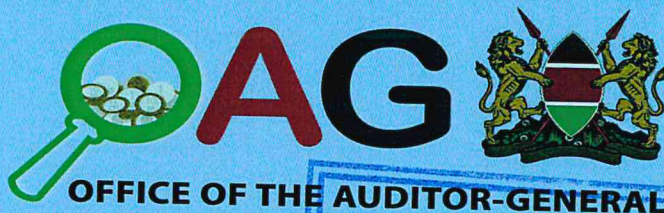


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 FEB 2022	DAY: TUESDAY
TABLED BY: CLERK-A1 THE-TABLE:	LOM Mainah Wanjiku

REPORT

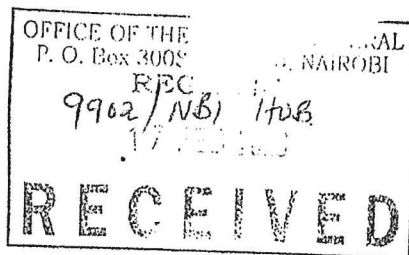
OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
EMURUA DIKIRR CONSTITUENCY**

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



Revised Template 30th June 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –EMURUA
DIKIRR CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Reports and Financial Statements

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 EMURUA DIKIIR 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 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	FELIX NTUTU
2.	Sub-County Accountant	KIPSAFARI TOROMO
3.	Chairman NGCDFC	SAMWEL TOWETT
4.	Member NGCDFC	CAROLINE TONUI

(d) Fiduciary Oversight Arrangements

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

P.O. Box 119
NGCDF BUILDING
EMURUA DIKIIR
KENYA

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

(f) NGCDF EMURUA DIKIIR Constituency Contacts

Telephone: (254)722774506
E-mail: cdfemuruadikirr@ngcdf.go.ke
Website: www.Emuruadikirr.go.ke

(g) NGCDF EMURUA DIKIIR Constituency Bankers

1. Equity bank
Kilgoris branch
P.O. Box 203
kilgoris

(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)
EMURUA DIKIIR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Financial year 2018-2019 has been a fruitful one in many ways. Regarding implementation of projects we have been able to implement and launch projects that are quite outstanding. However, budget performance was quite low. Funds were not 100% utilized, though this can be attributed to late disbursement of funds from the Board. But, we have adopted measures to make sure that the same is not repeated in future.

Key achievements in this financial year include:

- a) Emurua Dikirr Technical Training Institute
- b) Kenya Medical Training College Kurangurik
- c) Lalagoin Secondary School among other projects



Photo 1: Emurua Dikirr Technical Training Institute

Nevertheless they have been emerging issue, for instance students have collaborated with school staffs to change beneficiaries list which have resulted to uneven distribution of resources and wrong beneficiaries. Nonetheless, we have decided to serialize bursary forms to evade such. Other challenges included poor implementation of projects and non-compliance by contractors. However, we have resolved to contract all projects and avoid labour-based implementation of projects.

Sign 

CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMURUA DIKIIR 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-EMURUA DIKIIR 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-EMURUA DIKIIR 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-EMURUA DIKIIR 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-EMURUA DIKIIR 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-EMURUA DIKIIR Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.


Fund Account Manager
Name: _____

ACCOUNTING MANAGER
EMURUA DIKIIR CONSTITUENCY
P.O. Box 112-22401
CHESUNYO.

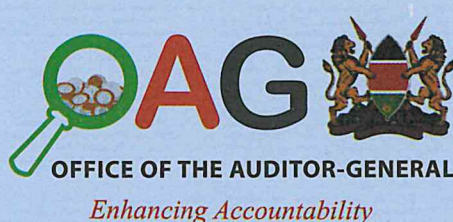

Sub-County Accountant

Name: KIPSAFARI TURMO

ICPAK Member Number: 11750

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMURUA DIKIRR 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 - Emurua Dikirr Constituency set out on pages 6 to 34, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituency Development Fund - Emurua Dikirr Constituency as at 30 June, 2019, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management, 2012.

