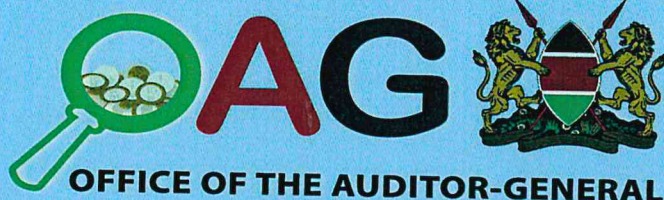



REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 APR 2022	DAY: TUES
TABLED BY:	Lom
CLERK-AT THE-TABLE:	M-WANJIKU MW

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
TIATY CONSTITUENCY**

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TIATY
CONSTITUENCY

AMENDED REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2019

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Table of Content

Page

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT	ii
II.	FORWARD BY THE NGCDF COMMITTEE CHAIRMAN	v
III.	STATEMENT OF NGCDF COMMITTEE MANAGEMENT RESPONSIBILITIES	vii
IV.	REPORT OF AUDITOR GENERAL	viii
IV.	STATEMENT OF RECEIPTS AND PAYMENTS.....	1
V.	STATEMENT OF ASSETS AND LIABILITIES	2
VI.	STATEMENT OF CASHFLOW	3
VII.	STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	4
VIII	BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	6
IX.	SIGNIFICANT ACCOUNTING POLICIES	15
X.	NOTES TO THE FINANCIAL STATEMENTS.....	19

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

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.

(b) Key Management

The NGCDF TIATY Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	PETER MARAYA
2.	Sub-County Accountant	KENNEDY OMARIBA
3.	Chairman NGCDFC	PAUL KITEMO
4.	Member NGCDFC	SHIRLY KALORIKET

(d) Fiduciary Oversight Arrangements

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

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

(e) NGCDF TIATY Constituency Headquarters

P.O. Box 12 - 30404

Nginyang,

Chemolingot,

Baringo - KENYA

(f) NGCDF TIATY Constituency Contacts

Telephone: (254) 725763995

E-mail: cdftiaty@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) NGCDF TIATY Constituency Bankers

Kenya Commercial Bank

Marigat Branch

1103776274

Marigat – Kenya.

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am pleased to present the financial statements for Tiaty Constituency for the financial year ended 30th June 2019. Tiaty Constituency is one of the six Constituencies in the larger Baringo County. Tiaty is generally vast characterized by a rough mountainous terrain, harsh semi-arid climatic conditions, remoteness and poor road infrastructure. The people of Tiaty are predominantly pastoralists in which their livelihoods depend on livestock.

The Constituencies Development Fund Act 2015 requires that at least 2.5% of the National Government share of Ordinary Revenue be allocated to the Board as a statutory obligation. During FY 2018/2019 Tiaty NGCDF was allocated a total of Kshs. 109,040,876. The Fund received Ksh 54,000,000 by end of the financial year out of a budget of Ksh 109,040,876. The Fund disbursed all the funds received from the Board during the year except for Kshs. 15,197,882 which are still in our KCB account as at 30/06/2019.

The Fund has strived to achieve its core mandates by ensuring timely and efficient disbursement of funds to all the project management committees.

The Compensation of Employees utilization stands at 63% because only half the budget Ksh. 54,000,000 was received. The Use of Goods and Services utilization stands at 81% because only half the budget Ksh. 54,000,000 was received. The Transfers to other Government Units utilization stands at 58% because only half the budget Ksh. 54,000,000 was received. The Other grants and transfers utilization stands at 61% because only half the budget Ksh. 54,000,000 was received. The Acquisition of Assets utilization stands at 12% because only half the budget Ksh. 54,000,000 was received.

The remaining half of Ksh. 55,040,875 was disbursed after the closure of financial year 2018/19.

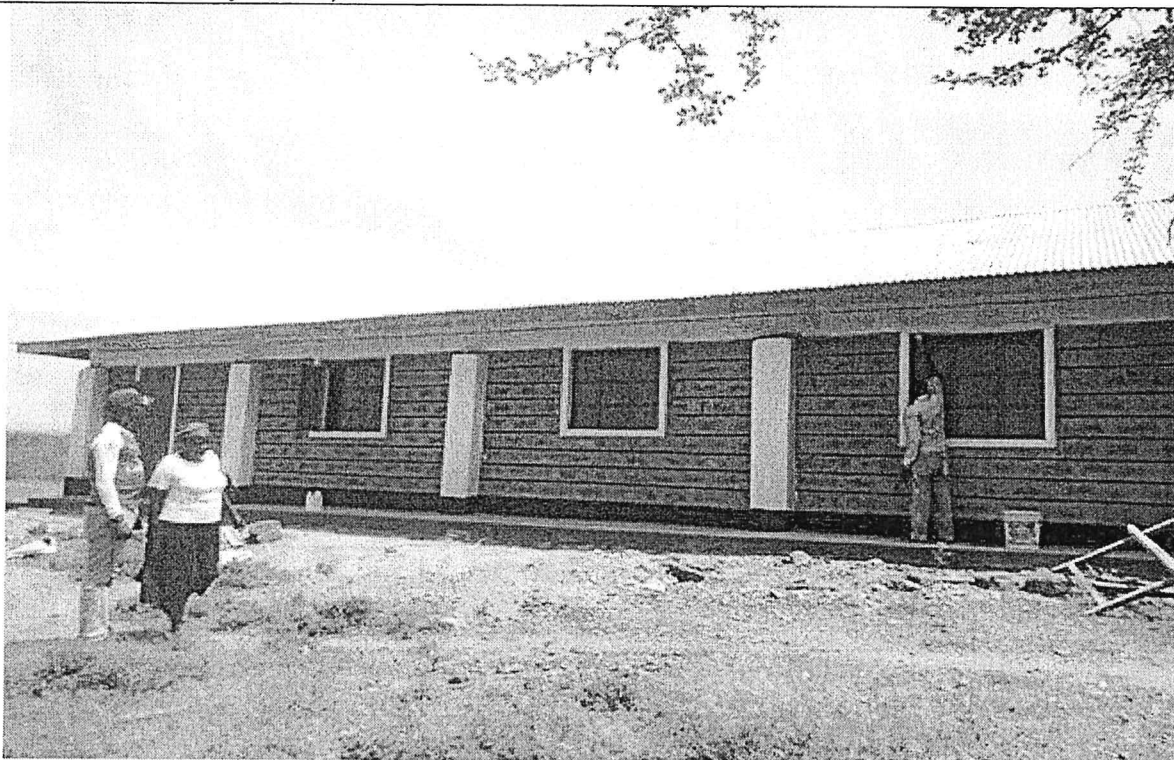
Tiaty CDFC has intensified monitoring and Evaluation of projects for prudent management of the Fund. Intense monitoring and evaluation has in effect reduced the time taken to complete our projects. For instance, Cheptunoyo Primary School Dormitory Project (shown below) whose completion time and quality improved greatly with our regular monitoring and evaluation.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019



