



Enhancing Accountability

THE NATIONAL ASSEMBLY	
DATE: 01 MAR 2022	TUE
BY: LDM	
CLERK-AT-THE-TABLE: G. Chebet.	

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ENDEBESS CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE, 2020

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
ENDEBESS CONSTITUENCY
Reports and Financial Statements
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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NG-CDF Endebess Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Benson Tindi
2.	Sub-County Accountant	Jamin Mukapi
3.	Chairman NG-CDFC	Eliud Gilbert Ngirio
4.	Member NG-CDFC	Agnes Wamocho

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF-Endebess Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF 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) NG-CDF Endebess Constituency Headquarters

NGCDF Endebess Constituency Headquarters
P.O. Box 29 – 30201,
NG – CDF / Dcc Building,
Kitale – Suam Highway,
Endebess, Kenya

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(f) NG-CDF Endebess Constituency Contacts

Telephone: + 254726271453
Email: cdfendebess@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NG-CDF Endebess Constituency Bankers

1. Equity Bank of Kenya
P.O Box 801-30200
Kitale

(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

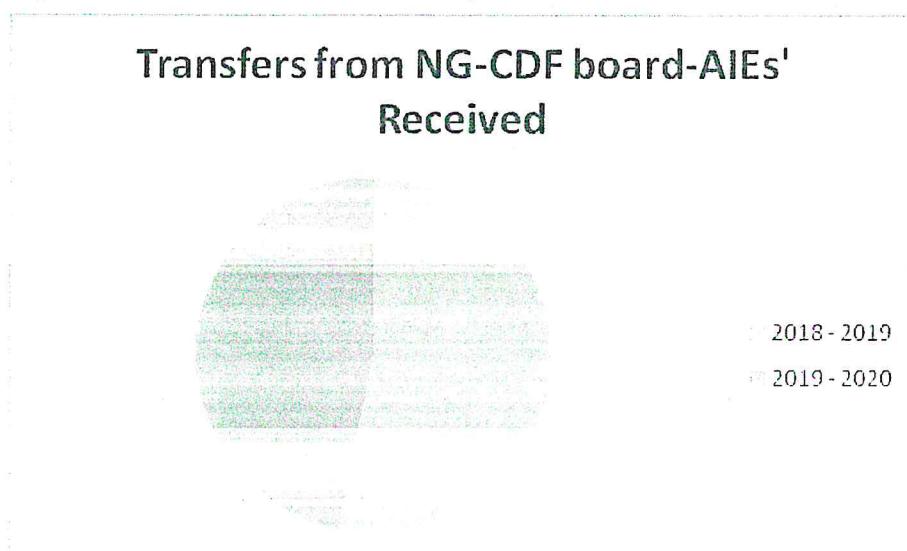
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II. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

We are pleased to present to you the reports and financial statements for Endebess Constituency for financial year 2019/2020. During the year, the committee disbursed funds to Project management committees for implementation in which the full contract method started being implemented. The committee funded projects in Education, Security, environment and Sports.

In the year under review, the committee received from the NG-CDF Board Ksh 123,040,876 compared to Ksh 108,784,483 for the same period in 2018/2019. This increased disbursement to the constituency enhanced the number of projects the committee funded. The committee made higher achievements with these receipts;

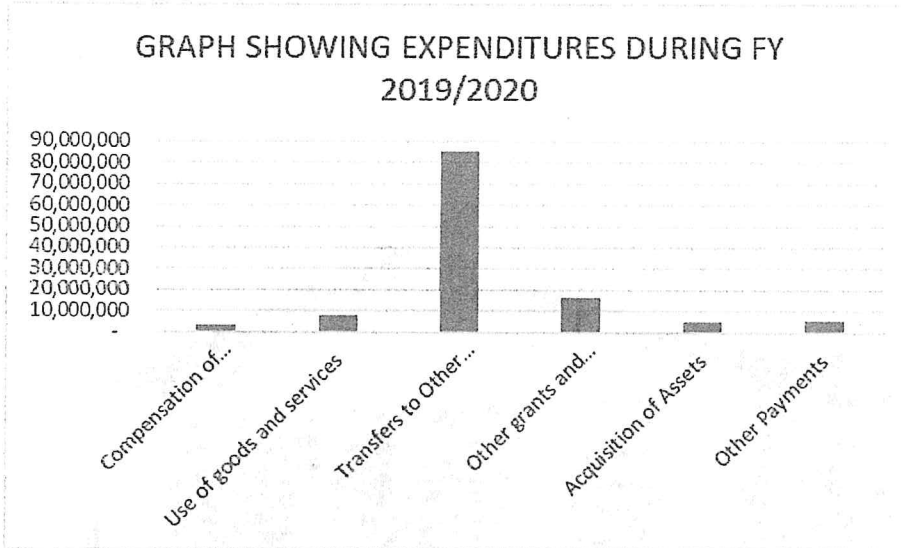


The committee utilized Ksh. 9,970,000 to support students in secondary, tertiary and university institutions of learning. This bursary project has had a great impact as it helped keep learners in schools and supported the government's policy of 100% transition. I am also pleased to note that the NG-CDF committee has continued to support school infrastructure. In the year 2019/2020 Ksh 68,250,000 was disbursed to secondary school for construction of classrooms, laboratories, toilets and dormitories compared to Ksh 37,290,000 disbursed in 2018/2019. Ksh 16,940,000 was disbursed to primary schools to support construction of classrooms and toilets compared to Ksh 18,755,000 disbursed in 2018/2019. This positive increase in funding to secondary and primary schools has ensured more and better learning facilities to take care of the ever-rising enrolment thus ensuring the success of the 100% government transition and basic education for all.