Basis for Qualified Opinion

1. Unconfirmed Project Management Committee Bank (PMC) Account Balances

The Project Management Committee bank account balances as at 30 June, 2019 in Note 15.4 and Annex 5 reflects Nil balances. However, certificates of bank confirmations and bank statements were not provided for audit. Further, details of unutilized funds that remained or were transferred to the constituency account after completion of the projects were also not provided for audit.

In the circumstances, the validity, accuracy and completeness of the cash and cash equivalents balance of Kshs. 16,706,245 reflected in the statement of financial assets and liabilities could not be confirmed.

2. Stale Cheques in Bank Reconciliation Statement

Examination of the bank reconciliation statement in support of the bank balance of Kshs. 16,706,245 revealed payments in the cash book not recorded in the bank statement

(Unpresented Cheques) amounting to Kshs.4,806,771. The amount which includes stale cheques totalling Kshs.3,248,697 which had not been reversed in the cash book contrary to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015. No reason has been given for failure to reverse the stale cheques some of which date back to 2017. The stale cheques totalling Kshs.3,248,697 understates the cash and cash equivalents.

Consequently, the validity and accuracy of the cash and cash equivalents balance of Kshs.16,706,245 as at 30 June, 2019 could not be confirmed

3. Un-Accounted for Funds - Emergency Projects

The financial Statements reflects in Note 7 other grants and transfers of Kshs.29,326,675 which includes emergency projects of Kshs.5,738,993 out of which payments totalling Kshs.4,321,103 were not supported by documentary evidence including payment vouchers, appropriate Authority and documentation contrary to Regulation 99(1) and 104(1) of the Public Finance Management (National Government) Regulations, 2015.

Further, payments of Kshs.1,417,890 includes Kshs.418,600 and Kshs.1,052,290 that were not supported by a list of beneficiaries and approval from the National Government Constituencies Development Fund Committee respectively.

Consequently, the validity and completeness of the other grants and transfers of Kshs.29,326,675 could not be confirmed.

4. Inaccurate Summary Statement of Appropriation: Recurrent and Development Combined.

The summary statement of appropriation: recurrent and development combined for the year under review reflects Kshs.60,778,991 in respect to adjustments for the year being the unspent funds in the previous year. However, the audited 2017/2018 financial statements reflects unspent funds totalling Kshs.54,784,483 therefore resulting to unreconciled and an unexplained variance of Kshs.5,994,508.

The summary statement of appropriation - recurrent and development combined reflects original and final budgeted receipts of Kshs.109,040,876 and Kshs.169,819,867 respectively against both the original and final budgeted expenditure of Kshs.86,872,747 and Kshs.86,872,126 respectively. The difference of Kshs.22,168,129 and Kshs.82,947,741 respectively between the budgeted receipts and payments has not been reconciled.

Consequently, the accuracy, completeness and validity of the summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Emurua Dikirr 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

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.169,819,867 and Kshs.97,405,173 respectively resulting to an under-funding of Kshs.72,414,694 or 43% of the budget. Similarly, the Fund spent Kshs.75,296,072 against an approved budget of Kshs.86,872,126 resulting to an under-expenditure of Kshs.11,576,054 or 13% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Emurua Dikirr 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 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. Allocation of bursaries below the required threshold

The statement of receipts and payments and Note 7 to the Financial Statements of the National Government Constituencies Development Fund - Emurua Dikirr Constituency revealed that the fund received Kshs.97,405,173 as transfers from the NG-CDF Board.

Note (7) to the financial statements reflects "Other Grants & Transfers" which includes bursaries disbursed to secondary schools, tertiary institutions and special schools amounting to Kshs.19,226,047 or 19.74% of the funds received (Kshs.97,405,173) from the CDF Board for the year under review. This is contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which requires not less than twenty-five percent of the funds allocated to a constituency to be set aside for bursaries.

2. Unapproved Construction of Hostel at Kurangurik KMTC (Transmara Campus)

The Emurua Dikirr NG-CDF Management contracted M/s Roniam Construction Limited for the construction of three hundred (300) capacity hostel in Kurangurik Kenya Medical Training College without the approval of the NG-CDF Board contrary to Section 31(2) of the National Government Constituencies Development Fund Act, 2015 at a contract sum of Kshs.8,800,000. However, the relevant contract documents and records were not provided for audit review.

