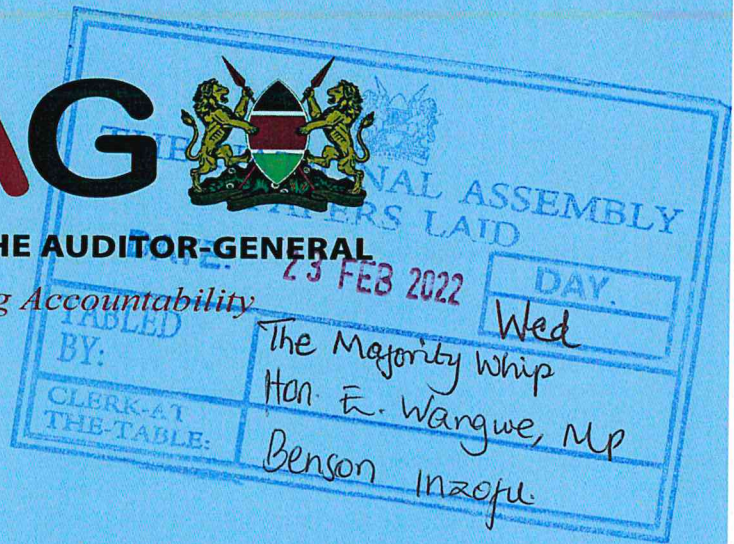




**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



# REPORT

OF

**THE AUDITOR-GENERAL**

ON

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND - KABONDO KASIPUL  
CONSTITUENCY**

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





*Revised Template 30<sup>th</sup> June 2020*



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KABONDO KASIPUL  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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## **I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**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.

**(a) Key Management**

The NGCDF Kabondo Kasipul 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)

**(b) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Kipngetich Langat
2.	Sub-County Accountant	Julius Khamati Shibutse
3.	Chairman NGCDFC	John Odoyo Alloice
4.	Member NGCDFC	Olivia Awaa Olick

**(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -KABONDO KASIPUL 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.

**(d) NGCDF Kabondo Kasipul Constituency Headquarters**

P.O. Box 84-40223  
Rachuonyo East Sub-county Headquarters – Ramula  
KADONGO

**(e) NGCDF Kabondo Kasipul Constituency Contacts**

Telephone: (254)720 399 068  
E-mail: [cdfkabondokasipul@ngcdf.go.ke](mailto:cdfkabondokasipul@ngcdf.go.ke)



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**(f) NGCDF Kabondo Kasipul Constituency Bankers**

Cooperative Bank Account number 01141454980500  
Oyugis Branch  
P.O. Box 263,40222  
Oyugis

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

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

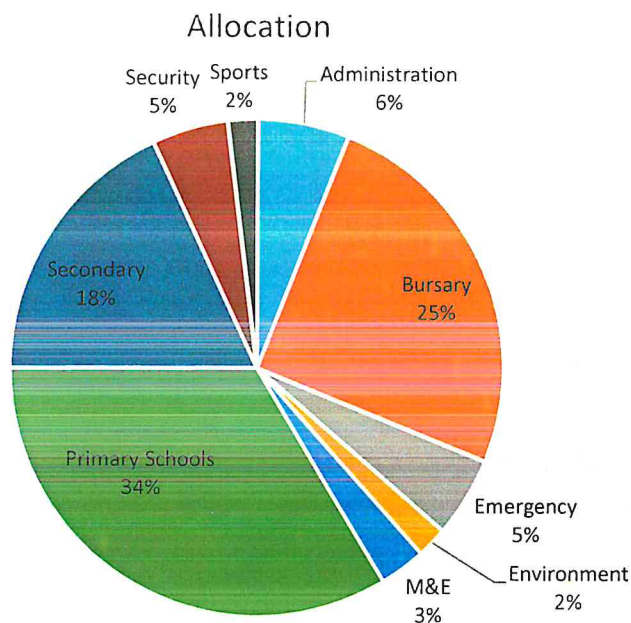
**a) Introduction**

It is my pleasure to present to you the annual report and financial statements for the year ended June 30, 2020. During the year under review, the entity was allocated Kshs 137,367,724 which represents a 26% increase in allocation from the previous year. Our performance is generally impressive and we have been able to offer more services to our constituents.

The NG-CDF Board released close to 50% of the funds within the financial year, this delayed the implementation of some projects. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure where close to 80% of the funds were allocated to these initiatives.

**b) Allocation to Projects**

Overall utilization of funds stood at 54.8% as compared to 71.3% in the year 2018/2019. This was a drastic drop occasioned by the delay in receipts of second tranche of the 2018/2019 funds. In the year under review, 25% of the funds were allocated toward education bursary, 52% for education infrastructural development in primary and secondary schools. Security was allocated 5% while Sports and Environment were each allocated 2% of the funds.



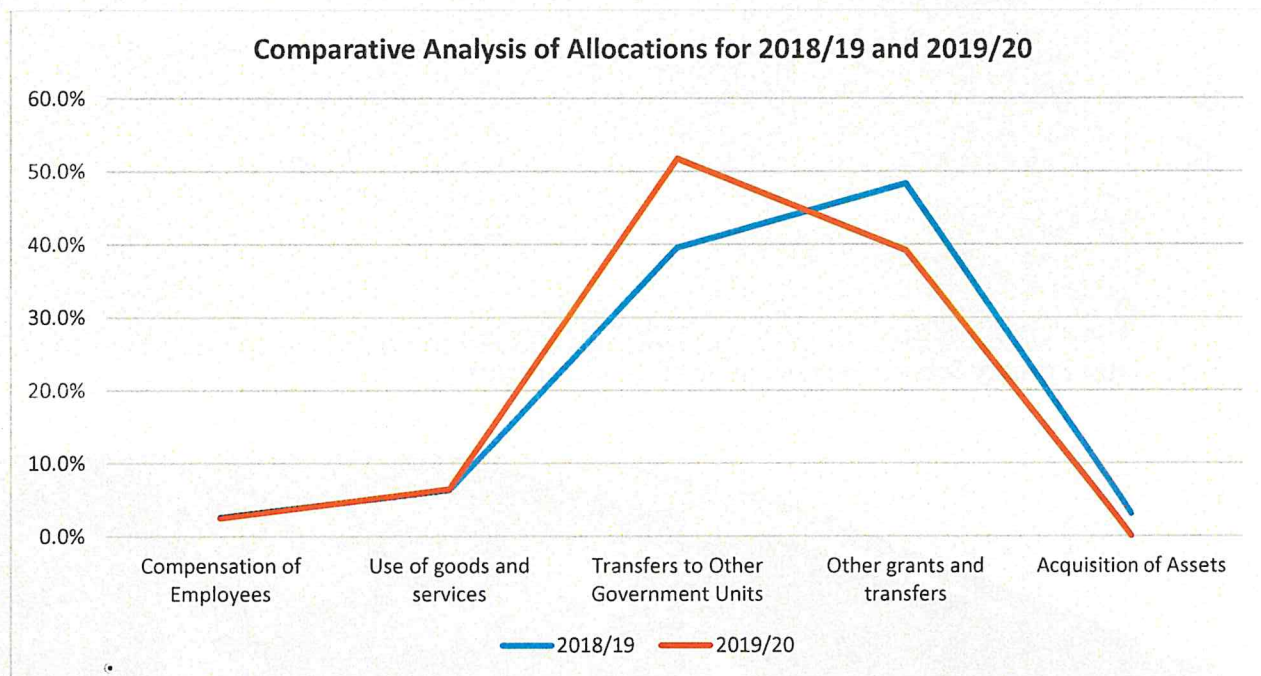
**Fig 1: Allocation of Funds to Projects**



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**c) Allocation per sector**

There was a 26% increase in the allocation from the board in 2019/2020 as compared to 2018/2019. Allocation towards transfers to other government units increased by 12.2% while the allocation for other grants and transfers declined by 9.2% in 2019/2020. Allocation for compensation of employees and use of goods and services remained unchanged at 2.6% and 6.4% respectively



**Fig2: Analysis of allocation per sector**

**d) Key achievements of the entity**

**i) Model Schools**

In line with the constituency’s strategic plan and in consultation with all stakeholders, we have put in place an annual programme in which each of the wards, one primary school is fully refurbished to give it a face lift, a signature of excellence. Over a period of 2 years, we have rehabilitated 9 primary schools.

