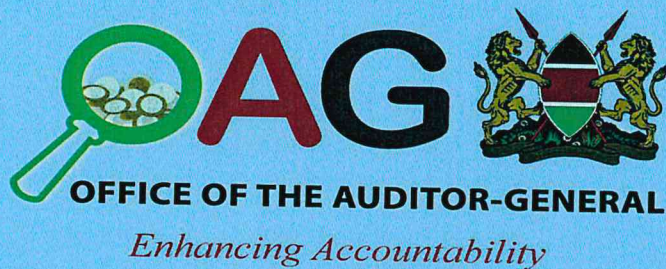


REPUBLIC OF KENYA



REPORT

THE AUDITOR-GENERAL

| | |
|--------------------------------------|----------------|
| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 22 FEB 2022 | DAY: TUESDAY |
| TABLED BY: LOM | |
| CLERK-AT THE-TABLE: | Mainah Wanjiku |

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ALEGO USONGA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2019





ALEGO USONGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
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)
ALEGO USONGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ALEGO USONGA 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)

ALEGO USONGA CONSTITUENCY

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For the year ended June 30, 2019

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 ALEGO USONGA 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 | PHILIP ODIDA |
| 2. | Sub-County Accountant | BENJAMIN OTWOKO |
| 3. | Chairman NGCDFC | NICK SUMBA |
| 4. | Member NGCDFC | CHARLES ORIWA |

(d) Fiduciary Oversight Arrangements

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

NG-CDF PLAZA,
GROUND FLOOR
P.O. BOX 34-40600
SIAYA.
RABANGO ROAD

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

(f) NGCDF ALEGO USONGA Constituency Contacts

Telephone: (254) 22882193
E-mail: cdfalegousonga@ngcdf.go.ke

(g) NGCDF ALEGO USONGA Constituency Bankers

1. EQUITY BANK – SIAYA BRANCH
Acc.0970261192689

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

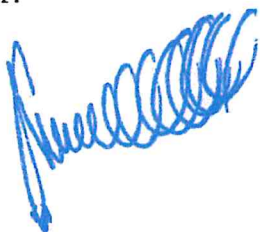
Alego Usonga NGCDF aspires to be the best constituency in utilization of CDF funds through satisfying the community needs and promoting good governance in management of the fund. The establishment of the fund was centered on channeling funds to grass root communities by enabling them to implement projects on their own and of course identifying them through public participation.

We have had notable success in implementation of projects especially those that transform lives of our community in the constituency notably in areas of school infrastructure, security and bursary awards to needy students, majority of whom are in tertiary institutions.

In the current financial year, budget performance in comparison to the actual has been below 100% that is 60.9% because of delays in receiving the current financial year funds. The constituency only received Kshs. 54,000,000 against a budgeted amount of Kshs 109,040,875.18.

Despite the delay in disbursement of funds, we have been able to implement and complete more than 50% of projects. A number of new schools (both primary and secondary) were established by purchasing land and constructing classrooms. We were also able to expand infrastructure, mainly classrooms, administration blocks and dining halls in the existing schools.

However, despite the successes achieved, there were implementation challenges encountered along the way. As had been mention earlier there have been delays in disbursement of funds from the CDF Board. Some of the project management committees have low capacity to implement projects and hence there is need for training. Inadequate allocation by the NG-CDF Board makes it impossible to implement the intended number of projects that are proposed by the community. It also leads to little allocation to projects hence unable to complete all the budgeted projects in one financial year.



Sign

CHAIRMAN NGCDF COMMITTEE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

ALEGO USONGA 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-ALEGO USONGA 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-ALEGO USONGA 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-ALEGO USONGA 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.

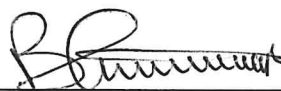
The Accounting Officer in charge of the NGCDF-ALEGO USONGA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the 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-ALEGO USONGA Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.



Fund Account Manager
Name: Philip Odida



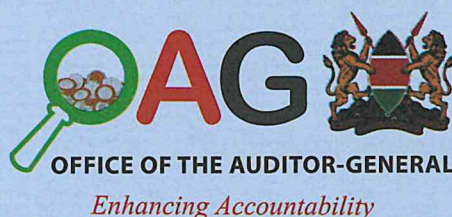
Sub-County Accountant
Name: BENJAMIN Otworko

ICPAK Member Number: 5177



REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – ALEGO USONGA 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 - Alego Usonga Constituency set out on pages 6 to 33, which comprise the statement of financial assets and liabilities as at 30 June, 2019 and the statement of receipts and payments, statement of cash flows and 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 - Alego Usonga 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 The Variances in Comparative Figures

The financial statements submitted for audit at annexure 3 reflects unutilised funds balance of Kshs.55,550,039.90 while the audited financial statements for 2017/2018 reflected a balance of Kshs.47,297,804 resulting to a variance of Kshs.8,252,236 which has not been explained or reconciled. In addition, the financial statements do not have a note to the financial statements in support of the unutilised funds as required by the reporting format prescribed by the Public Sector Accounting Standards Board (PSASB).

Further, the summary of fixed assets register at annexure 4 reflects a comparative figure of Kshs.44,678,288 while the audited financial statements for 2017/2018 reflects a balance of Kshs.44,253,903 resulting to unexplained variance of Kshs.424,385.

1.2 Unsupported Prior Year Adjustments

The statement of financial assets and liabilities reflects prior year adjustment balance of Kshs.4,694,606 indicated in supporting Note 14 to be in respect of bank account balance of Kshs.3,059,506 and imprest balance of Kshs.1,635,100. However, the Fund did not disclose the details of the nature of the adjustment contrary to Section 99(3) of the Public Finance Management (National Government) Regulations 2015 which stipulate that every entry in the accounts shall be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narrations and particulars of the item or items to which it relates.

Consequently, the accuracy of the financial statements for the year ended 30 June, 2019 could not be confirmed.

2. PMC Bank Account Balances

The financial statements submitted for audit erroneously reflects PMC bank account balances as annexure 4 instead of annexure 5. In addition, the financial statements reflect PMC bank account balances of Kshs.1,807,124 as at 30 June, 2019. However, this balance includes five (5) schools with balances totalling Kshs.1,220,163 that were not supported by the bank certificates. In addition, the balance excludes twelve (12) schools with bank balances totalling Kshs.2,239,901 as per the bank certificates availed. This is contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015.

Consequently, the accuracy of the PMC bank accounts balance of Kshs.1,807,124 as at 30 June, 2019 could not be confirmed.

3. Unsupported Employer Contribution to NSSF

The financial statements reflect compensation of employees of figure of Kshs.3,366,316 which includes, an amount of Kshs.134,020 reported as employer contribution to NSSF as disclosed under Note 4. However, the amount was not supported by any documentation contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015.

Consequently, the accuracy of employer contribution to NSSF of Kshs.134,020 for the year ended 30 June, 2019 could not be confirmed.

4. Payment for Non-Disclosed Pending Bills

The statement of receipts and payments reflect other grants and payments figure of Kshs.43,838,029 which includes security balance of Kshs.8,036,436 as disclosed under Note 7 to the financial statements. However, the ledgers provided could only support an amount of Kshs.700,000 leaving a balance of Kshs.7,336,436 which was

said to relate to pending bills relating to 2017/2018 and 2016/2017 but payments made during year under review. However, the audited financial statements for the year ended 30 June, 2018 did not disclose any pending bills.