Cheptunoyo Primary School Dormitory Project.

The fact that Kenya revenue authority has recently appointed every NGCDF Committee as a withholding agent, it has resulted in numerous emerging issues. Given an environment of labour based projects, it becomes very challenging to enforce compliance. Nevertheless, the NGCDFC is encouraging full contract based engagement to ease project management and enhance compliance with regulatory requirements.

Due to the rough mountainous terrain, harsh semi-arid climatic conditions, remoteness and poor road infrastructure our efforts to undertake and intensify regular monitoring and evaluation is greatly hampered. Instead every NGCDFC member representing wards across the constituency is encouraged to keep close contact with the ongoing projects and accordingly shares his or her findings during NGCDFC meetings for action by the committee.

Thank you.

Paul Kitemo
Chairperson,
NGCDF Tiaty Constituency

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF NGCDF-TIATY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF - Tiaty Constituency is responsible for the preparation and presentation of the NGCDF - Tiaty's financial statements, which give a true and fair view of the state of affairs of the NGCDF - Tiaty for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF - Tiaty; (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 NGCDF - Tiaty; (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 - Tiaty Constituency accepts responsibility for the NGCDF - Tiaty'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 NGCDF - Tiaty's financial statements give a true and fair view of the state of NGCDF - Tiaty's transactions during the financial year ended June 30, 2019, and of the NGCDF - Tiaty's financial position as at that date. The Accounting Officer charge of the NGCDF - Tiaty Constituency further confirms the completeness of the accounting records maintained for the NGCDF - Tiaty, which have been relied upon in the preparation of the NGCDF - Tiaty's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-TIATY Constituency confirms that the NGCDF - Tiaty has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the NGCDF - Tiaty'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 NGCDF - Tiaty'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-TIATY Constituency financial statements were approved and signed by the Accounting Officer on 30TH August 2019.



Fund Account Manager

Name: Peter Maraya



Sub-County Accountant

Name: Kennedy Omariba

ICPAK Member Number:

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TIATY CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund (NG-CDF) - Tiaty Constituency set out on pages 1 to 22, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flow and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015.

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

Basis for Qualified Opinion

1. Unsupported Use of Goods and Services

The statement of receipts and payments reflects use of goods and services figure of Kshs.8,142,062;(2018-Kshs.4,686,817) and as disclosed under Note 3 to the financial statements. However, included in the figure is committee expenses of Kshs.4,581,820 which were not supported by payment vouchers, payment lists and minutes of meetings.

1.1 Unsupported Domestic Travel and Subsistence

The statement of receipts and payments reflects use of goods and services as disclosed in Note 3 includes domestic travel and subsistence expenditure of

Kshs.499,550 which was not supported by work plans, bus tickets, work-tickets and relevant reports as evidence of work done.

Consequently, the accuracy and validity of the expenditure on use of goods and services of Kshs.8,142,062 for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Other Grants and Other Payments

The statement of receipts and payments reflects other grants and other payments of Kshs.43,747,266;(2018- 29,316,300) and as disclosed under Note 5. However, the grants and other payments includes bursaries to secondary schools and tertiary institutions totalling Kshs.31,623,500 disbursed without following the guidelines contrary to Regulation, 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which states that a constituency committee shall vet all persons proposed to receive support in accordance with guidelines issued by the Board.

Consequently, the accuracy and completeness of other grants and other payments of Kshs.43,747,266 for the year ended 30 June, 2019 could not be confirmed.

2.1. Unsupported Emergency Projects Expenditure

The statement of receipts and payments reflects other grants and other payments of Kshs.43,747,266 out of which Kshs.3,350,000 relates to emergency projects which whose supporting requests for funding, the nature of emergency, minutes of the Project Management Committee (PMC) meetings, expenditure returns as well as monitoring and evaluation committee reports were not provided.

Consequently, the accuracy and regularity of Kshs.43,747,266 for other grants and other payments for the year ended 30 June, 2019 could not be confirmed.

3. Unsupported Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other government units of Kshs.44,317,342;(2018-Kshs.3,100,000) and as disclosed under Note 4. Included in the transfers to other Government units are transfers to secondary schools of Kshs.8,700,000 that were not supported by bill of quantities, work plans, minutes of PMC meeting, expenditure returns, respective bank account statements as well as monitoring and evaluation reports as prove of project implementation.

Consequently, the accuracy and occurrence of the transfer to other government units of Kshs.44,317,342 could not be confirmed.

4. Understated Other Grants and Transfers

Note 5 to the financial statements reflects other grants and transfers of Kshs.43,747,266 which includes Kshs.600,000 in respect of sports projects that is understated by Kshs.436,840.

Consequently, the accuracy and completeness of other grants and transfers of Kshs.43,747,266 could not be confirmed.

5. Understated Bank Balance

The statement of assets and liabilities reflects bank balance of Kshs.15,197,882;(2018-Kshs. 5,546,173) and as disclosed in Note 7 to the financial statements. However, the bank reconciliation statement in support of the balance reflects stale cheques totalling Kshs.377,744 that have not been written back into the cash book.