**ii) Scholarship Program**

Annually, 2 bright but needy students from each of our 11 locations who scored 350 marks and above have their Secondary School fees paid till completion, after a thorough vetting process by our constituency Education Committee. A total of 68 students are currently being sponsored under this program

**iii) Projects**

We have undertaken a number of project in education and security sector in the financial year 2019/2020. Sample of projects done are shown in fig 3 and 4 below



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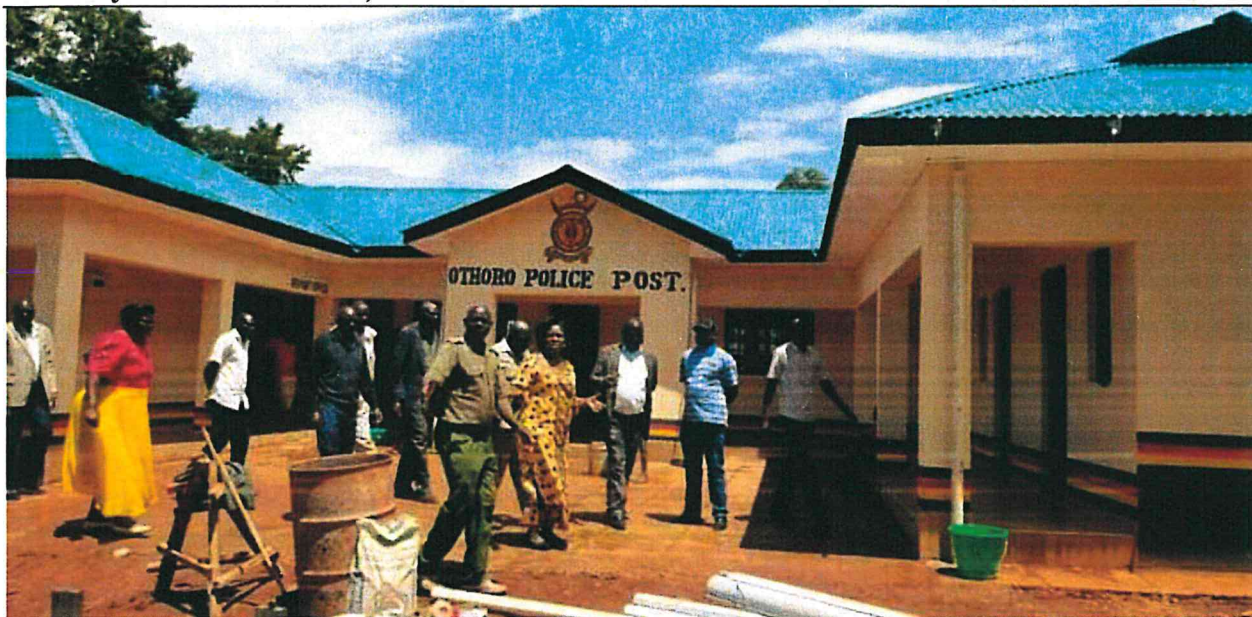
**Fig 3: Ringa Primary School: Rehabilitation of 14 Classrooms**



**Fig 4: St. Philip's Nyabondo Secondary School: Construction of a Science Laboratory**



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**Fig 5: Othoro Police Station: Construction of a new police station**



**Fig 6: Launch of 2020 scholarship program**



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**Implementation Challenges**

In the year under review, we faced a number of challenges in the implementation of projects. The delays in release of funds impacted negatively on the timely delivery of services to constituency. The

**Way Forward**

With the close consultations with key stakeholders and the office of the Member of Parliament, we have been able to achieve our goals with ease. My team and I aim to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities.

*Sign*  .....

**JOSHUA MOTH AROKO  
CHAIRMAN NGCDF COMMITTEE**

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED 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 NGCDF-Kabondo Kasipul Constituency's 2018-2022 Strategic plan are to:

- a) *To improve the schools' infrastructure and performances*
- b) *To enhance safety and security of communities in Kabondo Kasipul*
- c) *To expand and improve road network in the constituency*
- d) *To promote sustainable utilization of natural resources*
- e) *Promotion of youth/women in economic engagement*
- f) *Provide ICT infrastructure and create an environment for innovation*

**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 in FY 19/20
Education Accessibility	To improve the schools' infrastructure and performances	<ul style="list-style-type: none"> <li>• Adequate and conducive environment in terms of classrooms, library, laboratories, dormitories, halls to be used</li> <li>• Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</li> </ul>	<ul style="list-style-type: none"> <li>• number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>• number of bursary beneficiaries at all levels</li> </ul>	<ul style="list-style-type: none"> <li>- Renovated 78 classrooms in Primary Schools</li> <li>- Completed 7 laboratories</li> <li>- Constructed 4 administration blocks.</li> <li>- Completed 120-bed capacity dormitory</li> <li>- Constructed 5 new classrooms</li> <li>- Issued bursaries amounting to Ksh 18,511,245 to 3500 students</li> </ul>

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

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance in FY 19/20</b>
Security	To enhance safety and security of communities in Kabondo Kasipul	<ul style="list-style-type: none"> <li>Improved security and provision of services to constituents within the constituency</li> </ul>	<ul style="list-style-type: none"> <li>Number of chief, ACC, DCC, assistant chief offices constructed.</li> <li>Number of police posts, stations constructed or rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>1 police station constructed.</li> <li>6 Administration Police Housing units constructed</li> <li>4 Chiefs Offices completed</li> </ul>
Roads	To expand and improve road network in the constituency	Improved road network that enhances communication	<ul style="list-style-type: none"> <li>Number of Kilometres of Roads constructed</li> </ul>	Over 15km of road rehabilitated
Sports	Promotion of youth/women in economic engagement	Active participation of youth in sports and advocacy activities	<ul style="list-style-type: none"> <li>Number of sporting field rehabilitated</li> <li>Number of sporting tournaments held</li> </ul>	<ul style="list-style-type: none"> <li>1 sporting field rehabilitated</li> <li>1 sports tournament held.</li> </ul>
Environment	To promote sustainable utilization of natural resources	Sustainable environment	<ul style="list-style-type: none"> <li>Number of Water harvesting facilities provided</li> <li>Number of trees planted</li> </ul>	<ul style="list-style-type: none"> <li>Water Tanks installed in 20 schools</li> <li>2500 trees planted</li> </ul>
ICT	Provide ICT infrastructure and create an environment for innovation	Job creation through ICT	Number of ICT Hubs	2 ICT hubs equipped

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – KABONDO KASIPUL 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.