No documentary evidence was provided to confirm that the contract design drawings were available during implementation of works. Similarly, contract files including but not limited to records of site instructions, material test results, progress reports and site meeting minutes were equally not provided for audit review.

Audit inspection undertaken on 13 December, 2019 revealed that the computer laboratories and the hostels had not been completed and the contractor was not on site. Further, no returns from the Project Management Committee were provided for audit to ascertain status of the project and payments made so far.

Consequently, the regularity, validity and value for money of the expenditure incurred on construction of the college could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 and 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 cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 December, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMURUA DIKIIR CONSTITUENCY**

Reports and Financial Statements


For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	97,405,173	42,905,172.00
Proceeds from Sale of Assets	2	0.00	0.00
Other Receipts	3	<u>0.00</u>	<u>0.00</u>
TOTAL RECEIPTS		97,405,173	42,905,172.00
PAYMENTS			
Compensation of employees	4	2,134,941.00	1,064,969.00
Use of goods and services	5	9,840,690.00	5,422,891.00
Transfers to Other Government Units	6	45,570,441.00	13,000,000.00
Other grants and transfers	7	29,326,675.00	22,764,693.00
Acquisition of Assets	8	00.00	7,824,266.00
Social security benefits	9	0.00	15,120.00
Other Payments	10	00.00	0.00
TOTAL PAYMENTS		86,872,747.00	50,091,939.00
SURPLUS/(DEFICIT)		<u>10,532,426.00</u>	<u>(7,186,767.00)</u>

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


Fund Account Manager
Name:



Sub-County Accountant
Name: *Kibisa Tuko*
ICPAK Member Number: *11750*


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

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	16,706,244.98	6,173,818.68
Cash Balances (cash at hand)	10B	0.00	0.00
Total Cash and Cash Equivalents		16,706,244.98	6,173,818.68
Current Receivables			
Outstanding Imprests	11	0.00	200,000.00
TOTAL FINANCIAL ASSETS		16,706,244.98	6,373,818.68
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0.00	0.00
Gratuity	12B	0.00	0.00
TOTAL FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		16,706,244.98	6,373,818.00
REPRESENTED BY			
Fund balance b/fwd	13	6,173,818.68	12,496,142.88
Surplus/Deficit for the year		19,628,226.80	(7,186,767.00)
Prior year adjustments	14	(9,795,227.80)	1,064,443.00
NET FINANCIAL POSITION		16,706,244.98	6,373,818.00

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


Fund Account Manager
Name:


Sub-County Accountant
Name: K. SAFARI T. KIMU
ICPAK Member Number: 11750

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMURUA DIKIIR CONSTITUENCY**

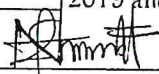
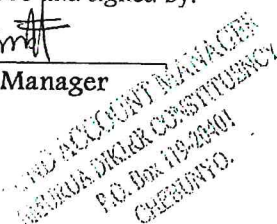
Reports and Financial Statements


For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 – 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	97,405,173	42,905,172.00
Other Receipts	3	0.00	0.00
Total receipts		97,405,173	42,905,172.00
Payments			
Compensation of Employees	4	2,134,941.00	1,064,969.00
Use of goods and services	5	9,840,690	5,422,891.00
Transfers to Other Government Units	6	45,570,441.00	13,000,000.00
Other grants and transfers	7	29,326,675	22,764,693.00
Other Payments/ Social security	9	0.00	15,120.00
Total payments		86,872,747	42,267,673.00
Total Receipts Less Total Payments		10,532,426	637,499
Adjusted for:			
Outstanding imprest	11	0.00	200,000.00
Retention Payable	12A	0.00	0.00
Gratuity Payable	12B	0.00	0.00
Prior year adjustments	14	0.00	1,064,443.00
Net Adjustments			1,064,443.00
Net cash flow from operating activities		10,532,426	1,701,942
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0.00	0.00
Acquisition of Assets	9	0.00	7,824,266.00
Net cash flows from Investing Activities		0.00	(7,824,266.00)
NET INCREASE IN CASH AND CASH EQUIVALENT		10,532,426	9,526,208
Cash and cash equivalent at BEGINNING of the year	13	6,173,818.68	12,496,143
Cash and cash equivalent at END of the year		<u>16,706,245</u>	<u>22,022,351</u>