Consequently, the accuracy and completeness of the bank balance of Kshs.15,197,882 as of 30 June, 2019 could not be confirmed.

6. Unsupported Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustment of Kshs.(394,149) and disclosed under note 9 to the financial statements. However, details relating to the adjustment have not been provided for review.

In the circumstances, the accuracy, completeness and validity of the prior year adjustment of Kshs.(394,149) 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 - Tiaty Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.169,871,532 and Kshs.114,830,656 respectively resulting to underfunding of Kshs.55,040,875 or 32 % of the budget. Similarly, the Fund spent Kshs.99,238,625 against an approved budget of Kshs.169,871,532 resulting to an under-expenditure of Kshs.70,632,906 or 42% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Tiaty Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Status of Project Implementation

The statement of receipts and payments reflects transfers to other government units of Kshs.44,317,342;(2018-Kshs.3,100,000) and as disclosed under Note 6 to the financial statements. Review of project status report as at 30 June, 2019 reflects that out of the fifty-six (56) projects with funding of Kshs.97,847,197 nineteen (19) were ongoing, thirty (30) had not started and seven (7) were completed.

Consequently, it was not possible to confirm if and when value for money will be realized from the projects not started with funding allocation of Kshs.35,863,898.

2. Delay in Delivery of Strategic Plan

The other grants and other payments amount of Kshs.43,747,266 which includes Kshs.3,173,766, being 80% payment to a firm to develop the Fund strategic plan. According to the work plan submitted by the firm, the project was to be completed within eight (8) weeks effective from 30 July, 2018. However, as at the time of audit in February, 2020, the firm was yet to deliver on the strategic plan.

Consequently, it was not possible to confirm whether expenditure of Kshs.3,173,766 was effective use of public resources.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management, and Governance section of my

report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of a Risk Management Policy

The Fund does not have a risk management policy that guides on assessment and evaluation of risk and to develop the strategies to mitigate them. This is contrary to Regulation 165(1) of the Public Finance Management Act (National Government) Regulations, 2015 which require the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

Consequently, it was not possible to confirm whether the risks faced have been identified and appropriately mitigated.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of 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

11 February, 2022



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	109,284,483	43,405,172
TOTAL RECEIPTS		109,284,483	43,405,172
PAYMENTS			
Compensation of employees	2	1,995,955	1,960,717
Use of goods and services	3	8,142,062	4,686,817
Transfers to other Government Units	4	44,317,342	3,100,000
Other grants and transfers	5	43,747,266	29,316,300
Acquisition of Assets	6	1,036,000	-
TOTAL PAYMENTS		99,238,625	39,063,834
SURPLUS / (DEFICIT)		10,045,858	4,341,338

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TIATY Constituency Financial Statements were approved on 30th August 2019 and signed by:



Fund Account Manager

Name: Peter Maraya



Sub-County Accountant

Name: Kennedy Omariba

ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	15,197,882	5,546,173
Total Cash and Cash Equivalents		15,197,882	5,546,173
TOTAL FINANCIAL ASSETS		15,197,882	5,546,173
REPRESENTED BY			
Fund Balance b/fwd	8	5,546,173	1,204,835
Surplus / Deficit for the year		10,045,858	4,341,338
Prior Year Adjustments	9	(394,149)	-
NET FINANCIAL POSITION		15,197,882	5,546,173

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TIATY Constituency financial statements were approved on 30TH August 2019 and signed by:



Fund Account Manager

Name: Peter Maraya



Sub-County Accountant

Name: Kennedy Omariba

ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

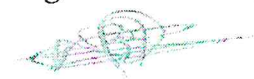
Reports and Financial Statements

For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2018 - 2019	2017 - 2018
Receipts			
Transfers from NGCDF Board	1	109,284,483	43,405,172
Total Receipts		109,284,483	43,405,172
Payments			
Compensation of Employees	2	1,995,955	1,960,717
Use of goods and services	3	8,142,062	4,686,817
Transfers to Other Government Units	4	44,317,342	3,100,000
Other grants and transfers	5	43,747,266	29,316,300
Total Payments		98,202,625	39,063,834
Total Receipts Less Total Payments		11,081,858	4,341,338
Adjusted for:			
Adjustment During the Year	9	(394,149)	-
Net Adjustments		(394,149)	-
Net cash flow from operating activities		10,687,709	4,341,338
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(1,036,000)	-
Net cash flows from Investing Activities		(1,036,000)	-
Net increase in cash and cash equivalent		9,651,709	4,341,338
Cash and cash equivalent at BEGINNING of the year	8	5,546,173	1,204,835
Cash and cash equivalent at END of the year		15,197,882	5,546,173

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TIATY Constituency financial statements were approved on 30TH August 2019 and signed by:



Fund Account Manager

Name: Peter Maraya



Sub-County Accountant

Name: Kennedy Omariba

ICPAK Member Number

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt / Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c = a+b	d	e = c-d	f = d/c %
RECEIPTS						
Transfers from NGCDF Board	109,040,876	60,830,656	169,871,532	114,830,656	55,040,875	68%
TOTAL	109,040,876	60,830,656	169,871,532	114,830,656	55,040,875	68%
PAYMENTS						
Compensation of Employees	2,430,000	737,083	3,167,083	1,995,955	1,171,128	63%
Use of goods and services	7,383,678	2,643,183	10,026,861	8,142,062	1,884,799	81%
Transfers to Other Government Units	41,530,000	34,900,000	76,430,000	44,317,342	32,112,658	58%
Other grants and transfers	50,363,299	20,998,659	71,361,958	43,747,266	27,614,692	61%
Acquisition of Assets	7,333,898	1,051,731	8,385,629	1,036,000	7,349,629	12%
Other Payments	-	500,000	500,000	-	500,000	
TOTALS	109,040,876	60,830,656	169,871,532	99,238,625	70,632,906	58%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

