-COUNTY ACCOUNTANT  
ICPAK Member Number:

20171 2020 and signed by:  
SUB-COUNTY ACCOUNTANT  
MT. ELGON



IX. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,986,640	643,000	4,629,640	3,317,322	1,312,318
1.2 Committee activities	1,300,000	300,000	1,600,000	1,457,290	142,710
1.3 Purchase of goods and services	1,255,812	1,099,188	2,355,000	1,787,000	568,000
<b>Sub-Total</b>	<b>6,542,452</b>	<b>2,042,188</b>	<b>8,584,640</b>	<b>6,561,612</b>	<b>2,023,028</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	800,000	0	800,000	800,000	0
2.2 Committee activities	1,571,226	341,379	1,912,605	1,882,290	30,315
2.3 Purchase of goods and services	700,000	0	700,000	700,000	0
<b>Sub-Total</b>	<b>3,071,226</b>	<b>341,379</b>	<b>3,412,605</b>	<b>3,382,290</b>	<b>30,315</b>
<b>3.0 Emergency</b>					
3.1 Primary Schools	5,738,993	568,966	6,307,959	4,862,085	1,445,874
<b>Sub-Total</b>	<b>5,738,993</b>	<b>568,966</b>	<b>6,307,959</b>	<b>4,862,085</b>	<b>1,445,874</b>
<b>4.0 Bursary and Social Security</b>					
4.1 Secondary Schools	15,177,387	3,948,343	19,125,730	19,035,600	90,130
4.2 Tertiary Institutions	11,400,000	1,482,758	12,882,758	13,121,575	-238,817
4.3 Special schools	700,000		700,000	700,000	0
<b>Sub-Total</b>	<b>27,277,387</b>	<b>5,431,101</b>	<b>32,708,488</b>	<b>32,857,175</b>	<b>-148,687</b>
<b>5.0 Environment</b>					
5.1 Environment Projects	2,180,000	227,586	2,407,586	2,407,586	0
<b>Sub-Total</b>	<b>2,180,000</b>	<b>227,586</b>	<b>2,407,586</b>	<b>2,407,586</b>	<b>0</b>
<b>6.0 Sports</b>					
6.1 Sports Tournaments	2,180,817	227,586	2,408,403	2,408,403	0
<b>Sub-Total</b>	<b>2,180,817</b>	<b>227,586</b>	<b>2,408,403</b>	<b>2,408,403</b>	<b>0</b>
<b>7.0 Primary Schools Projects</b>					
Emgwen Primary School	500,000	0	500,000	500,000	0
Kapchoiywo Primary School	1,000,000	0	1,000,000	1,000,000	0
ChebinPri School	500,000	0	500,000	500,000	0



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## Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
KapkekePri School	2,000,000	0	2,000,000	2,000,000	0
Toywondet primary	1,500,000	0	1,500,000	1,500,000	0
MasaekPri School	500,000	0	500,000	500,000	0
SariaPri School	2,000,000	0	2,000,000	2,000,000	0
CherendioPri School	1,000,000	0	1,000,000	1,000,000	0
Chemta pr. School	2,000,000	0	2,000,000	2,000,000	0
Kimerinpr	1,000,000	0	1,000,000	1,000,000	0
Kiptii primary	1,500,000	0	1,500,000	1,500,000	0
Tuikut primary	1,500,000	0	1,500,000	1,500,000	0
Kabero primary school	1,500,000	0	1,500,000	1,500,000	0
Marigo primary	1,500,000	0	1,500,000	1,500,000	0
Chesikaki special school	1,100,000	0	1,100,000	1,100,000	0
Kamata primary school	1,600,000	0	1,600,000	1,600,000	0
Bikhutu primary	1,600,000	0	1,600,000	1,600,000	0
Bisanja primary	1,600,000	0	1,600,000	1,600,000	0
kananachi primary		2,000,000	2,000,000	2,000,000	0
toroso primary		1,500,000	1,500,000	1,500,000	0
cheromis primary		2,000,000	2,000,000	2,000,000	0
kiptoitik primary		1,000,000	1,000,000	1,000,000	0
cheptakat primary		1,000,000	1,000,000	1,000,000	0
Sub-Total	23,900,000	7,500,000	31,400,000	31,400,000	0
8.0 Secondary Schools Projects					0
kapsokwony boys		1,000,000	1,000,000	1,000,000	0
Toroso secondary school		1,000,000	1,000,000	1,000,000	0
St. Augustine Nomorio sec	2,000,000	0	2,000,000	2,000,000	0
Cheptonon Sec School	2,000,000	0	2,000,000	2,000,000	0
Bishop OkringKamuneru sec school	7,500,000	0	7,500,000	7,147,250	352,750
Masaek secondary	3,000,000	0	3,000,000	3,000,000	0
St. Jude Kaimugul	450,000		450,000	450,000	0
Chesikaki RC sec	7,500,000		7,500,000	7,147,250	352,750





