



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS Laid

DATE: 23 FEB 2022

DAY: Wed

TABLED
BY:

The Majority Whip
Hon. E. Wangwe, MP.

REPORT

THE TITLE:

Benson Inzofu.

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
HAMISI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020

Revised Template 30th June 2020



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND - HAMISI 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)



HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 262
KAIMOSI

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

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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Core Values

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

(b) Key Management

The NGCDF Hamisi 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:

No	Designation	Name
1.	A.I.E holder	Mr. Silverius M. Wakoli
2.	Sub-County Accountant	Mrs. Roseline Awino Randa
3.	Chairman NGCDFC	Mr. Robert Serete
4.	Member NGCDFC	Ms. Mary M. Jemaiyo

(d) Fiduciary Oversight Arrangements

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

P.O. Box 262-50309,
Shamahoho ACC's Office Grounds,
Chavakali – Kapsabet Highway
Kaimosi, KENYA

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(f) NGCDF HAMISI Constituency Contacts

Telephone: (254) 0722959351
E-mail: cdhhamisi@ngcdf.go.ke
Website: www.ngcdfhamisi.go.ke

(g) NGCDF HAMISI Constituency Bankers

1. Kenya Commercial Bank
KCB Mbale Branch
Account No. 1102380598
P.O. Box 1123
Maragoli.

(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

Hamisi Constituency Geographic and Climatic Background

Hamisi is one of the five constituencies in Vihiga County. It borders Aldai constituency to the east, Ikolomani and Emgwen constituencies to the north, Vihiga and Sabatia constituencies to the west and Kisumu East constituency to the south. The constituency covers an area of 189.1 km².

The constituency has an equatorial climate with fairly distributed rainfall throughout the year. It has an average precipitation of 1900mm. Temperatures range between 14°C to 32°C with a mean of 23°C. The climate support a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

Hamisi Constituency Population Project and Density by Division

The population of the constituency was 159,241 by the 2019 housing and population census and is projected at 173,424 by 2022 and 179,406 by 2025.

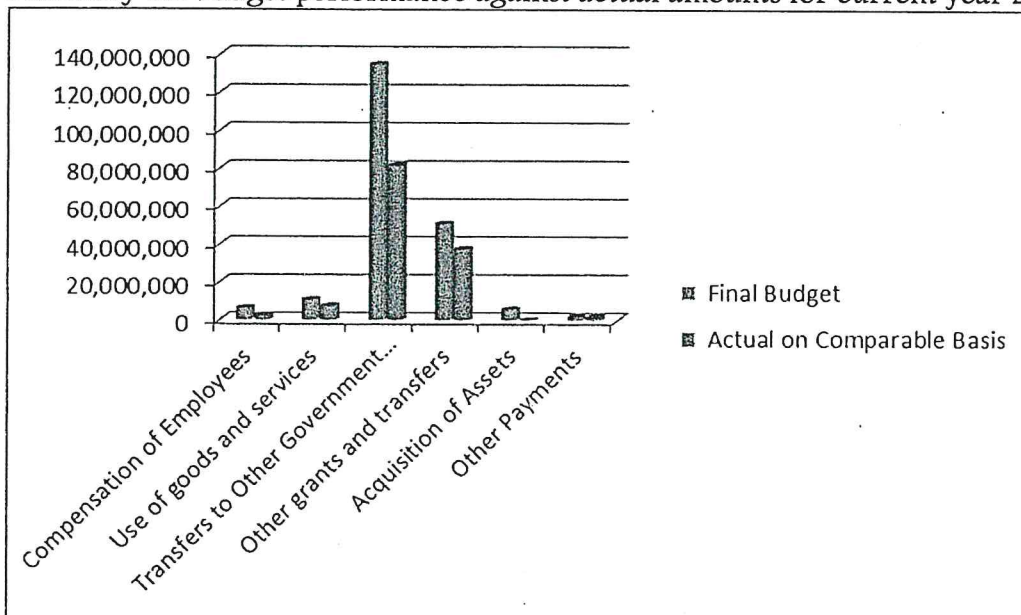
Administrative Units

CONSTITUENCY	DIVISION	NOs. LOCATION	NOs. SUB- LOCATION
HAMISI	Shamakhokho	2	5
	Shaviringa	2	6
	Tambua	2	9
	Jepkoyai	2	8

The constituency has seven electoral wards namely Banja, Shamakhokho, Muhudu, Shaviringa, Tambua, Jepkoyai and Gisambai. The Constituency had a budget of Kshs.137,367,724 during the financial year 2019-2020. The budget was distributed as per the illustrated pie chart below.

The NG-CDF Hamisi members were inducted on best practices on Monitoring and Evaluation, financial and project management.

Summary the budget performance against actual amounts for current year 2019-2020



Bar Chart 1: Summary of budget performance against the actual amount for the year 2019/2020

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Some of the key achievements for during the financial 2019/2020



Pic. 1: Muyere Secondary School newly constructed 6No. classrooms and an administration block fully funded by Hamisi NG-CDF

List the implementation challenges and recommended way forward.