- (a) Commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. The Compensation of Employees utilization stands at 63% because only half the budget Ksh. 54,000,000 was received. The remaining half Ksh. 55,040,875 was disbursed after the closure of financial year 2018/19.
 - ii. The Use of Goods and Services utilization stands at 81% because only half the budget Ksh. 54,000,000 was received. The remaining half Ksh. 55,040,875 was disbursed after the closure of financial year 2018/19
 - iii. The Transfers to other Government Units utilization stands at 58% because only half the budget Ksh. 54,000,000 was received. The remaining half Ksh. 55,040,875 was disbursed after the closure of financial year 2018/19
 - iv. The Other grants and transfers utilization stands at 61% because only half the budget Ksh. 54,000,000 was received. The remaining half Ksh. 55,040,875 was disbursed after the closure of financial year 2018/19
 - v. The Acquisition of Assets utilization stands at 12% because only half the budget Ksh. 54,000,000 was received. The remaining half Ksh. 55,040,875 was disbursed after the closure of financial year 2018/19

The NGCDF-TIATY Constituency financial statements were approved on 30TH August 2019 and signed by:



Fund Account Manager

Name: Peter Maraya



Sub-County Accountant

Name: Kennedy Omariba

ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,430,000	737,083	3,167,083	1,995,955	1,171,128
1.2 Committee allowances	1,240,000	1,270,000	2,510,000	2,510,000	-
1.3 Use of goods and services	2,872,452	-	2,872,452	2,022,185	850,267
2.0 Monitoring and evaluation					
2.1 Capacity building	900,000	-	900,000	752,000	148,000
2.2 Committee allowances	800,000	-	800,000	-	800,000
2.3 Use of goods and services	1,571,226	1,373,183	2,944,409	2,857,877	86,532
3.0 Emergency					
Chemoril Primary School	5,738,993	5,164,405	10,903,398	-	10,903,398
Kapunyany Primary School	-	-	-	600,000	(600,000)
Akwichatis Primary School	-	-	-	1,000,000	(1,000,000)
Ponpon Primary School	-	-	-	350,000	(350,000)
National Drought Management Authority	-	-	-	600,000	(600,000)
Churo Girls High School	-	-	-	500,000	(500,000)
	-	-	-	300,000	(300,000)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Tiaty East DCC Office	-	-	-	1,000,000	(1,000,000)
Chepsuge Construction Electrical & Communication Ltd	-	-	-	672,869	(672,869)
Commissioner of VAT	-	-	-	36,703	(36,703)
4.0 Bursary and Social Security					
4.2 Secondary Schools	24,164,306	3,709,000	27,873,306	18,785,500	9,087,806
4.3 Tertiary Institutions	14,000,000	848,227	14,848,227	12,838,000	2,010,227
5.0 Sports	1,380,000	1,300,000	2,680,000	600,000	2,080,000
6.0 Environment	1,380,000	1,300,000	2,680,000	-	2,680,000
7.0 Primary Schools Projects					
Cherumbo Primary School	180,000	-	180,000	-	180,000
Nangarua Primary School	150,000	-	150,000	-	150,000
Kresia Primary School	250,000	-	250,000	-	250,000
Nasur Primary School	550,000	-	550,000	-	550,000
Kakogh Primary School	800,000	-	800,000	-	800,000
Tukomoi Primary School	1,000,000	-	1,000,000	-	1,000,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TIATY CONSTITUENCY**