Further, the use of goods and services figure of Kshs.9,113,880 includes other operating expenses of Kshs.1,218,053 as disclosed in Note 5 to the financial statements. The operating expenses figure of Kshs.1,218,053 includes Kshs.474,332 paid towards repair of GKA647T carried out in the financial year 2016/2017 but payment made during 2018/2019 financial year. However, the amounts paid were not among the pending bills and also inspection report to confirm repairs was not availed and the vehicle was still grounded. This is contrary to Section 100 of the Public Finance Management (National Government) Regulations, 2015.

Consequently, the propriety and accuracy of expenditure on security and operating expenses totalling Kshs.7,810,768 for the year ended 30 June, 2019 could not be confirmed.

5. Payment for Goods and Services Not Supplied

Included in the financial statements under Note 6 is transfer to other government entities of Kshs.40,239,503 which includes transfer to secondary schools of Kshs.25,631,591 and which in turn include Kshs.998,439 paid to an Eldoret based supplier contracted to carry out water reticulations, mechanical and gassing works at Karapul Secondary School. However, audit verification carried out in June, 2020 revealed that the contractor had not supplied items worth Kshs.249,200 as below:

| Particulars | Quantity Contracted | Unit | Unit Price (Kshs.) | Contracted Value (Kshs.) | Actual Quantity Supplied | Value of Supplied (Kshs.) | Value of Not Supplied (Kshs.) |
|------------------------------|---------------------|------|--------------------|--------------------------|--------------------------|---------------------------|-------------------------------|
| 15mm diamemeter GI pipe | 20 | No | 2,500 | 50,000 | 5 | 12,500 | 37,500 |
| 20mm diammeter GI pipe | 80 | No | 2,800 | 224,000 | 10 | 28,000 | 196,000 |
| Industrial gas cylinder 13kg | 2 | No | 15,700 | 31,400 | 1 | 15700 | 15,700 |
| Total | | | | 305,400 | | 56,200 | 249,200 |

No reason was provided for payment for goods not supplied contrary to Section 48(4a) of Public Procurement and assets Disposal Act, 2015.

Consequently, the Management breached the law and propriety of the expenditure of Kshs.249,200 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 - Alego Usonga Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit

evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budget Performance

The Fund's approved budget for the year 2018/2019 amounted to Kshs.163,019,742 comprising of 2018/2019 allocation of Kshs.99,205,687 and balance brought forward from 2017/2018 of Kshs.53,978,867. During the period, the Fund incurred an expenditure of Kshs.99,205,687 representing 61% of the approved budget resulting in under-absorption of Kshs.63,814,055 or approximately 39% of the approved budget.

Failure to utilize all funds as budgeted/disbursed is an indication that programs and activities were not implemented as planned hence not achieving the intended objective of improving delivery of goods and services to the residents of Alego Usonga 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. Un-surrendered Imprest

The statement of financial assets and liabilities reflects outstanding Imprest balance of Kshs.1,635,100 as at 30 June, 2019 as disclosed in Note 11 to the financial statements. The imposts were owed by four former employees and which relates to 2017/2018 and earlier years yet no action has been taken to clear or recover the same. In addition, no impost warrants were issued to support the said imposts as required by Section 92(2) and 92(5) of the Public Finance Management (National Government) Regulations, 2015.

Consequently, the Management is in breach of the law.

2. Failure to Comply to Procurement Rules and Regulations

The financial statements under Note 7 is other grants and other payments of Kshs.43,838,029 which includes security expenditure of Kshs.8,036,436 out of which Kshs.4,000,000 was paid to an Investment firm for the construction of both Nyadorera police post administration block (Kshs.2,500,000) and Ting Wang'i police post administration block (Kshs.1,500,000) under restricted tendering method. However, no justification was provided for using restricted tendering method as required by Section 102 of the Public Procurement and Assets Disposal Act, 2015. Further, the works were done during 2017/2018 while the payments were made in the year under review although the payee was not among the pending bills of 2017/2018.

Consequently, the Management breached the law.

3. Irregularities in Bursary Disbursements

The other grants and other payments figure of Kshs.43,838,029 for the year ended 30 June, 2019 includes bursary to secondary schools' figure of Kshs.19,084,472, bursary to tertiary institutions of Kshs.9,811,121 and bursary to special schools of Kshs.1,206,000 all totalling Kshs.30,101,593 as disclosed in Note 7 to the financial statements. The bursary figure of Kshs.30,101,593 include an amount of Kshs.1,023,000 disbursed to various institutions for which acknowledgement letters and receipts were not availed for audit review.

Further, the bursary to tertiary institutions figure of Kshs.9,811,121 includes Kshs.1,600,000 paid to a Driving School through cheque number 5960 on 19 March, 2019 for training of boda boda drivers. However, there was no evidence on how the need for training was assessed and how the trainees were identified from the community. In addition, the criteria used to come up with the successful list of beneficiaries, vetting committee minutes and the relevant application forms were not availed for audit verification contrary to section 48 of The National Government Constituencies Development Fund Act, 2015.

Consequently, the Management breached the law.

4. Project Verification

During the audit, four projects were verified in June, 2020 and below are the audit findings.

| | Project Name | Amount (Kshs.) | Audit Findings |
|----|--|-----------------------|---|
| 1. | Nyadorera Police Base - Completion of Administration Block | 2,500,000 | <ul style="list-style-type: none">• The project was done as per the specifications and was already in use by the police officers.• The police officers raised complain over invasion of birds in the ceiling board |

| | Project Name | Amount (Kshs.) | Audit Findings |
|----|--|----------------|---|
| | | | <p>hence making the office inhabitable.</p> <ul style="list-style-type: none"> They also raised concern over the Ecosan type of cell toilets constructed which cannot be put in use as they have not fixed disposal containers, However, the BQs did not provide for construction of cell toilets. |
| 2. | Ting'i Wang'i Police Post-Completion of Administration Block | 1,500,000 | <ul style="list-style-type: none"> The project was done as per the specifications and was already in use. The block was not branded. |
| 3. | Asere Primary School-Construction of 2No.6doors pit latrines | 700,000 | <ul style="list-style-type: none"> The project complete and in use. |
| 4. | Ndiwo Primary School-Renovation of administration block | 1,100,000 | <ul style="list-style-type: none"> The renovation of the administration block was complete and in use. |

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 money is applied in an effective manner.