Reports and Financial Statements  
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
KIM girls sec	3,000,000		3,000,000	3,000,000	0
Chesiro sec school	1,800,000		1,800,000	1,800,000	0
Kipsis girls	1,700,000		1,700,000	1,700,000	0
Chesito sec school	500,000		500,000	500,000	0
Chemoge sec school	500,000		500,000	500,000	0
Kaptama girls sec	1,000,000		1,000,000	1,000,000	0
Koborom sec	2,000,000		2,000,000	2,000,000	0
Toroso sec	1,000,000		1,000,000	1,000,000	0
Kaptoboi sec school	600,000		600,000	600,000	0
Sub-Total	34,550,000	2,000,000	36,550,000	35,844,500	705,500
11.0 Security Projects					
11.1 Kamuneru Ap Camp	1,000,000	0	1,000,000	1,000,000	0
11.2 Cheptais police post	1,300,000	0	1,300,000	1,300,000	0
11.3 Kanga'nga police post	1,300,000	0	1,300,000	1,300,000	0
Cheptonon police post		677,027	677,027	677,027	0
Sub-Total	3,600,000	677,027	4,277,027	4,277,027	0
12.0 Acquisition of assets					
12.1 Motor Vehicles	0	5,500,000	5,500,000	5,200,000	300,000
Sub-Total	0	5,500,000	5,500,000	5,200,000	300,000
Audit	0	500,000	500,000	0	500,000
Sub-Total	0	500,000	500,000	0	500,000
GRAND TOTALS	109,040,876	25,015,833	134,056,709	129,200,678	4,856,031



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

### **3. Reporting Currency**

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

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

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

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

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

#### **Tax Receipts**

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

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

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



## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

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

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

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

During the year ended 30<sup>th</sup> June 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.





**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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



## **SIGNIFICANT ACCOUNTING POLICIES**

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> 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 30<sup>th</sup> 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.



**X. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO	A855944		5,500,000
AIE NO	A892630		37,905,172
AIE NO	A896892		37,905,173
AIE NO	B005070	11,379,310	
AIE NO	B003013	10,000,000	
AIE NO	B005418	20,000,000	
	B006465	6,000,000	
	B042808	7,000,000	
	A724484	11,000,000	
	A855944	5,500,000	
	B047573	55,040,876	
<b>TOTAL</b>		<b>125,920,186</b>	<b>81,310,345</b>

**2. OTHER RECEIPTS**

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from Sale of tender documents	12,000	-
Other Receipts Not Classified Elsewhere	100	-
<b>Total</b>	<b>12,100</b>	<b>-</b>

**3. COMPENSATION OF EMPLOYEES**

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	3,317,322	1,722,920
Personal allowances paid as part of salary		
Gratuity – paid	-	1,845,060
Other personnel payments	-	83,160
<b>Total</b>	<b>3,317,322</b>	<b>3,651,140</b>

**4. USE OF GOODS AND SERVICES**

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	3,669,290	4,579,400
Utilities, supplies and services	1,457,290	1,558,840
Training expenses	800,000	800,000
Other operating expenses	700,000	-
<b>Total</b>	<b>6,626,580</b>	<b>6,938,240</b>



**5. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers to primary schools	31,400,000	13,500,000
Transfers to secondary schools	35,844,500	5,000,000
Transfers to tertiary institutions	-	10,000,000
<b>Total</b>	<b>67,244,500</b>	<b>28,500,000</b>

