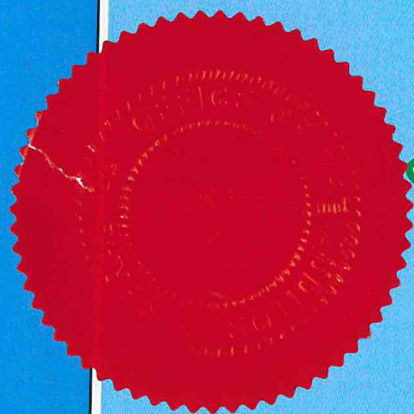
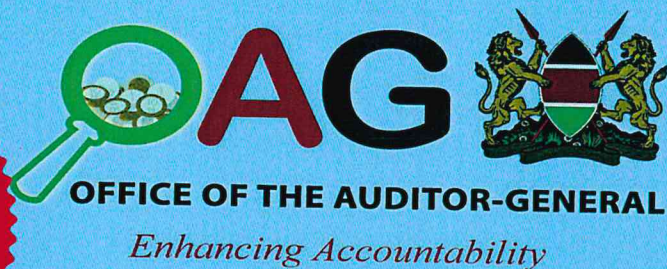



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY	
REPORT	
DATE: 15 FEB 2022	
Day: <u>Thursday</u>	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Gertuade Chebet

THE AUDITOR-GENERAL

ON

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

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



Revised Template 30th June 2020



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAVAKHOLO CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

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

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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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 NAVAKHOLO 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 2020 and who had direct fiduciary responsibility were:

N o	Designation	Name
1.	A.I.E holder	Thomas Moracha Ontweka
2.	Sub-County Accountant	Juliet Lubanga
3.	Chairman NGCDFC	Kennedy Barasa Ngao
4.	Member NGCDFC	Mary Imbwaka Macheso

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -NAVAKHOLO Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF NAVAKHOLO Constituency Headquarters

P.O. Box 14 - 50127
Navakholo NGCDF Office
Navakholo-Muhuni-Chebunyi Road
NAMBACHA, KENYA

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(f) NGCDF NAVAKHOLO Constituency Contacts

Telephone: (254) 0722288499/0722325799

E-mail: cdfnavakholo@ngcdf.go.ke

Website: www.go.ke

(g) NGCDF NAVAKHOLO Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Co-operative Bank of Kenya
Kakamega Branch
P.O. Box 595-50100
Kakamega

(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

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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

In the financial year under review, Navakholo Constituency received 93.16% of all the budgeted allocation by close of the year. However, the fund was unable to disburse the funds to all approved projects as at 30 June 2020 since the last disbursement in the financial year from NGCDF Board came in mid-June. This therefore implies, some of the projects will be funded in the subsequent financial year 2020/2021.

Receipts and expenditure is explained as shown below;

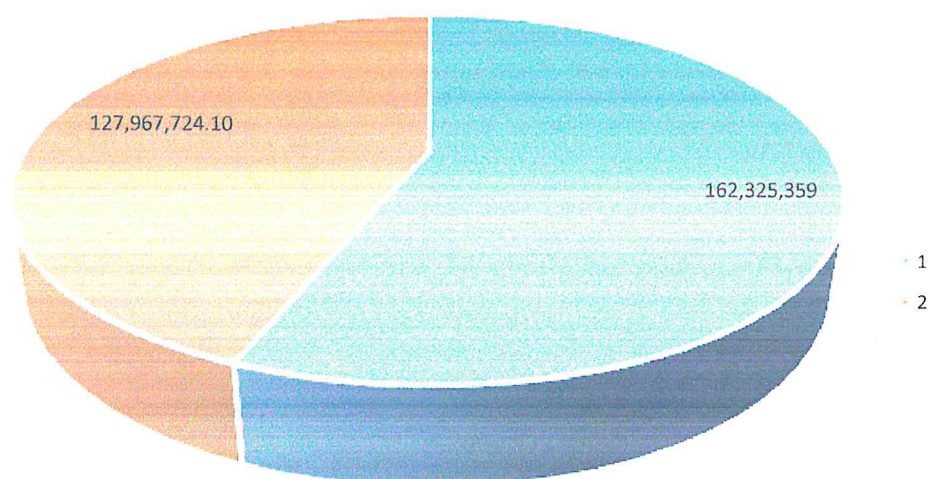


Figure 1: On comparable basis, receipts in the two financial years i.e 2018/2019 FY (in blue, marked 1) and 2019/2020 FY (in brown marked 2) are illustrated.

From the pie chart, it is clear that we received more in 2018/2019 FY than in 2019/2020 FY.

Below (the bar graph represents payments in the two financial years as a comparison)

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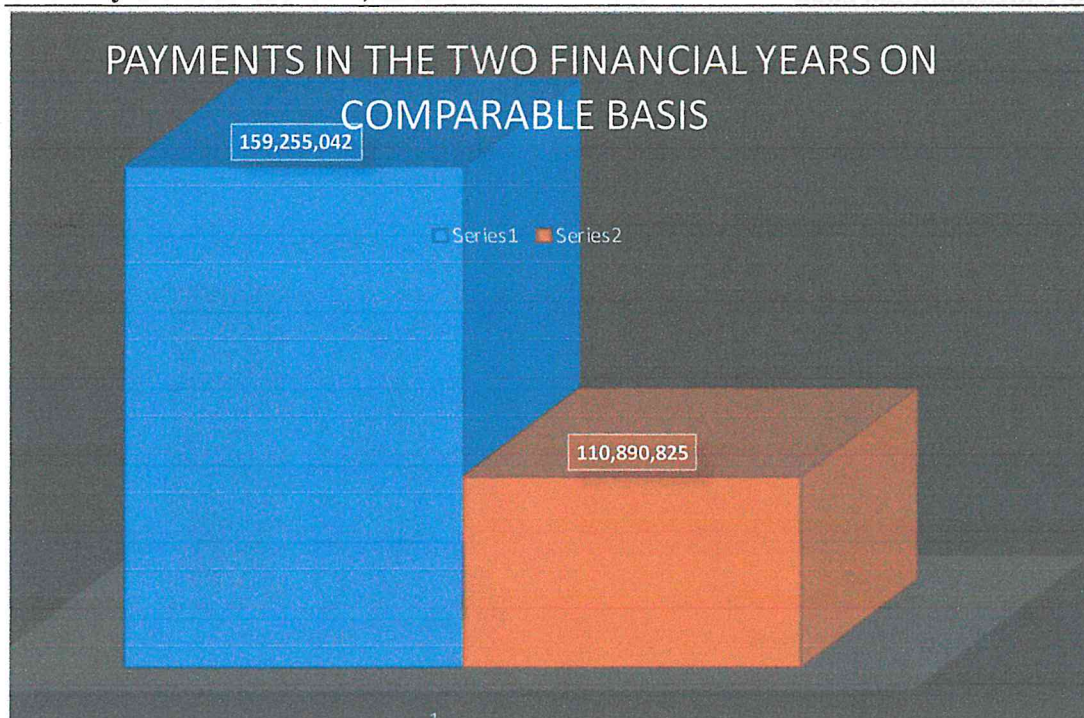