- ❖ Shortage of technical officers from the public works to supervise the projects. The NGCDFC has employed a qualified clerk of works to help on the same.

Sign 

Mr. Robert Serete

CHAIRMAN NG CDF COMMITTEE

HAMISI CONSTITUENCY
DEVELOPMENT FUND
P.O. BOX 262
KAIMOSI

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI
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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED
OBJECTIVES**

Introduction

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

The key development objectives of NGCDF-Hamisi Constituency's 2018-2022 strategic plan are to:

- a) Improving access to quality education by rehabilitation/ renovation/ Construction of classrooms, sanitary facilities, laboratories, library and boarding facilities, computer labs/ classes in schools in the Constituency, provision of laboratory equipment and ICT facilities to schools, provision of bursary to needy and bright students at all levels of learning
- b) Harnessing youth and women talent and local culture by funding youth and women tournaments
- c) Improving access to safe drinking water by purchase of water pumps, tanks and pipes
- d) Catering for any unforeseen occurrences in the Constituency
- e) Enhancing security in the constituency by construction/ rehabilitation of chiefs offices, police stations and police housing among others
- f) Improving and tracking of implementation of NGCDF programmes
- g) Promoting health and clean environment by planting indigenous trees at the public places

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none">- number of usable physical infrastructure build in primary, secondary, and tertiary institutions- number of bursary beneficiaries at all levels	In FY 19/20 -we increased 48 number of classrooms, 2 laboratories - Bursary beneficiaries totalling to 4,890 at all levels benefitted

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Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office To have modern police stations and posts at the Constituency	Access to quality services Reduced crime rate	- number of usable physical infrastructure build at the locational levels - Number of crimes reported	Hamisi NGCDFC renovated Senende Chiefs office and Sub-county headquarters. - The NGCDFC constructed Serem Police Station to completion
Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of sanitary facilities constructed	During the financial year 2019-2020, Hamisi NGCDFC constructed 24 sanitary facilities - 1,050 ingenious trees planted
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	Hamisi NGCDF committee held one football tournament and one marathon run held during the month of December 2019 and January 2020.
Disaster Management	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Hamisi NGCDF committee allocated Kshs. 7 million under the emergency kitty to cater for the same. 2 schools renovated and 6 modern pit latrines constructed in primary schools

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI CONSTITUENCY

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

The Hamisi NG-CDF Committee endeavoured to work within the existing policy guidelines that help in focusing on the service delivery. Our vision is to be a constituency where communities are exploiting development opportunities and sharing prosperity. This is achieved through our resolve to develop and improve sustainable livelihoods of constituents in partnership with stakeholders. Achievement and sustenance of this mission and vision is guided by our core values of integrity, focus on result, participatory approach, respect and equity.

2. Environmental performance

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

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

3. Employee welfare

Hamisi NGCDF is an equal opportunity employee, we do not discriminate based on gender, tribe or colour.

i. Recruitment

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

ii. Employment categories

We engage our key staff on a two year renewable performance based contract. Support staff are engaged on a casual basis and on need basis. In compliance to the government policy on internship and attachment, we engaged 4 interns on a 3 months basis.

iii. Training and Development

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

iv. Staff Welfare

A welfare kitty exists where members of staff makes monthly contribution to it. The kitty acts as a buffer to support staff members in distress.

4. Market place practices-

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

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

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

5. Community Engagements-

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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.

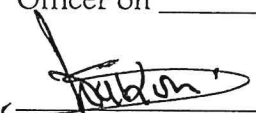
The Accounting Officer in charge of the NGCDF-HAMISI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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-Hamisi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-Hamisi Constituency further confirms the completeness of the accounting records maintained for the *Hamisi Constituency*, 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-Hamisi Constituency confirms that the Hamisi Constituency 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 NGCDF- Hamisi 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-Hamisi Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.


Fund Account Manager

Name: S. MURIEL WAKILI

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
P.O. Box 262 - 50309,
KARIAKSI

SUB-COUNTY ACCOUNTANT
HAMISI

Sub-County Accountant

Name: ROSELYNE A- RANDA

ICPAK Member Number: 114378

***NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI
CONSTITUENCY***

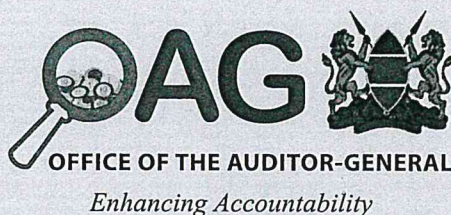
Reports and Financial Statements

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VI. REPORT OF THE INDEPENDENT AUDITORS ON THE *NGCDF- HAMISI CONSTITUENCY*

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 - HAMISI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Hamisi Constituency set out on pages 13 to 46, which comprise the statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 - Hamisi 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Unsupported - Prior Year Adjustments

As disclosed in Note 14 to the financial statements, the statements of assets and liabilities reflects a prior year adjustment of Kshs.871,500 relating to reversed stale bursary cheques. However, supporting documents for the prior year adjustment were not provided for audit verifications.