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

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Pkaghiti Primary School	1,000,000	-	1,000,000	-	1,000,000
Tilingwo Primary School	500,000	-	500,000	-	500,000
Barpello Primary School	500,000	-	500,000	500,000	-
Chepilat Primary School	1,000,000	-	1,000,000	-	1,000,000
Kashokon Primary School	200,000	-	200,000	200,000	-
Maron Primary School	800,000	-	800,000	-	800,000
Kamusuk Primary School	1,000,000	-	1,000,000	-	1,000,000
Marsabit Primary School	1,000,000	-	1,000,000	500,000	500,000
Lorwatum Primary School	1,000,000	-	1,000,000	-	1,000,000
Cheptunoyo Primary School	1,000,000	-	1,000,000	500,000	500,000
Losikiriamoi Primary School	700,000	-	700,000	-	700,000
Riongo Primary School	300,000	-	300,000	300,000	-
Toplem Primary School	1,000,000	-	1,000,000	-	1,000,000
Nasiwaleet Primary School	1,000,000	-	1,000,000	-	1,000,000
Ponpon Primary School	700,000	-	700,000	-	700,000
Lotita Primary School	700,000	-	700,000	-	700,000
Kitalem Primary School	700,000	-	700,000	-	700,000
Kataran Primary School	700,000	-	700,000	-	700,000
Chepukat Primary School	100,000	-	100,000	100,000	-
Chepkararat Primary School	800,000	-	800,000	-	800,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Kamrio Primary School	500,000	-	500,000	-	500,000
Kreeze Primary School	400,000	-	400,000	400,000	-
Kimnyan Primary School	300,000	-	300,000	-	300,000
Chewara Primary School	350,000	-	350,000	-	350,000
Lomerimeri Primary School	150,000	-	150,000	-	150,000
Matunda Primary School	-	700,000	700,000	700,000	-
Kasitet primary school	-	700,000	700,000	700,000	-
Loyeya primary school	-	500,000	500,000	500,000	-
Akwichatis primary school	-	2,000,000	2,000,000	2,000,000	-
Nakoko primary school	-	1,000,000	1,000,000	1,000,000	-
Napeikore primary school	-	1,000,000	1,000,000	1,000,000	-
Churo primary school	-	600,000	600,000	600,000	-
Kachilitwa primary school	-	700,000	700,000	700,000	-
Kakogh primary school	-	300,000	300,000	300,000	-
Kaptutya primary school	-	1,000,000	1,000,000	1,000,000	-
Nachurur primary school	-	1,000,000	1,000,000	1,000,000	-
Silolu primary school	-	500,000	500,000	500,000	-
Tuwit primary school	-	1,000,000	1,000,000	1,000,000	-
Chemoril primary school	-	2,000,000	2,000,000	2,000,000	-
Chesirimion Primary school	-	2,000,000	2,000,000	2,000,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Chewara primary school	-	350,000	350,000	350,000	-
Ptikii primary school	-	300,000	300,000	300,000	-
Kapunyany primary school	-	350,000	350,000	350,000	-
Kirelach primary school	-	2,000,000	2,000,000	2,000,000	-
Ngoron primary school	-	1,000,000	1,000,000	1,000,000	-
Kokwototo Primary School	-	1,000,000	1,000,000	1,000,000	-
Katikit Primary School	-	1,500,000	1,500,000	1,500,000	-
Nalukumongin Primary School	-	1,000,000	1,000,000	1,000,000	-
Pakka Hills Primary School	-	800,000	800,000	800,000	-
Napeikore Primary School	-	100,000	100,000	100,000	-
Nakoko Primary School	-	900,000	900,000	900,000	-
Chemayes Primary school	-	800,000	800,000	800,000	-
Kasilangwa Primary school	-	1,000,000	1,000,000	1,000,000	-
Kechii Primary School	-	500,000	500,000	-	500,000
Chemolingot School for Hearing Impaired	-	707,770	707,770	707,770	-
Kositei Primary School	-	1,400,000	1,400,000	1,400,000	-
Apakiso Primary School	-	1,000,000	1,000,000	1,000,000	-
Chapanda Primary School	-	100,000	100,000	100,000	-
Nginyang Primary School	-	100,000	100,000	100,000	-
Tukomoi Primary School	-	100,000	100,000	100,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Chemuro Primary School	-	100,000	100,000	100,000	-
Kapunyany Primary School	-	-	-	200,000	(200,000)
Orusion Primary School	-	-	-	94,827	(94,827)
Nalukumongin Primary School	-	-	-	94,827	(94,827)
Chepelion Primary School	-	-	-	94,827	(94,827)
Tamkal Primary School	-	-	-	94,827	(94,827)
Kaisakat Primary School	-	-	-	71,120	(71,120)
Mosolion Primary School	-	-	-	71,120	(71,120)
Meuto Primary School	-	-	-	94,827	(94,827)
Adich Primary School	-	-	-	94,827	(94,827)
Pkaghit Primary School	-	-	-	71,120	(71,120)
Lodengo Primary School	-	-	-	94,827	(94,827)
Chepturu Primary School	-	-	-	118,534	(118,534)
Kakapul Primary School	-	-	-	118,534	(118,534)
Barpello Primary School	-	-	-	118,534	(118,534)
Chesanayan Primary School	-	-	-	71,120	(71,120)
Cheptaran Primary School	-	-	-	71,120	(71,120)
Kipnai Primary School	-	-	-	94,827	(94,827)
Tilingwo Primary School	-	-	-	94,827	(94,827)
Kolola Primary School	-	-	-	94,827	(94,827)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
 TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Tuwit Primary School	-	-	-	94,827	(94,827)
Loiwat Primary School	-	-	-	94,827	(94,827)
Chemukutan Primary School	-	-	-	47,414	(47,414)
Chepotintar Primary School	-	-	-	47,413	(47,413)
Nyakwala Primary School	-	-	-	47,413	(47,413)
Maron Primary School	-	-	-	71,120	(71,120)
Donyasas Primary School	-	-	-	71,120	(71,120)
Cheseret Primary School	-	-	-	71,120	(71,120)
Seretion Primary School	-	-	-	71,120	(71,120)
Tuwo Primary School	-	-	-	94,828	(94,828)
Chesirimion Primary School	-	-	-	94,827	(94,827)
Commissioner of VAT	-	-	-	134,499	(134,499)
8.0 Secondary Schools Projects					
AIC Churo Girls High School	3,700,000	-	3,700,000	3,700,000	-
AIC Churo Girls High School	100,000	-	100,000	-	100,000
Kapunyany Secondary School	3,000,000	-	3,000,000	1,000,000	2,000,000
Kolowa High School	1,300,000	-	1,300,000	-	1,300,000
Loiwat High School	6,500,000	-	6,500,000	-	6,500,000
Kipnai Secondary School	1,800,000	-	1,800,000	1,000,000	800,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme / Sub-Programme	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	2018/2019		2018/2019	30/06/2019	
Nginyang Girls High School	2,000,000	-	2,000,000	1,000,000	1,000,000
Chemolingot Day Secondary School	2,000,000	-	2,000,000	-	2,000,000
Korossi Secondary School	1,800,000	-	1,800,000	-	1,800,000
Maron Day Secondary School	-	1,500,000	1,500,000	1,500,000	-
Chemolingot Day Secondary School	-	500,000	500,000	500,000	-
Maron High School	-	2,500,000	2,500,000	-	2,500,000
Chemolingot High School	-	1,000,000	1,000,000	-	1,000,000
Chemolingot Day Secondary School	-	500,000	500,000	-	500,000
10.0 Security Projects					
Tepelekwo Chiefs Office	300,000	-	300,000	-	300,000
Amaya Chief's Office	120,000	-	120,000	-	120,000
Loruk Chief's Office	1,300,000	-	1,300,000	-	1,300,000
Tangulbei Chiefs Office	100,000	-	100,000	100,000	-
Tiaty East DCCs Office	1,000,000	1,000,000	2,000,000	2,000,000	-
Akoret Chiefs Office	350,000	-	350,000	-	350,000
Ngoron Chiefs Office	300,000	-	300,000	-	300,000
Pakka Chiefs Office	30,000	-	30,000	-	30,000
Nginyang West Chiefs Office	100,000	-	100,000	100,000	-
Nginyang Police Station	100,000	-	100,000	-	100,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TIATY CONSTITUENCY**