Figure 2:

On comparable basis, the bar graph represents payments in the two financial years.

It is clear that we made more payments in 2018/2019 (Kshs.159,255,042) than in 2019/2020 (Ksh.110,890,825) financial year. This is from the fact that we had paid bursary partly from the earlier receipts. When Coronavirus pandemic struck, we were unable to make such payments from our last receipts since all institutions of learning were closed down to date. Hence most of the funds we have as unspent is for Bursary. This therefore, implies such funds will be utilized under 2020/2021 financial year.

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Comparing Receipts and Disbursements/Payments in the two financial years.

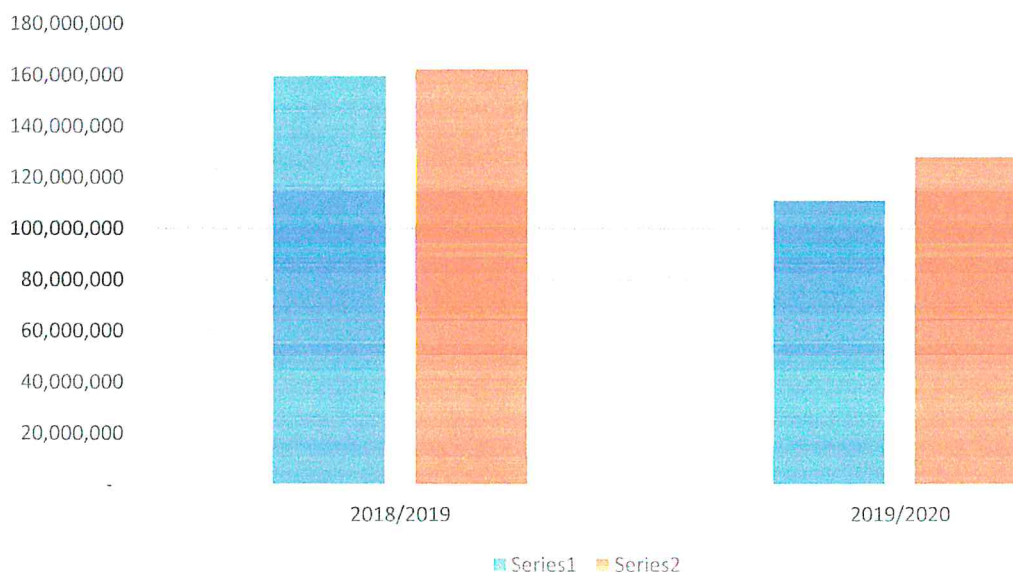


Figure 3: The blue colour shows payments while brown shows receipts during the two financial years. In 2018/2019, payments were almost same as receipts. However, in 2019/2020 financial year, receipts were higher than payments. Most of the unpaid funds are bursaries, which we suspended since we received when all institutions of learning had been closed down due to the Coronavirus pandemic.

Below are some randomly selected projects represented pictorially, which were funded and implemented during the financial year under review.



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*St. Teresa's Ebumamu Secondary school – Ongoing construction of an 8 no. storey classrooms
Located in Shikomari-Shinoyi-Esumeyia Ward which will cost Ksh. 16,100,000.*



*KMTC Navakholo Campus – Ongoing construction of Lecture Halls Located in Bunyala Central
Ward which will cost approximately Ksh. 49,800,000.*



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Bushili Primary school – Ongoing construction of 3 no. classrooms Located in Ingotse-Matiha Ward which will cost Ksh. 3,200,000.



Simakina Primary school – Ongoing construction of 3 no. classrooms Located in Bunyala West Ward which will cost Ksh. 3,200,000.

The NG-CDF Committee started allocating funds for storey construction works in public secondary schools. This is because it has become a challenge to acquire land. We better do construction upwards. Once complete, they will be our flagship projects in the constituency, something that had never been done before.

During management of the fund, we have had challenges as follows:

- ✓ The constituents heavily depend on bursary kitty for the education of their children. This overdependence might compromise the committee's integrity. However, to solve such, we have Sub Locational Bursary Sub Committees that vet bursary applications and forward their findings to the Bursary Sub Committee before award to beneficiaries.
- ✓ Political interference is another challenge in the management of the kitty. Some constituents are always negative because of political dynamics. We always encourage the use of Complaints/suggestion box so that it is official.
- ✓ Decision making is tricky in the committee meetings. This is because each of the members has a particular interest for their ward. Through NG-CDFC trainings, the members are aware that they represent the entire constituency and not a ward. Should there be a problem, it will be for the whole constituency. Hence teamwork.
- ✓ Slow pace at which the NG-CDF Board releases funds to constituencies is another very serious challenge. Although this is based on collections from the taxes, it is affecting project implementation. The NG-CDF Board released about half of the allocation two weeks to closure of financial year. Other constituencies are yet to receive all their funds for the just

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ended financial year. The NG-CDF Act 2015 should be followed to ensure disbursements are timely.