**SUSTAINABILITY STRATEGY AND PROFILE**

The Kabondo Kasipul NG-CDF Committee endeavoured to work within the existing policy guidelines that help in focusing on the service delivery. Our vision is to be a constituency where communities are exploiting development opportunities and sharing prosperity. This is achieved through our resolve to develop and improve sustainable livelihoods of constituents in partnership with



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stakeholders. Achievement and sustenance of this mission and vision is guided by our core values of integrity, focus on result, participatory approach, respect and equity.

**ENVIRONMENTAL PERFORMANCE**

We operate in a physical environment that calls for concerted efforts to ensure its sustainability. We made commitments to our public to;

- Comply with all relevant environmental legislation, regulations and approved codes of practice protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water.
- Keep wastage to a minimum and maximize the efficient use of materials and resources.
- Management and disposal of all wastage in a responsible manner;
- Provide training for our Committee Members and staff on issues of environment sustenance.
- Communicate regularly our environmental performance to our employees and other significant stakeholders.
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance.
- Promote environmental awareness by sensitizing the NG-CDFC, NG-CDFC staff and PMCs on good conservation practices.
- To encourage, through regular communication to NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage Conservation of Energy and Resources To maximize use of available technologies to remove the need to use paper.

**EMPLOYEES WELFARE TERMS AND CONDITIONS OF SERVICE.**

Kabondo Kasipul NGCDF is an equal opportunity employee, we do not discriminated based on gender, tribe or colour.

**i. Recruitment**

We recruit our employees competitively through a rigorous process that ensures fairness and adherence to the existing laws and regulations. Where a need for recruitment is felt, an advertisement with clear description of the requirements is done and posted in both the local noticeboards and social media. A selection panel is constituted by the accounting officer which incorporates the government officer in charge of human resources at the sub county. Interviews are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

**ii. Employment categories**

We engage our key staff on a three year renewable performance based contract. Support staff are engaged on a casual basis and on need basis. In compliance to the government policy on internship and attachment, we engaged 3 interns on a 3 months basis.

**iii. Training and Development**

Induction and orientation of new employees is done within the first three months of employment. We have a policy for continuous training and development of our employees. Regular trainings on emerging issues are conducted jointly with other constituencies. Employees are encouraged to pursue higher education in their field and NGCDF committed to paying 50% of the tuition fee.

**iv. Staff Welfare**

A welfare kitty exists where members of staff makes monthly contribution to it. The kitty acts as a buffer to support staff members in distress. Additionally we have entered into an MOU with the Rachuonyo East Enterprises Sacco to allow members of staff to save and get loans.

**HIV/AIDS**

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this we have put in place care and support programs for the infected and affected officers to enable them remain productive. An officer shall not be discriminated or stigmatized on the basis of HIV status. The management organized trainings and sensitization workshops to sensitize the staff on the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

#### **Drug and Substance Abuse**

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

#### **Disability Mainstreaming**

Staff members with any form of disability shall be treated with respect and given assistive devices where necessary. The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities.

#### **Sexual harassment and other Forms of Harassment**

Sexual harassment and other forms of harassment is illegal and any officer who engages directly or indirectly shall be subjected to a disciplinary process that may result in summary dismissal. Staff should report any form of harassments in the manner prescribed in the complaints handling procedure.

#### **MARKET PLACE PRACTICES NG-CDFC**

The NGCDF is a fund designed to support constituency level, grass-root development projects. It was aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development agenda at the constituency level.

Kabondo Kasipul recognizes that it operates in a highly political and competitive environment coupled with the huge demands by the public.

- Our services as outlined in the service charter shall be provided to all without discrimination on political, tribal or any other consideration.
- Procurement of service providers for all manner of procurements shall be done competitively and in a manner that ensures equity and value for money. Available tenders shall be made public by way of advertisement in the local print media, notice boards and social media. Adjudication of the tenders shall be done in strict compliance with the existing laws on procurement. Project management committees shall be properly trained and sensitized on the procurement procedures and regulations.
- Genuine obligations to service providers shall be honoured and met on agreed timelines. Payments to suppliers are done promptly upon presentation of requisite supporting documents.
- Information on our development plans, our current commitments and planned projects shall be availed in our offices, notice boards, websites and social media platforms.
- Confidential information shall be on a need to know basis upon a written request.
- The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**COMMUNITY ENGAGEMENTS**

Kabondo Kasipul values the spirit of public participation in its operations. Project identification and implementation is conducted in a participatory manner as stipulated in the NGCDF Act 2015. Public forums are conducted to collect proposals every 2 years, during these fora, the opinions of the constituents on development projects are sought and packaged in a project proposal. Project Management Committees are key in project implementation, formation of these committees is done in a participatory manner.

**COVID-19 MITIGATION MEASURES**

The Corona Virus of 2019 (Covid-19) epidemic has changed the way we operate and in line with the government directives on its mitigation, our office took the following cautionary measures;

- We availed sanitization facilities at our offices and the sub county offices
- Over 5,000 face masks and hand sanitizers were procured and distributed to the national government institutions.
- Twenty Plastic Tanks were purchased and installed in 20 schools to ensure availability of clean water



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**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 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.

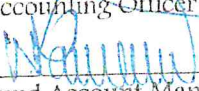
The Accounting Officer in charge of the NGCDF-Kabondo Kasipul Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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.

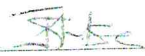
The Accounting Officer in charge of the NGCDF-Kabondo Kasipul Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kabondo Kasipul 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-Kabondo Kasipul 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-Kabondo Kasipul Constituency financial statements were approved and signed by the Accounting Officer on 17/09 2020.

  
Fund Account Manager  
Name: KIPNGETICH LANGAT

  
Sub-County Accountant  
Name: JULIUS SHIBUTSE KHAMATI  
ICPAK Member Number: 17895



# REPUBLIC OF KENYA

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NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of the National Government Constituencies Development Fund – Kabondo Kasipul Constituency set out on pages 17 to 45, which comprise the statement of assets and liabilities as at 30 June, 2020, 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 Constituencies Development Fund – Kabondo Kasipul Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **1. Cash and Cash Equivalents**

Note 10A reflects Cash and Cash Equivalents balance of Kshs.467,170 as at 30 June, 2020. The bank reconciliation statement for the account as at that date reflected un-presented cheques totalling to Kshs.1,334,100. However, payments totalling to Kshs.1,035,025 in the cash book is un-presented in the bank statement but does not form part of un-presented cheques in the bank reconciliation as at 30 June, 2020.

Consequently, the accuracy, validity and completeness of cash and cash equivalents balance of Kshs.467,170 as at 30 June, 2020 could not be confirmed.



## **2.0 Transfers to Other Government Entities**

### **2.1 Grading and Gravelling of Access Roads**

Note 6 to the financial statements represents transfers to other government entities of Kshs.49,442,276 which includes Kshs.3,594,537 in respects of grading and gravelling of two (2) roads for Junction-Ogilo Secondary and Kadongo-Chagere-Osuri road. However, procurement documents namely; tender evaluation, contract agreement, certificate of work done, payment voucher and Authority letter from KERRA were not provided for audit review. Further, this expenditure is supposed to be under roads projects in other grants and payments but was instead incurred under transfers to schools without authority from the board.

Consequently, the accountability, legality and value for money of Kshs.3,594,537 for the year ended 30 June, 2020 could not be confirmed.