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

Programme / Sub-Programme	Original Budget 2018/2019	Adjustments	Final Budget	Actual on Comparable Basis 30/06/2019	Budget Utilization Difference
Tangulbei DCC Office	-	1,700,000	1,700,000	1,700,000	-
Nginyang West Chiefs Office	-	100,000	100,000	100,000	-
11.0 Acquisition of Assets					
11.1 Motor Vehicles (Including Motorbikes)	7,000,000		7,000,000	-	7,000,000
11.2 Construction of CDF Office	333,898	501,731	835,629	498,000	337,629
11.3 Purchase of Furniture and Equipment	-	550,000	550,000	538,000	12,000
12.0 Others					
12.1 Strategic Plan	-	4,000,000	4,000,000	3,173,766	826,234
12.2 Innovation Hub - Chemolingot CIH	-	1,169,257	1,169,257	-	1,169,257
	109,040,876	60,830,656	169,871,532	99,238,625	70,632,906

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

IX. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting NGCDF - Tiaty

The financial statements are for the NGCDF-TIATY Constituency. The financial statements encompass the reporting NGCDF - Tiaty 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 NGCDF - Tiaty for all the years presented.

a) Recognition of Receipts

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

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 NGCDF - Tiaty)

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 NGCDF - Tiaty.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

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 NGCDF - Tiaty 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)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

1. In-kind contributions

In-kind contributions are donations that are made to the NGCDF - Tiaty 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 NGCDF - Tiaty 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.

2. 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 constituencies, various commercial banks at the end of the financial year.

3. 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.

4. 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.

5. 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 NGCDF - Tiaty 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.

6. Unutilized Fund

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

1. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. Included in the adjustments are the unutilized funds.

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

2. Comparative Figures

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

3. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

4. 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.

5. 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)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
2017/2018/092	1	-	5,500,000
2017/2018/541	2	-	37,905,172
2017/2018/860	1	28,000,000	-
2017/2018/903	2	4,000,000	-
2017/2018/	3	22,784,483	-
2018/2019/250	4	10,000,000	-
2018/2019/481	5	12,000,000	-
2018/2019/830	6	8,000,000	-
2015/2016/738	7	500,000	-
2018/2019/1358	8	11,000,000	-
2018/2019/350	9	13,000,000	-
TOTAL		109,284,483	43,405,172

2. COMPENSATION OF EMPLOYEES

		2018-2019	2017-2018
		Kshs	Kshs
Basic Wages of Contractual Employees		1,505,928	1,181,959
House Allowance		198,000	144,500
Gratuity - Paid		275,227	-
Other Personnel Payments		16,800	7,200
Total		1,995,955	1,960,717

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**TIATY CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019****NOTES TO THE FINANCIAL STATEMENTS (Continued)****3. USE OF GOODS AND SERVICES**

	2018-2019	2017-2018
	Kshs	Kshs
Utilities, Supplies and Services	17,941	189,140
Communication, Supplies and Services	42,000	206,000
Domestic Travel and Subsistence	499,550	690,400
Printing, Advertising and Information Supplies & Services	311,710	-
Training Expenses	752,000	417,690
Hospitality Supplies and Services	914,941	190,105
Committee Expenses	5,079,795	1,598,300
Other Committee Expenses	55,000	-
Office and General Supplies and Services	-	796,694
Fuel, Oil & Lubricants	200,000	105,500
Routine Maintenance – Vehicles & Other Transport Equipment	243,429	492,988
Other Operating Expenses	25,696	-
Total	8,142,062	4,686,817

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017-2018
	Kshs	Kshs
Transfers To Primary Schools	35,617,342	1,600,000
Transfers To Secondary Schools	8,700,000	1,500,000
TOTAL	44,317,342	3,100,000

5. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Bursary – Secondary Schools	18,785,500	19,471,000
Bursary – Tertiary Institutions	12,838,000	7,845,300
Security Projects	5,000,000	100,000
Sports Projects	600,000	-
Strategic Plan Projects	3,173,766	-
Emergency Projects	3,350,000	1,900,000
Total	43,747,266	29,316,300

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. ACQUISITION OF ASSETS

Non - Financial Assets	2018-2019	2017-2018
	Kshs	Kshs
Refurbishment of Buildings	498,000	-
Purchase of Office Furniture and General Equipment	538,000	-
Total	1,036,000	-

7. Bank Accounts (Cash Book Bank Balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
Kenya Commercial Bank, Marigat Branch, A/C No. 1103776274, Kenya Shillings.	15,197,882	5,546,173
Total	15,197,882	5,546,173

8. BALANCES BROUGHT FORWARD

	2018-2019	2017-2018
	Kshs	Kshs
Bank Accounts	5,546,173	1,204,835
Total	5,546,173	1,204,835

9. PRIOR YEAR ADJUSTMENT

	2018 - 2019	2018 - 2019
	Kshs	Kshs
Bank Accounts	394,149	-
Total	394,149	-

10. OTHER IMPORTANT DISCLOSURES

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

10.1: UNUTILIZED FUND (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Compensation of Employees	1,171,128	737,083
Use of Goods and Services	1,884,799	2,643,183
Amounts due to other Government Entities	32,112,658	34,900,000
Amounts due to other Grants and Other Transfers	27,614,692	20,998,659
Acquisition of Assets	7,349,629	1,051,731
Other	500,000	-
	70,632,906	60,330,656

10.2: PMC Account Balances (See Annex 2)

	2018-2019	2017-2018
	Kshs	Kshs
PMC Account Balances	2,184,537.85	452,688
	2,184,537.85	452,688

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ANNEX 1 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees	Payment of staff salaries and gratuity	1,171,128	737,083	
Use of goods & services	Payment of travel, subsistence, catering, Sifting allowances, conferences, Training of PMCs / CDFCs	1,884,799	2,643,183	
Amounts due to other Government entities				
Cherumbo Primary School	Purchase of 36 School Desks	180,000	-	
Nangarua Primary School	Purchase of 30 School Desks	150,000	-	
Kresia Primary School	Purchase of 50 School Desks	250,000	-	
Nasur Primary School	Completion of one Classroom	550,000	-	
Kakogh Primary School	Completion of One Classroom	800,000	-	
Tukomoi Primary School	Construction of One Classroom	1,000,000	-	
Pkaghiti Primary School	Completion of One Classroom	1,000,000	-	
Tilingwo Primary School	Plastering and Painting of Two Classrooms	500,000	-	
Chepilat Primary School	Completion of One Classroom	1,000,000	-	
Maron Primary School	Completion of Dormitory Block	800,000	-	
Kamusuk Primary School	Completion of One Classroom	1,000,000	-	
Marsabit Primary School	Completion of One Classroom	500,000	-	
Lorwatum Primary School	Construction of One Classroom	1,000,000	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TIATY CONSTITUENCY