The emergence of Coronavirus, leading to closure of all institutions of learning has made us to suspend payment of bursary for needy students. This will negatively impact on our absorption rate as a constituency for the financial year under review


Mr. Kennedy Barasa Ngao
CHAIRMAN NGCDF COMMITTEE
NAVAKHOLO NGCDFC



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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-NAVAKHOLO Constituency's *2018-2023* plan are to:

1. To improve the health standard in the constituency and increase access to primary Healthcare by the constituents.
2. To. Improve the quality of education in Navakholo Constituency and increase access to education.
3. To avail basic social amenities to all constituents through development of supporting infrastructure.
4. Ensure all major infrastructural systems in the constituency are constructed, standardized/repained and maintained.
5. To empower the farmers with high level skills for production of farm products to achieve food security in Navakholo Constituency.
6. To ensure every public institution, homestead, market & commercial and recreational facilities are accessible to clean adequate and sufficient water.
7. Ensure affordable, accessible and reliable electricity in the whole constituency for social economic development.
8. To promote conservation and protection of the environment in order to support the exploitation of natural resources, integrated water resources management for enhanced water availability and accessibility as well as quality sanitation for the constituency's development.
9. To increase computer and ICT skill literacy among the constituents.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and	- Number of usable physical infrastructure build in primary, secondary, and tertiary	- In FY 19/20 we funded construction of more classrooms, dormitories, laboratories etc to various

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		tertiary institutions	institutions - Number of bursary beneficiaries at all levels	schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	- Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery - Improved security in the community	- Number of new physical facilities for police officers - Number of new physical facilities for security administrators – DCC, ACCs, Chiefs etc.	In the 2019/2020 FY, we allocated funds for construction of infrastructure - housing and offices for security administrators
Environment	To keep the learners learning environment conducive	Increased number of toiletries in schools	Number of toiletries in primary schools	In the 2019/2020 FY, we allocated funds for construction of pit latrines in 3 schools
Sports	Empower and develop youth	Reduced dependence and spur economic growth through sports	Number of schools benefiting from sports equipment	In the 2019/2020 FY, we allocated funds for purchase of sports equipment to 15 primary schools

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF –Navakholo Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Navakholo NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities

1. Sustainability strategy and profile

The Navakholo NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to Sustainable strategy
<i>Vision</i>	To be a leading Constituency in improving the socio-economic status of its people.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
<i>Mission</i>	Ensuring equitable distribution of available resources vide public participation and efficient utilization of available resources	This communicates what the office does to attain sustainable developments
<i>Core Values</i>	Transparency, Teamwork, Accountability, Responsiveness, Respect, Honesty, Commitment, Time Consciousness	These are the norms, principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring.

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2. Environmental performance

Environment Policy and Action Plan Protection of the environment in which we live and operate is part of Navakholo NG-CDF initiatives.

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Navakholo NG-CDF commits 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.
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner.
- Providing training for our CDFO and staff so that we all work in accordance with this and within an environmentally aware culture.
- Regularly communicating 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.

Our Environmental Action Plan

Navakholo NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below;

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none">I. Promote environmental awareness by sensitizing the Navakholo NG-CDFC, NG-CDFC staff and PMCs on good conservation practicesII. To encourage, through regular communication to Navakholo NG-CDFC, staff, and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none">I. To maximize use of available technologies to remove the need to use paperII. To encourage our clients to engage with us using electronic means where possible

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	III. To maximize on rain water harvesting IV. To make energy efficiency a key factor in the selection of any new energy device being purchased V. To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	I. To promote use of volt guards to control power surges II. We have constructed culverts and gabions to prevent soil erosion III. To encourage tree planting in the constituency to improve the forest cover. IV. To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	I. To ensure that all paper waste is recycled II. To ensure segregation of waste III. To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. Employee welfare

Recruitment of NG-CDF Committee staff is done through an open and competitive process. Advertisement is done in all public places. Interested constituents apply through the FAM's office. There is a Sub county selection panel that conducts interviews and the best candidate is hired. Employment is on contractual basis and can be renewed subject to performance. As a committee, we normally train staff together with committee members on how best to run the kitty. Staff are encouraged to advance their studies to higher levels.

We always adhere to the gender ratio in the recruitment process. At least we have both gender among our staff members. It is also important to note that their statutory deductions are done and remitted monthly as required under Labour Laws of Kenya.

With the current Coronavirus pandemic, we recommended that our staff members work from home to reduce crowding at work. This excludes those who offer very essential services such as cleaning, secretarial and accounts. We are yet to come up with a policy on safety and compliance with Occupational Safety and Health Act of 2007 (OSHA).

4. Market place practices-

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is 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.

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- i. Responsible competition practice. During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

- ii. Responsible Supply chain and supplier relations Payments to suppliers are done promptly upon presentation of requisite supporting documents
- iii. Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders
- iv. Product stewardship
In order to safeguard consumer rights and interests, the Navakholo NG-CDF came up with a service charter and the complaints handling policy, and principles. 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

5. Community Engagements-

Public Participation in Project Identification and Implementation and Monitoring The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency-based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

Public participation is the process that directly engages the concerned stakeholders in decision making and gives full consideration to public input in making that decision.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision-making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way

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information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders' participation is important since;

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community- based needs assessments and public awareness campaigns and holding community meetings

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non-state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures;

- The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

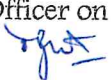
The Accounting Officer in charge of the NGCDF-NAVAKHOLO Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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-NAVAKHOLO 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 NGCDF-NAVAKHOLO 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-NAVAKHOLO Constituency further confirms the completeness of the accounting records maintained for the NGCDF-NAVAKHOLO, 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-NAVAKHOLO 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.

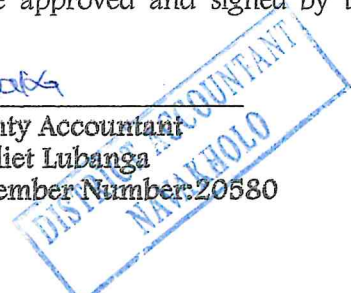
Approval of the financial statements

The NGCDF-NAVAKHOLO Constituency financial statements were approved and signed by the Accounting Officer on 15.09.2020.