Consequently, the accuracy and propriety of prior year adjustments of Kshs.871,500 as at 30 June, 2020 could not be confirmed.

2.0 Unsupported PMC Bank Balances

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.5,986,327 out of which a balance of Kshs.5,218,769 was the PMC bank accounts

balances as detailed in Annex 5. However, the bank balances were not supported by bank certificates. .

Consequently, the accuracy and completeness of the PMC bank accounts balance of Kshs.5,218,769 as at 30 June, 2020 could not be confirmed.

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

1.0 Budget Control and Performance

The statement of appropriation - recurrent and development combined shows that the Fund's approved budget for the year 2019/2020 was Kshs.210,718,365 while the actual amount disbursed was Kshs.137,050,641 resulting to underfunding of Kshs.73,667,724 being 35% of the budgeted amount.

In addition, the budgeted expenditure was Kshs.210,718,365 while actual expenditure was Kshs.131,064,314 resulting in under-absorption of Kshs.79,654,051 by 38%.

The underfunding and under-expenditure affected the planned programs and activities and may have impacted negatively on service delivery to the residents of Hamisi constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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 believe that public resources not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Late Remittances of PAYE

During the year under review, it was observed that the Fund paid the Commissioner of Income Tax a total of Kshs.314,484 as a penalty of late remittances of Pay As You Earn tax. However, the amount had not been budgeted for while no explanation was provided for the delay in tax remittances thus occasioning the avoidable expenditure.

Consequently, the Management was in breach of the Law.

2.0 Unsatisfactory Implementation of Emergency Projects

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers of Kshs.38,247,193 which includes emergency projects of Kshs.9,024,993 out of which Kshs.1,200,000 was transferred to Jemulongoji Primary School for the renovation of classrooms. However, physical verification done on 11 March, 2021, revealed that the works were poorly done as the floor had cracked already and painting was not done on the rear side of the building. The project was not labelled and a certificate of inspection was not provided for audit verification.

Consequently, the propriety and value for money of Kshs.1,200,000 spent on the renovation of the school could not be confirmed.

3.0 Unsatisfactory Implementation of Secondary Schools Projects

As disclosed in Note 6 of the financial statements, the statement of receipts and payments reflects transfers to other government units of Kshs.81,000,000 which includes transfers to secondary schools of Kshs.22,100,000. However, physical verification of sampled projects in secondary schools revealed various anomalies as detailed below:

- i) Dr. Gimose Secondary School received Kshs.4,800,000 for ongoing construction of story building housing 8 No. classrooms and an administration section. However, payments of Kshs.4,800,000 was not supported with detailed certificates indicating quantified works done, inspection and acceptance reports and invoices from the contractor.
- ii) Muhudu Secondary School received Kshs.2,000,000 for ongoing completion of 2 No. classrooms including roofing, plastering, flooring and painting to completion. However, the school did not have a CDF account while the classrooms were not labeled. Payments made were not supported with detailed certificates indicating quantified works, inspection and acceptance reports and invoices from the contractor were not provided for audit review.

Consequently, the propriety and value for money on Kshs.6,800,000 incurred in the construction of the two secondary schools could not be confirmed.

4.0 Unsatisfactory Implementation of Primary Schools Projects

As disclosed in Note 6 to the financial statements, the statement of receipts and payments and Note 6 to the financial statements reflects transfers to other government units of Kshs.81,000,000 which includes transfers to primary schools of Kshs.57,900,000 out of which three primary schools received disbursement totaling Kshs.4,000,000 for various constructions.

Physical verifications of the projects in three primary schools revealed various anomalies as detailed below:

- i) Lurthar Primary School received Kshs.1,000,000 for the construction of one classroom by laying foundation, plastering, walling, roofing, wiring and fitting doors and windows, painting, fascia board and labelling. A physical verification conducted on 10 March, 2021, revealed that the project was not complete as plastering, floor works, doors, windows and window panes, walling, electrical works had not been done and the contractor was not on site.
- ii) Jebrongo Primary School received Kshs.1,500,000 for the construction of a one storey building at a contract sum of Kshs.14,000,000. However, the school had received a cumulative total of Kshs.7,500,000 since initiation of the project in the 2017/2018 financial year. A physical verification carried out on 10 March, 2021 revealed that the contractor was on site, but the contract agreement and inspection and acceptance certificates were not provided for audit verification.
- iii) Gemeni Primary School received Kshs.1,500,000 for construction one storey building where the budgeted amount for the project was Kshs.14,000,000. A physical verification carried out on 11 March, 2021, revealed that the project was incomplete.