To harness talent in people from Endebess Constituency, the committee organized and funded (Ksh 1,335,000) a sports tournament in which the youth participated in football, volleyball, handball, and athletics. While funding and implementing these projects, the committee is keen to protect the

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environment for today and for the future. In 2019/2020, the committee funded planting of trees in public areas in the constituency utilizing Ksh 2,280,000 while Ksh 3,020,000 was utilised to cater for emergencies that arose during the year in the constituency.



Given the total sum under National Government Constituency Development Fund (NG-CDF) it looks little but every spot you go the projects seen are labelled NG-CDF and the name of the Constituency. The funds have done immense good in bringing real change in in most Schools of Endebess constituency, this has greatly saved the poor peasants from the burden of raising or collecting funds for School infrastructure.

If it can be increased from the 2.5 % of the total revenue collected nationally would be done to zero on the many needy, especially that bursary has greatly helped the bright needy students pursue their dreams. In deed given time the living standard of our Community will greatly improve mostly through School learning that will be accessible to all. God bless Kenya and the NG-CDF.

As time goes by the stakeholders are beginning to move in unison. The strategic plan development which was drawn under public participation has had an immense impact. Project implementation is fairly smooth. My sincere request to the NG-CDF Board is to ensure that the first disbursement should always be sufficient to clear the bursary issue the 25%. This is a very sensitive sector which impacts positively on the common population.

During the year ended 30th June, 2020, the committee realized major achievements. The committee was able to fund implementation of four twin science laboratories in secondary schools. These mega projects are going to be key in improving academic performance of learners in practical science subjects. The committee was also able to implement construction of four dormitories in secondary schools. The timely implementation of these projects will positively enhance school's enrolment in boarding section. Similarly, these infrastructure projects will avail support infrastructure to support social distance as a control measure in preventing the spread of

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corona virus. To address the challenge of youth unemployment, the NG-CDFC implemented the construction of an innovation centre at Endebess. This centre located at Endebess, will provide our youth an opportunity to access job openings, tenders and other relevant programmes online and in real time.



Figure 1: Girls Dormitory at Japata Secondary School

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Figure 2- Twin Science Laboratory at Chepsalei Secondary School

I wish to however note that in achieving the above milestones, there were challenges that the committee and implementers faced: The delay in disbursement of funds from the board really had a negative impact especially as the issuance of bursary was done in May 2020. This delay caused some students to stay at home as they were not able to pay for tuition fee. Some Project Management committees also are yet to embrace implementing projects through contractors this slowed down the rate of implementation. To overcome the above implementation challenges, the committee will continue to appeal to the NG-CDF board to ensure disbursement of funds to the constituency done timely to avail funding to projects and hasten absorption of funds. Given the challenges noted in PMC's incapacity to implement projects, the NG-CDFC has scheduled joint training for stakeholders; contractors, PMC members, NG-CDFC, NG-CDFC staffs, and relevant departmental heads.

The emergence and declaration of the Covid 19 pandemic by the World Health Organization has been a major factor in consideration and implementation of projects. The negative impact of the disease on the health of people has impacted the way we manage and implement project. The government issued directives regarding management of the Covid 19 disease among them washing hands, maintaining social distance, wearing masks. All these measures have necessitated a need for a drastic shift in our approach in management for community projects. For instance, field visits now require holding of open meeting with a limited number of participants so that, management of

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projects now calls for a conscious approach and an embrace of the above stipulated measures to ensure each one involved in a project is safe.

Finally, if there is any institution whose impact has greatly affected positively the lives of the common people it is NG-CDF. It is funds that should be on the increase year after year.

God bless Kenya, NG-CDF and all the stakeholders.



Eliud Gilbert Chelimo Ngirio

CHAIRMAN NG-CDF COMMITTEE

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NG-CDF-Endebess constituency's 2018-2022 plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

- a) Improve access to quality education to all children in the constituency
- b) Enhance and sustain peace and security coordination and administration in the Constituency
- c) Enhance environmental conservation and sustainable use of natural resources in the Constituency
- d) Promote sports and creative talents among the youth in Endebess constituency
- e) Enhance Social protection for the poor and vulnerable households and individuals in the constituency
- f) Improve, maintain and expand road and bridges network in the constituency
- g) Strengthen the governance and management of Endebess NG-CDF

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary beneficiaries at all levels	In FY 19/20 the constituency implemented 4 dormitories in secondary schools, and 4 twin science laboratories in secondary schools. Bursary beneficiaries at all levels were 414
Security	To have a safe constituency for everyone	Established and enhanced security infrastructure Reduced incidences of	Number of chief's offices and infrastructure in police posts	Purchased land for construction of chief's office at Mubere sub-location

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		cattle rustling Strengthen community policing		
Environment	Enhance environmental conservation and sustainable use of natural resources	Increased soil and forest conservation programmes and initiatives Enhance protection and use of water resources Increase access to sanitation facilities and clean environment	Number institutions the constituency has planted trees	Committee funded planting of tree seedlings in 10 primary schools, 2 secondary schools, DCC's ground and at the TII
Sports	To enhance sporting and creative talents	Increase access to youth sporting and recreational facilities and activities	Number of youths sporting activities and recreational facilities.	NG-CDFC supported grading, levelling and murruming of Endebess centre primary sports field.