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


Fund Account Manager
Name:



Sub-County Accountant
Name: Kusafiki Tokoma

ICPAK Member Number: 1175

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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 NGCDF Board	109,040,875.52	60,778,991.40	169,819,866.92	97,405,173	72,414,693.92	61%
Proceeds from Sale of Assets	0.00	0.00	0.00	0.00	0.00	-
Other Receipts	0.0	0.00	0.00	0.00	0.00	-
Totals	109,040,875.52	60,778,991.40	169,819,866.92	97,405,173	72,414,693.92	
PAYMENTS						
Compensation of Employees	2,134,941.00	2,030,459.00	2,134,941.00	2,134,941.00	0.00	100%
Use of goods and services	9,840,690.00	7,785,947.62	9,840,690.00	9,840,690.00	0.00	100%
Transfers to Other Government Units	45,570,441.00	19,000,000.00	45,570,441.00	45,570,441.00	0.00	100%
Other grants and transfers	29,326,675.00	31,962,584.86	29,326,675.00	17,750,000.00	0.00	100%
Acquisition of Assets	0.00	0.00	0.00	0.00	0.00	0%
Other Payments	0.00	0.00	0.00	0.00	0.00	0%
TOTALS	86,872,747.00	60,778,991.48	86,872,126.00	86,872,747	0.00	100%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

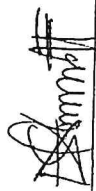
(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

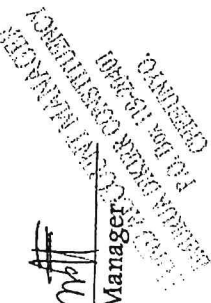
- i. Xxxx
- ii. Xxxx
- iii. Xxxx
- iv. Xxxx
- v. Xxxx


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

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation; Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-EMURUA DIKIR Constituency financial statements were approved on _____ 2019 and signed by:


Fund Account Manager
Name: _____




Sub-County Accountant
Name: K. K. K. K.
ICPAK Member Number: 11730

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

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 Kshs	Adjustments Kshs	Final Budget 2018/2019 Kshs	Actual on comparable basis 30/06/2019 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,400,000.00	(265,059)	2,134,941	2,134,941	(265,059)
1.2 Committee allowances	2,232,712.92	815,947.08	3,048,660.00	3,048,660.00	815,947.08
1.3 Use of goods and services	1,400,000.00	471,685	1,871,685	1,871,685	1,871,685
Total					
2.0 Monitoring and evaluation					
2.1 Capacity building	1,099,000.00				
2.2 Committee allowances	1,000,000.00	2,048,660.00	3,048,660.00	3,048,660.00	2,048,660.00
2.3 Use of goods and services	1,000,053.46	871,685	1,871,685	1,871,685	871,685
Total					
3.0 Emergency					
Meet any emergency needs in the constituency	5,738,993.45	0.00	5,738,993	5,738,993	0.00
TOTAL	5,738,993.45		5,738,993.00	5,738,993.00	0.00
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	10,872,637.14	663,288	10,209,349	10,209,349	663,288
4.3 Tertiary Institutions	15,000,000.00	(5,983,302)	9,016,698	9,016,698	5,983,302
4.4 Universities					
4.5 Social Security					
TOTAL	25,872,637.14	6,646,590	29,326,674	29,326,674	6,646,590
5.0 Sports					
5.1 Constituency soccer -Fund constituency soccer tournament in the four wards (purchase balls and uniforms for the teams representing each ward) and fund logistics for the event	1,000,000	0.00	1,000,000	1,000,000	0.00