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 review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in

compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 December, 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

ALEGO USONGA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2018/2019 | 2017/18 |
|-------------------------------------|------|--------------------|-------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Transfers from CDF board | 1 | 106,493,586 | 64,353,447 |
| Proceeds from sale of Assets | 2 | | |
| Other Receipts | 3 | | |
| TOTAL RECEIPTS | | 106,493,586 | 64,353,447 |
| | | | |
| PAYMENTS | | | |
| | | | |
| Compensation of employees | 4 | 3,366,316 | 2,788,889 |
| Use of goods and services | 5 | 9,113,880 | 6,188,004 |
| Transfers to Other Government Units | 6 | 41,487,198 | 22,312,768 |
| Other grants and transfers | 7 | 43,838,029 | 33,052,441 |
| Acquisition of Assets | 8 | - | - |
| Other Payments | 9 | 3,279,708 | - |
| TOTAL PAYMENTS | | 101,085,131 | 64,342,102 |
| SURPLUS/DEFICIT | | 5,408,455 | 11,345 |

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



Fund Account Manager
Name: Philip Odida



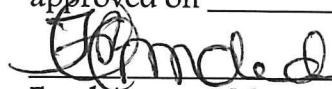
Sub-County Accountant
Name: BENJAMIN Otwoko
ICPAK Member : 5177

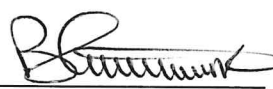
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
ALEGO USONGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES

| | Note | 2018/2019 | 2017/18 |
|--|------|--------------------------|-----------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 8,773,180 | 305,219 |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 8,773,180 | 305,219 |
| Outstanding Imprests | 11 | 1,635,100 | - |
| TOTAL FINANCIAL ASSETS | | 10,408,280 | 305,219 |
| FINANCIAL LIABILITES | | - | - |
| NET FINANCIAL ASSETS | | <u>10,408,280</u> | <u>305,219</u> |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | 12 | 305,219 | 293,874 |
| Surplus/Deficit for the year | | 5,408,455 | 11,345 |
| Prior year adjustments | 14 | 4,694,606 | -- |
| NET LIABILITIES | | 10,408,280 | 305,219 |

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


Fund Account Manager
Name: Philip Odida


Sub-County Accountant
Name: BENJAMIN Otworko
ICPAK Member No: 5177

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

ALEGO USONGA CONSTITUENCY

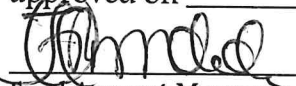
Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

| CASH FLOWS FROM OPERATING ACTIVITIES | Note | | 2018 - 2019 | 2017 - 2018 |
|---|------|-----------|--------------------|-------------------|
| Receipts | | | | |
| Transfers from CDF Board | 1 | | 106,493,586 | 64,353,447 |
| Other Receipts | 3 | | - | - |
| Total Receipts | | | 106,493,586 | 64,353,447 |
| Payments | | | | |
| Compensation of Employees | 4 | | 3,366,316 | 2,788,889 |
| Use of goods and services | 5 | | 9,113,880 | 6,188,004 |
| Transfers to Other Government Units | 6 | | 41,487,198 | 22,312,768 |
| Other grants and transfers | 7 | | 43,838,029 | 33,052,441 |
| Other Payments | 9 | | 3,279,708 | - |
| Total Payments | | | 101,085,131 | 64,342,102 |
| Total receipts less Total payments | | | 5,408,455 | 11,345 |
| Adjusted for: | | | | |
| Outstanding Imprest | 11 | 1,635,100 | | |
| Retention | 12A | | | |
| Gratuity payable | 12B | | | |
| Prior year adjustment | 14 | 4,694,606 | | |
| Net Adjustment | | | 3,059,506 | |
| CASHFLOW FROM INVESTING ACTIVITIES | | | | |
| Proceeds from Sale of Assets | 2 | - | - | - |
| Acquisition of Assets | 8 | | - | |
| Net cash flows from Investing Activities | | | - | |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | | 8,467,961 | 11,345 |
| Cash and cash equivalent at BEGINNING of the year | 13 | | 305,219 | 293,874 |
| Cash and cash equivalent at END of the year | | | 8,773,180 | 305,219 |
| | | | | |

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


Fund Account Manager
Name: Philip Odida


Sub-County Accountant
Name: Benjamin Otwoko
ICPAK Member No: 5177

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


| Receipt/Expense Item | Original Budget a | Adjustments b | Final Budget c=a+b | Actual on Comparable Basis d | Budget Utilisation Difference e=c-d | % of Utilisation f=d/c % |
|-------------------------------------|----------------------|-------------------|-----------------------|---------------------------------|--|-----------------------------|
| RECEIPTS | | | | | | |
| Transfers from CDF Board | 109,040,876 | 53,978,867 | 163,019,743 | 106,493,586 | 55,040,875 | 66.2% |
| TOTAL RECEIPTS | 109,040,876 | 53,978,867 | 163,019,743 | 106,493,586 | 55,040,875 | 66.2% |
| PAYMENTS | | | | | | |
| Compensation of Employees | 3,100,000 | 771,447 | 3,871,447 | 3,366,316 | 505,131 | 87.0% |
| Use of goods and services | 6,713,679 | 3,250,000 | 9,963,679 | 8,482,232 | 1,481,447 | 85.1% |
| Transfers to Other Government Units | 59,767,834 | 30,699,287 | 90,467,121 | 40,239,503 | 50,227,618 | 44.5% |
| Other grants and transfers | 39,459,363 | 11,301,498 | 50,760,861 | 43,838,029 | 6,922,832 | 86.4% |
| Acquisition of assets | 0 | - | - | - | - | 0.00% |
| Other Payments | - | 7,956,635 | 7,956,635 | 3,279,608 | 4,677,027 | 41.2% |
| TOTAL | 109,040,876 | 53,978,867 | 163,019,7423 | 99,205,687 | 63,814,055 | 60.9% |

1. The total adjustments column is Kshs. 53,978,867; comprising of an AIE's of Kshs. 52,493,585.55 for FY 2017/18 received in FY 2018/2019, balance brought forward from FY 2017/18 of Kshs. 305,219 and a total of Kshs. 1,180,062 for stale cheques which were paid FY 2017/2018 and reversed in cash FY 2018/2019 and still remains unpaid at 30th June, 2019.

2. Budget utilization for financial year 2018/19 was 62.01% that is:

- ✓ 87.0% for compensation of employees which was below 90% as there were still funds at the administration votehead for compensation of employees to be spent.
- ✓ 85.1% for use of goods and services which was below 90% as there were still funds at the administration votehead for committee expenses to be spent
- ✓ 44.5% for transfers to other Government entities which was below 90% as there was still at the Board for FY 2018/19.
- ✓ 86.4% for other grants and transfers which was below 90% as there was still at the Board for FY 2018/19.
- ✓ 41.2% for other payments, this was because the constituency was still on process of implementing Constituency Innovation Hub and Funds have not been paid yet.

The NGCDF-ALEGO USONGA Constituency financial statements were approved on _____ 2019 and signed by:


Fund Account Manager
Name: Philip Odida


Sub-County Accountant
Name: BENJAMIN Otwoko
ICPAK Member : 5177

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ALEGO USONGA 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 | Adjustments | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-------------------|------------------|-------------------|----------------------------|-------------------------------|
| | 2018/2019 | | 2018/2019 | 30/06/2019 | |
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration And Recurrent | | | | | |
| 1.1 Compensation Of Employees | 3,000,000 | 771,447 | 3,771,447 | 3,232,296 | 539,151 |
| 1.2 Committee Allowances | 1,724,340 | 1,100,000 | 2,824,340 | 2,533,018 | 291,321 |
| 1.3 Use Of Goods And Services | 1,718,113 | 0 | 1,718,113 | 1,303,161 | 414,952 |
| Sub-Total | 6,442,453 | 1,871,447 | 8,313,900 | 7,068,475 | 1,245,424 |
| 2.0 Monitoring And Evaluation | | | | | |
| 2.1 Capacity Building | 1,400,000 | 500,000 | 1,900,000 | 1,444,000 | 456,000 |
| 2.2 Committee Allowances | 1,072,170 | 500,000 | 1,572,170 | 1,284,000 | 288,170 |
| 2.3 Use Of Goods And Services | 799,056 | 1,150,000 | 1,949,056 | 1,918,053 | 31,004 |
| Sub-Total | 3,271,226 | 2,150,000 | 5,421,226 | 4,646,053 | 775,174 |
| 3.0 Emergency | | | 0 | | |
| 3.1 Primary Schools | 5,738,993 | 0 | 5,738,993 | 5,700,000 | 38,993 |
| Sub-Total | 5,738,993 | 0 | 5,738,993 | 5,700,000 | 38,993 |
| 4.0 Bursary And Social Security | | | 0 | | 0 |
| 4.1 Primary Schools | | | 0 | | 0 |
| 4.2 Secondary Schools | 18,226,059 | 1,880,062 | 20,106,121 | 19,084,472 | 1,021,650 |
| 4.3 Tertiary Institutions (College Plus Universities) | 8,353,492 | 2,050,000 | 10,403,492 | 9,811,121 | 592,371 |
| 4.4 Social Security | 100,000 | 35,000 | 135,000 | 134,020 | 980 |
| 4.5.5special Schools | 2,200,000 | | 2,200,000 | 1,206,000 | 994,000 |
| Sub-Total | 28,879,551 | 3,965,062 | 32,844,613 | 30,235,613 | 2,609,001 |
| 5.0 Sports | 2,180,818 | | 2,180,818 | | 2,180,818 |
| Sub-Total | 2,180,818 | 0 | 2,180,818 | 0 | 2,180,818 |
| 6.0 Environment | 2,060,000 | | 2,060,000 | | 2,060,000 |
| Sub-Total | 2,060,000 | 0 | 2,060,000 | 0 | 2,060,000 |
| 7.0 Primary Schools Projects | | | 0 | | 0 |
| Agoro Oyombe Pri | 500,000 | | 500,000 | 500,000 | 0 |
| Pap Oriang Primary School | 700,000 | | 700,000 | 700,000 | 0 |
| Anduro Primary School | 1,800,000 | | 1,800,000 | | 1,800,000 |
| Bar Agulu Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Bar Kodhiambo Primary School | 500,000 | 1,000,000 | 1,500,000 | 1,500,000 | 0 |
| Bar Olengo Primary School | 650,000 | | 650,000 | | 650,000 |
| Barding Primary School | 1,612,270 | 1,000,000 | 2,612,270 | 1,000,000 | 1,612,270 |



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

| | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Bukhoba Primary School | 1,200,000 | | 1,200,000 | | 1,200,000 |
| Gangu Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Goro Primary | | 600,000 | 600,000 | 600,000 | 0 |
| Goro Primary | | 400,000 | 400,000 | 400,000 | 0 |
| Hawinga Primary School | 1,200,000 | | 1,200,000 | | 1,200,000 |
| His Blessings Ndori Pri | | 800,000 | 800,000 | 800,000 | 0 |
| Kalkada Primary School | 1,250,000 | | 1,250,000 | | 1,250,000 |
| Karapul Primary School | 1,275,441 | | 1,275,441 | | 1,275,441 |
| Kochieng Pri | | 800,000 | 800,000 | 800,000 | 0 |
| Kubar Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Magungu Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Mahero Primary School | 1,550,200 | 850,000 | 2,400,200 | 850,000 | 1,550,200 |
| Mbaga Mixed Primary School | 1,250,000 | | 1,250,000 | | 1,250,000 |
| Ndai Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Ngura Primary School | 1,250,000 | | 1,250,000 | | 1,250,000 |
| Nyalingunga Primary School | 1,250,400 | | 1,250,400 | | 1,250,400 |
| Nyalula Primary School | 1,828,400 | | 1,828,400 | | 1,828,400 |
| Nyanganga Primary School | 1,612,270 | | 1,612,270 | | 1,612,270 |
| Nyang'oma Kagelo Pri | | 600,000 | 600,000 | 600,000 | 0 |
| Nyang'oma Kagelo Pri | | 400,000 | 400,000 | 400,000 | 0 |
| Pap Kakan Primary School | 148,000 | | 148,000 | 148,000 | 0 |
| Pap Kakan Primary School | 1,265,000 | | 1,265,000 | | 1,265,000 |
| Pap Madiel Pri | | 800,000 | 800,000 | 800,000 | 0 |
| Pap Olengo Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Pap Oriang Primary School | 200,000 | | 200,000 | 200,000 | 0 |
| Sidok Primary School | 1,250,000 | | 1,250,000 | | 1,250,000 |
| Sirinde Primary School | 1,952,304 | 1,247,696 | 3,200,000 | 1,247,696 | 1,952,304 |
| Sirinde Primary School | 879,533 | | 879,533 | | 879,533 |
| Sirongo Oware Primary Sch | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Udaamayi Primary School | 1,000,000 | | 1,000,000 | | 1,000,000 |
| Uhembo Primary | | 850,000 | 850,000 | 850,000 | 0 |
| Uloma Kodero Pri | | 800,000 | 800,000 | 800,000 | 0 |
| Uloma Pri | | 600,000 | 600,000 | 600,000 | 0 |
| Uloma Pri | | 400,000 | 400,000 | 400,000 | 0 |
| Umala Pri | | 600,000 | 600,000 | 600,000 | 0 |
| Umala Pri | | 400,000 | 400,000 | 400,000 | 0 |
| Uyiko Primary School | 412,216 | | 412,216 | 412,216 | 0 |
| Sub-Total | 32,336,034 | 12,147,696 | 44,483,730 | 14,607,912 | 29,875,818 |
| 8.0 Secondary Schools Projects | | | | | |
| Agoro Oyombe | | 800,000 | 800,000 | 800,000 | 0 |
| Agoro Oyombe | | 800,000 | 800,000 | 800,000 | 0 |
| Agoro Oyombe | | 858,440 | 858,440 | 858,440 | 0 |
| Dilton Supplies | | 3,516,304 | 3,516,304 | 3,516,304 | 0 |
| Dirk Allison Sec | | 600,000 | 600,000 | 600,000 | 0 |
| Dirk Allison Sec | | 443,365 | 443,365 | 443,365 | 0 |
| Dirk Allison Secondary Sch | | 1,049,896 | 1,049,896 | 1,049,896 | 0 |
| Got Oyenga Secondary Sch | 3,500,000 | | 3,500,000 | | 3,500,000 |