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

Endebess constituency was created by the Independent Electoral and Boundaries Commission (IEBC) Gazette Supplement No 83, Legal Notice No 185 in line with Article 89 (delimitation of electoral units) of the Constitution of Kenya 2010. It was carved out of the larger Kwanza Constituency.

The major economic activities in the Constituency include subsistence farming growing food crops such as maize, beans, barley, Irish potatoes, sweets potatoes and some horticulture. Livestock is reared in small quantities which include cattle, goats, sheep and poultry.

2. Environmental performance

The NG-CDF Endebess operates within an environment that sustains its operations. This environment must be protected for today and for the future. In implementing its projects, the NG-CDF Endebess undertakes as a policy to set aside at least 2% of its annual budget towards funding environmental activities within the constituency. To this end the committee has participated in funding tree nurseries, facilitating purchase and planting of tree seedlings in various identified public areas. This initiative is aimed at enhancing the forest cover within the constituency and thus conserve our environment.

3. Employee welfare

The NG-CDF Endebess is an equal opportunity employer. Its employment policies are designed such that the hiring process is free, fair and transparent. However, except for all the mandatory requirements for prospective employees, Endebess NG-CDF gives preference to those residents of Endebess during the hiring process. Staff for Endebess NG-CDF are employed on a three-year contract period renewable based on performance but lapses on end of term of the member of parliament. There are five positions of staff at the NG-CDF office; clerical officer, driver, records officer, accounts assistant and clerk of works. When a position falls vacant, the committee advertises on notices in public areas and media within the constituency giving minimum requirements for one to be shortlisted. All applications received are invited for interviews and the interview panel recommends the suitable candidate/s. In filling the above five positions, the committee must factor in that at least one third of those appointed should be of either gender.

For newly appointed staff, they are taken through an induction to understand the work details and the employer's expectation. Once engaged, the staff get hands on experience through routine office assignments, interactions with other staff and members of the public and field work assignments. The committee also encourages staff to improve their careers by allowing them to enrol in colleges for further studies, provided this does not interfere with their delivery of services to wananchi. To enhance capacity of our staff, the constituency organizes for NG-CDF staff capacity building forums where facilitators are invited to educate them on matters of NG-CDF and other related and emerging issues.

4. Market place practices-

Endebess constituency exists to facilitate implementation of projects that mark positive impact/s on the lives of its residents. Whenever there are tenders for works and or services, a tender

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subcommittee is constituted. An advertisement is then made for such required services and supplies. Advertised tenders are made public to ensure that as many people as possible can access this information. Tender evaluations are done and award given to lowest evaluated bidders.

Our organization makes sure that it maintains good relationship with its suppliers. Whenever contractors/suppliers have completed their assigned activities Endebess NG-CDF organizes for their prompt payment upon them availing the necessary support documents.

5. Community Engagements-

In executing its mandate, Endebess NG-CDF has over the years continued to engage the community. The committee is responsible for the prioritization of project proposals from the community and submission of the same to the board for consideration. In undertaking this mandate, the committee involves the community in identifying projects for funding. This are done during ward meetings and other public forums organized by the committee. Besides this, the constituency also engages the community in identifying needy students that need bursary support.

In 2019/2020 the community the Covid 19 pandemic posed an economic and health crisis to the community in Endebess. In engaging the community fight this deadly disease, the NG-CDF availed its NG-CDF vehicle Toyota land cruiser GKB 714 F to ferry public health officers to various health facilities distributing medical supplies, sanitizers and to educate the community on government guidelines on managing and controlling the spread of Covid 19. During this exercise, the county government opened 3 dispensaries that had been constructed by the NG-CDF and engaged medical staff to start serving the community. This engagement was commendable.

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the NG-CDF-Endebess 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 30th June, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NG-CDF- Endebess 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 30th June 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF-Endebess 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 NG-CDF-Endebess 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 NG-CDF-Endebess Constituency financial statements were approved and signed by the Accounting Officer on 8th September, 2020.



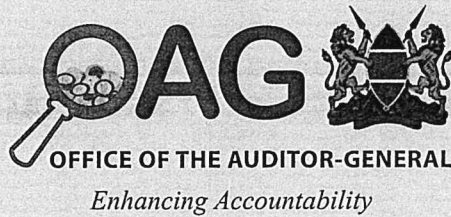
Fund Account Manager
Name: Benson Tindi



Sub-County Accountant
Name: Jamin Mukapi
ICPAK Member Number:

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - ENDEBESS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Endebess Constituency set out on pages 1 to 26, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statements of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Endebess Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.6,447,392 held at Equity Bank account as disclosed in Note 8 to the financial statements. However, review of the bank reconciliation statements for the month of June, 2020 revealed payments in cash book not yet recorded in the bank statement totalling Kshs.465,820. Included in this amount is cheque No. 6032 for Kshs.5,000 dated 1 October, 2019 which was stale but had not been reversed in the cashbook.