**6. OTHER GRANTS AND OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – secondary schools	19,035,600	10,204,000
Bursary – tertiary institutions	13,121,575	9,941,800
Bursary – special schools	700,000	700,000
Security projects	4,277,027	8,848,000
Sports projects	2,407,586	1,736,000
Environment projects	2,408,403	1,736,000
Emergency projects	4,862,085	3,810,000
<b>Total</b>	<b>46,812,276</b>	<b>36,975,800</b>

**7. ACQUISITION OF ASSETS**

Non-Financial Assets	2018-2019	2017-2018
	Kshs	Kshs
Refurbishment of Buildings	-	500,000
Purchase of Vehicles and Other Transport Equipment	5,200,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	350,000
<b>Total</b>	<b>5,200,000</b>	<b>850,000</b>

**8. OTHER PAYMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	-	2,500,000
<b>Total</b>	<b>-</b>	<b>2,500,000</b>

**9. BANK ACCOUNTS**

Name of Bank, Account Number	2018-2019	2017-2018
	Kshs	Kshs
Cooperative Bank, Kimilili Branch A/C no.01120050483200	6,121,624	8,136,523
<b>Total</b>	<b>6,121,624</b>	<b>8,136,523</b>

**10. BALANCES BROUGHT FORWARD**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	8,136,523	5,358,860
<b>Total</b>	<b>8,136,523</b>	<b>5,358,860</b>





**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – MT. ELGON CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**11. PRIOR YEAR ADJUSTMENTS**

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	1,253,493	882,498
<b>Total</b>	<b>1,253,493</b>	<b>882,498</b>

**12. OTHER IMPORTANT DISCLOSURES**

**12.1: UNUTILIZED FUND (See Annex 1)**

	2018-2019	2017-2018
	Kshs	Kshs
Compensation of employees	1,312,198	643,000
Use of goods and services	741,146	868,153
Amounts due to other Government entities	705,500	-
Amounts due to other grants and other transfers	1,297,186	1,448,343
Acquisition of assets	300,000	-
-Others (ICT hub and audit fee)	500,000	5,177,027
<b>Total</b>	<b>4,856,030</b>	<b>8,136,523</b>

**12.2: PMC ACCOUNT BALANCES (See Annex 3)**

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	38,478,177	30,850,569
<b>Total</b>	<b>38,478,177</b>	<b>30,850,569</b>



### 13. 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 nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues were resolved.

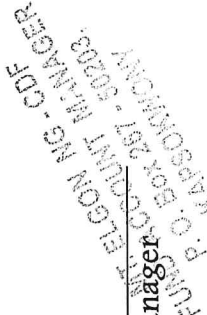
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<b>Budget Performance</b> The NG- CDFC is expected to spend according to its line budget and ensure that it does not exceed its budgetary allocation	Kshs. 25,015,833 included is an amount of Kshs.5,500,000 for the NGCDF vehicle which was not approved by the board as at the time of the audit. Kshs.11,379,310 which was additional budget and was received in late July 2018. Also included is ksh.4,677,027 for ICT hubs, Which was re-allocated , bending approval of the board as at the time of the audit. It also included an Audit fee of Kshs.500,000 for the financial year 2015/2016 which was re-allocated	NGCDFC	Resolved	RESOLVED within 3 months
2.0	<b>Project Implementation Status</b> 93% of the projects were on- going as at June 30 <sup>th</sup> .	this was due to delay in disbursement of funds from NGCDF board. Most of the projects are now complete and in use. The NG-CDF Committee will	NGCDFC	Resolved	NA





Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.0	Low Disbursement Of Funds	<p>ensure that in future they deliver the services in time and meet the set budgetary targets.</p> <p>The transfers from NGCDF board amounted to ksh.81,310,345. Which was equivalent to the total sum of AIEs received? However budgeted allocation for each constituency was Kshs.86,810,345. The difference between the budgeted allocation and the AIEs received was as a result of un- approved NGCDF vehicle project budgeted at Kshs.5,500,000. The vehicle has since been procured.</p>	NGCDFC	Resolved	N/A