Fund Account Manager
Name: Thomas Ontweka

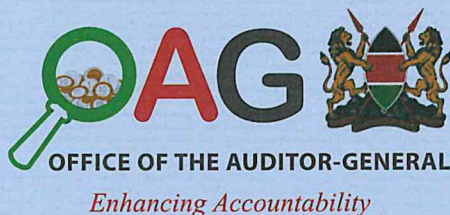



Sub-County Accountant
Name: Juliet Lubanga
ICPAK Member Number: 20580



REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Navakholo Constituency set out on pages 1 to 31, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Navakholo 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 Opinion

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

The National Government Constituencies Development Fund - Navakholo Constituency budgeted to spend a total of Kshs.151,187,954 during the year under review. However, the fund spent a total of Kshs.110,890,825 leading to a budget under-utilization of Kshs.40,297,129, translating to 27% of the budget.

In the circumstances, the residence of Navakholo did not receive the planned services.

2. Project Analysis

During the year under review, Navakholo Constituency planned to undertake fifty-seven (57) projects at a total cost of Kshs.109,913,742 under various sectors as indicated in the project implementation status report. However, only twenty one (21) or 36.8% of the planned projects amounting to Kshs.21,565,500 were done to completion, twenty one (21) projects or 36.8% amounting to Kshs.80,400,000 were on-going, fifteen (15) or 26.3% projects amounting to Kshs.750,000 were not started while the implementation status of emergency projects amounting to Kshs.7,198,242 were not indicated in the report. This shows that the Fund was not able to undertake the projects as planned therefore denying the constituents provision of essential services.

In the circumstances, the Constituency was not able accomplish project implementation as planned.

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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


31 January, 2022




NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**NAVAKHOLO CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF RECEIPTS AND PAYMENTS**

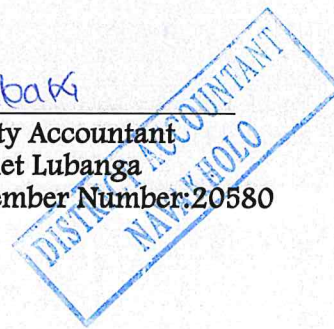
	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	127,967,724.00	162,325,359.00
Other Receipts	2	0.00	8,000.00
TOTAL RECEIPTS		127,967,724.00	162,333,359.00
PAYMENTS			
Compensation of employees	3	2,722,676.00	2,120,294.00
Use of goods and services	4	9,177,473.00	11,226,550.00
Transfers to Other Government Units	5	85,100,000.00	95,350,714.00
Other grants and transfers	6	13,890,676.00	41,082,848.00
Acquisition of Assets	7	0	5,305,620.00
Other Payments	8	0	4,169,016.00
TOTAL PAYMENTS		110,890,825.00	159,255,042.00
SURPLUS/(DEFICIT)		17,076,899.00	3,078,317.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAVAKHOLO Constituency financial statements were approved on **15.09.2020** and signed by:


Fund Account Manager
Name: Thomas Ontweka




Sub-County Accountant
Name: Juliet Lubanga
ICPAK Member Number: 20580




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


VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	9	29,397,129.00	12,320,230.00
Total Cash and Cash Equivalents		29,397,129.00	12,320,230.00
TOTAL FINANCIAL ASSETS		29,397,129.00	12,320,230.00
FINANCIAL LIABILITIES			
TOTAL FINANCIAL LIABILITIES		0.00	0.00
NET FINANCIAL ASSETS		29,397,129.00	12,320,230.00
REPRESENTED BY			
Fund balance b/fwd	10	12,320,230.00	9,241,913.00
Surplus/Deficit for the year		17,076,899.00	3,078,317.00
NET FINANCIAL POSITION		29,397,129.00	12,320,230.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAVAKHOLO Constituency financial statements were approved on 15.09.2020 and signed by:


Fund Account Manager
Name: Thomas Ontweka





Sub-County Accountant
Name: Juliet Lubanga
ICPAK Member Number: 20580

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

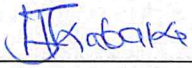
IX. STATEMENT OF CASHFLOW

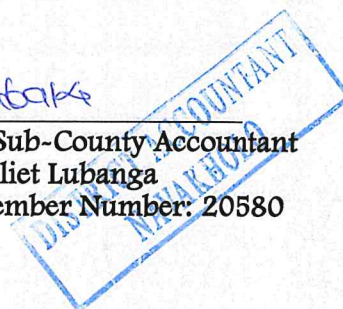
		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	127,967,724.00	162,325,359.00
Other Receipts	2	0.00	8,000.00
Total receipts		127,967,724.00	162,333,359.00
Payments for operating expenses			
Compensation of Employees	3	2,722,676.00	2,120,294.00
Use of goods and services	4	9,177,473.00	11,226,550.00
Transfers to Other Government Units	5	85,100,000.00	95,350,714.00
Other grants and transfers	6	13,890,676.00	41,082,848.00
Other Payments	8	0.00	4,169,016.00
Total payments		(110,890,825.00)	(153,949,422.00)
Total Receipts Less Total Payments		17,076,899.00	8,383,937.00
Net cash flow from operating activities		17,076,899.00	8,383,937.00
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(0.00)	(5,305,620.00)
Net cash flows from Investing Activities		0.00	5,305,620.00
NET INCREASE IN CASH AND CASH EQUIVALENT		17,076,899.00	3,078,317.00
Cash and cash equivalent at BEGINNING of the year	10	12,320,230.00	9,241,913.00
Cash and cash equivalent at END of the year	9	<u>29,397,129.00</u>	<u>12,320,230.00</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NAVAKHOLO Constituency financial statements were approved on 15.09.2020 and signed by:


Fund Account Manager
Name: Thomas Ontweka




National Sub-County Accountant
Name: Juliet Lubanga
ICPAK Member Number: 20580



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

X. 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 NG-CDF Board	137,367,724.00	13,725,231	151,092,955	140,192,954	10,900,001.00	92.8%
Other Receipts		95,000	95,000	95,000	-	100.0%
TOTAL RECEIPTS	137,367,724.00	13,820,231	151,187,955	140,287,954	10,900,001.00	92.8%
PAYMENTS						
Compensation of Employees	2,478,600.00	733,018	3,211,618	2,722,676	488,942	84.8%
Use of goods and services	9,345,740.00	64,351	9,410,091	9,177,473	232,618	97.5%
Transfers to Other Government Units	88,300,000.00	4,350,000	92,650,000	85,100,000	7,550,000	91.9%
Other grants and transfers	37,243,384.00	8,484,866	45,728,250	13,890,676	31,837,574	30.4%
Acquisition of Assets	0	92,755	92,755	-	92,755	0.0%
Other Payments	0	95,241	95,241	-	95,241	0.0%
TOTAL	137,367,724.00	13,820,231	151,187,955	110,890,825	40,297,130.00	73.3%

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

- Adjustment of Kshs. 13,820,231.00 comprises of Kshs. 1,500,000 for 2017/18 budget proposal still held by NGCDF Board and Kshs. 12,320,231.00 was balance brought forward as at 1st July, 2019
- Other receipts of Kshs. 95,000.00 is an accumulative AIA which still awaits authority to spent from NGCDF Board

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

- 84.8% underutilization of funds under compensation of employees was as a result of gratuity to NGCDF staff and 30.4 % under other grants and transfers has been occasioned by under disbursement of bursary funds due to closure of learning institutions due to outbreak of COVID 19 pandemic.

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

The NGCDF-NAVAKHOLO Constituency financial statements were approved on 15.09.2020 and signed by:

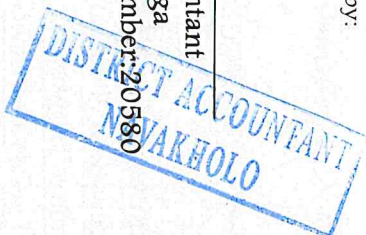
[Signature]

Fund Account Manager
Name: Thomas Ontweka



[Signature]

Sub-County Accountant
Name: Juliet Lubanga
ICPAK Member Number: 20580



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

XI. 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	2019/2020	30/06/2020	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,478,600.00	733,018.00	3,211,618.00	2,722,676.00	488,942.00
1.2 Committee allowances	2,402,514.00		2,402,514.14	2,397,172.00	5,342.00
1.3 Use of goods and services	2,348,000.00		2,348,000.00	2,331,457.00	16,543.00
Sub-Total	7,229,114.00	733,018.00	7,962,132.14	7,451,305.00	510,827.00
2.0 Monitoring and evaluation					
2.1 Capacity building	1,620,000.00		1,620,000.00	1,610,322.00	9,678.00
2.2 Committee allowances	1,729,000.00		1,729,000.00	1,717,110.00	11,890.00
2.3 Use of goods and services	1,246,235.00	64,342.00	1,310,577.27	1,121,412.00	189,165.00
Sub-Total	4,595,235.00	64,342.00	4,659,577.00	4,448,844.00	210,733.00
3.0 Emergency					
3.1 Primary Schools					
a) Sisokhe Primary School	250,000.00		250,000.00	250,000.00	
b) Lutaso Primary School	250,000.00		250,000.00	250,000.00	
c) Nderema Primary School	250,000.00		250,000.00	250,000.00	
d) Kochwa Primary School	1,500,000.00		1,500,000.00	1,500,000.00	
3.2 Secondary schools					
a) Sisokhe Secondary School	2,366,260.00		2,366,260.00	2,366,260.00	
b) St. Kizito Sec School Lusumu	600,000.00		600,000.00	600,000.00	
3.3 Tertiary institutions					
a) Navakholo TTI	90,099.00		90,099.00	90,099.00	
3.4 Security projects					
a. Shinoyi Police Post	100,000.00		100,000.00	100,000.00	
b. Ematiha Police Post	325,000.00		325,000.00	325,000.00	
c. Eshilakwe ACC's Office	250,000.00		250,000.00	250,000.00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAWAKHOLO 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
	2019/2020		2019/2020	30/06/2020	
d. Constituency- Covid-19 PPEs	1,216,882.00		1,216,882.00	453,750.00	763,132.00
Sub-Total	7,198,241.00		7,198,241.00	6,435,109.00	763,132.00
4.0 Bursary and Social Security					
4.1 Special Schools	200,000.00	200,000.00	400,000.00	18,000.00	382,000.00
4.2 Secondary Schools	11,645,145.00	986,511.00	12,631,656.00	2,038,149.00	10,593,507.00
4.3 Tertiary Institutions	16,100,000.00	359,579.00	16,459,579.00	3,717,600.00	12,741,979.00
4.4 Universities	0.00				
4.5 Social Security	0.00				
Sub-Total	28,545,145.00	1,546,090.00	30,091,235.00	5,773,749.00	24,317,486.00
5.0 Sports					
5.1 Siyombe Primary School	50,000.00		50,000.00		50,000.00
5.2 Lutaso Primary School	50,000.00		50,000.00		50,000.00
5.3 Muhuni Primary School	50,000.00		50,000.00		50,000.00
5.4 Navakholo Primary School	50,000.00		50,000.00		50,000.00
5.5 Joab's Primary School	50,000.00		50,000.00		50,000.00
5.6 Lwakhupa Primary School	50,000.00		50,000.00		50,000.00
5.7 Sisokhe Primary School	50,000.00		50,000.00		50,000.00
5.8 Kharanda Primary School	50,000.00		50,000.00		50,000.00
5.9 Bukhubalo Primary School	50,000.00		50,000.00		50,000.00
5.10 Nderema Primary School	50,000.00		50,000.00		50,000.00
5.11 Naluchira Primary School	50,000.00		50,000.00		50,000.00
5.12 Shikomari Primary School	50,000.00		50,000.00		50,000.00
5.13 Esuneyia Primary School	50,000.00		50,000.00		50,000.00
5.14 Ewamakumbi Primary School	50,000.00		50,000.00		50,000.00
5.15 Ingotse Primary School	50,000.00		50,000.00		50,000.00
5.16 Constituency		1,500,000.00	1,500,000.00		1,500,000.00
Sub-Total	750,000.00	1,500,000.00	2,250,000.00		2,250,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAVAHOLO 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
6.0 Environment	2019/2020		2019/2020	30/06/2020	
6.1 Bushili Primary School					
6.2 Mwikoli Primary School	250,000.00		250,000.00	250,000.00	
6.3 Eshikhoni Primary School	250,000.00		250,000.00	250,000.00	
Sub-Total	250,000.00		250,000.00	250,000.00	
7.0 Primary Schools Projects (List all the Projects)	750,000.00		750,000.00	750,000.00	
7.1 Emasinga Primary School	1,500,000.00	1,200,000.00	2,700,000.00	2,700,000.00	
7.2 Eshibembe Primary School	1,100,000.00	1,000,000.00	2,100,000.00	2,100,000.00	
7.3 Lukhuana Primary School	1,500,000.00		1,500,000.00	1,500,000.00	
7.4 Good Shepherd Primary School	1,500,000.00		1,500,000.00	1,500,000.00	
7.5 Wadingo Primary School	500,000.00		500,000.00	500,000.00	
7.6 Simakina Primary School	2,400,000.00		2,400,000.00	2,400,000.00	
7.7 Bushili Primary School	2,400,000.00		2,400,000.00	2,400,000.00	
7.8 Lwakhupa Primary School	100,000.00		100,000.00	100,000.00	
7.9 Emulama Primary		2,000,000.00	2,000,000.00	0	2,000,000.00
7.10 Joabs Primary		150,000.00	150,000.00	150,000.00	
Sub-Total	11,000,000.00	4,350,000.00	14,350,000.00	13,350,000.00	2,000,000.00
8.0 Secondary Schools Projects (List all the Projects)					
8.1 Nambacha Secondary School	750,000.00		750,000.00	750,000.00	
8.2 Nambacha Secondary School	4,000,000.00		4,000,000.00	4,000,000.00	
8.3 Ebumamu Secondary School	6,000,000.00	4,893,336.00	10,893,336.00	10,000,000.00	893,336.00
8.4 Musaga Secondary School	6,000,000.00		6,000,000.00	6,000,000.00	
8.5 St. Paul's Emulakha Secondary School	650,000.00		650,000.00	600,000.00	50,000.00
8.6 St. Paul's Emulakha Secondary School	6,000,000.00		6,000,000.00	6,000,000.00	
8.7 Namundera Secondary School	2,500,000.00		2,500,000.00	2,500,000.00	
8.8 Lwakhupa Secondary School	2,500,000.00		2,500,000.00	2,500,000.00	