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

| | | | | | |
|---|--------------------|-------------------|--------------------|-------------------|-------------------|
| Hono Secondary School | 1,500,000 | 1,500,000 | 3,000,000 | 3,000,000 | 0 |
| Karapul Secondary School | 1,000,000 | 2,500,000 | 3,500,000 | 3,500,000 | 0 |
| Mahero Secondary School | 1,000,000 | | 1,000,000 | 1,000,000 | 0 |
| Mulaha Secondary School | 3,500,000 | | 3,500,000 | | 3,500,000 |
| Ngiya Girls High School | 5,000,000 | | 5,000,000 | | 5,000,000 |
| Ngiya Mixed Sec School | 3,500,000 | | 3,500,000 | | 3,500,000 |
| Nyajuok Secondary School | 1,400,000 | | 1,400,000 | 1,400,000 | 0 |
| Nyasita Sec Sch | | 600,000 | 600,000 | 600,000 | 0 |
| Nyasita Sec Sch | | 400,000 | 400,000 | 400,000 | 0 |
| Ojwando Sec | | 600,000 | 600,000 | 600,000 | 0 |
| Ojwando Sec | | 400,000 | 400,000 | 400,000 | 0 |
| Ojwando Sec | | 627,586 | 627,586 | 627,586 | 0 |
| St.Christopher Pal Pal Sec.School | 1,180,000 | 1,356,000 | 2,536,000 | 2,536,000 | 0 |
| St.Peters Upanda Secondary | 4,851,800 | | 4,851,800 | | 4,851,800 |
| Uyoma Kobare Sec. School | 1,000,000 | 2,500,000 | 3,500,000 | 3,500,000 | 0 |
| Sub-Total | 27,431,800 | 18,551,591 | 45,983,391 | 25,631,591 | 20,351,800 |
| 9.0 Health Institutions Projects | | | | | |
| 9.1 Balances B/F | | | | | |
| 10.0 Security Projects | | | | | |
| 10.1 Uranga D.Os Office | 700,000 | | 700,000 | 700,000 | 0 |
| Boro Chiefs Camp | | 350,000 | 350,000 | 350,000 | 0 |
| Kowet Chief Camp | | 800,000 | 800,000 | 800,000 | 0 |
| Kowet Chief Camp | | 800,000 | 800,000 | 800,000 | 0 |
| Kowet Chief Camp | | 400,000 | 400,000 | 400,000 | 0 |
| Nyadorera Police Base | | 800,000 | 800,000 | 800,000 | 0 |
| Nyadorera Police Base | | 800,000 | 800,000 | 800,000 | 0 |
| Nyadorera Police Base | | 900,000 | 900,000 | 900,000 | 0 |
| Ting Wang Police Post | | 800,000 | 800,000 | 800,000 | 0 |
| Ting Wang Police Post | | 700,000 | 700,000 | 700,000 | 0 |
| Umala Chief Camp | | 286,436 | 286,436 | 286,436 | 0 |
| Ogoria Ass Chief | | 400,000 | 400,000 | 400,000 | 0 |
| Umala Chief Camp | | 300,000 | 300,000 | 300,000 | 0 |
| Sub-Total | 700,000 | 7,336,436 | 8,036,436 | 8,036,436 | 0 |
| 13.0 Others | | | 0 | | 0 |
| 13.1 Strategic Plan | | 3,279,608 | 3,279,608 | 3,279,608 | 0 |
| Constituency Hub Installation | 0 | 4,677,027 | 4,677,027 | 0 | 0 |
| Sub-Total | 0 | 7,956,635 | 7,956,635 | 3,279,608 | 4,677,027 |
| Grand Totals | 109,040,875 | 53,978,867 | 163,019,742 | 99,205,687 | 63,814,055 |

(NB: This statement is a disclosure statement indicating the utilization 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 ENTITY - (ALEGO USONGA 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-ALEGO USONGA 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 ENTITY - (ALEGO USONGA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019

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 ENTITY - (ALEGO USONGA 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 Alego Usonga NGCDF Bank Account number 0970261192689.

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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NATIONAL GOVERNMENT ENTITY - (ALEGO USONGA 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. 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 ENTITY - (ALEGO USONGA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

| | | | |
|--|------------------|--------------------|--------------------|
| I. NOTES TO THE FINANCIAL STATEMENTS | | | |
| 1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES | | | |
| | | | |
| Description | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Normal Allocation | AIE NO 2018/2019 | 52,493,585.55 | 5,500,000.00 |
| | | 10,000,000.00 | 20,948,275.10 |
| | | 12,000,000.00 | 11,432,221.00 |
| | | 8,000,000.00 | 26,472,951.00 |
| | | 12,000,000.00 | |
| | | 12,000,000.00 | |
| Conditional grants | AIE NO... | | - |
| Receipt from other Constituency | | | - |
| TOTAL | | 106,493,586 | 64,353,447 |
| 2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS | | | |
| Description | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Receipts from the Sale of Buildings | | - | - |
| Receipts from the Sale of Vehicles and Transport Equipment | | - | - |
| Receipts from the Sale Plant Machinery and Equipment | | - | - |
| Receipts from the Sale of Office and General Equipment | | - | - |
| TOTAL | | - | - |
| 3 OTHER RECEIPTS | | | |
| Description | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Interest Received | | - | - |
| Rents | | - | - |
| Sale of Tender Documents | | - | - |
| Other Receipts Not Classified Elsewhere (specify) | | - | - |
| TOTAL | | - | - |
| 4 COMPENSATION OF EMPLOYEES | | | |
| Description | | 2018-2019 | 2017 – 2018 |

e

NATIONAL GOVERNMENT ENTITY - (ALEGO USONGA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019

| | | Kshs | Kshs |
|---|--|------------------|--------------------|
| Basic wages of contractual employees | | 2,728,296 | 2,716,889 |
| Basic wages of casual labour | | | 72000 |
| Personal allowances paid as part of salary | | | |
| House allowance | | | |
| Transport allowance | | | |
| Leave allowance | | | |
| Other personnel payments | | | |
| Employer contribution to NSSF | | 134,020 | |
| Gratuity-Paid | | 504,000 | |
| Gratuity-Accrued | | | |
| TOTAL | | 3,366,316 | 2,788,889 |
| 5 USE OF GOODS AND SERVICES | | | |
| Description | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Utilities, supplies and services | | 1,703,161 | 782,956 |
| Electricity | | 33,599 | |
| Water & sewerage charges | | | |
| Office rent | | | |
| Communication, supplies and services | | | |
| Domestic travel and subsistence | | | |
| Printing, advertising and information supplies & services | | | |
| Rentals of produced assets | | | |
| Training expenses | | 1,444,000 | |
| Hospitality supplies and services | | | |
| Other committee expenses | | 1,584,000 | 1,308,900 |
| Committee allowance | | 2,331,000 | 4,096,148 |
| Insurance costs | | | |
| Specialised materials and services | | | |
| Office and general supplies and services | | 631,647 | |
| Fuel , oil & lubricants | | | |
| Other operating expenses | | 1,218,053 | |
| Bank service commission and charges | | 168,420 | |



NATIONAL GOVERNMENT ENTITY - (ALEGO USONGA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019

| | | | |
|--|--|-------------------|--------------------|
| Security operations | | | |
| Routine maintenance - vehicles and other transport equipment | | | |
| Routine maintenance- other assets | | | |
| TOTAL | | 9,113,880 | 6,188,004 |
| 6 TRANSFER TO OTHER GOVERNMENT ENTITIES | | | |
| Description | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Transfers to Primary schools | | 15,855,607 | 14,443,082 |
| Transfers to Secondary schools | | 25,631,591 | 7,869,686 |
| Transfers to Tertiary institutions | | | |
| TOTAL | | 41,487,198 | 22,312,768 |
| 7 OTHER GRANTS AND OTHER PAYMENTS | | | |
| Description | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Bursary -Secondary | | 19,084,472 | |
| Bursary -Tertiary | | 9,811,121 | 18,511,941 |
| Bursary-Special schools | | 1,206,000 | 7,082,000 |
| Mocks & CAT | | | 1,668,500 |
| Security | | 8,036,436 | 1,715,000 |
| Sports | | | |
| Environment | | | |
| Emergency Projects | | 5,700,000 | 4,075,000 |
| TOTAL | | 43,838,029 | 33,052,441 |
| 8 ACQUISITION OF ASSETS | | | |
| <u>Non Financial Assets</u> | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Purchase of Buildings | | - | - |
| Construction of Buildings | | - | - |
| Refurbishment of Buildings | | - | - |
| Purchase of Vehicles | | | - |
| Purchase of Bicycles & Motorcycles | | | |
| Overhaul of Vehicles | | - | - |
| Purchase of office furniture and fittings | | | |