### **2.2 Renovation of Classrooms in Five (5) Primary Schools**

Note 6 to the financial statements reflects transfers to other government entities of Kshs.49,442,276 which includes transfers to Primary schools balance of Kshs.32,358,636. This further includes Kshs.12,737,315 in respect of renovation of classrooms in six (6) primary schools namely; Anjech, Kogalo, Pany Komolo, Saramba, Ringa and Lwanda. However, procurement documents including tender evaluation, contract agreement, certificate of work done and payment vouchers were not provided for audit review.

Consequently, the accountability and value for money of Kshs.12,737,315 for the year ended 30 June, 2020 could not be confirmed

### **2.3 Construction of Modern ICT Hub at Oriwo Youth Polytechnic**

Note 6 to the financial statements represents transfers to other government entities of Kshs.49,442,276 which includes transfers to tertiary institutions of Kshs.1,933,640 which further includes Kshs.1,000,000 transferred to Oriwo Youth Polytechnic for the construction of a modern ICT hub. However, procurement documents which included tender evaluation, contract agreement, certificate of work done and payment vouchers were not provided for audit review.

Consequently, the accountability and value for money for the expenditure of Kshs.1,000,000 for the year ended 30 June, 2020 could not be confirmed

## **3. Sports Expenditure**

Note 7 to the financial statements reflects a balance of Kshs.35,338,960 for other grants and other payments which includes Kshs.700,000 in respect of sport activities. This particular expenditure was not supported by the CDF minutes, payment vouchers and user request.

Consequently, the accuracy, validity and completeness of the expenditure of Kshs.700,000 for the year ended 30 June, 2020 could not be confirmed.



#### **4. Misclassification of Expenditure**

Note 7 to the financial statements reflects a balance of Kshs.35,338,960 for other grants and other payments out of which Kshs.6,772,878 is for emergency projects which further includes Kshs.1,616,002 paid out for the construction of kodhoch East Chief's Office. However, the ledgers that were provided for audit review revealed that the expenditure was wrongly classified under emergency projects instead of being under security projects.

Consequently, the accuracy and completeness of the emergency projects of Kshs.6,772,878 for the year ended 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 - Kabondo Kasipul Constituency 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**

##### **1.0 Budgetary Control and Performance**

##### **1.1 Receipts Analysis**

The summary statement of appropriation; recurrent and development combined for the year under review reflects total budgeted receipts of Kshs.189,364,473 and actual receipts of Kshs.102,053,546 resulting to under realization of Kshs.87,310,927 or 46%.

Overall, the under realization is an indication that some programs and activities that had been planned for were not implemented. There is need therefore for the Fund to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery to the residents of Kabondo Kasipul Constituency.

In addition, the Board approved a budget of Kshs.189,364,473 to be transferred to the Fund but only Kshs.102,053,546 transferred was resulting to a variance of Kshs.87,310,927. Failure to transfer the Kshs.87,310,927 by the Board translates to loss of anticipated benefits by the residents of Kabondo Kasipul Constituency.

##### **1.2 Expenditure Analysis**

The statement of appropriation both recurrent and development for the period ending 30 June 2020 reflects total expenditure budget of Kshs.189,364,472 against total actual

expenditure of Kshs.103,779,386 resulting to an overall under expenditure of Kshs.85,585,086.

Overall, the Fund failed to actualize its budget by Kshs.85,585,086 or 45% performance, an indication that some of the programmes and activities that had been planned were not implemented, contrary to the Public Finance Management Act, 2012 (31) which requires Accounting Officers to ensure that all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of the Fund during the financial year.

Further, the Fund underspent its budget by Kshs.85,585,086 in the year under review. However, included in the under expenditure is Kshs.467,170 in respect to cash at bank, being funds released by the Board but not spent by the Fund. Failure to spend funds denied the residents of Kabondo Kasipul Constituency equivalent services.

## **2. Unimplemented Projects**

Review of the approved budget for the 2019/2020 financial year revealed that thirty-seven (37) projects had been approved by the board for implementation all valued at Kshs.43,851,388. However, examination of records and physical verification of the projects revealed that these projects had not yet been started at the closure of the financial year under review.

In the circumstances, the residents of Kabondo Kasipul did not therefore get the expected services equivalent to Kshs.43,851,388 being the budget projects that had not started. This is an indication of inappropriate project implementation mechanism. Therefore, there is need for the Fund to review its project planning mechanism with a view to prioritizing projects which will be implemented during the financial year resulting to higher impact in improving service delivery to the residents.

## **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 matter(s) 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 a Modern Toilet at Kolweny Primary school**

Note 6 to the financial statements reflects transfer to other Government entities balance of Kshs.49,442,276 which includes Kshs.32,358,636 being transfers to Primary schools which further included Kshs.300,000 for the construction of a five door modern toilet at the above school. A physical verification of the project carried out in the month of January, 2021 revealed that the project had not been done and the contractor was not on site. A shallow hole had only been excavated.



Consequently, the accountability and value for money of the expenditure of Kshs.300,000 for the year ended 30 June, 2020 could not be confirmed.

## 2.0 Reallocation of Funds

### 2.1 Construction of Classrooms at Ringa Boys High School

Note 6 to the financial statement reflects transfers to other Government entities balance of Kshs.49,442,276 which includes Kshs.15,150,000 being transfers to secondary schools. This further included Kshs.1,300,000 for the construction of two classrooms at the above School. However, a physical verification revealed that instead of constructing two classrooms, the project management committee constructed a dormitory block. However, the change of activity was not authorized by the Board contrary to section 6(2) of the National Government Constituencies Development Fund Act, 2015 which state that "once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board."

Consequently, the Fund Management was in breach of the law.

### 2.2 Renovation of Classrooms at Abuoye Primary School

Note 6 to the financial statements reflects transfers to other Government entities balance of Kshs.49,442,276 which includes Kshs.32,358,636 being transfers to Primary schools which further included Kshs.400,000 for the renovation of three classrooms at Abuoye Primary school. However, a physical verification revealed that the two classrooms were renovated only. This change of activity was not authorized by the Board contrary to section 6(2) of the National Government Constituencies Development Fund Act 2015 which state that, "once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board."

Consequently, the Fund Management was in breach of the law.

## 3. Poor Workmanship in Projects Implementation

Note 6 to the financial statements reflects a balance of Kshs.49,442,276 as transfers to other Government entities which in turn includes an amount of Kshs.7,161,965 incurred on renovation, construction and completion of 8 schools (4 secondary and 4 primary schools). However, a physical verification of the projects carried out in the month of January, 2021 revealed unsatisfactory workmanship as shown in the table below;

No.	Institution	Activity	Amount Paid Kshs.	Remarks
1.	Osuri Primary School	Renovation of Eight Classrooms to Completion	761,965	Leaking Verandah Roof, Cracking Walls
2.	Anjech Primary	Renovation of Three Classrooms	700,000	Cracks on Internal and External Walls

No.	Institution	Activity	Amount Paid Kshs.	Remarks
3.	Kolwa Primary	Construction of One New Classroom	650,000	Warping Beams and Slanting Verandah Columns
4.	Kogalo Primary	Renovation of 3 Classrooms	500,000	Peeling Paint, Cracked Floor
5.	Ongoro Secondary	Construction of New Classroom to Completion	550,000	Cracked Floor
6.	Ogilo Secondary	Construction of One New Classroom	800,000	Cracked Floor
7.	Danis Obara Secondary	Completion Phase One Administration Block	2,900,000	Cracked Walls and Beam
8.	Kowidi Mixed Secondary	Completion One Classroom	300,000	Cracking Floor
9.		<b>Total</b>	<b>7,161,965</b>	

The Fund was in breach of Section 150(1) of the Public Procurement and Asset Disposal Act 2015 which states that " An Accounting Officer or his or her appointed representative shall be responsible for ensuring that the goods, works and services are of the right quality and quantity."