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

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
5.2 Constituency athletics championship (Fund constituency athletics in the four wards, purchase sports equipment and wear for the championship, and fund logistics for the event)	1,180,817.52	0.00	1,180,817.52	1,180,817.52	0.00
TOTAL	2,180,817.52	0.00	2,180,817	2,180,817	0.00
6.0 Environment					
6.1 purchase and install 10,000 litres water tanks in secondary schools for rain water harvesting at a cost of 300,0000 per school	2,180,817.52	0.00	2,180,817.52	2,180,817.52	0.00
6.2					
TOTAL	2,180,817.52	0.00	2,180,817.52	2,180,817.52	0.00
7.0 Primary Schools Projects (List all the Projects)					
7.1 Angaset Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.2 Chemurin Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.3 Chepkebit Primary School	600,000.00	0.00	600,000.00	600,000.00	0.00
7.4 Chesogori Primary School	600,000.00	0.00	600,000.00	600,000.00	0.00
7.5 Emitiot Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.6 Kabarak Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.7 Kabuson Central Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.8 Kenduwo Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.9 Ketendeita Primary School	700,000.00	0.00	700,000.00	700,000.00	0.00
7.10 Tachasis Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.11 Kamaget Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.12 Kitait Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.13 Korosiot Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.14 Kibailuk Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.15 Changina Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.16 Koisagat Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – E. JRU A DIKIIR CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
7.17 Soiming'in Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.18 Torochet Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.19 Kaptarakwa Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.20 Kaplebelit Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.21 Kilindani Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.22 Chepkisa Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.23 Kibisorwet Primary School	500,000.00	0.00	500,000.00	500,000.00	0.00
7.24 Kipwaluk Primary School	800,000.00	0.00	800,000.00	800,000.00	0.00
7.25 Kulonok Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.26 Kuresiet Primary School	300,000.00	0.00	300,000.00	300,000.00	0.00
7.27 Lelach Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.28 Lulukwet Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.29 Merigito Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
7.30 Murkan Primary School	3,470,440.51	0.00	3,470,440.51	3,470,440.51	0.00
7.31 Pimbini Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.32 Reberwet Primary School	1,400,000.00	0.00	1,400,000.00	1,400,000.00	0.00
7.33 Sugutek Primary School	600,000.00	0.00	600,000.00	600,000.00	0.00
7.34 Torochasis Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.35 Torokwet Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.36 Tuiyobei Primary School	1,200,000.00	0.00	1,200,000.00	1,200,000.00	0.00
7.37 Tuiyobei Primary School	200,000.00	0.00	200,000.00	200,000.00	0.00
8.0 Secondary Schools Projects (List all the Projects)					
8.1 Changina Secondary School	3,500,000.00	0.00	3,500,000.00	3,500,000.00	0.00
8.2 Chebitoik Secondary School	3,500,000.00	0.00	3,500,000.00	3,500,000.00	0.00
8.3 Ilkerin Girls Secondary School	3,500,000.00	0.00	3,500,000.00	3,500,000.00	0.00
8.4 Kisiara High School	3,500,000.00	0.00	3,500,000.00	3,500,000.00	0.00
8.8 Kurangurik Secondary School	3,500,000.00	0.00	3,500,000.00	3,500,000.00	0.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIIR CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
8.7 Kuresiet Secondary School	2,100,000.00	0.00	2,100,000.00	2,100,000.00	0.00
8.9 Lelechonik Secondary School	3,600,000.00	0.00	3,600,000.00	3,600,000.00	0.00
8.10 Mokondo Secondary School	1,000,000.00	0.00	1,000,000.00	1,000,000.00	0.00
8.11 Kuresiet Secondary School	300,000.00	0.00	300,000.00	300,000.00	0.00
8.12 Soiming' in Secondary School	2,400,000.00	0.00	2,400,000.00	2,400,000.00	0.00
9.0 Tertiary institutions Projects (List all the Projects)					
9.1 Kurangurik KMTC	3,000,000.00	5,800,000.00	8,800,000.00	8,800,000.00	5,800,000.00
9.2					
Total	3,000,000	5,800,000.00	8,800,000.00	8,800,000.00	5,800,000.00
10.0 Security Projects					
10.1	0.00	0.00	0.00	0.00	0.00
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	0.00	0.00	0.00	0.00	0.00
11.2 Construction of CDF office	0.00	0.00	0.00	0.00	0.00
11.3 Purchase of furniture and equipment	0.00	0.00	0.00	0.00	0.00
11.4 Purchase of computers	0.0	0.00	0.00	0.00	0.00
11.5 Purchase of land	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMURUA DIKIIR CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2018