  
Fund Account Manager



  
Sub-County Accountant





ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
		Kshs	Kshs	
Compensation of employees		1,312,198	643,000	Kshs These amount includes gratuity of ksh.581,520.
Use of goods & services committee expenses		142,710		
Use of goods & services		568,121	868,153	
M/E committee		30,315		
Total		741,146	868,153	
Amounts due to other Government entities				
Bishop okring kamuneru sec		352,750		
Cheskaki RC sec		352,750		
Sub-Total		705,500		
Amounts due to other grants and other transfers				
Emergency		1,445,873		
bursary –sec		90130	1,448,343	
bursary –tertiary		(238,817)		
Sub-Total		1,297,186	1,448,343	
Acquisition of assets		300,000		
Others ( <i>specify</i> )				
Audit		500,000		
ICT hubs			4,677,027	
KENAO			500,000	
Sub-Total		500,000	5,177,027	
Grand Total		4,856,030	8,136,523	



ANNEX 2 – 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	1,000,000			1,000,000
Buildings and structures	10,500,000	-	-	10,500,000
Transport equipment	9,750,000	5,200,000		14,950,000
Office equipment, furniture and fittings	201600	-	-	201,600
ICT Equipment, Software and Other ICT Assets	916,945	-	-	916,945
<b>Total</b>	<b>22,368,595</b>			<b>27,568,595</b>





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

**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	Bank	Account number	Bank Balance 2018/19 Kshs	Bank Balance 2017/18 Kshs
TOROSO PRIMARY SCHOOL	EQUITY	0480294445378	30,000	1,920,000
KANANACHI PRIMARY	EQUITY	0480277386540	1,800,000	2,020,636
EMGWEN PRIMARY	EQUITY	0480277386500	1,550,000	1,250,000
KIMORONG PRIMARY	EQUITY	04800277386450	5,000	1,200,000
CHELILDE PRIMARY	CO-OP	01141049015800	450	450,000
KIPKAMA PRIMARY	CO-OP	01141049014800	1,200	1,200,000
CHANGEYWA PR	CO-OP	01141049015600	2000	950,000
CHERENDIO PRIMARY	EQUITY	0480294445360	1,020,000	950,000
KAPTOBOI PRIMARY	EQUITY	0480294445358	400,000	1,000,000
KAPSOKWONY SEC	EQUITY	0480294445336	4560	1,200,000
CHEPTONON SEC	EQUITY	0480294445338	150,130	2,150,130
CHEPTAIS COMMUNITY COLLEGE	EQUITY	0480277128980	1,200,000	9,800,000
KOPSIRO DOS OFFICE	EQUITY	0480277128960	4580	1,450,000
KOPSIRO DCCS RESIDENCE	EQUITY	0480277128987	33,638	2,433,638
KIPSIGON AP	EQUITY	0480277386578	1,450,000	1,450,000
KAMATA PRIMARY SCHOOL	EQUITY	0480278820904	1,600,000	0
KIPTII PRIMARY SCHOOL	EQUITY	0480278971728	1,500,000	0
KAPTABOI SEC SCHOOL	EQUITY	0480277386623	147,076	147,076
MASAEK SECONDARY SCH	EQUITY	0480278913147	3,000,000	0
SARIA PRIMARY SCH	EQUITY	0480278976934	2,000,000	0
TOYWONDET DEB PRI	EQUITY	0480278976662	1,500,000	0
CHEPTONON POLICE POST	EQUITY	0480279007696	677,027	0
CHEPTAGAT PRIMARY	EQUITY	0480278989802	1,000,000	0
CHEROMIS PR	EQUITY	0480278989619	1,300,000	0
CHEPTAIS POLICE	EQUITY	0480278914451	1,300,000	0
CHEMTA PR.SCHOOL	EQUITY	0480278965512	1,300,000	0
KABOROM SEC	EQUITY	0480278835297	1,959,880	0
BIKHUTU SDA PRIMARY	EQUITY	0480278928308	1,600,000	0