Consequently, the accountability and value for money for the expenditure of Kshs.7,161,965 for the year ended 30 June, 2020 could not be confirmed.

### **Basis for Conclusion**

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.

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



were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

04 February, 2022






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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019 Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	75,529,007	137,718,148
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>75,529,007</b>	<b>137,718,148</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,399,246	2,435,930
Use of goods and services	5	13,086,140	14,091,098
Transfers to Other Government Units	6	49,442,276	42,687,629
Other grants and transfers	7	35,338,960	48,117,796
Acquisition of Assets	8	2,512,763	3,182,142
Other Payments	9	-	2,936,913
<b>TOTAL PAYMENTS</b>		<b>103,779,386</b>	<b>113,451,508</b>
<b>SURPLUS/DEFICIT</b>		<b>(28,250,379)</b>	<b>24,266,640</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kabondo Kasipul Constituency financial statements were approved on 17/09/2020 and signed by:

  
Fund Account Manager  
Name: KIPNGETICH LANGAT \*

  
Sub-County Accountant  
Name: JULIUS SHIBUTSE KHAMATI  
ICPAK Member Number: 17895






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

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	467,170	26,524,538
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>467,170</b>	<b>26,524,538</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>467,170</b>	<b>26,524,538</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL LIABILITIES</b>		<b>467,170</b>	<b>26,524,538</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	26,524,538	2,257,899
Surplus/Deficit for the year		(28,250,379)	24,266,640
Prior year adjustments	14	2,193,010	-
<b>NET FINANCIAL POSITION</b>		<b>467,170</b>	<b>26,524,539</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KABONDO KASIPUL Constituency financial statements were approved on 17/07/2020 and signed by:

  
Fund Account Manager  
Name: KIPNGETICH LANGAT

  
Sub-County Accountant  
Name: JULIUS SHIBUTSE KHAMATI  
ICPAK Member Number: 17895

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KABONDO KASIPUL CONSTITUENCY**

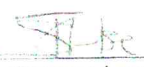
**Reports and Financial Statements  
For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW**

		2019 - 2020 Kshs	2018 - 2019 Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	75,529,007	137,718,148
Other Receipts	3		
		75,529,007	137,718,148
Payments for operating expenses			
Compensation of Employees	4	3,399,246	2,435,930
Use of goods and services	5	13,086,140	14,091,098
Transfers to Other Government Units	6	49,442,276	42,687,629
Other grants and transfers	7	35,338,960	48,117,796
Other Payments	9	-	2,936,913
		101,266,623	110,269,366
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	2,193,010	-
Net Adjustments		2,193,010	-
Net cash flow from operating activities		(23,544,606)	27,448,782
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8	2,512,763	3,182,142
Net cash flows from Investing Activities		(2,512,763)	(3,182,142)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		(26,057,369)	24,266,640
Cash and cash equivalent at BEGINNING of the year	13	26,524,538	2,257,899
Cash and cash equivalent at END of the year		467,170	26,524,539

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KABONDO KASIPUL Constituency financial statements were approved on 21/09/2020 2020 and signed by:

  
Fund Account Manager  
Name: Kipngetich Langat

  
National Sub-County Accountant  
Name: Julius Khamati Shibusse  
ICPAK Member Number: 17895




**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KABONDO CONSTITUENCY**  
**Reports and Financial Statements**  
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**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	51,996,749	189,364,473	102,053,546	87,310,927	53.9%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>51,996,749</b>	<b>189,364,473</b>	<b>102,053,546</b>	<b>87,310,927</b>	<b>53.9%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,503,532	415,184	3,918,716	3,399,246	519,469	86.7%
Use of goods and services	8,859,564	4,951,065	13,810,629	13,086,140	724,488	94.8%
Transfers to Other Government Units	70,850,000	22,675,000	93,525,000	49,442,276	44,082,724	52.9%
Other grants and transfers	54,154,629	20,875,720	75,030,349	35,338,960	39,691,388	47.1%
Acquisition of Assets	-	3,079,779	3,079,779	2,512,763	567,016	81.6%
Other Payments	-	-	-	-	-	-
<b>TOTAL</b>	<b>137,367,724</b>	<b>51,996,748</b>	<b>189,364,472</b>	<b>103,779,386</b>	<b>85,585,085</b>	<b>54.8%</b>

- i. The underutilization in Transfers to other Government Units (52.7%), Other grants and Transfers (47.1%) and Acquisition of Assets (87.9%) is as a result of part receipt of funds from NGCDF Board. This resulted in non-implementation of many projects
- ii. The underperformance (53.9%) in the transfer from NGCDF Board is a result of funds amounting to Kshs 69,367,724 (for 2019/2020) and Ksh 17,943,203.02 for previous financial years that have not yet been received from the NGCDF Board.
- iii. The original budget for the 2019/2020 was Ksh 137,367,724. The receipts on the adjustment column represents the opening balances of Ksh 26,524,538.25 and allocation for previous years of Kshs 7,529,007.25 that were received in during the year.

The NGCDF-KABONDO-KASIPUL Constituency financial statements were approved on 12/09 2020 and signed by:

  
Fund Account Manager  
Name: Kiprgetich Langat

  
Sub-County Accountant  
Name: Julius Khamati Shubitse  
ICPAK Member Number: 17895





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

**XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-Programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2019/2020	Kshs	Kshs	Kshs	2019/2020	Kshs	30/06/2020	Kshs	2019/2020	Kshs
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	3,503,532		415,184		3,918,716		3,399,246		519,469	
1.2 Committee allowances	2,172,000		1,220,300		3,392,300		3,190,599		201,701	
1.3 Use of goods and services	2,566,532		216,503		2,783,035		2,656,800		126,235	
<b>Sub Total</b>	<b>8,242,063</b>		<b>1,851,987</b>		<b>10,094,050</b>		<b>9,246,645</b>		<b>847,405</b>	
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	2,200,000		1,780,000		3,980,000		3,779,201		200,799	
2.2 Committee allowances	1,264,000		1,372,887		2,636,887		2,598,739		38,148	
2.3 Use of goods and services	657,032		361,375		1,018,407		860,801		157,606	
<b>Sub Total</b>	<b>4,121,032</b>		<b>3,514,262</b>		<b>7,635,294</b>		<b>7,238,741</b>		<b>396,553</b>	
<b>3.0 Emergency</b>										
Emergency	425,363				425,363				425,363	
Angino Primary School	300,000.00				300,000		300,000.00			
Anjoch Primary School	50,000.00				50,000		50,000.00			
Danis Obara Sec School Access Road	1,456,296.00				1,456,296		1,456,296.00			
God Ber Primary School	450,000.00				450,000		450,000.00			
Kogonda Primary School	300,000.00				300,000		300,000.00			
NGCDF Office Toilet and Store	1,628,002.00				1,628,002		1,628,002.00			
Nyasore Primary School	300,000.00				300,000		300,000.00			
Oreta Primary School	453,581.00				453,581		453,581.00			
Osuri Primary School	1,234,999.00				1,234,999		1,234,999.00			
Ranena Primary School	300,000.00				300,000		300,000.00			
Rungu Primary School	300,000.00				300,000		300,000.00			
<b>Sub Total</b>	<b>7,198,241</b>		<b>-</b>		<b>7,198,241</b>		<b>6,772,878</b>		<b>425,363</b>	
<b>4.0 Bursary and Social Security</b>										