NATIONAL GOVERNMENT ENTITY - (ALEGO USONGA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2019

| | | | |
|--|---------------------------------|---|--------------------------------|
| Purchase of computers ,printers and other IT equipment | | - | |
| Purchase of photocopier | | - | - |
| Purchase of other office equipments | | - | - |
| Purchase of soft ware | | - | - |
| Acquisition of Land | | - | - |
| TOTAL | | - | - |
| 9 Other Payments | | | |
| Strategic plan | | 3,279,608 | - |
| specify | | - | - |
| specify | | - | - |
| TOTAL | | 3,279,608 | - |
| 10A: Bank Balances (cash book bank balance) | | | |
| Name of Bank, Account No. & currency | Account Number | 2018-2019 | 2017 – 2018 |
| | | Kshs (30/6/2019) | Kshs (30/6/2018) |
| <i>Equity Bank, Siaya Branch. Alego Usonga NG-CDF</i> | <i>A/C no.0970261192689</i> | 8,773,180 | 305,219 |
| 10B: CASH IN HAND) | | | |
| | | 2018-2019 | 2017 – 2018 |
| | | Kshs (30/6/2019) | Kshs (30/6/2018) |
| Location 1 | | | - |
| TOTAL | | - | - |
| | | <i>[Provide cash count certificates for each]</i> | |
| 11: OUTSTANDING IMPRESTS | | | |
| <i>Name of Officer</i> | | <i>Amount Taken</i> | <i>Balance (30/6/2019)</i> |
| | Date imprest taken | Kshs | Kshs |
| <i>DALMAS NDONGA</i> | 13/9/2016 | 250,000 | 250,000 |
| <i>MALACH I MAGERO</i> | 9/1/2016 | 221,500 | 221,500 |
| <i>SOLOMON OBANDA</i> | 10/9/2015 | 250,000 | 250,000 |
| <i>JACKOO MIYUMO</i> | 5/7/2018 | 171,000 | 171,000 |
| <i>JACKOO MIYUMO</i> | 20/9/2018 | 444,600 | 444,600 |
| <i>JACKOO MIYUMO</i> | 12/11/2018 | 298,000 | 298,000 |
| | | | 1,635,100 |



NATIONAL GOVERNMENT ENTITY - (ALEGO USONGA CONSTITUENCY)
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For the year ended June 30, 2019

| | | | |
|------------------------------------|-------------------------------|------------------|--------------------|
| 12 Retention | | | |
| Supplier/Contractor | PV No. | 2018-2019 | 2017 – 2018 |
| ABC Ltd | 29 | xx | |
| XYZ Ltd | 124 | | Xx |
| TOTAL | | xx | Xx |
| 13 BALANCES BROUGHT FORWARD | | | |
| | | 2018-2019 | 2017 – 2018 |
| | | (1/7/2018 | (1/7/2017) |
| | | Kshs | Kshs |
| Bank accounts | | 305,219 | 8,616,455 |
| Cash in hand | | | - |
| Imprest | | | - |
| TOTAL | | 305,219 | 8,616,455 |
| 14 | | | |
| | PRIOR YEAR ADJUSTMENTS | | |
| | | 2018-2019 | 2017 – 2018 |
| | | Kshs | Kshs |
| Bank accounts | | 3,059,506 | - |
| Cash in hand | | - | - |
| Imprest | | 1,635,100 | - |
| TOTAL | | 4,694,606 | |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ALEGO USONGA CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019
ANNEX 3 – UNUTILIZED FUNDS

| Name | Brief Transaction Description | Outstanding Balance | Outstanding Balance | Comments |
|---|--------------------------------|----------------------|----------------------|--|
| | | 2018/19 | 2017/18 | |
| Compensation of employees | | 505,131.00 | 700,000.00 | Unspent funds at the administration votehead for compensation of employees |
| Use of goods & services | | 1,481,447.10 | 4,700,000.00 | Unspent funds at the administration votehead for committee expenses. |
| Amounts due to other Government entities | Transfers to primary schools | 29,875,817.96 | 12,147,695.50 | Funds were still at the NGCDF Board |
| | Transfers to secondary schools | 20,351,800.00 | 18,551,591.20 | Funds were still at the NGCDF Board |
| Sub-Total | | 50,227,617.96 | 30,699,286.70 | |
| Amounts due to other grants and other transfers | Bursary - Secondary | 1,106,273.89 | 1,880,062.00 | Unspent fund from the bursary votehead |
| | Bursary - Tertiary | 1,536,747.11 | 2,050,000.00 | Unspent fund from the bursary votehead |
| | Bursary-Special schools | | 227,620.00 | Funds were still at the NGCDF Board |
| | Sports | 2,180,817.50 | - | Funds were still at the NGCDF Board |
| | Security | - | 7,336,436.00 | Funds were still at the NGCDF Board |
| | Environment projects | 2,060,000.00 | - | Funds were still at the NGCDF Board |
| | Emergency Projects (specify) | 38,993.00 | - | Funds were still at the NGCDF Board |
| Sub-Total | | 6,922,831.50 | 11,494,118.00 | |
| Others Constituency strategic plan | | - | 3,279,608.00 | Funds were still at the NGCDF Board |
| Alego Usonga Constituency Hub installation | | 4,677,027.00 | 4,677,027.20 | Unspent funds for Constituency Innovation Hub |
| Sub-Total | | - | | |
| Grand Total | | 63,814,054.56 | 55,550,039.90 | |



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

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 | 750,000 | - | - | 750,000 |
| Buildings and structures | 29,499,999.55 | - | - | 29,499,999.55 |
| Transport equipment | 10,446,755 | - | - | 10,446,755 |
| Office equipment, furniture and fittings | 2,095,048 | - | - | 2,095,048 |
| ICT Equipment, Software and Other ICT Assets | 1,053,000 | - | - | 1,053,000 |
| Other Machinery and Equipment | 409,100 | - | - | 409,100 |
| Heritage and cultural assets | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 44,678,288 | - | - | 44,253,902.55 |