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

PMC	Bank	Account number	Bank Balance 2018/19 Kshs	Bank Balance 2017/18 Kshs
BUSANJA FYM	EQUITY	0480278913623	1,580,000	0
KIPTOITIK PR	EQUITY	0480278995850	1,000,000	0
MARIGO SDA	EQUITY	0480278981400	1,500,000	0
CHEBIN PR. SCH	CO-OP	01139290435800	502,311	311
KIMERIN PR	CO-OP	01139290610600	1,001,220	1,220
KAPCHOIYWO PR.	CO-OP	01141469948600	1,000,524	524
MASAEK PRIMARY	CO-OP	01141050030400	500,174	174
TOROSO SEC	CO-OP	01139469414000	2,276,860	1,276,860
CHESKAKI SPECIAL SCH	CO-OP	01141688715500	1,098,975	0
KABERO PR	CO-OP	01141687955000	1,482,572	0
<b>TOTALS</b>			<b>38,478,177</b>	<b>30,850,569</b>



PRIOR YEAR ADJUSTMENTS(STALE CHEQUES)

PAYEE	DATE	CHEQUE NO.	AMOUNT
KENYATTA UNIVERSITY	22/3/18	9119	63450
SALCANN TTC	10/4/2018	9206	10000
TOM MBOYA UNIVERSITY	10/4/2018	9222	10000
KENYATTA UNIVERSITY	10/4/2018	9226	10000
KENYA SCHOOL OF LAW	10/4/2018	9230	10000
PWANI UNIVERSITY	10/4/2018	9239	10000
KONGIT SECONDARY	11/4/2018	9282	5000
KITUNI HIGH SCHOOL	11/4/2018	9300	10000
ST.LUKES HIGH SCHOOL KIMILILI	11/4/2018	9303	7000
SNR. CHIEF MWAGEREK	11/4/2018	9374	7000
UGENYA TTC	18/4/2018	9393	10000
KERICHO TTC	18/4/2018	9401	10000
ELDORET CPS KITALE	18/4/2018	9428	15000
KITUNI HIGH SCHOOL	18/4/2018	9446	5000
TEREMI BOYS	18/4/2018	9467	10000
TERREMI BOYS	18/4/2018	9469	5000
PRESBYTERIAN UNIVERSITY	18/4/2018	9488	10000
KARATINA UNIV	18/4/2018	9496	10000
CO-OPERATIVE UNIVERSITY	18/4/2018	9500	10000
INGOTSE SEC	18/04/18	9518	10000
BISHOP ATUNDO GIRLS	18/04/18	9524	7000
SIRAKARU SEC	18/04/18	9544	5000
ST.MONICA GITWAMBA	18/04/18	9547	5000
ST.PAUL'S KITUM	18/04/18	9548	50000
KARATINA UNIV	18/04/18	9564	10000
MMUST	18/04/18	9609	10000
MMUST	18/04/18	9627	20000
KMTC NAIROBI	18/04/18	9636	10000
KENYA METHODIST COLLEGE	18/04/18	9650	10000
MOTHERS OF APOSTLES	18/04/18	9709	7000
ST.CECILIA MISIKHU	18/04/18	9711	7000
ST.PETER'S CHEPTONON	18/04/18	9714	5000
EMBU UNIVERSITY	24/04/2018	9718	10000
MUSINGU BOYS	24/04/2018	9761	5000
ANDASAN HIGH SCHOOL	26/04/2018	9859	10000
LORETO LIMURU	26/04/2018	9876	10000
KHACHONGE GIRLS	26/04/2018	9893	10000
LAIKIPIA UNIVERSITY	2/5/2018	9904	10000
MOI UNIV	2/5/2018	9905	10000
MMUST	2/5/2018	9928	10000
BUNGOMA TTC	4/5/2018	9947	10000
BARICHO BOYS	4/5/2018	9985	10000
CHWELE GIRLS	4/5/2018	9987	20000
MOI KAPTAMA BOYS	4/5/2018	9988	20000
RUIRU HIGH	4/5/2018	10010	10000