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
4.1 Primary Schools					-
4.2 Secondary Schools	19,650,000		19,650,000	7,362,241	12,287,759
4.3 Tertiary Institutions	10,500,000	4,609,720	15,109,720	8,535,384	6,574,336
4.4 Universities					-
4.5 Special Schools	2,500,000	2,056,000	4,556,000	2,614,360	1,941,640
4.5 Social Security	1,800,000	1,800,000	3,600,000	876,366	2,723,634
<b>Sub Total</b>	<b>34,450,000</b>	<b>8,465,720</b>	<b>42,915,720</b>	<b>19,388,351</b>	<b>23,527,369</b>
<b>5.0 Sports</b>					-
Constituency Sports Tournament	2,200,000	-	2,200,000	700,000	1,500,000
Atela Primary School	501,388		501,388	-	501,388
<b>Sub Total</b>	<b>2,701,388</b>	<b>-</b>	<b>2,701,388</b>	<b>700,000</b>	<b>2,001,388</b>
<b>6.0 Environment</b>					-
Constituency Environmental Activities	2,900,000	1,090,000	3,990,000	242,500	3,747,500
<b>Sub Total</b>	<b>2,900,000</b>	<b>1,090,000</b>	<b>3,990,000</b>	<b>242,500</b>	<b>3,747,500</b>
<b>7.0 Primary Schools Projects</b>					-
Apondo Primary School	700,000		700,000	499,999	200,001
Abuoye Primary School		400,000	400,000	400,000	-
Alaro Mixed secondary School		425,000	425,000		425,000
Angino Primary School		400,000	400,000	400,000	-
Anjech Primary School	300,000		300,000	300,000	-
Anjech Primary School	600,000	700,000	1,300,000	1,300,000	-
Anyona Primary School	750,000		750,000	750,000	-
Anyona Primary School	2,000,000		2,000,000		2,000,000
Anyona Primary School	250,000		250,000		250,000
Apondo Primary School	250,000		250,000		250,000
Atemo Primary School	800,000		800,000		800,000
Atemo Primary School	250,000		250,000		250,000
Ayiengo Primary School	900,000	150,000	1,050,000		1,050,000
Chagere Primary School	800,000		800,000		800,000
Dudi Primary School		300,000	300,000	300,000	-
God Miahha Primary School	250,000		250,000		250,000
Harambee Primary School		300,000	300,000	300,000	-
Jwelu Primary School	800,000		800,000		800,000



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
Kabongo Primary School		100,000	100,000	100,000	-
Kadie Primary School	950,000		950,000		950,000
Kadjuu Primary School		300,000	300,000	300,000	-
Kango Primary School	750,000	300,000	1,050,000	300,000	750,000
Kanyangwara Primary		300,000	300,000	300,000	-
Kanyangwara Primary School		100,000	100,000	100,000	-
Kauma Primary School		100,000	100,000	100,000	-
Kilusi Primary School	750,000		750,000		750,000
Kitare Primary School		100,000	100,000	100,000	-
Kitare Primary School		400,000	400,000	400,000	-
Kogalo Primary School		500,000	500,000	500,000	-
Kogola Primary School	4,400,000		4,400,000	-	4,400,000
Kogalo Primary School	250,000		250,000		250,000
Kogalo Primary School		200,000	200,000		200,000
Kogonda Primary School	750,000		750,000		750,000
Kolal Primary School		400,000	400,000	400,000	-
Kolwa Primary School		100,000	100,000	100,000	-
Kolwa Primary School		100,000	100,000	100,000	-
Kolweny Primary School	250,000	300,000	550,000	300,000	250,000
Kotienditi Primary School		700,000	700,000	700,000	-
Lwanda Primary School	3,500,000		3,500,000	3,287,500	212,500
Masogo Primary School	400,000		400,000	400,000	-
Masogo Primary School	1,150,000	300,000	1,450,000	300,000	1,150,000
Njura Primary School	900,000	500,000	1,400,000	500,000	900,000
Nyakwaka Primary School	750,000		750,000		750,000
Nyaluru Primary School	750,000		750,000		750,000
Nyamwaga Primary School	750,000		750,000		750,000
Nyandolo Primary School		100,000	100,000	100,000	-
Nyawango Primary School	550,000		550,000	550,000	-
Nyawango Primary School	250,000		250,000		250,000
Odino Primary School		600,000	600,000	600,000	-
Ogenga Primary		300,000	300,000	300,000	-
Ogenga Primary school		100,000	100,000	100,000	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
Ogera Primary School		650,000	650,000	650,000	-
Ogilo Primary		500,000	500,000	500,000	-
Ongujo Primary School	200,000		200,000	200,000	-
Oogo Primary School	900,000		900,000		900,000
Oriang Primary School	950,000		950,000		950,000
Orinde Primary School	125,000		125,000		125,000
Osuri Primary School	800,000		800,000	800,000.00	-
Osuri Primary School	250,000		250,000		250,000
Otel Primary School	125,000		125,000		125,000
Othoro Primary School	600,000		600,000	600,000	-
Othoro Primary School	250,000		250,000		250,000
Otondo Primary School	125,000		125,000		125,000
Pala Primary School	125,000		125,000		125,000
Pany Komollo Primary School	4,500,000	800,000	5,300,000	4,800,000	500,000
Pany Komollo Primary School	250,000		250,000		250,000
Ponge Primary School		650,000	650,000	650,000	-
Radienya Primary School	125,000		125,000		125,000
Ragogo Primary School		650,000	650,000	650,000	-
Ringa Primary School	5,000,000		5,000,000	4,922,415	77,585
Riwo Primary School	600,000		600,000		600,000
Rungu Primary School	750,000		750,000		750,000
Saramba Primary School	4,000,000		4,000,000	4,398,722	(398,722)
Siany Primary School	125,000		125,000		125,000
<b>Sub Total</b>	<b>45,550,000</b>	<b>11,825,000</b>	<b>57,375,000</b>	<b>32,358,636</b>	<b>25,016,364</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>					
Adega Mixed Secondary School	1,300,000		1,300,000	1,300,000	-
Apondo Secondary School	1,200,000		1,200,000	1,200,000	-
Bishop Linus Okok Girls Secondary School (Model School)		1,400,000	1,400,000		1,400,000
Danis Obara Mixed Secondary School	3,000,000		3,000,000	2,900,000	100,000
Dudi Girls Secondary School		4,000,000	4,000,000		4,000,000
Gangre Secondary School	500,000		500,000	-	500,000
God Agak Secondary School	600,000	300,000	900,000	600,000	300,000