Consequently, the propriety and value for money on Kshs.4,000,000 incurred in the construction of the three primary schools.

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 SYSTEMS AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The Audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance was maintained 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 projects ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 February, 2022

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	119,540,876	65,379,310
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		119,540,876	65,379,310
PAYMENTS			
Compensation of employees	4	2,482,267	2,889,656
Use of goods and services	5	7,713,060	7,508,592
Transfers to Other Government Units	6	81,000,000	36,900,000
Other grants and transfers	7	38,247,193	28,806,797
Acquisition of Assets	8	-	-
Other Payments	9	1,621,794	-
TOTAL PAYMENTS		131,064,314	76,105,045
SURPLUS/DEFICIT		(11,523,439)	(10,725,735)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Hamisi Constituency financial statements were approved on _____ 2020 and signed by:



Fund Account Manager

Name: LILIBERY WAIGARA

FUND ACCOUNT MANAGER
NGCDF HAMISI CONSTITUENCY
P.O. BOX 282-55306
KALINGO

SUB-COUNTY ACCOUNTANT
HAMISI

National Sub-County Accountant

Name: ROSELYNE A. RANDA

ICPAK Member Number: 14378

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI 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)	10A	5,986,327	16,638,266
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		5,986,327	16,638,266
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		5,986,327	16,638,266
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
NET FINANCIAL ASSETS		5,986,327	16,638,266
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	16,638,266	27,364,000
Surplus/Deficit for the year		(11,523,439)	(10,725,735)
Prior year adjustments	14	871,500	-
NET FINANCIAL POSITION		5,986,327	16,638,266
		-	

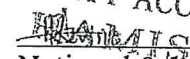
Note: The adjustment of Kshs. 871,500 was resulted by the reversal of stale bursary cheques at the end of the financial year 2019/2020

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Hamisi Constituency financial statements were approved on

2020 and signed by:


Fund Account Manager
Name: SPURUS 24/6/21

SUB-COUNTY ACCOUNTANT


National Sub-County Accountant
Name: ROSELYNE A. RANDA
ICPAK Member Number: 14378

THE ACCOUNTANT
NGCDF HAMISI CONSTITUENCY
P.O. BOX 292-5788
KARIAKSI

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) HAMISI CONSTITUENCY

Reports and Financial Statements

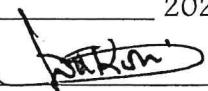
For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	119,540,876	65,379,310
Other Receipts	3	-	-
		119,540,876	65,379,310
Payments for operating expenses			
Compensation of Employees	4	2,482,267	2,889,656
Use of goods and services	5	7,713,060	7,508,592
Transfers to Other Government Units	6	81,000,000	36,900,000
Other grants and transfers	7	38,247,193	28,806,797
Other Payments	9	1,621,794	-
		131,064,314	76,105,045
Adjusted for:			
Decrease/ (Increase) in Accounts receivable	15	-	-
Increase/ (Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	871,500	-
Net Adjustments		871,500	-
Net cash flow from operating activities		(10,651,939)	(10,725,735)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,651,939)	(10,725,735)
Cash and cash equivalent at BEGINNING of the year	13	16,638,266	27,364,000
Cash and cash equivalent at END of the year		5,986,327	16,638,266

The prior year adjustments of Kshs.871,500 was resulted from bursary stale cheques reversal during the end of the financial year.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Hamisi Constituency financial statements were approved on _____ 2020 and signed by:


Fund Account Manager

Name: *SILVERLUS WAIKILI*

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
P.O. Box 252 - 50309,
KAIMOSI

SUB - COUNTY ACCOUNTANT


National Sub-County Accountant

Name: *ROSELYNE A. RANDA*
ICPAK Member Number: *114378*

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	73,350,641	210,718,365	137,050,641	73,667,724	65%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	#DIV/0!
TOTAL RECEIPTS	137,367,724	73,350,641	210,718,365	137,050,641	73,667,724	65%
PAYMENTS						
Compensation of Employees	3,747,583	1,098,422	4,846,005	2,482,267	2,363,738	51%
Use of goods and services	8,615,512	4,009,932	12,625,444	7,713,060	4,912,384	61%
Transfers to Other Government Units	90,400,000	41,731,034	132,131,034	81,500,000	50,631,034	62%
Other grants and transfers	33,804,629	17,220,202	51,024,831	37,747,193	13,277,638	74%
Acquisition of Assets	800,000	5,000,000	5,800,000	-	5,800,000	0%
Other Payments	-	4,291,051	4,291,051	1,621,794	2,669,257	38%
TOTAL	137,367,724	73,350,641	210,718,365	131,064,314	79,654,051	62%

- a) The adjustments (Column b) of Kshs. 73,350,641 is the total amount owed at the Constituency as at 30th June 2018 of Kshs. 55,840,875.52 plus opening cash book as at 1st July 2019 plus the reversed bursary cheques of Kshs. 871,500 as at 30th June 2020
- b) The underutilization was as a result of delay in disbursement of funds as at 30th June 2020 while the overutilization was as a result of late disbursement of funds from the financial year 2018-2019 which was utilized in the financial year 2019-2020