EGOJI TTC	4/5/2018	10011	10000
GREAT LAKE UNIV	4/5/2018	10013	10000
THOGOTO TTC	4/5/2018	10018	10000
GARISSA TTC	4/5/2018	10022	10000
MMUST	9/5/2018	10055	10000
NANG'ENI GIRLS	10/5/2018	10073	7000
MULATIWA SEC SCHOOL	10/5/2018	10087	7000
KHASOKO BOYS	10/5/2018	10091	10000
ST.MONICAH CHAKOL	10/5/2018	10095	10000
KENYATTA TTC	10/5/2018	10100	10000
KIBABII UNIV	10/5/2018	10105	10000
MT. KENYA UNIV	10/5/2018	10108	10000
FOUNDATION IPC	10/5/2018	10110	10000
THIKA SCHOOL OF MEDICINE	10/5/2018	10115	10000
ELDORET NATIONAL POLYTECHNIC	16/5/18	10125	10000
KAPTAMA GIRLS	16/5/18	10130	5000
BISHOP ATUNDO	16/5/18	10134	5000
KERICHO TTC	16/5/18	10140	7000
SHANZU TTC	16/5/18	10141	7000
BUMBE TTI	16/5/18	10160	10000
MMUST	24/5/18	10185	10000
KIPSIS SEC	24/5/18	10186	7000
NAMWELA BOYS	24/5/18	10191	7000
KIM GIRLS	24/5/18	10201	10000
JABALI CHRISTIAN SCHOOL	24/5/18	10206	10000
CDT	31/5/18	10218	13119
KMTC EMBU	4/6/18	10226	7000
TAITA TAVETA UNIV	4/6/18	10227	10000
JKUT	4/6/18	10230	10000
ST. PATRICKS ITEN	4/6/18	10231	10000
UNIVERSITY OF ELDORET	4/6/18	10233	10000
MT. KENYA UNIV	4/6/18	10238	10000
MKU	4/6/18	10240	10000
MMUST	4/6/18	10242	10000
KIPSIS SEC	4/6/18	10243	10000
KAIMOSI TTC	4/6/18	10246	10000
MOI UNI	4/6/18	10250	10000
MASAI MARA UNIV	4/6/18	10251	10000
UNIVERSITY OF ELDORET	4/6/18	10252	10000
MOI VOKOLI	4/6/18	10254	10000
CHESAMISI BOYS	4/6/18	10256	10000
KIPSIS SEC	4/6/18	10260	10000
MURANGA UNIV	4/6/18	10276	10000
KAPSOKWONY PRI	14/6/2018	10346	7000
KMTC KENYATTA	14/6/2021	10355	10000
PAYE	22/6/2018	10383	13520
SIRISIA TTI	2/5/2018	10419	10000



PAYE			
MUKUMU BOYS	23/7/18	10436	44404
ELDORET POLYTECHNIC	23/7/18	10438	7000
BUNGOMA TTI	23/7/18	10448	20000
RIFTVALLEY INST.	23/7/18	10489	10000
MOI GIRLS KAMUSINGA	26/7/18	10498	10000
CHEPTAIS BOYS	4/9/2018	10557	5000
ST . GABRIEL MISSION SCHOOL	4/9/2018	10564	5000
MT. LEVERNA GIRLS	4/9/2018	10565	5000
MATIOLI SEC	4/9/2018	10570	5000
MOI KAPTAMA GIRLS	4/9/2018	10577	7000
LUBINU BOYS HS CHOOOL	4/9/2018	10578	7000
TEREMI HIGH	4/9/2018	10579	5000
UON	4/9/2018	10582	10000
MOSORIOT TTC	4/9/2018	10585	5000
THOGOTO TTC	4/9/2018	10591	10000
ABEDARE TTC	4/9/2018	10592	10000
BUNGOMA TTC	4/9/2018	10593	10000
BEREKA ECD	4/9/2018	10594	10000
BEREKA ECD	4/9/2018	10601	10000
MKU	4/9/2018	10602	10000
CHUKA UNIVERSITY	4/9/2018	10603	10000
MOI UNIVERSITY	4/9/2018	10614	10000
UON	4/9/2018	10617	10000
MMUST	4/9/2018	10619	10000
MACHAKOS UNIVERSITY	4/9/2018	10625	10000
NSSF	4/9/2018	10626	10000
MOI GIRLS KAPTAMA	4/9/2018	10628	10000
TOTALS		10635	7000
			1253493