**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
Kodhoch West Chief	200,000		200,000	-	200,000
Kojwach Chief's Office	300,000		300,000		300,000
Kokwanyo chief camp	300,000		300,000		300,000
Othoro Police Post	2,700,000		2,700,000	2,700,000	-
Wangchieng Chief Camp	400,000		400,000	-	400,000
Kojwach East Chief Office	800,000		800,000		800,000
Ramba Chiefs Office	400,000		400,000		400,000
Audo Market Center	241,000		241,000		241,000
Lida Market Center	241,000		241,000	-	241,000
Ogera Junction Market	241,000		241,000	-	241,000
Ponge Market Center	241,000		241,000		241,000
Wangapala Market Center	241,000		241,000		241,000
Kakelo Chief's Office		600,000	600,000	600,000	-
Kenya Police Service - Central Sori		1,520,000	1,520,000		1,520,000
Kojwach Chiefs Camp		300,000	300,000	300,000	-
Kodhoch West Chief's Office		400,000	400,000		400,000
Ramula Chiefs Office		200,000	200,000	200,000	-
<b>Sub Total</b>	<b>6,905,000</b>	<b>3,720,000</b>	<b>10,625,000</b>	<b>5,000,380</b>	<b>5,624,620</b>
<b>10.0 Roads Projects</b>					
Namba Ogilo Junction-Ogilo Primary School-Ogilo Secondary School-Manga Primary Rd.		1,700,000	1,700,000	1,512,852	187,148
Ramula Junction – Anjech Primary School-Wangapala Primary - Wangapala Secondary School Road		1,500,000	1,500,000		1,500,000
Kadongo-Got Rateng Primary/Secondary School-Osuri-Chagere Primary School Road		2,000,000	2,000,000	1,722,000	278,000
Awach Foot Bridge		800,000	800,000		800,000
Nyowa Junction-Adega Secondary School-Kitare Primary Rd.		1,000,000	1,000,000		1,000,000
Atemo – Kolwa Primary School Road		600,000	600,000		600,000
<b>Sub Total</b>	<b>-</b>	<b>7,600,000</b>	<b>7,600,000</b>	<b>3,234,852</b>	<b>4,365,148</b>
<b>11.0 Acquisition of assets</b>					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Programme/Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	2,279,779	2,279,779	2,170,732	109,047
11.4 Purchase of computers	-	800,000	800,000	342,031	457,969
11.5 Purchase of land	-	-	-	-	-
<b>Sub Total</b>	-	<b>3,079,779</b>	<b>3,079,779</b>	<b>2,512,763</b>	<b>567,016</b>
12.0 Others					
12.1 Strategic Plan	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-
NGCDF ICT Hub					
<b>Sub Total</b>	-	-	-	-	-
<b>TOTALS</b>	<b>137,367,724</b>	<b>51,996,748</b>	<b>189,364,472</b>	<b>103,779,386</b>	<b>85,585,085</b>

(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)



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

##### **3. Reporting Currency**

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

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

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

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

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

###### **Tax Receipts**

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

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

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



**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**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.

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**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<sup>st</sup> July 2019 to 30<sup>th</sup> 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<sup>th</sup> 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 (NGCDF) –  
KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**XV. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
	AIE NO. B005003		36,376,166
	AIE NO. B005372		11,379,310
	AIE NO. B030247		10,000,000
	AIE NO. B030409		12,000,000
	AIE NO. B006350		8,000,000
	AIE NO. B042890		24,000,000
	AIE NO. B047547		35,962,672
	AIE NO. B047431	4,000,000	
	AIE NO. B041463	20,000,000	
	AIE NO. B047901	6,000,000	
	AIE NO. B049271	15,000,000	
	AIE NO. B104303	15,000,000	
	AIE NO. B104219	500,000	
	AIE NO. B104146	7,029,007	
	AIE NO. B096565	8,000,000	
<b>TOTAL</b>		<b>75,529,007</b>	<b>137,718,148</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KABONDO KASIPUL CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	~	~
Rents	~	~
Receipts from Sale of tender documents	~	~
Other Receipts Not Classified Elsewhere	~	~
<b>Total</b>	~	~

**4. COMPENSATION OF EMPLOYEES**

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	2,424,849	1,792,923
<b>Personal allowances paid as part of salary</b>	144,000	
Employer Contributions Compulsory national social security schemes	151,868	161,906
Pension and other social security contributions (Gratuity)	678,529	481,101
<b>TOTAL</b>	<b>3,399,246</b>	<b>2,435,930</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
KABONDO KASIPUL CONSTITUENCY**

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**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	46,648	934,534
Electricity	-	10,500
Water & Sewerage Charges	-	-
Office Rent	75,000	375,000
Communication, supplies and services	147,082	9,450
Domestic travel and subsistence	525,350	831,320
Printing, advertising and information supplies & services	68,100	367,261
Rentals of produced assets	-	-
Training expenses	804,000	927,780
Hospitality supplies and services	445,450	418,180
Other Committee Expenses	2,420,282	2,100,000
Committee Allowances	4,992,497	1,771,600
Insurance costs	-	-
Specialised materials and services	-	261,200
Office and general supplies and services	664,027	438,645
Fuel, oil & lubricants	578,063	725,450
Other operating expenses	1,863,077	2,320,754
Bank service commission and charges	-	-
Routine maintenance - vehicles and other transport equipment	423,214	2,436,574
Routine maintenance- other assets	33,350	163,350
<b>Total</b>	<b>13,086,140</b>	<b>14,091,098</b>



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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	32,358,636	20,947,974
Transfers to secondary schools (see attached list)	15,150,000	21,739,655
Transfers to tertiary institutions (see attached list)	1,933,640	-
Transfers to health institutions (see attached list)		-
<b>TOTAL</b>	<b>49,442,276</b>	<b>42,687,629</b>

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	7,362,241	15,556,594
Bursary – tertiary institutions (see attached list)	8,535,384	5,570,280
Bursary – special schools (see attached list)	2,614,360	-
Mock & CAT (see attached list)	876,366	-
Social Security	-	-
Security projects (see attached list)	5,000,380	12,392,935
Roads Projects (See attached List)	3,234,852	7,376,194
Sports projects (see attached list)	700,000	2,268,103
Environment projects (see attached list)	242,500	-
Emergency projects (see attached list)	6,772,878	4,953,690
<b>Total</b>	<b>35,338,960</b>	<b>48,117,796</b>

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8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	2,537,082
Refurbishment of Buildings	342,031	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	2,170,732	645,060
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	2,512,763	3,182,142

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	300,000
ICT Hub	-	2,636,913
	-	2,936,913



**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Cooperative Bank of Kenya, Oyugis Branch . Kabondo Kasipul NG-CDF - A/C no.01141454980500	467,170	26,524,538
<b>Total</b>	<b>467,170</b>	<b>26,524,538</b>
<b>10B: CASH IN HAND</b>		
Location 1	~	~
Other Locations ( <i>specify</i> )	~	~
<b>Total</b>		
<i>[Provide cash count certificates for each]</i>		

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**11: OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
~	~	-	-	-

**Total**

-

**12A. RETENTION**

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	-	-
<b>Total</b>	-	-

**12B. GRATUITY DEPOSITS**

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Add as appropriate	-	-
<b>Total</b>	-	-

**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	26,524,538	2,257,899
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>26,524,538</b>	<b>2,257,899</b>

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**14. PRIOR YEAR ADJUSTMENTS**

	Balance B/F FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	2,193,010	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
	-	<b>2,193,010</b>	-

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST**

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-



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**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	519,469	415,184
Use of goods and services	724,488	311,657
Amounts due to other Government entities (see attached list)	44,082,724	26,438,011
Amounts due to other grants and other transfers (see attached list)	39,691,388	16,241,616
Acquisition of assets	567,016	156,160
Others ( <i>specify</i> )	-	2,040,114
	<b>85,585,085</b>	<b>45,602,742</b>

**17.4: PMC account balances (See Annex 5)**

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	<b>6,938,512.49</b>	11,614,953.14
	-	-
	<b>6,938,512.49</b>	<b>11,614,953.14</b>