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
8.9 Ingotse Girls Secondary	2,400,000.00		2,400,000.00	2,400,000.00	
8.10 Werenba Muslim Secondary school	1,500,000.00		1,500,000.00	1,500,000.00	
8.11 Sirigoi Secondary School	2,500,000.00		2,500,000.00	2,500,000.00	
8.12 Buhayi Muslim Secondary School	1,500,000.00		1,500,000.00	1,500,000.00	
8.13 Buhayi Muslim Secondary School	6,000,000.00		6,000,000.00	5,500,000.00	500,000.00
8.14 Simuli Secondary School	1,500,000.00		1,500,000.00	1,500,000.00	
8.15 Bukhualo Secondary School	2,000,000.00		2,000,000.00		2,000,000.00
8.16 Buchangu Secondary School	3,000,000.00		3,000,000.00	3,000,000.00	
8.17 Sidikho Secondary School	1,500,000.00		1,500,000.00	1,500,000.00	
Sub-Total	50,300,000.00	4,893,336.00	55,193,336.00	51,750,000.00	3,443,336.00
9.0 Tertiary institutions Projects (List all the Projects)					
9.1 KMTC Navakholo - Tuition Block	20,000,000.00		20,000,000.00	20,000,000.00	
9.2 KMTC Navakholo-Office Block	7,000,000.00		7,000,000.00		7,000,000.00
Sub-Total	27,000,000.00		27,000,000.00	20,000,000.00	7,000,000.00
10.0 Security Projects					
10.1 Navakholo DCCs Office	500,000.00		500,000.00	500,000.00	
10.2 Ebutenje Primary-		148,878.00	148,878.00	123,743.00	25,135.00
10.3 Namundera Primary		154,086.00	154,086.00	60,475.00	93,611.00
10.4 Namirama Primary		242,486.00	242,486.00	123,469.00	119,017.00
10.5 Shinoyi Primary -Nawa Ventures		124,131.00	124,131.00	124,131.00	00
Sub-Total	500,000.00	545,450.00	1,045,450.00	431,818.00	237,763.00
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	0.00				
11.2 Construction of CDF office	0.00	92,755	92,755	00	92,755.00
11.3 Purchase of furniture and equipment	0.00				
11.4 Purchase of computers	0.00				

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Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
11.5 Purchase of land	0.00				
Sub-Total		92,755.00	92,755.00	00	92,755.00
12.0 Others					
12.1 Strategic Plan	0.00	240.00	240.00	0	240.00
12.2 Innovation Hub	0.00	1.00	1.00	0	1.00
12.3 AIA		95,000.00	95,000.00	0	95,000.00
Sub-Total		95,241.00	95,241.00	0	95,241.00
GRAND TOTAL	137,367,724.00	13,820,241.00	151,187,965.00	110,890,825.00	40,297,140.00

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

XII. 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-NAVAKHOLO 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.

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SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 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.

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

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SIGNIFICANT ACCOUNTING POLICIES

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.

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 1st July 2019 to 30th 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.