Consequently, the accuracy of the cash and cash equivalents balance of Kshs.6,447,392 as at 30 June, 2020 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 - Endebess 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. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined for the year under review reflects total budgeted receipts of Kshs.197,895,306 and actual receipts of Kshs.128,527,584 resulting to underfunding of Kshs.69,367,722 or 35% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.197,895,305 and Kshs.123,129,267 respectively, resulting to an under expenditure of Kshs.74,766,038 or 38% of the budget.

The underfunding and under expenditure may have affected delivery of services to the residents of the constituency.

2. Projects Implementation Status

According to the Project Implementation Status (PIS) report availed for audit review as at 30 June, 2020, the Fund had planned to implement sixty-eight (68) Projects with a total budget of Kshs.125,805,941. The report indicated that sixty-four (64) projects costing Kshs.109,755,941 were on going, while four (4) projects costing Kshs.16,050,000 had been completed.

The non-completion of projects as planned denies the residents of Endebess Constituency the services and benefits that would have accrued from the completed projects.

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. Construction of Dining Hall at St. Mathews Secondary School Cheptantan

The transfers to other government entities figure of Kshs.85,190,000 include transfer to secondary schools of Kshs.68,250,000 as disclosed in Note 4 to the financial statements. Included in the transfers to secondary schools is Kshs.3,009,690 paid to a local firm in respect of the construction of dining hall at St. Mathews Secondary School Cheptantan. The firm was awarded the contract on 26 May, 2020 at a contract sum of Kshs.8,889,503. The project was to be completed by 11 September, 2020. However, as at the time of audit in February, 2021, over five months after the expected completion period, the project had not been completed and had only been done up to lintel level. No explanation was given for the failure to complete the project on schedule. There was also no evidence of extension of the contract period yet the contractor was still on site.

Consequently, the residents of Endebess Constituency have not received value from the amount of Kshs.3,009,690 disbursed towards the project.

2. Construction of a Dormitory at Japata Secondary School

The transfer to other government entities figure of Kshs.85,190,000 includes transfers to secondary schools amounting to Kshs.68,250,000 as disclosed in Note 4 to the financial statements. Included in the transfer to secondary schools is an amount of Kshs.5,200,000 paid to Japata High School towards the construction of a twin dormitory. The contract was awarded to a local construction company on 21 March, 2019 for a contract sum of Kshs.5,592,420. As at the time of this audit in February, 2021, the dormitory was in use although there was no evidence that handing over had been done. Further, the ceiling had not been done although it had been provided for in the bill of quantities. Also, there were several cracks on the floor, an indication of poor workmanship and the Management has not indicated the measures being taken to have the same rectified.

In the circumstances, the residents of the Endebess may not have received the value for the amount of Kshs.5,200,000 spent on the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 such 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.

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

Those charged with governance are responsible for overseeing the 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.

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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Fund's 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 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 cease 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 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

07 February, 2022


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board	1	123,040,876	108,784,483
TOTAL RECEIPTS		123,040,876	108,784,483
PAYMENTS			
Compensation of employees	2	3,185,909	2,108,744
Use of goods and services	3	7,728,194	10,380,083
Transfers to Other Government Units	4	85,190,000	56,045,000
Other grants and transfers	5	16,605,000	34,712,500
Acquisition of Assets	6	4,768,344	861,607
Other Payments	7	5,651,820	3,492,490
TOTAL PAYMENTS		123,129,267	107,600,424
SURPLUS/(DEFICIT)		(88,391)	1,184,059

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Endebess Constituency financial statements were approved on 8th September, 2020 and signed by:


 Fund Account Manager
 Name: Benson Tindi


 Sub-County Accountant
 Name: Jamin Mukapi
 ICPAK Member Number:


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

I. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8A	6,447,392	5,486,709
Total Cash and Cash Equivalents		6,447,392	5,486,709
TOTAL FINANCIAL ASSETS		6,447,392	5,486,709
FINANCIAL LIABILITIES			
Deposits (Gratuity)	9	1,049,075	-
TOTAL FINANCIAL LIABILITES		1,049,075	-
NET FINANCIAL ASSETS		5,398,317	5,486,709
REPRESENTED BY			
Fund balance b/fwd 1st July 2019	10	5,486,709	4,302,649
Surplus/Deficit for the year		(88,391)	1,184,059
NET FINACIAL POSITION		5,398,317	5,486,709

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Endebess Constituency financial statements were approved on 8th September, 2020 and signed by:


Fund Account Manager
Name: Benson Tindi

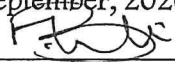

Sub-County Accountant
Name: Jamin Mukapi
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

II. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NG-CDF Board	1	123,040,876	108,784,483
Total receipts		123,040,876	108,784,483
Payments for operating expenses			
Compensation of Employees	2	3,185,909	2,108,744
Use of goods and services	3	7,728,194	10,380,083
Transfers to Other Government Units	4	85,190,000	56,045,000
Other grants and transfers	5	16,605,000	34,712,500
Other Payments	7	5,651,820	3,492,490
Total payments		118,360,923	106,738,817
Total Receipts Less Total Payments		4,679,953	2,045,666
Adjusted for:			
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	11	1,049,075	-
Net cash flow from operating activities		5,729,027	2,045,666
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	4,768,344	861,607
Net cash flows from Investing Activities		(4,768,344)	(861,607)
NET INCREASE IN CASH AND CASH EQUIVALENT		960,683	1,184,059
Cash and cash equivalent at BEGINNING of the year	10	5,486,709	4,302,649
Cash and cash equivalent at END of the year		6,447,392	5,486,709

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Endebess Constituency financial statements were approved on 8th September, 2020 and signed by:



Fund Account Manager

Name: Benson Tindi



National Sub-County Accountant

Name: Jamin Mukapi

ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

III. 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 NG-CDF Board	137,367,724	60,527,582	197,895,306	128,527,584	69,367,722	65
Proceeds from Sale of Assets				-	-	
Other Receipts				-	-	
TOTAL	137,367,724	60,527,582	197,895,306	128,527,584	69,367,722	65
PAYMENTS						
Compensation of Employees	3,150,000	2,489,461	5,639,461	3,185,909	2,453,552	56
Use of goods and services	9,212,483	3,693,150	12,905,633	7,728,194	5,177,439	60
Transfers to Other Government Units	74,850,000	40,240,000	115,090,000	85,190,000	29,900,000	74
Other grants and transfers	45,705,241	7,503,556	53,208,797	16,605,000	36,603,797	31
Acquisition of Assets	4,450,000	851,414	5,301,414	4,768,344	533,070	90
Other Payments		5,750,000	5,750,000	5,651,820	98,180	100
TOTALS	137,367,724	60,527,581	197,895,305	123,129,267	74,766,038	62

a. The revenue items above do not form part of AIA

- i. There was underutilization of resources for compensation of employees at 56%. This resulted due to less funding of the item from the board.


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

- ii. There was underutilization of resources for use of goods and services at 60%. This resulted due to less funding of the item from the board.
- iii. There was underutilization of resources for transfers to other government units at 74%. This resulted due to less funding of the item from the board.
- iv. There was underutilization of resources for other grants and transfers at 31%. This resulted due to less funding of the item from the board.

The NG-CDF-Endebess Constituency financial statements were approved on 8th September, 2020 and signed by:



Fund Account Manager
Name: Benson Tindi



Sub-County Accountant
Name: Jamin Mukapi
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
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IV. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,150,000	2,489,461	5,639,461	3,185,909	2,453,553
1.2 Committee allowances	3,092,000	2,653,242	5,745,242	5,710,353	34,889
1.3 Use of goods and services	2,000,000	171,172	2,171,172	1,314,641	856,531
Sub-Total	8,242,000	5,313,875	13,555,875	10,210,903	3,344,972
2.0 Monitoring and evaluation					
2.1 Capacity building	1,920,000	4,427	1,924,426.83	-	1,924,427
2.2 Committee allowances	1,900,000	694,310	2,594,310.00	680,000	1,914,310
2.3 Use of goods and services	300,483	170,000	470,483.00	23,200	447,283
Sub-Total	4,120,483	868,737	4,989,220	703,200	4,286,020
3.0 Emergency					
3.1 Primary Schools	7,198,241	4,663,306	11,861,547	3,020,000	8,841,547
3.2 Secondary schools	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	-	-	-	-
Sub-Total	7,198,241	4,663,306	11,861,547	3,020,000	8,841,547
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	21,400,000	-	21,400,000	7,540,000	13,860,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
4.3 Tertiary Institutions	13,000,000	-	13,000,000	2,430,000	10,570,000
4.4 Universities	-	-	-	-	-
4.5 Social Security	-	-	-	-	-
Sub-Total	34,400,000	-	34,400,000	9,970,000	24,430,000
5.0 Sports					
5.1	1,900,000	1,339,043	3,239,043	1,335,000	1,904,043
Sub-Total	1,900,000	1,339,043	3,239,043	1,335,000	1,904,043
6.0 Environment					
6.1	1,807,000	1,501,207	3,308,207	2,280,000	1,028,207
Sub-Total	1,807,000	1,501,207	3,308,207	2,280,000	1,028,207
7.0 Primary Schools Projects (List all the Projects)	6,400,000				
7.1 Amani Primary School	800,000	-	800,000	-	800,000
7.2 Chelulus Primary School	800,000	-	800,000	-	800,000
7.3 DRP Keben Primary School	800,000	-	800,000	-	800,000
7.4 Kiboi Primary School	800,000	-	800,000	800,000	-
7.5 Kifinda Primary School	1,600,000	-	1,600,000	-	1,600,000
7.6 Koibei Primary School	800,000	-	800,000	-	800,000
7.5 Labot Primary School	800,000	-	800,000	-	800,000
7.6 Chepnyalil Primary School	-	800,000	800,000	800,000	-
7.7 Moss Memorial Primary School	-	800,000	800,000	800,000	-
7.8 Chebrirbei Primary School	-	800,000	800,000	800,000	-
7.9 Chepkwirot Primary School	-	800,000	800,000	800,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.10 Koibei Primary School	-	800,000	800,000	800,000	800,000
7.11 DRP Kebe Primary School	-	1,600,000	1,600,000	1,600,000	-
7.12 Nabakwana Primary School	-	800,000	800,000	800,000	-
7.13 Chesitia Primary School	-	1,600,000	1,600,000	1,600,000	-
7.14 Kiboi Primary School	-	800,000	800,000	800,000	-
7.15 Kitinda Primary School	-	1,000,000	1,000,000	1,000,000	-
7.16 St. Pius Primary School	-	1,600,000	1,600,000	-	1,600,000
7.17 Rwandee Primary School	-	800,000	800,000	800,000	-
7.18 Nabeki Primary School	-	1,600,000	1,600,000	1,600,000	-
7.19 A.I.C Cheberem Primary School	-	1,600,000	1,600,000	1,600,000	-
7.20 Robinson Primary School	-	800,000	800,000	800,000	-
7.21 Amani Primary School	-	800,000	800,000	800,000	-
7.22 Kibosit Primary School	-	1,000,000	1,000,000	1,000,000	-
Sub-Total	6,400,000	18,000,000	24,400,000	16,400,000	8,000,000
8.0 Secondary Schools Projects (List all the Projects)					
8.1 St. Barnabas Girls Sabwani Sec. Sch.	-	3,000,000	3,000,000	3,000,000	-
8.2 St. Barnabas Girls Sabwani Sec. Sch.	-	1,200,000	1,200,000	1,200,000	-
8.3 St. Mathews Cheptantian Sec. Sch.	-	3,500,000	3,500,000	3,500,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
8.4 St. Veronica Girls Sec. Sch.	-	1,600,000	1,600,000	1,600,000	-
8.5 Titimet Girls Sec. School	-	3,500,000	3,500,000	3,500,000	-
8.6 Kietkei Sec. School	-	800,000	800,000	800,000	-
8.7 Japata Secondary School	-	6,500,000	6,500,000	6,500,000	-
8.8 Maendeleo Kwa Wote	-	540,000	540,000	540,000	-
8.9 St Francis of Asis Koronga Sec.Sch	1,500,000	-	1,500,000	1,500,000	-
8.10 Bwala Secondary School	1,250,000	-	1,250,000	-	1,250,000
8.11 Bwala Secondary School	7,000,000	-	7,000,000	-	7,000,000
8.12 Chepsalei Secondary School	1,500,000	-	1,500,000	1,500,000	-
8.13 Japata Secondary School	1,000,000	-	1,000,000	1,000,000	-
8.14 Kietkei Secondary School	1,800,000	-	1,800,000	-	1,800,000
8.15 Kimwondo Secondary School	800,000	-	800,000	-	800,000
8.16 Nalulingo Secondary School	3,500,000	-	3,500,000	3,500,000	-
8.17 Njoro Secondary School	1,500,000	-	1,500,000	1,500,000	-
8.18 St. Mary's Nai Secondary School	1,800,000	-	1,800,000	1,800,000	-
8.19 St. Barnabas Sabwani G. Sec. Sch	1,800,000	-	1,800,000	1,800,000	-
8.20 St. Barnabas Sabwani G. Sec.Sch	3,500,000	-	3,500,000	3,500,000	-
8.21 Titimet Girls Secondary School	2,500,000	-	2,500,000	1,500,000	1,000,000
8.22 St. Barnabas Sabwani Boys Sec. School	4,000,000	-	4,000,000	-	4,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
8.23 Matumbei Secondary School	16,750,000	-	16,750,000	13,900,000	2,850,000
8.24 St. Mathews Cheptantan Sec. Sch.	18,250,000	-	18,250,000	15,050,000	3,200,000
8.24 Japata Secondary School	-	1,600,000	1,600,000	1,600,000	-
Sub-Total	68,450,000	22,240,000	90,690,000	68,790,000	21,900,000
9.0 Tertiary institutions Projects (List all the Projects)					
10.0 Security Projects					
10.1 Assistants Chief's Office Mubere	400,000	-	400,000	-	400,000
Sub-Total	400,000	-	400,000	-	400,000
11.0 Acquisition of assets					
11.1 Construction of CDF office	4,450,000	-	4,450,000	4,268,844	181,156
11.3 Purchase of furniture, equipment	0	851,414	851,414	499,500	351,914
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
Sub-Total	4,450,000	851,414	5,301,414	4,768,344	533,070
12.0 Others					
12.1 Strategic Plan	-	-	-	-	-
12.2 Innovation Hub	-	5,750,000	5,750,000	5,651,820	98,180
Sub-Total	-	5,750,000	5,750,000	5,651,820	98,180
TOTAL	137,367,724	60,527,582	197,895,305	123,129,267	74,766,038

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

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 NG-CDF-Endebess Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30 June, 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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 NG-CDF Act, 2015.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1, July 2019 to 30 June, 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events.