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**XVI. 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)
KSI/HUB/KABON DO KASIPUL /2018/2019/(1)	<p><b>Borehole Drilling of Constituency Development Fund Office</b></p> <ul style="list-style-type: none"> <li>Borehole constructed lying idle and unutilized since completion and there was no authorization for drilling of the borehole and water use permit from the Water Resources Authority were not produced for audit review</li> </ul>	<ul style="list-style-type: none"> <li>The borehole was dug ostensibly to serve the NGCDF office and adjacent government offices, the construction of NGCDF offices has stalled and hence the connection to the borehole cannot be completed.</li> <li>The drilling was done after seeking authorization from the Sub County Water Officer who eventually certified the borehole and complete and even issued a completion certificate.</li> </ul>	Kipngetich Langat ( FAM)	Not Resolved	August 2020
KSI/HUB/KABON DO KASIPUL /2018/2019/(2)	<ul style="list-style-type: none"> <li><b>Construction of Office and Multipurpose Hall at Constituency Office</b></li> </ul> <p>Physical inspection February 7, 2020 revealed that the project was incomplete and the contractor was not on site and appear to have stalled.</p>	<p>a) The project stalled at the roofing stage owing to the abandonment of site by the contractor and disagreement between the contractor and PMC on the amounts already paid for the contractor for the construction works.</p> <p>b) Management has sought the services of a structural engineer to determine the</p>	Kipngetich Langat ( FAM)	Not Resolved	December 2020



**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		structural the requirements to complete the project. The NGCDF Board to provide direction on the funding to completion.			
KSI/HUB/KABON DO KASIPUL /2018/2019/(3)	<b>Reallocation of Funds</b> Reallocation of funds without authority in Pala Secondary School (Kshs 550,000), Otondo Secondary School (Ksh 1,000,000) and Kotienditi Secondary School ( Ksh 550,000)	<ul style="list-style-type: none"> <li>The change of activity by was done by the project committee without informing the NGCDF Committee. We have noted this anomaly and submitted a request to the Board for approval</li> </ul>	Kipngetchi Langat ( FAM)	Unresolved	September 2020
KSI/HUB/KABON DO KASIPUL /2018/2019/(4)	<b>Unbranded Projects</b> Laboratory construction at Pala Secondary School, Construction of Classrooms Kauma and Nyawango Primary Schools were not branded with	<ul style="list-style-type: none"> <li>The project are ongoing and will be branded when complete</li> </ul>	Kipngetchi Langat ( FAM)	Unresolved	September 2020
KSI/HUB/KABON DO KASIPUL /2018/2019/(5)	<b>Incomplete Works at Kenya Police Service Centre Sori Police Post</b> Approved works have been completed but a certificate of completion by public works officer was not availed for audit verification.	<ul style="list-style-type: none"> <li>The works were supervised by our clerk of works who issued a payment certificate. Payments were made on the basis of this and M&amp;E committee reports</li> </ul>	Kipngetchi Langat ( FAM)	Resolved	June 2020

**NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)**  
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**XVII. ANNEXES TO THE FINANCIAL STATEMENTS**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		519,469	415,184	
Use of goods & services		724,488	311,657	
Sub-Total		1,243,957	726,842	
<b>Amounts due to other Government entities</b>				
Primary Schools		25,016,364	12,538,011	
Secondary Schools		18,500,000	11,300,000	
Tertiary School		566,360	2,300,000	
Sub-Total		44,082,724	26,438,011	
<b>Amounts due to other grants and other transfers</b>				
Bursary		23,527,369	3,597,953	
Emergency		425,363	595,311	
Sports		2,001,388	227,587	
Environment		3,747,500	1,000,000	
Roads		4,365,620	6,623,806	
Security		5,624,620	4,007,065	
Sub-Total		39,691,388	16,241,616	
Acquisition of assets		567,016	156,061	
Others (specify)				
ICT Hubs		-	2,040,114	
Sub-Total		567,016	2,196,274	
Grand Total		85,585,085	45,602,742	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	965,200	~	~	965,200
Buildings and structures	37,197,082	342,031.00	~	37,539,113
Transport equipment	6,224,718	~	~	6,224,718
Office equipment, furniture and fittings	1,122,805	2,170,732	~	3,293,537
ICT Equipment, Software and Other ICT Assets	638,445	~	~	638,445
Other Machinery and Equipment	~	~	~	~
Heritage and cultural assets	~	~	~	~
Intangible assets	~	~	~	~
<b>Total</b>	<b>46,148,250</b>			<b>48,661,013</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

No.	Name of Project	Bank	Account No.	Bal (Kshs.) 2019/2020	Bal (Kshs.) 2018/2019
1	Adega Mixed Sec School	Coop Bank	11410136049000	1,157,465.00	1,006,765.00
2	Aela Mixed Secondary School	KCB	1113917865	125,980.00	125,980.00
3	Andingo Girls Sec. School	KCB	1114842753	1,080,133.00	1,002,059.00
4	Anjech Pri. School	KCB	1118832906	296.00	37,890.00
5	Apondo Mixed Secondary School	Coop Bank	1141796180000	71,680.00	1,000,000.00
6	Atemo Mixed Secondary School	KCB	1120714206	509.00	735.00
7	Danish Obara Sec. School	KCB	1137462469	2,889,271.00	1,007,623.00
8	Dudu Primary School	Coop Bank	1141796178800	1,825.00	1,825.00
9	God Agak Mixed Secondary School	Coop Bank	11412964348000	218.00	501,266.00
10	Kabondo Kasipul Environmental Pmc	Coop Bank	1141455613300	8,908.95	8,908.95
11	Kabondo Kasipul Sports Committee	Coop Bank	1141455515800	1,412.00	1,201,495.20
12	Kabondo KASipul Staff Gratuity	Coop Bank	1134455261000	1,018,498.00	430,599.00
13	Kadie Mixed Secondary School	Coop Bank	1141790171700	5,915.00	154,915.00
14	Kandegwa M.S.S.	KCB	1135544867	269,963.00	1,268,345.00
15	Kanyangwara Pri School	Coop Bank	1141013591200	1,220.00	920.00
16	Kauma Pri School	Coop Bank	1141297641600	10,688.00	10,688.00
17	Kodhoch W Chiefs Office	Coop Bank	1134796198000	1,745.00	404,175.00
18	Kojwach High School	KCB	1130868583	11,003.00	16,832.00
19	Kokwanyo Chiefs Camp	Coop Bank	1141798171500	1,405.00	1,405.00
20	Kokwanyo Mixed Secondary School	Coop Bank	1139018800702	157,192.55	506,102.00
21	Komolo Pri. School	Coop Bank	11417961777000	859.00	859.00
22	Ober Boys Boarding	Coop Bank	1141796168600	3,015.00	100,825.00
23	Ober Mixed Primary	Coop Bank	1141796168600	3,035.00	303,635.00
24	Ogenga Pri School	KCB	1156734037	964.00	151,440.00
25	Ongujo Pri. School	KCB	1157024874	1,094.50	143,300.50
26	Orinde Lutheran Sec. School	KCB	1175420972	1,933.00	401,403.00
27	Otel Mixed Secondary School	Coop Bank	1141454566000	760.00	488,655.00



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28	Otondo Mixed Secondary School	Coop Bank	1120455127700	2,417.49	2,417.49
29	Owiro Mixed Secondary School	KCB	1118832906	296.00	37,890.00
30	Pala Mixed Secondary School	KCB	1113462418	2,571.00	251,819.00
31	Ranena Primary School	Coop Bank	1141796176300	595.00	24,825.00
32	St Philips Nyabondo Mixed Secondary School	Coop Bank	11410188591000	105,645.00	1,020,215.00
	<b>Totals</b>			<b>6,938,512.49</b>	<b>11,614,953.14</b>

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