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

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

| PMC | Bank | ACCOUNT NO. | ACCOUNT BALANCE AS AT 30 TH JUNE 2019 | Bank Balance 2017/18 |
|------------------------------|------|---------------|--|----------------------------|
| Kabura Ulwani Primary | | 1137045892 | 1909 | |
| Mbaga Mixed Sec Sch | | 1126970514 | 0.00 | |
| Boro Mixed Sec Sch | | 1135185751 | 18,792.50 | |
| St Patrick Segere | | 1136241809 | 5,465 | |
| Nyakado Primary | | 1136898239 | 3,990 | |
| Mulaha Sec School | | 1129051609 | 1,530.05 | |
| Malomba Sec | | 1131188160 | 60,294 | |
| Gangu Primary | | 1105524167 | 230 | |
| Osoro Primary | | 1135196494 | 156,115 | |
| Bishop Okoth Girls Mbaga Sec | | 1105572447 | 90,929.70 | |
| Bar Agulu Pri | | 1118149548 | 845.45 | |
| Malomba Secondary School | | 1131188160 | 60,294 | |
| Karapul Sec. Sch | | 0970264062362 | 974,415 | |
| Pap Oriang Primary | | 0970264539641 | 710 | |
| Upanda Sec. Sch | | 0970277076502 | 169 | |
| Uloma Kodero Primary | | 0970266785608 | 223 | |
| Awelo Primary | | 0970271424884 | 23,960 | |
| Nyamila Primary | | 0970277145208 | 0 | |
| Katuda Primary | | 0970271485747 | 120 | |
| Gombe Komolo Pri | | 0970299149711 | 5,238 | |
| Uyiko Primary | | 0970271591500 | 743 | |
| Usula Primary | | 0970271423951 | 4,100 | |
| Sigana Primary | | 0970261192689 | 55 | |
| Sidundo Primary School | | 0970263236233 | 3,053 | |
| Uranga Do's Office | | 0970271681430 | 1,270 | |
| Dirk Allison Sec. Sch | | 0970271665848 | 75,732 | |
| Pap Kakan Primary | | 0970271668452 | 1,410 | |
| Rabar Police | | 0970266057403 | 2,585 | |
| Nyadorera Police | | 0970271192689 | 1,490 | |
| Ndiwo Primary | | 0970278925459 | 55,184 | |
| Karapul Primary | | 0970271598047 | 125 | |
| Ulafu Primary | | 0970262531600 | 20,360 | |
| Wangchieng Primary | | 0970264495805 | 39,470 | |
| Agoro Oyombe Sec. S | | 0970264086567 | 1,039.95 | |

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
ALEGO USONGA CONSTITUENCY
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| | | | | |
|-------------------------|--|----------------|------------------|--|
| Mulaha Primary | | 0970271560666 | 651 | |
| Agage Primary | | 0970262514882 | 3,555 | |
| Udamayi Primary | | 0970262558348 | 10,430 | |
| Nyalula Primary | | 0970264429108 | 805 | |
| Ulawe Apate | | 0970269031486 | 3,706 | |
| Nyambare Primary | | 0970266408713 | 300 | |
| Masumbi Primary | | 0970263482379 | 25 | |
| Uyoma Primary | | 0970272477866 | 315 | |
| Obambo Primary | | 0970262519632 | 1,410 | |
| Hono Primary | | 0970262519379 | 530 | |
| Nyandiwa Primary | | 0970262562617 | 1,590 | |
| Kalenjuok Primary | | 0970264526953 | 2,935 | |
| Barding Primary | | 0970261192689 | 930 | |
| Pap Gori Primary | | 0970299454522 | 962.50 | |
| Uhuyi Primary School | | 1105480836 | 0 | |
| Hawinga Girls H. S. | | 01141255339700 | 1,525 | |
| Uyiko Primary | | 01141256893000 | 1,234.50 | |
| Kirindo Primary | | 01139255451701 | 5,840 | |
| Misori K' Primary | | 01141256824000 | 2,510 | |
| Upanda Primary | | 01141256838000 | 508 | |
| Barding Sec School | | 01141256404000 | 52,111.50 | |
| Nyajuok Primary | | 01100255810300 | 0.00 | |
| Uwasi Mixed Sec. S. | | 01141255653500 | 916 | |
| Dibuoro Sec. School | | 01141256403900 | 0.00 | |
| Mur Malanga Primary | | 01141256757900 | 1,620 | |
| Nyalgunga Primary | | 01141255562100 | 1,064.50 | |
| Rambo Sec. Sch | | 01141255630400 | 9,935 | |
| Ndai Primary | | 01139255533000 | 3,896 | |
| Madede Primary | | 01141256779500 | 74,427 | |
| Rapogi Primary | | 01141255655400 | 1,517 | |
| Maaman Akumu Primary | | 01141256752800 | 9,027.5 | |
| Got Oyega sec.school | | 011392533601 | 1000.75 | |
| Ngiya Girls High School | | 01141255494400 | 0 | |
| TOTAL | | | 1,807,124 | |

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

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) |
|--|--|---|--|-----------------------------------|--|
| 1 | <p>1. Misstatement of the summary statement of appropriation.</p> <p>The Financial statements under Significant Accounting Policies No. 11 on Budget is disclosure that the original budget was approved by the parliament on June 2017 as required by law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are unutilized funds.</p> <p>Included in the summary statement of appropriation: recurrent and development combined is adjustment budget figure of Kshs. 30,329,562. However the adjustment was supported by a total of Kshs. 23,153,451 comprising an AIE No. A89704 dated 22 February 2018 of Kshs. 20,948,275 for the year 2016/2017, and bank balance brought forward of Kshs. 2,205,176. The variance of Kshs. 7,176,111 is not explained.</p> | <p>The financial statements under summary statement of recurrent and development combined the adjustment budget figure is Kshs. 11,673,184, comprising of an AIE of Kshs. 11,379,310.34 received as a conditional grant and a balance brought forward from fy 2016/17 of Kshs. 293,874.</p> | Fund Manager | Resolved | 2 Weeks |
| 2 | <p>2. Misstatement of cash and cash equivalent</p> | Closing cash book bank balance is Kshs. 305,219 | Fund Manager | Resolved | 2 Weeks |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ALEGO USONGA CONSTITUENCY
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|-----------------------------------|--|
| | The financial statement under significant Accounting policies No. 6 on cash and cash equivalents indicate that the bank account balances include amounts held at various commercial banks at the end of the financial year. The bank account balance is indicated in a cash book held for control purposes. However the statement of financial assets cash and cash equivalents figure of Kshs. 305,219 that is supported by a Cashbook balance of Kshs. 721,500 resulting in an adverse misstatements of the account by Kshs. 416,281. | and cash balance is Kshs. 721,500. Find attached the amended financial statements and cash book extract at the end of fy 2017/2018 for your review. (Appendix 2) | | | |
| 3 | <p>3. Bank reconciliation</p> <p>Public finance management regulation 2015 section 90(3) indicates that accounting officer shall ensure discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.</p> <p>The bank reconciliation statements for June 2018 revealed cheques amounting to Kshs. 8,536,377. However, included in the unrepresented cheques are stale cheques amounting to Kshs. 180,890 relating to years 2015 to 2017 that have not been reversed and replaced in the cash book thus understating cash book balance by same figure.</p> <p>Also included in the bank reconciliation under payments made in</p> | The stale cheques have been replaced and the wrong postings have also been corrected. Find the attached updated cash book extract and bank reconciliation statement. (Appendix 3) | Fund Manager | Resolved | 2 Weeks |