The NGCDF-Hamisi Constituency financial statements were approved on _____ 2020 and signed by:


Fund Account Manager
Name: WAKIL
Sub-County Accountant
Name: ROSELINE A. RANDA
ICPAK Member Number: 115272


NGCDF HAMISI CONSTITUENCY
FUND ACCOUNT MANAGER
P.O. Box 262-50303
KAIMOSI

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis	Budget utilization difference
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,747,583	1,098,422	4,846,005	2,482,267	2,363,738
1.2 Committee allowances	1,068,000	1,488,000	2,556,000	2,423,800	132,200
1.3 Use of goods and services	3,426,480	19,248	3,445,728	1,972,260	1,473,468
2.0 Monitoring and evaluation					
2.1 Capacity building	1,521,032	856,330	2,377,362	-	2,377,362
2.2 Committee allowances	1,000,000	714,077	1,714,077	1,317,000	397,077
2.3 Use of goods and services	1,600,000	932,277	2,532,277	2,000,000	532,277
3.0 Transfers to Other Government Units					
3.1 Primary Schools					
Banja Muslim Primary School	400,000	-	400,000	400,000	-
Boyani Primary School	800,000	500,000	1,300,000	500,000	800,000
Bulukhombe Primary School	500,000	300,000	800,000	800,000	-
Bumira Primary School	-	200,000	200,000	200,000	-
Bumuyange Primary School	500,000	-	500,000	500,000	-
Butiti Primary School	300,000	500,000	800,000	800,000	-
Chepsaga Primary School	400,000	800,000	1,200,000	800,000	400,000

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

Cheptembu Primary School	500,000	200,000	700,000	700,000	-
Erusui Girls Primary School	850,000	400,000	1,250,000	850,000	400,000
Friends Primary School Givogi	1,000,000	1,000,000	2,000,000	2,000,000	-
Friends Primary School Kaimosi	300,000	-	300,000	-	300,000
Friends Special Primary Givavei	300,000	500,000	800,000	800,000	-
Gamalenga Primary School	800,000	-	800,000	-	800,000
Gambaragai Primary School	350,000	1,300,000	1,650,000	950,000	700,000
Gidagadi Primary School	2,000,000	-	2,000,000	1,000,000	1,000,000
Gidimo Primary School	1,200,000	600,000	1,800,000	600,000	1,200,000
Gimarakwa Primary School	300,000	500,000	800,000	500,000	300,000
Gimarian Primary School	600,000	-	600,000	600,000	-
Gimengwa Primary School	1,600,000	-	1,600,000	1,000,000	600,000
Gimomoi Primary School	700,000	-	700,000	-	700,000
Gisambai Primary School	-	200,000	200,000	-	200,000
Givogi Primary School	1,000,000	-	1,000,000	-	1,000,000
Givole Primary School	700,000	-	700,000	-	700,000
Givudemesi Primary School	200,000	700,000	900,000	200,000	700,000
Hamisi Primary School	200,000	500,000	700,000	700,000	-
Ikonza ADC Primary School	500,000	-	500,000	-	500,000
Itiengere Primary School	200,000	-	200,000	-	200,000
Itovo Primary School	2,000,000	-	2,000,000	2,000,000	-

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

Ivola Primary School	800,000	-	800,000	800,000	-
Ivumbu Primary School	600,000	600,000	1,200,000	1,200,000	-
Jelabuk Primary School	800,000	-	800,000	800,000	-
Jeptorol Primary School	850,000	-	850,000	600,000	250,000
Jidereri Primary School	300,000	300,000	600,000	600,000	-
Jimarani Primary School	1,000,000	-	1,000,000	600,000	400,000
Jinjini Primary School	1,000,000	1,500,000	2,500,000	2,000,000	500,000
Kamuluguywa Primary School	200,000	-	200,000	-	200,000
Kapchembung Primary School	800,000	600,000	1,400,000	1,100,000	300,000
Kapchorwa Primary School	1,900,000	1,600,000	3,500,000	1,850,000.00	1,650,000
Kapsegeli Primary School	1,000,000	200,000	1,200,000	1,000,000	200,000
Kapsogoro Primary School	1,000,000	-	1,000,000	500,000	500,000
Kapsoi Primary School	800,000	-	800,000	-	800,000
Kapsofik Primary School	1,700,000	-	1,700,000	1,000,000	700,000
Kaptik Primary School	-	500,000	500,000	-	500,000
Kaptis Primary School	1,000,000	400,000	1,400,000	400,000	1,000,000
Kinu Primary School	400,000	400,000	800,000	800,000	-
Kisasi Primary School	450,000	400,000	850,000	850,000	-
Kitagwa Primary School	800,000	-	800,000	800,000	-
Kitambazi Primary School	200,000	700,000	900,000	200,000	700,000
Logere Primary School	800,000	-	800,000	1,500,000.00	-700,000
Luther Primary School	1,000,000	600,000	1,600,000	1,000,000	600,000
Madeya Primary School	800,000	-	800,000	800,000	-