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30, June 2020.

14. Errors

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

During the year, 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 (NG-CDF) –
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V. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NG-CDF Board			
AIE NO B047169	1	55,040,876	
AIE NO B047405	2	4,000,000	
AIE NO B041269	3	18,000,000	
AIE NO B047688	4	5,000,000	
AIE NO B049257	5	15,000,000	
AIE NO B104277	6	15,000,000	
AIE NO B096556	7	11,000,000	
AIE NO. BO05198	8		54,784,483
AIE NO. BO30237	9		10,000,000
AIE NO. BO30383	10	-	12,000,000
AIE NO. A699040	11		11,000,000
AIE NO. BO06325	12		8,000,000
AIE NO. BO42884	13		13,000,000
TOTAL		123,040,876	108,784,483

2. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,857,135	1,830,694
Personal allowances paid as part of salary	257,299	192,000
Pension and other social security contributions (Gratuity)	1,049,075	-
Employer Contributions Compulsory national social security schemes	22,400	86,080
Total	3,185,909	2,108,744

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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For the year ended 30 June, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	5,264,312	4,505,000
Communication, supplies and services	205,750	146,989
Domestic travel and subsistence	248,800	252,810
Printing, advertising and information supplies & services	52,900	126,700
Other Operating Expenses	56,757	27,250
Hospitality supplies and services	233,860	401,765
Office and general supplies and services	446,063	1,303,855
Other Committee expenses	-	80,000
Routine maintenance – vehicles and other transport equipment	578,127	295,159
Routine maintenance – other assets	62,950	55,820
Training expenses	90,000	2,612,000
Fuel, oil and lubricants	403,950	522,500
Bank charges and other communication services	84,725	50,235
Total	7,728,195	10,380,083

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to primary schools (see attached list)	16,940,000	18,755,000
Transfers to secondary schools (see attached list)	68,250,000	37,290,000
TOTAL	85,190,000	56,045,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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For the year ended 30 June, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7,560,000	15,914,000
Bursary – tertiary institutions (see attached list)	2,410,000	11,368,000
Sports projects (see attached list)	1,335,000	1,830,000
Environment projects (see attached list)	2,280,000	1,662,500
Emergency projects (see attached list)	3,020,000	3,938,000
Total	16,605,000	34,712,500

6. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Construction of Buildings	4,268,844	861,607
Purchase of ICT Equipment, Software and Other ICT Assets	499,500	-
Total	4,768,344	861,607

7. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,492,490
ICT Hub	5,651,820	-
	5,651,820	3,492,490

8. BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Kitale, 0330261608206</i>	6,447,392	5,486,709
Total	6,447,392	5,486,709

9. GRATUITY DEPOSITS

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Gratuity	1,049,075	-
Total	1,049,075	-

10. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	5,486,709	4,302,649
Total	5,486,709	4,302,649

11. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	1,049,075	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	1,049,075	-

12. OTHER IMPORTANT DISCLOSURES

12.1. UNUTILIZED FUNDS (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,453,552	1,780,398
Use of goods and services	5,177,439	4,321,160
Amounts due to other Government entities (see attached list)	29,900,000	34,393,053
Amounts due to other grants and other transfers (see attached list)	36,603,797	7,771,674
Acquisition of assets	533,070	4,826,761
Others (<i>Innovation Hub</i>)	98,180	7,434,537
Total	74,766,038	60,527,583

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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For the year ended 30 June, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12.2. PMC account balances (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	42,874,673	16,862,639
Totals	42,874,673	16,862,639

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – ENDEBESS CONSTITUENCY
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ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		2,453,552	1,780,398	
Use of goods & services		5,177,439	4,321,160	
Amounts due to other Government entities				
	Amani Primary School	800,000		
	Chelulus Primary school	800,000		
	DRP Keben Primary School	800,000		
	Kitinda Primary School	1,600,000		
	Koibei Primary School	800,000		
	Labot Primary School	800,000		
	Koibei Primary School	800,000		
	S. Pius Primary School	1,600,000		
	Bwala Secondary School	1,250,000		
	Bwala Secondary School	7,000,000		
	Japata Secondary School	1,800,000		
	Kimwondo Secondary School	800,000		
	Titmet Girls Secondary	1,000,000		
	St. Barnabas Boys Secondary School	4,000,000		
	Matumbei Secondary School	2,850,000		
	St. Mathews Secondary School	3,200,000		
	Cheptantan			
	Chepyalil Pri School		800,000	
	Moss Memorial Pri School		800,000	
	Chebrirbei Pri School		800,000	
	Chepkwirot Pri School		800,000	
	Koibei Pri School		1,600,000	
	DRP Keben Pri School		1,600,000	
	Nabakwana Pri School		800,000	
	Chesitia Pri School		1,600,000	