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ALEGO USONGA CONSTITUENCY
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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 (Name and designation) | Status: (Resolved / Not Resolved) | Timefr ame: (Put a date when you expect the issue to be resolv ed) | |
|---|---|---|---|--|---|---|
| | bank statement not yet recorded in cash book figure of Kshs. 455,506 are misstatements reported as follows. | | | | | |
| | Details disclosed in Bank reconciliation statement | | | | | Anomaly noted |
| | Cheque No.3828 to TTC of Kshs. 180,000 | | | | | Cheque is paid to 2017 Asumbi Girls' High school was posted in cashbook in January for Kshs. 20,000 |
| | Cheque No. 3786 to Sawagongo High school of Kshs. 10,000 | | | | | Posted in cashbook in January 2017 |
| | Cheque No. 3787 to Senator Obama Sec school of Kshs. 5,000 | | | | | Posted in cashbook in January 2017 |
| | Bank charges B/fwd 1 May 2018 - Kshs. 141,986 | | | | | Figure is not supported |
| | Bank charges June 2018 - Kshs. 4,840 | | | | | Figure is not supported |
| | Consequently, the accuracy of cash and cash equivalent figure cannot be confirmed as correct. | | | | | |
| 4 | 4. Budget performance | The delay in absorption of budget utilization was due | Fund Manager | Resolved | 2 Weeks | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ALEGO USONGA CONSTITUENCY
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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 (Name and designation) | Status: (Resolved / Not Resolved) | Timefr ame: (Put a date when you expect the issue to be resolv ed) | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-----------------------------------|---|--|---|--|-------|-------|---|---------------------------|-------------|---------------|-----|---------------------------|-----------|-----------|-----|---------------------------|-----------|-----------|-----|------------------------------------|------------|------------|-----|---|--|--|
| | <p>The financial statements under No. 4(b) of significant accounting policies on recognition of payments indicates that the entity recognizes all payments when the event occurs and the related cash has actually been paid out of the entity. During the financial year under review, alego usonga ngcdf had a total budget of Kshs. 111,639,906 against a total expenditure of Kshs. 64,342,102 resulting in 58% budget absorption.</p> <table><tr><th>Audit Components</th><th>Current year budget figures</th><th>Actual expenditu re figures</th><th>% Absor ption</th></tr><tr><td></td><td>Kshs.</td><td>Kshs.</td><td>%</td></tr><tr><td>Transfer from NGCDF board</td><td>111,639,906</td><td>64,342,102.00</td><td>58%</td></tr><tr><td>Compensation of employees</td><td>4,891,380</td><td>2,788,889</td><td>57%</td></tr><tr><td>Use of goods and services</td><td>6,604,310</td><td>6,188,004</td><td>94%</td></tr><tr><td>Transfer to other government units</td><td>53,107,812</td><td>22,312,768</td><td>42%</td></tr></table> | Audit Components | Current year budget figures | Actual expenditu re figures | % Absor ption | | Kshs. | Kshs. | % | Transfer from NGCDF board | 111,639,906 | 64,342,102.00 | 58% | Compensation of employees | 4,891,380 | 2,788,889 | 57% | Use of goods and services | 6,604,310 | 6,188,004 | 94% | Transfer to other government units | 53,107,812 | 22,312,768 | 42% | to delay in disbursement of funds from the CDF Board headquarters. However the funds have been released and utilized for the purpose intended for. Find expenditure returns for the last AIE for FY 2017/2018 which was received fy 2018/2019. (Appendix 4) | | |
| Audit Components | Current year budget figures | Actual expenditu re figures | % Absor ption | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Kshs. | Kshs. | % | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfer from NGCDF board | 111,639,906 | 64,342,102.00 | 58% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Compensation of employees | 4,891,380 | 2,788,889 | 57% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Use of goods and services | 6,604,310 | 6,188,004 | 94% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfer to other government units | 53,107,812 | 22,312,768 | 42% | | | | | | | | | | | | | | | | | | | | | | | | | |



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

| Referen ce No. on the externa l audit Report | Issue / Observations from Auditor | Management comments | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timefr ame: (Put a date when you expect the issue to be resolv ed) | | | | | | | |
|---|---|--|---|--|---|-------------------|-------------|------------|-----|--|--|--|
| | <table><tr><td>Other grants and transfers</td><td>47,036,403</td><td>33,052,441</td><td>70%</td></tr><tr><td>Total Expenditure</td><td>111,639,906</td><td>64,342,102</td><td>58%</td></tr></table> <p>The entity absorbed the budget on Compensation of employees (57%) Transfer to other government units (42%) Other grants and transfers (70%) and Use of goods and services (94%). However, explanations on budget variations was not adequate in the financial statements. Consequently, the citizen did not get expected value for money from the expected services.</p> | Other grants and transfers | 47,036,403 | 33,052,441 | 70% | Total Expenditure | 111,639,906 | 64,342,102 | 58% | | | |
| Other grants and transfers | 47,036,403 | 33,052,441 | 70% | | | | | | | | | |
| Total Expenditure | 111,639,906 | 64,342,102 | 58% | | | | | | | | | |
| 5 | <p>5. Irregular termination of employees Employment contracts</p> <p>Employment Act, section 35(1) states that termination of employment can be initiated by either of the parties to a contract of employment. An employer may terminate the employment of an employee but there is need to comply with the provisions of the law and contract relating to termination.</p> <p>Section 78 requires that the employer notify the termination of</p> | <p>The CDFC committee and the management consulted the concerned staff for habitual and mutual discussion on the same. The matter has now been settled and all the former staff have been paid their dues.</p> <p>Kevin Ajul (Clerk of</p> | Fund Manager | Resolved | 2 Weeks | | | | | | | |

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ALEGO USONGA CONSTITUENCY
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|--|---|--|--|-----------------------------------|--|
| | <p>every employment and layoff of a person in writing.</p> <p>During the year under review, the entity terminated the contracts of four (4) employees'. However, it was noted that;</p> <ul style="list-style-type: none"> The employer did not give notice of termination of employment to the employees' who subsequently did not serve on notice pending termination of contract or were paid in lieu of notice as stipulated in the Employment Act. The employees worked without compensation for two months (December 2017 and January 2018). The pending bill amounting to Ksh.174,834 was not disclosed in the Financial Statements. Further, Phylis Achieng Owino through Odongo Awino & Company advocates is suing the entity for the premature breach of employment contract. <p>The management is in breach of the law and given that there is no budget provision to take care of contingency liability that may arise out of the contingency.</p> | <p>works) willingly resigned from his position upon accepting another job offer from another institution. Find the attached resignation letter for the same.</p> | | | |
| 6 | 6. Failure to comply with ng-cdf board approved budget | Management response The PMC of the projects | Fund Manager | Resolved | 2 Weeks |

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ALEGO USONGA CONSTITUENCY
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|--|--|--|--|-----------------------------------|--|
| | Public finance management regulation 2015 section 83(2) indicate that the National Treasury sound cash management includes ensuring payments; including transfers are made when due for efficient, effective and economical programme delivery. Included in transfers to other government entities of Kshs. 22,312,768 is Kshs. 2,000,000 that was spent on renovation of two classrooms, building of one classroom and two (2) 4 doors pit latrines at St. Peter's Upunda secondary school instead of construction of two classrooms that was approved by NG-CDF Board. The management is therefore in breach of the law. | brought request letters to the office requesting for emergency funding. The NGCD Committee then conducted a physical M&E process to identify and know if they were emergency. They submitted the expenditure returns to the office for the same. Find attached copies to support the same. | | | |



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ALEGO USONGA CONSTITUENCY
Reports and Financial Statements
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Trial balance

| | Debit | Credit |
|---------------------------------------|--------------------|--------------------|
| Bank Balances (as per the cash book) | 8,773,180 | |
| Outstanding Imprests | 1,635,100 | |
| Fund balance b/fwd 1st July... | | 305,219 |
| Prior year adjustments | | 4,694,606 |
| Transfers from CDF board | | 106,493,586 |
| Compensation of employees | 3,366,316 | |
| Use of goods and services | 9,113,880 | |
| Transfers to Other Government Units | 41,487,198 | |
| Other grants and transfers | 43,838,029 | |
| Acquisition of Assets | - | |
| Other Payments | 3,279,708 | |
| | 111,493,411 | 111,493,411 |



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