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

Makuchi Primary School	1,000,000	200,000	1,200,000	1,200,000	-
Malinda Primary School	300,000	-	300,000	300,000	-
Mudindi Primary School	2,000,000	2,000,000	4,000,000	4,000,000	-
Mungavo Primary School	300,000	500,000	800,000	800,000	-
Munzatsi Primary School	500,000	-	500,000	-	500,000
Musawa Primary School	300,000	500,000	800,000	500,000	300,000
Museywa Primary School	1,200,000	500,000	1,700,000	500,000	1,200,000
Musiri Primary School	800,000	500,000	1,300,000	500,000	800,000
Mutave Primary School	1,500,000	1,500,000	3,000,000	1,500,000	1,500,000
Mutiva Primary School	600,000	400,000	1,000,000	1,000,000	-
Mwanzo ADC Primary School	2,000,000	2,500,000	4,500,000	2,500,000	2,000,000
Mwembe Primary School	1,500,000	-	1,500,000	1,500,000	-
Nyang'ori Primary School	800,000	500,000	1,300,000	1,300,000	-
Saosi Primary School	1,400,000	-	1,400,000	1,400,000	-
Saride Primary School	400,000	-	400,000	400,000	-
Shaviringa Primary School	-	300,000	300,000	300,000	-
Shikomoli Primary School	500,000	-	500,000	500,000	-
Shivembe Primary School	-	600,000	600,000	600,000	-
Siekuti Primary School	500,000	-	500,000	-	500,000
Simbi Primary School	500,000	500,000	1,000,000	500,000	500,000
Tigoi Primary School	800,000	500,000	1,300,000	1,300,000	-
Jebrongo Primary School	4,000,000	1,500,000	5,500,000	1,500,000	4,000,000

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

Egemeni Primary School		4,000,000	1,500,000	5,500,000	1,500,000	4,000,000
3.2 Secondary schools						
Muhaya Secondary School		3,000,000	-	3,000,000	-	3,000,000
Bumira Secondary School		-	500,000	500,000	500,000	-
Bumuyange Secondary School		1,100,000	-	1,100,000	-	1,100,000
Chebunaywa Secondary School		700,000	-	700,000	-	700,000
Chepsaga Secondary School		700,000	500,000	1,200,000	1,200,000	-
Dr. Gimose Secondary School Jeviriri		4,000,000	3,000,000	7,000,000	4,800,000	2,200,000
Dr. Maurice Dangana Secondary School		4,000,000	-	4,000,000	-	4,000,000
Gamoi Secondary School		1,000,000	-	1,000,000	1,000,000	-
George Khaniri Sec. School Jepakoyai		700,000	-	700,000	700,000	-
Gidagadi Secondary School		1,000,000	-	1,000,000	-	1,000,000
Gimarian Secondary School		600,000	1,000,000	1,600,000	1,000,000	600,000
Gimengwa Secondary School		1,000,000	-	1,000,000	-	1,000,000
Kapsofik Secondary School		2,000,000	-	2,000,000	-	2,000,000
Kaptik Secondary School		1,500,000	-	1,500,000	600,000	900,000
Kinu Secondary School		2,000,000	1,000,000	3,000,000	3,000,000	-
Kitagwa Secondary School		1,600,000	-	1,600,000	1,600,000	-
Malinda Secondary School		-	1,000,000	1,000,000	1,000,000	-
Muhudu Secondary School		800,000	1,500,000	2,300,000	2,000,000	300,000

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

Munzatsi Secondary School	1,000,000	-	1,000,000	1,000,000	-
Musiri Secondary School	700,000	200,000	900,000	700,000	200,000
Muyere Secondary School	1,000,000	-	1,000,000	1,000,000	-
Simbi Secondary School	-	500,000	500,000	500,000	-
St. Johns Cheptech Sec. School	700,000	1,500,000	2,200,000	1,500,000	700,000
3.3 Tertiary institutions					
Kaimosi TTC	-	1,031,034	1,031,034	1,000,000	31,034
4.0 Other Grants and Transfers					
4.1 Emergency	7,198,241	2,088,412	9,286,653	9,024,993	261,660
4.2 Security projects					
Deputy County Commissioner – Hamisi	500,000	-	500,000	500,000	-
Gambogi Police Station	1,500,000	1,500,000	3,000,000	-	3,000,000
Muhudu Chiefs Office	600,000	-	600,000	-	600,000
Shaviringa ACC's office	400,000	-	400,000	-	400,000
Tambua DOs Office	-	2,000,000	2,000,000	-	2,000,000
Kaptis AP Line	-	400,000	400,000	-	400,000
Senende Chiefs Office	-	500,000	500,000	500,000	-
Serem Police Station	-	1,500,000	1,500,000	1,500,000	-
Jepes AP Line	-	1,000,000	1,000,000	-	1,000,000