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SIGNIFICANT ACCOUNTING POLICIES

12. Comparative Figures

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

13. Subsequent Events

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B030205		10,000,000.00
AIE NO	B005207		53,284,483.00
AIE NO	B005439		20,000,000.00
AIE NO	B041014		55,040,876.00
AIE NO	B042818		7,000,000.00
AIE NO	A724498		11,000,000.00
AIE NO	B006486		6,000,000.00
AIE NO	B041169	4,000,000.00	
AIE NO	B041329	20,000,000.00	
AIE NO	B047746	7,000,000.00	
AIE NO	B047998	9,000,000.00	
AIE NO	B104439	9,000,000.00	
AIE NO	B104060	19,000,000.00	
AIE NO	B096769	59,967,724.00	
TOTAL		127,967,724.00	162,325,359.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. OTHER RECEPTS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from Sale of tender documents	0	8,000.00
Total	0	8,000.00

3. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,465,696.00	1,658,432.00
Casual Employees' wages	145,320.00	00
Personal allowances paid as part of salary	00	131,000.00
Employer Contributions Compulsory national social security schemes	111,660.00	330,862.00
Total	2,722,676.00	2,120,294.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Other Committee Expenses	1,171,650.00	7,690,500.00
Committee Allowances	6,213,300.00	00
Utilities, supplies and services	35,904.00	4,900.00
Communication, supplies and services	00	83,600.00
Domestic travel and subsistence	139,600.00	1,193,700.00
Hospitality supplies and services	485,900.00	536,150.00
Bank Service Commission and charges	109,340.00	3,685.00
Specialized materials and services	00	0.00
Office and general supplies and services	637,440.00	1,568,044.00
Other operating expenses	27,600.00	27,000.00
Routine maintenance – vehicles and other transport equipment	00	33,970.00
Fuel, Oil & Lubricants	305,000.00	85,000.00
Motor Cycle repairs	51,679.00	0.00
Total	<u>9,177,413.00</u>	<u>11,226,549.00</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to primary schools	13,350,000.00	16,436,704.00
Transfers to secondary schools	51,750,000.00	48,486,026.00
Transfers to tertiary institutions	20,000,000.00	30,427,984.00
TOTAL	85,100,000.00	95,350,714.00

6. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	2,038,149.00	11,032,000.00
Bursary – tertiary institutions	3,717,600.00	15,700,640.00
Bursary – special schools	18,000.00	0.00
Security projects	931,818.00	11,504,550.00
Environment projects	750,000.00	500,000.00
Emergency projects	6,435,109.00	2,345,658.00
Total	13,890,676.00	41,082,848.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Construction of Buildings – perimeter wall	00	3,567,382.00
Refurbishment of Buildings	00	120,788.00
Purchase of Motor Cycles	00	493,200.00
Purchase of ICT Equipment, Software and Other ICT Assets	00	1,124,250.00
Total	00	5,305,620.00

8. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0.00	2,999,760.00
ICT Hub	0.00	1,169,256.00
Total	0.00	4,169,016.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Cooperative Bank of Kenya, A/c No.01141545568700.	29,397,129.00	12,320,230.00
Total	29,397,129.00	12,320,230.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	12,320,230.00	9,241,913.00
Total	12,320,230.00	9,241,913.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OTHER IMPORTANT DISCLOSURES

11.1: UNUTILIZED FUND (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	488,942.00	733,018.00
Use of goods and services	232,618.00	64,351.00
Amounts due to other Government entities	7,550,000.00	4,350,000.00
Amounts due to other grants and other transfers	31,837,574.00	8,484,866.00
Acquisition of assets	92,755.00	92,755.00
Others - ICT HUB	1.00	1.00
Strategic plan	240.00	240.00
AIA	95,000.00	95,000.00
	40,297,130.00	13,820,231.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.2: PMC account balances (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	63,123,632.00	24,061,650.00
	63,123,632.00	24,061,650.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAVAHOLO CONSTITUENCY
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ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		488,942	733,018	
Use of goods & services		232,618	64,351	
Sub-Total		721,560	797,369	
Amounts due to other Government entities				
Primary Schools				
1.Emulama Primary		2,000,000	2,000,000	
Secondary Schools				
1.Ebumamu Secondary		893,336	0	
2.St. Pauls Emulakha Secondary		50,000	0	
3.Buhayi Muslim Secondary		500,000	0	
4.Bukhubalo Secondary		2,000,000	0	
Tertiary Institutions				
1.KMTC - Navakholo		7,000,000		
Sub-Total		12,443,336	2,000,000	
Amounts due to other grants and other transfers				
Security				
1.Ebutenje Primary		25,135	148,878	
2.Namundera Primary		93,611	154,086	
3.Namirama Girls Secondary		119,017	141,511	
4.Makunga AP Camp		0	100,975	
Emergency-Constituency				
Sports-Constituency		763,132	3,393,336	
Bursary-Special		2,250,000	3,000,000	
		382,000	0	
- Secondary Schools		10,593,507	1,546,090	
-Tertiary		12,741,979	0	
		0	0	
Sub-Total		26,968,381	8,484,876	