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

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Cheptunoyo Primary School	Completion of Dormitory Block	500,000	-	
Losikiriamoi Primary School	Completion of Two Classrooms	700,000	-	
Toplem Primary School	Construction of One Classroom	1,000,000	-	
Nasiwiolet Primary School	Construction of One Classroom	1,000,000	-	
Ponpon Primary School	Construction of One Classroom	700,000	-	
Lotita Primary School	Completion of One Classroom	700,000	-	
Kitalem Primary School	Completion of One Classroom	700,000	-	
Kataran Primary School	Construction of One Classroom	700,000	-	
Chepkararat Primary School	Construction of One Classroom	800,000	-	
Kamrio Primary School	Construction of a Staff House	500,000	-	
Kimnyan Primary School	Construction of 3 Door Toilet Block	300,000	-	
Chewara Primary School	Completion of One Classroom	350,000	-	
Lomerimeri Primary School	Purchase of 30 School Desks	150,000	-	
Kechiii Primary School	Renovation of Classroom	500,000		
Varoius Intitutions	Purchase of School Desks	(2,800,000)	-	
Secondary Schools Projects				
AIC Churo Girls High School	Construction of a Dairy Cow - Shade	100,000	-	
Kapunyany Secondary School	Construction of One Classroom	2,000,000	-	
Kolowa High School	Completion of Laboratory	1,300,000	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TIATY CONSTITUENCY

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

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Loiwat High School	Purchase of a 46 Seater School Bus	6,500,000	-	
Kipnai Secondary School	Completion of Four Classrooms	800,000	-	
Nginyang Girls High School	Completion of a Dormitory Block	1,000,000	-	
Chemolingot Day Secondary School	Construction of Two Classroom	2,000,000	-	
Korossi Secondary School	Completion of Four Classrooms	1,800,000	-	
Maron High School	Construction of Administration Block	2,500,000	-	
Chemolingot High School	Completion of Dormitory	1,000,000	-	
Chemolingot Day Secondary School	Construction of School Toilets	500,000	-	
Sub-Total		34,030,000	-	
Amounts due to other grants and transfers				
Bursary	Balance of Bursary	11,098,033	-	
Emergency	Balance of Emergency	5,843,826	-	
Sports	Balance of Sports funding	2,080,000	-	
Environment Projects	Balance of Environment funding	2,680,000	-	
Security Projects				
Tepelekwo Chiefs Office	Wall, Floor finishes and Painting of Chiefs Office	300,000	-	
Amaya Chief's Office	Purchase of Chief's Motor Bike Yamaha CRUX 110	120,000	-	
Loruk Chief's Office	Construction of Chief Office	1,300,000	-	
Akoret Chiefs Office	Construction of Chief Office	350,000	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
TIATY CONSTITUENCY

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

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Ngoron Chiefs Office	Construction of 3 Door Toilet block to completion	300,000	-	
Pakka Chiefs Office	Purchase of Office Furniture	30,000	-	
Nginyang Police Station	Plastering and painting of Office block	100,000	-	
Strategic Plan	Completion of development of Strategic plan	826,234	-	
Constituency Innovation Hub - Chemolingot	Installation of Constituency Innovation Hub	1,169,257	-	
Sub-Total		26,197,350	-	
Acquisition of assets				
Motor Vehicles (Including Motorbikes)	Purchase of NGCDF Motor Vehicle Toyota Land Cruiser 8 Seater	7,000,000	-	
Construction of CDF Office	Construction of Office Gate and Fencing of the Office Compound	337,629	-	
Purchase of Furniture and Equipment	Unspent Savings	12,000	-	
Sub-Total		7,349,629	-	
Grand Total		70,632,906	-	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ANNEX 2 - PMC ACCOUNT BALANCES

PMC	Bank	Account Number	Bank Balance 2018/19	Bank Balance 2017/18
Ponpon Primary School	KCB, Marigat	1152646834	600,560.00	-
Cheptunoyo Primary School	KCB, Marigat	1182346057	501,770.00	-
Kachilitwa Primary School	KCB, Marigat	1238233392	500,050.00	-
Riongo Primary School	KCB, Marigat	1258410117	300,000.00	-
Nakoko Primary School	KCB, Marigat	1199774014	103,275.00	-
Napeikore Primary School	KCB, Marigat	1233487779	52,635.20	-
Barpello Primary School	KCB, Marigat	1176635344	27,205.00	-
Maron Secondary School	KCB, Marigat	1236653254	23,835.00	-
Chesetim Primary School	KCB, Marigat	1199844306	18,775.00	-
Chepilat Primary School	KCB, Marigat	1125502959	10,780.65	-
Nangarua Primary School	KCB, Marigat	1199640085	5,835.00	-
Akwichatis Primary School	KCB, Marigat	1202591752	5,305.00	-
Nachurur Primary School	KCB, Marigat	1203789122	4,474.00	-
Churo Primary School	KCB, Marigat	1200005821	3,390.00	-
Ngaina Primary School	KCB, Marigat	1199844810	3,275.00	-
Kapunyany Primary School	KCB, Marigat	1136550267	3,145.00	-
Katikit Primary School	KCB, Marigat	1200181042	3,000.00	-
Ngoron Primary School	KCB, Marigat	1199507547	2,455.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Chemayes Primary School	KCB, Marigat	1182991327	2,225.00	-
Kokwototo Primary School	KCB, Marigat	1239241607	2,175.00	-
Kipnai Primary School	KCB, Marigat	1209149745	2,105.00	-
Kasilangwa Primary School	KCB, Marigat	1182309798	2,000.00	-
Losikiriamoi Primary School	KCB, Marigat	1202577288	1,995.00	-
Nalukumongin Primary School	KCB, Marigat	1239740328	1,975.00	-
Chemoril Primary School	KCB, Marigat	1238708560	1,123.00	-
Kapunyany Secondary School	KCB, Marigat	1259263517	995.00	-
Apakiso Primary School	KCB, Marigat	1182282814	110.00	-
Krezee Primary School	KCB, Marigat	1199248126	70.00	-
TOTAL			2,184,537.85	