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

4.3 Bursary and Social Security									
Primary Schools	-	-	-	-	-	-	-	-	-
Secondary Schools	10,000,000	7,992,000	17,992,000	17,992,000	17,759,500	-	-	-	-
Tertiary Institutions	7,000,000	18,100	7,018,100	7,018,100	4,798,000	-	-	-	232,500
Universities	-	-	-	-	-	-	-	-	2,220,100
Special Schools	1,480,000	67,000	1,547,000	1,547,000	1,417,000	-	-	-	-
Social Security	720,000	-	720,000	720,000	-	-	-	-	130,000
4.4 Sports	-	-	-	-	-	-	-	-	720,000
Sports	2,706,388	126,892	2,833,280	2,833,280	2,747,700	-	-	-	85,580
4.5 Environment	-	-	-	-	-	-	-	-	-
Givole Secondary School	600,000	-	600,000	600,000	-	-	-	-	600,000
Jinini Primary School	100,000	-	100,000	100,000	-	-	-	-	100,000
Kimarani Primary School	600,000	-	600,000	600,000	-	-	-	-	600,000
Planting of Ingenious trees	-	27,798	27,798	27,798	-	-	-	-	27,798
5.0 Acquisition of assets	-	-	-	-	-	-	-	-	-
Motor Vehicles	-	5,000,000	5,000,000	5,000,000	-	-	-	-	5,000,000
Construction/ renovation of CDF office	800,000	-	800,000	800,000	-	-	-	-	800,000
Purchase of furniture and equipment	-	-	-	-	-	-	-	-	-
Purchase of computers	-	-	-	-	-	-	-	-	-
Purchase of land	-	-	-	-	-	-	-	-	-
6.0 Others	-	-	-	-	-	-	-	-	-
Strategic Plan	-	1,621,794	1,621,794	1,621,794	1,621,794	-	-	-	-
Innovation Hub	-	1,169,257	1,169,257	1,169,257	-	-	-	-	1,169,257
Electricity - Karandini Area	400,000	-	400,000	400,000	-	-	-	-	400,000
Malombe -Isidioli Road	-	1,500,000	1,500,000	1,500,000	-	-	-	-	1,500,000
	137,367,724	73,350,641	210,718,365	210,718,365	131,064,314	-	-	-	79,654,050

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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-Hamisi Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 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.

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 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.

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
NGCDF Board	Kshs	Kshs
AIE NO. B047171	46,540,876	
AIE NO. B047419	4,000,000	
AIE NO. B047777	16,000,000	
AIE NO. B047830	7,000,000	
AIE NO. B049269	15,000,000	
AIE NO. B104291	15,000,000	
AIE NO. B096560	11,000,000	
AIE NO. B096778	5,000,000	
AIE NO. B005030		11,379,310
AIE NO. B030242		10,000,000
AIE NO. B030398		13,000,000
AIE NO. B006339		7,000,000
AIE NO. B042997		24,000,000
TOTAL	119,540,876	65,379,310

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	2,274,907	1,866,841
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	207,360	196,752
Gratuity-contractual employees	-	826,063
TOTAL	2,482,267	2,889,656

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	654,000
Hospitality supplies and services	-	-
Other committee expenses	1,317,000	2,067,923
Committee allowance	2,423,800	2,837,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	3,972,260	471,675
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
TOTAL	7,713,060	6,030,598

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools (see attached list)	57,900,000	14,400,000
Transfers to Secondary Schools (see attached list)	22,100,000	22,500,000
Transfers to Tertiary Institutions (see attached list)	1,000,000	-
Transfers to health institutions (see attached list)	-	-
TOTAL	81,000,000	36,900,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,759,500	7,908,000
Bursary – tertiary institutions (see attached list)	4,798,000	5,631,900
Bursary – special schools (see attached list)	1,417,000	133,000
Security projects (see attached list)	2,500,000	1,600,000
Sports projects (see attached list)	2,747,700	2,438,897
Environment projects (see attached list)	-	200,000
Emergency projects (see attached list)	9,024,993	10,895,000
TOTAL	38,247,193	28,806,797

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	1,621,794	1,477,994
	1,621,794	1,477,994

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
<i>Kenya Commercial Bank, Mbale Branch . Hamisi NG-CDF</i>	<i>A/C no.1102380598</i>	5,986,327	16,638,266
10B: CASH IN HAND)			
		2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

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NOTES TO THE FINANCIAL STATEMENTS

11: OUTSTANDING IMPRESTS

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

Total

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Total	-	-

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13. BALANCES BROUGHT FORWARD

Description	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	16,638,266	27,364,000
Cash in hand	-	-
Imprest	-	-
TOTAL	16,638,266	27,364,000