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Sub-Total				
Acquisition of assets		92,755	92,755	
Construction of CDF office		92,755	92,755	
Sub-Total				
Others (specify)				
ICT HUB		1	1	
Strategic Plan		240	240	
AIA		95,000	95,000	
Sub-Total		95,241	95,241	
Grand Total		40,297,140	13,820,239	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAWAKHOLO CONSTITUENCY
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ANNEX 2 – 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	850,000.00	0	0	850,000.00
Buildings and structures	17,639,795.00	0	0	17,639,795.00
Transport equipment	493,200.00	0	0	493,200.00
Office equipment, furniture and fittings	2,000,000.00	0	0	2,000,000.00
ICT Equipment, Software and Other ICT Assets	1,124,250.00	0	0	1,124,250.00
Total	22,107,245.00	0	0	22,107,245.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NAWAKHOLO CONSTITUENCY
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ANNEX 3 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
St. Raphael's Burangasi Secondary School	Equity Bank - Kakamega	0500277622001	9,906.90	694,456.90
Emathia Secondary School	Equity Bank - Kakamega	0500270175449	1,495.55	1,885
Friends School Musaga	Equity Bank - Kakamega	0500278984862	9,116,053.00	500
Friends School Sirigoi	Equity Bank - Kakamega	0500278983276	1,772,296.00	2,000
Chekata Primary School	Equity Bank - Kakamega	0500278814890	3,229.15	949,760
Sikubale Primary School	Equity Bank - Kakamega	0500278814731	1,815.00	949,760
St. John's Budonga Secondary School	Equity Bank - Kakamega	0500270211662	63,118.38	2,499,839
St. Kizito Girls Secondary School Lusumu	Equity Bank - Kakamega	0500264093425	1,520.00	33,822
KMTC Navakholo	Equity Bank - Kakamega	0500278890964	3,504,938.10	19,624,084
Sisokhe Primary School	Equity Bank - Kakamega	0500279615804	760.00	0
Lutaso Primary School	Equity Bank - Kakamega	0500279808698	250,000.00	0
Nderema Primary School	Equity Bank - Kakamega	0500279805696	235,873.00	0
Kochwa Primary School	Equity Bank - Kakamega	0500279801080	1,449,880.00	0
Emasinga Primary School	Equity Bank - Kakamega	0500279466728	4,220.00	0
Shibembe Primary School	Equity Bank - Kakamega	0500278688143	14,170.00	0
Job's Primary School	Co-operative Bank - Kakamega	01139804049200	1,040.00	0
Bushili Primary School	Equity Bank - Kakamega	0500279694506	1,487,196.00	0
Simakina Primary School	Equity Bank - Kakamega	0500279678505	453,810.00	0
Emasinga Primary School	Equity Bank - Kakamega	0500279737496	1,424,880.00	0
Lukhuna Primary School	Equity Bank - Kakamega	0500279702894	665,020.00	0
St. Margaret Wading'o Primary School	Equity Bank - Kakamega	0500279703180	500,000.00	0
Lwakhuja Primary School	KCB - Kakamega	1233981099	1,497.50	0
Good Sheperd Primary School	Equity Bank - Kakamega	0500279752602	49,220.00	0
St. Paul's Emulakha Secondary School	KCB - Kakamega	1156882885	115,965.00	0
St. Paul's Emulakha Secondary School	Equity Bank - Kakamega	0500279674227	6,000,000.00	0
St. Teresa's Ebunamu Secondary School	Equity Bank - Kakamega	0500279332048	7,870,505.15	0
Ingotse Girls Secondary School	Co-operative Bank - Kakamega	01139632856101	1,976,644.00	0
Buhayi Muslim Secondary School	Equity Bank - Kakamega	0500279649791	6,000,000.00	0

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Buhayi Muslim Secondary School	Equity Bank – Kakamega	0500279649778	1,421,820.00	0
Weremba Muslim Secondary School	Equity Bank – Kakamega	0500278816554	41,660.00	0
Simuli Secondary School	Equity Bank – Kakamega	0500279718225	1,500,000.00	0
St. Aquinas Buchangu Secondary School	Equity Bank – Kakamega	0500279712929	2,099,940.00	0
Nambacha Secondary School	Equity Bank – Kakamega	0500279724810	202,820.00	0
Sidikho Secondary School	KCB – Kakamega	1272452298	36,395.00	0
Namundera Secondary School	Equity Bank – Kakamega	0500278988380	116,405.00	0
Nambacha Secondary School	Equity Bank – Kakamega	0500278459591	4,218,598.00	0
Buhayi Muslim Secondary School	Equity Bank – Kakamega	0500279649791	5,500,000.00	0
St. Pauls Lwakhupa Secondary School	Equity Bank – Kakamega	0500278985960	2,010,192.00	0
Navakholo DCC's Office	Equity Bank – Kakamega	0500278885041	750.00	0
TOTAL			63,123,632.73	24,756,106.90

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ANNEX 4: 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)
	Storey Twin Laboratory, Library and Computer Centre at Ingotse High School	It is true that Ingotse High School is an ongoing project, the project has delayed in its full implementation due to the limited funds allocated to the fund by the NGCDF Board compared to the constituents' needs. However, the project will be fully funded to its completion	Thomas Ontweka	Not Resolved	30 th Sept 2019
	Siyombe Primary School	The project was fully supervised by the relevant technical officers from the line department	Thomas Ontweka	Not Resolved	30 th Sept 2019
2018-2019-1-01-0203-09	1.0 Budgetary control and performance 1.1 Budget performance The National Government Constituencies Development Fund-Navakholo Constituency had approved budget of Kshs.173,075,273 for the financial	It is true the constituency received Kshs. 171,575,272 which was less than the budgeted amount by Kshs. 1,500,000. This amount was meant for sports activities and had not been approved by the NGCDF Board. It was resubmitted for approval on	Thomas Ontweka	Not Resolved	30 th Sept 2020

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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)
	<p>year 2018/2019. However, the constituency received only Kshs. 171,575,272 which was Less than the budgeted amount by Kshs. 1,500,001 representing 0.87% under -receipts.</p> <p>During the same period, the Fund recorded expenditure of Kshs. 159,255,042 leading to Under expenditure of Kshs. 13,820,231 or 7.99% of the approved budget</p>	<p>3rd December, 2018 (Annex 2).</p> <p>It is also true that Kshs. 13,820,231 was not spent by the end of the financial year due to delay in disbursement of funds from the NGCDF Board. The funds were received on 18th June, 2019 while the Authority to Incur Expenditure was received on 25th June, 2019 (Annex 3). However, the projects were funded and implemented in financial year 2019/2020 (Annex 4)</p>			
2018-2019-1-01-0203-09	<p>1.2 Project Management Committee (PMC) Accounts</p> <p>During the year under review, the management budgeted to spend Kshs 169,256,227 on 37 projects. Further the project implementation status report availed indicated that 23 projects costing Kshs. 57,700,000 were completed while 13 were on-going projects costing kshs. 42,821,520 and one</p>	<p>It is true some projects were delayed in implementation in the same period due to delay in disbursement of funds from NGCDF Board (Annex 3). However, the projects were implemented in the subsequent financial year 2019/2020 (Annex 4).</p>			

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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)
	project costing kshs. 1,000,000 was commissioned afresh. Delay in implementation or non-implementation of the budgeted projects implies that the residents of Navakholo Constituency were denied the benefits accruing from the completed projects and therefore the objective of improving service delivery and poverty reduction was not achieved.				