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-EMURUA DIKIIR Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMURUA DIKIIR 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 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMURUA DIKIIR 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 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO A855797	1		5,500,000.00
AIE NO A892620	2		37,905,172.00
AIE NO B030382	3	20,000,000.00	
AIE NO B006324	4	6,000,000.00	
AIE NO A699039	5	11,000,000.00	
AIE NO B042730	6	7,000,000.00	
AIE NO B005157	7	43,405,172.80	
AIE NO B030326	8	10,000,000	
TOTAL		97,405,000.00	43,405,172.00

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
Total	0.00	0.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from Sale of tender documents	0.00	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	2,134,941.00	1,064,969.00
Basic wages of casual labour	0.00	0.00
Personal allowances paid as part of salary		
House allowance	0.00	0.00
Transport allowance	0.00	0.00
Leave allowance	0.00	0.00
Gratuity – paid		0.00
- Accrued	0.00	
Other personnel payments/ social security	0.00	15,120.00
Total	2,134,941.00	1,080,089.00

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

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	6,097,320	1,561,100.00
Utilities, supplies and services	51,000	0.00
Communication, supplies and services	20,000	214,400.00
Domestic travel and subsistence	82,690	0.00
Printing, advertising and information supplies & services	200,000	0.00
Rentals of produced assets	0.00	0.00
Training expenses	2,000,000	1,310,000.00
Hospitality supplies and services	560,000	0.00
Insurance costs	0.00	0.00
Specialized materials and services	0.00	0.00
Office and general supplies and services	609,680	587,363.00
Other operating expenses	0.00	617,700.00
Routine maintenance – vehicles and other transport equipment	220,000	482,328.00
Routine maintenance – other assets	0.00	650,000.00
Total	9,840,690.00	5,422,891.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMURUA DIKIIR CONSTITUENCY**

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2018	2017-2018
	Kshs	Kshs
Transfers to National Government entities	0.00	0.00
Transfers to primary schools (see attached list)	20,650,441	10,850,000.00
Transfers to secondary schools (see attached list)	16,120,000	2,150,000.00
Transfers to tertiary institutions (see attached list)	8,800,000	0.00
Transfers to health institutions (see attached list)	0.00	0.00
TOTAL	45,570,441	13,000,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2018	2017-2018
	Kshs	Kshs
Bursary – secondary schools (see attached list)	10,209,349	11,608,000.00
Bursary – tertiary institutions (see attached list)	9,016,698	7,156,693.00
Bursary – special schools (see attached list)	0.00	0.00
Mock & CAT (see attached list)	0.00	0.00
Security projects (see attached list)	0.00	0.00
Sports projects (see attached list)	2,180,817	0.00
Environment projects (see attached list)	2,180,817	0.00
Emergency projects (see attached list)	5,738,993	4,000,000
Total	29,326,674	22,764,693.00

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

8. ACQUISITION OF ASSETS

Non Financial Assets

	2018-2018	2017-2018
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	6,724,766.20
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	0.00	1,099,500.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialised Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
Total	0.00	7,824,266.20

9. OTHER PAYMENTS

	2018-2018	2017-2018
	Kshs	Kshs
Strategic plan	3,300,000	0.00
ICT Hub	0.00	0.00
	3,300,000	0.00

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
Equity Bank, Kilgoris, A/C Number 1230261760486	16,706,244.98	6,173,819.00
Total	16,706,245	6,173,819.00
10B: CASH IN HAND		
Location 1	0000	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations (<i>specify</i>)	0.00	0.00
Total	0.00	0.00
<i>[Provide cash count certificates for each]</i>		

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

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Felix Ntutu		0.00	0.00	0.00
				0.00

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

12A. RETENTION

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	0.00	0.00
Supplier 2	0.00	0.00
Supplier 3	0.00	0.00
Total	0.00	0.00

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Name 1	0.00	0.00
Name 2	0.00	0.00
Name 3	0.00	0.00
Add as appropriate		
Total	0.00	0.00