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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For the year ended June 30, 2014 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	Kiboi Pri School		800,000	
	Kitinda Pri School		1,000,000	
	St. Pius Pri School		1,600,000	
	Robinson Pri School		800,000	
	Amani Pri School		800,000	
	St. Barnabas Sabwani Girls Sec		3,000,000	
	St. Barnabas Sabwani Girls Sec		1,200,000	
	St. Mathews Sec Sch Cheptantan		3,500,000	
	Kokwo Girls Sec School		1,600,000	
	Titmet Secondary School		3,500,000	
	Kiefkei Sec School		800,000	
	Japata Sec School		6,500,000	
	Maendeleo Kwa Wote		493,053	
		29,900,000	34,393,053	
Amounts due to other grants and transfers		36,603,797	7,771,674	
Sub-Total		74,134,788	48,266,285	
Acquisition of assets		533,070	4,826,761	
Others - Innovation Hub		98,180	7,434,537	
Sub-Total		631,250	12,261,298	
Grand Total		74,766,038	60,527,583	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended 30 June, 2020

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/2019	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	-	-	-
Buildings and structures	19,785,990	4,268,844	-	24,054,834
Transport equipment	6,253,343	-	-	6,253,343
Office equipment, furniture and fittings	93,835	-	-	93,835
ICT Equipment, Software and Other ICT Assets	243,000	499,500	-	742,500
Other Machinery and Equipment	26,750	-	-	26,750
Total	26,402,918	4,768,344	-	31,171,262

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
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For the year ended June 30, 2020

ANNEX 3 –PMC BANK BALANCES AS AT 30 JUNE 2020.

PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
Endebess Centre Primary School	Equity	330277783719	-	1,020,230
Chebrirbei Primary School	Equity	330277410132	108,958	535
Rwanda Primary School	Equity	330268597051	49,097	1,225
Tulwop Kesis Primary School	Equity	330268661063	-	799,954
Maliki Primary School	Equity	330290715625	-	6,648
Lutaso Primary School	Equity	330297420356	-	2,261
Kaisheber Primary School	Equity	330298964600	-	13,995
Feedlot Primary School	Equity	330290840915	-	1,950
Moss Memorial Primary School	Equity	330269273816	59,995	11,715
Chesitia Primary School	Equity	330261721889	1,256	2,106
Koibei Primary School	Equity	330266654404	-	1,015
Kitinda Primary School	Equity	330270885297	2,575	3,175
Cheptikit Primary School	Equity	330277385096	-	945
Cheptantan Primary School	Equity	330290746218	-	1
Amani Primary School	Equity	330266690863	75,194	972
Kamaroko Primary School	Equity	330269055059	-	1,419,225
Chepkwirot Primary School	Equity	330269592154	741	11,580

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PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
Kiboi Primary School	Equity	330262666896	3,653	370
Imbuye Primary School	Equity	330269158736	1,800	320
Kapkures Primary School	Equity	330198772493	272	332
Sabwani Primary School	Equity	330192686574	-	6,232
Suam Primary School	Equity	330261804916	-	6,025
Naminit Primary School	Equity	330261721889	-	2,106
Chelulus Primary School	Equity	330278736583	-	809,368
Andersen High School	Equity	330264699473	-	2,102,767
Kietkei Secondary School	Equity	330290881582	-	449
Chepchoina Secondary School	Equity	330267149101	-	42
Lutaso Secondary School	Equity	330297420356	-	2,261
St. Veronica Kokwo Girls	Equity	330263591529	54,474	2,853
St. Mary's Nai Girls Sec. School	Equity	330263650267	1,333,593	950,427
Chepsalei Secondary School	Equity	330299493719	914,700	1,312,074
St. Francis Of Asis Koronga Sec. School	Equity	330290818059	856,441	2,640,225
Nalulingo Secondary School	Equity	330266676708	5,078,630	1,578,630
Kimwondo Secondary School	Equity	330293646213	-	7,913
St. Barnabas Sec. School	Equity	330265885412	-	14,643

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
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PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
Japata Secondary School	Equity	330264495532	1,243,940	1,766,535
Titimet Girls Secondary School	Equity	330268501928	3,726,440	363
Maendeleo Kwa Wote	Equity	330164387606	2,375	748,235
Matumbi Secondary School	Equity	330190813861	13,974,606	1,612,044
Endebess Recreation and Social Dev.	Equity	330266715113	-	893
Mwolem Market Association	Equity	330160527079	4,245	-
Naifarm Primary School	Equity	330290853678	1,986	-
Chepsalei Primary School	Equity	330198772827	3,926	-
Basale Primary School	Equity	330192660551	38,316	-
Chemkengen Primary School	Equity	330192662758	9,081	-
Kipsibo Primary School	Equity	330198765302	7,798	-
St. Mathews Sec. School Cheptantan	NBK	1025048569701	15,320,581	-
Total			42,874,673	16,862,639

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.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – ENDEBESS CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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)
	Project Management Committees	We wrote to the banks to be providing certificate of bank balances at the end of the year	Benson Tindi F.A.M	Resolved	30/6/2021
1.1	Budget performance	The constituency has been able to utilize all the balance of funds	Benson Tindi F.A.M	Resolved	30/6/2021
1.2	Project Implementation Status	The board disbursed the balance of funds and all the pending projects were funded and implemented accordingly	Benson Tindi F.A.M	Resolved	30/6/2021
1.3	Project Verification	Management made follow up and the projects have been completed	Benson Tindi F.A.M	Resolved	30/6/2021