ANNEX 3 - SUMMARY OF FIXED ASSET REGISTER

Asset Class	Historical Cost B/F (Kshs) 2017/18	Additions during the Year (Kshs)	Disposals during the Year (Kshs)	Historical Cost (Kshs) 2018/19
Buildings And Structures	4,500,000	498,000	-	4,998,000
Transport Equipment	9,671,000		-	9,671,000
Office Equipment, Furniture and Fittings	678,360	538,000	-	1,216,360
ICT Equipment, Software and other ICT Assets	390,000		-	390,000
Total	15,239,360	1,036,000	-	16,275,360

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The progress on follow up on auditor recommendations for the Financial year 2017/18 report is as follows;

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)
Basis for Qualified Opinion (Bank Balances)	The Statement of Assets and Liabilities reflects Bank balance of Ksh. 5,546,173; (2017 – Ksh. 1,204,835) and as disclosed under Note 8 to the Financial Statements. The reported balance differs with the board of survey report and reconciled cash book balance of Ksh. 5,451,587 resulting in unexplained variance of Ksh. 94,586. Included in the bank reconciliation statement are payments in cash book but not recorded in the bank statement of Ksh. 3,469,019.90 that include stale cheques amounting to Ksh. 143,877. Consequently, the accuracy of the bank balance of Ksh. 5,546,173 as at 30/06/2018 could not be confirmed	The error has since been corrected in the succeeding financial year statements and report. State cheques are case by case being traced, cancelled and / or replaced where necessary. This is ongoing.	Sub County Accountant Kennedy Omariba	Resolved	By 30/06/2020.
Other Matters (Budget Analysis and Performance)	The summary Statement of Appropriation: Recurrent and development combined reflects final budget and actual on comparable basis amounts of Ksh. 98, 189,655 and Ksh. 43,405,172 respectively. This is reflective of budget underfunding of Ksh. 54,784,483 (44.2%)	By the close of the financial year the constituency had received from NGCDF Board about half the budget as noted.	Chairperson Paul Kitemo	Resolved	Resolved

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

	<p>due to non-disbursement by the NGCDF board. Out of the receipts, an amount Ksh. 39,063,834 was spent resulting to an overall under expenditure of Ksh. 5,546,173 (12.4%)</p> <p>The analysis is an indication of over budgeting or failure to offer the budgeted projects and services including transfers to the intended beneficiaries. Consequently, out of the 56 projects in Primary School, only 10 (19%) were implemented while in Secondary School, only 1 project was implemented out of the approved 4 projects.</p> <p>Further the constituency received Ksh. 2,800,000 for purchase of 560 desks for 30 primary schools. However, none was purchased. The continued budget underutilization adversely affects planned projects and service delivery.</p>	<p>The balance was disbursed at the beginning of the 2018/19 financial year and the projects implemented.</p> <p>The Desks projects to various primary Schools were later in FY 2018/19 implemented and completed.</p>			
<p>Basis for Conclusion</p> <p>1. Lack of Expenditure Returns</p>	<p>The Statement of Receipts and Payments reflects transfers to other Government units amount of Ksh. 3,100,000; (2017 – Ksh. 94,637,931) and as disclosed under Note 4, to the Financial Statements. Included in this amount is Ksh. 1,500,000 to Chemolingot Day Secondary School for Construction of 2 Classrooms with no supporting documentation including expenditure returns. The accountability of these funds could not be confirmed.</p>	<p>Tiaty NGCDF Committee is following up expenditure returns from the Project Management Committee.</p>	<p>Fund Manager Peter Maraya</p>	<p>Resolved</p>	<p>By 30/06/2020</p>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

TIATY CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

2. Unacknowledged Bursary Receipts	The Statement of Receipts and Payments indicates payments on account of other Grants and Transfers of Ksh. 29,316,300; (2017 – Ksh. 46,632,340) and as disclosed under Note 5 to the Financial Statements. Included in this payment is bursaries to Secondary and Tertiary Institutions of Ksh. 27,316,300 for which receipt of Ksh. 13,093,700 had been acknowledged leaving out Ksh. 14,222,600 unacknowledged.	The Tiaty NGCDF Committee is continuously following up acknowledgements and letters of receipt from benefiting institutions. As a result, we have received some and continue to follow up.	Fund Manager Peter Maraya	Resolved	30/06/2020
3. Emergency Expenditure	In addition, the Constituency does not have a bursary policy to guide on the process of bursary issuance and award to students in private institutions. For instance, during the period under review, 295 students in high school and colleges were issued with bursaries without proper identification by way of admission or registration numbers. Consequently, the propriety and accountability of Ksh.27,316,300 bursary expenditure could not be confirmed.	As at the time of audit, the bursary policy was not documented. We have since documented and is available.	Fund Manager Peter Maraya	Resolved	30/06/2020
3. Emergency Expenditure	During the period under review, the fund reported an emergency expenditure of Ksh. 1,900,000 on renovations of Nalekat Primary School, Nginyang Police Station and East Pokot Deputy County Commissioners residence. However, the validity of the expenditure could not be established as there were no evaluated bids or bill of quantities in support. Further, the	The said projects were implemented and completed. Tiaty NGCDF Committee is following up expenditure returns from the Project	Fund Manager Peter Maraya	Resolved	30/06/2020

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

	<p>expenditure returns for the projects were not submitted by the respective project management committee to confirm accountability. Under the circumstances, there was no evidence to warrant emergency of implementation of these projects contrary to provisions of the CDF Act 2015.</p>	Management Committee.			
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