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	6,173,819	12,496,143
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	6,173,819	12,496,143

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bank accounts	0.00	1,064,443
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	0.00	1,064,443

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMURUA DIKIIR CONSTITUENCY**

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff Gratuity	608,441	0.00
Others (<i>specify</i>)	0.00	0.00
	<u>608,441</u>	<u>0.00</u>

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	582,000	682,759.00
Use of goods and services	2,706,245	341,379.00
Amounts due to other Government entities (see attached list)	10,000,000	42,208,061.00
Amounts due to other grants and other transfers (see attached list)	3,418,000	7,034,560.00
Acquisition of assets	0.00	4,517,724.00
Others (<i>specify</i>)	0.00	0
	<u>16,706,245</u>	<u>54,784,483.00</u>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
EMURUA DIKIIR CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	0.00	0.00
	0.00	0.00

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount A	Date Contracted B	Amount Paid To-Date C	Outstanding Balance 2018 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount a	Date Payable Contracted B	Amount Paid To-Date c	Outstanding Balance 2018 d=a-c	Comments
Senior Management						
1.	-	-	-	-	-	-
2.	-	-	-	-	-	-
3.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Middle Management						
4.	-	-	-	-	-	-
5.	-	-	-	-	-	-
6.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Unionisable Employees						
7.	-	-	-	-	-	-
8.	-	-	-	-	-	-
9.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Others (specify)						
10.	-	-	-	-	-	-
11.	-	-	-	-	-	-
12.	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		582,000	682,759	
Use of goods & services		2,706,245	341,379	
Amounts due to other Government entities		10,000,000	42,208,061	
Sub-Total		13,288,245	43,232,199	
Amounts due to other grants and other transfers		3,418,000	7,034,560	
Sub-Total		3,418,000	7,034,560	
Acquisition of assets		0.00	4,517,724	
		0.00	0.00	
Others (specify)				
Sub-Total		0.00	0.00	
Grand Total		16,706,245	54,784,483	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	0.00			0.00
Buildings and structures	6,724,766.20	0.00	0.00	6,724,766.20
Transport equipment	0.00	0.00	0.00	0.00
Office equipment, furniture and fittings	1,099,500.00	0.00	0.00	1,099,500.00
ICT Equipment, Software and Other ICT Assets	0.00	0.00	0.00	0.00
Other Machinery and Equipment	0.00	0.00	0.00	0.00
Heritage and cultural assets	0.00	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	0.00
Total	7,824,266.20	0.00	0.00	7,824,266.20

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
CHESERTON PRIMARY SCHOOL	EQUITY	1230298776328	0.00	
KAPKWEN PRIMARY SCHOOL	EQUITY	1220262053079	0.00	
MOKONDO SECONDARY SCHOOL	EQUITY	1230299766710	0.00	
Total			0.00	0.00

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>Late payment of statutory deduction</p> <p>The statement of receipts and payments reports expenditure of Kshs. 1,080,089 on compensation of employees. However, statutory deduction was made not to submit to respective government agencies on timely basis as required by law.</p>	<p>A measure has been put on place to ensure that statutory deductions are made on time to avoid penalties. The office of the district treasury have vowed to ensure that the same is achieved</p>	<p>Felix Ntutu Fund account manager</p>	Resolved	
2	<p>Incomplete projects</p> <p>The statement of receipt and payments reports transfers to other government units of Kshs. 13,000,000,000 which includes Kshs. 4,101,100 transferred to various primary and secondary schools for undertaking projects implementation which had not been completed as at the close of the year as shown in Appendix V in addition, the projects were not supported by the project implementation status report, projects file certificates of works done or inspection and</p>	<p>After the money is disbursed to projects, committee, tendering is done the project is done on full contact basis. The PMC can either decide to do labour based contract where materials are purchased and the project implemented. Some of the</p>	<p>Felix Ntutu Fund account manager</p>	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)
	acceptance reports and therefore it was not possible to establish whether they were carried out in accordance with the contractual obligations.	projects which are incomplete have been forced in the next financial year for project files of the same projects completion have been attached for verification.			