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY2019 - 2020 per Financial statements	Adjustments	Adjusted balance b/f 2018 - 2019
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (Reversed stale bursary cheques)	-	871,500	871,500
TOTAL		871,500	871,500

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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NOTES TO THE FINANCIAL STATEMENTS

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,363,738	1,098,422
Use of goods and services	4,912,384	4,009,932
Amounts due to other Government entities (see attached list)	51,131,034	41,731,034
Amounts due to other grants and other transfers (see attached list)	12,377,638	17,220,202
Acquisition of assets	5,800,000	5,000,000
Others	3,069,257	4,291,051
	79,654,051	73,350,641

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	3,963,191	90,019
	<u>3,963,191</u>	<u>90,019</u>

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
Senior Management		a	b	c	d=a-c	
1.						
Sub-Total						
Middle-Management						
1. SAMSON M. OKUMU		37,010	02.08.2018	-	275,354	
2. WAILHAIGHT IDAH		25,000	02.09.2018	-	178,250	
3. MAULYNE M. ELEGWA		20,000	02.08.2018	-	148,800	
4. BRUCE LUMUMBA		15,000	02.08.2018	-	41,850	
5. DAVID MAYAVI		15,000	02.08.2018	-	111,600	
6. JULIUS KIPSAINA		15,000	02.08.2018	-	111,600	
7. FESTO MASINZA		15,000	02.08.2018	-	111,600	
8. WYCLIFFE S. MUYA		15,000	02.08.2018	-	111,600	
9. AGITSA M. KADUKA		15,000	02.08.2018	-	111,600	
10. WILKISTER L. AZANGU		15,000	02.08.2019	-	65,100	
Sub-Total		187,010			1,267,354	
Unionisable Employees						
2.						
3.						
4.						
Sub-Total						
Others (specify)						
5.						
Sub-Total						
Grand Total						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – HAMISI CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		2,363,738	1,098,422	
Use of goods & services		4,912,384	4,009,932	
Amounts due to other Government entities				
Primary Schools		33,400,000	30,000,000	
Secondary schools		17,700,000	10,700,000	
Tertiary institutions		31,034	1,031,034	
Sub-Total		51,131,034	41,731,034	
Amounts due to other grants and other transfers				
Emergency		261,660	2,088,412	
Security projects		7,400,000	6,900,000	
Bursary and Social Security		3,302,600	8,077,100	
Sports		85,580	126,892	
Environment		1,327,798	27,798	
Sub-Total		12,377,638	17,220,202	
Acquisition of assets				
Motor Vehicles		5,000,000	5,000,000	
Construction/ renovation of CDF office		800,000	-	
Sub-Total		5,800,000	5,000,000	
Others: Payments				
Strategic Plan		-	1,621,794	
Innovation Hub		1,169,257	1,169,257	
Electricity - Karandini Area		400,000	-	
Malombe - Isidioli Road		1,500,000	1,500,000	
Sub-Total		3,069,257	4,291,051	
Grand Total		79,654,051	73,350,641	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/2019
Land	-	-	-	-
Buildings and structures	3,500,000	-	-	3,500,000
Transport equipment	319,770	-	-	319,770
Office equipment, furniture and fittings	99,300	-	-	99,300
ICT Equipment, Software and Other ICT Assets	588,000	-	-	588,000
Other Machinery and Equipment	31,150	-	-	31,150
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	4,538,220	-	-	4,538,220

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/2020	Bank Balance 2018/2019
Bahati Primary School	KCB	1206718412	779	-
Banja Muslim Primary School	KCB	1126380296	7,225	2,870
Bishop Chabuga ADC Primary School	KCB	1206556234	756	-
Boyani ADC Primary School	KCB	1102269158	8,736	-
Bulukhombe Primary School	KCB	1265986797	8,790	-
Bumira Primary School	KCB	1266390693	1,000	-
Bumira Secondary School	KCB	1139175238	869	15,229
Bumuyange Primary School	KCB	1101627867	3,871	10,945
Butiti Primary School	KCB	1265832129	1,290	-
Chepsaga Primary School	KCB	1111134030	379	-
Cheptembu Primary School	KCB	1171212607	5,102	2,600
Cheptulu Police Post	KCB	1273551877	395	-
Deputy County Commissioner Project	KCB	1208679031	11,564	9,730
Dr. Gimose Sec. School Jeviriri	KCB	1166786706	624,417	-
Erusui Gilrs Primary School	KCB	1272260879	37,800	-
Friends Givavei Special School	KCB	1266279563	1,395	-
Friends Primary School Givogi	KCB	1235866351	10,330	-
Friends School Munzatsi	KCB	1179265604	1,127	-
Gambaragai Primary School	KCB	1266250360	940	-
Gamoi Secondary School	KCB	1147423229	1,000,488	-
Gemeni Primary School	KCB	1210821133	1,660	-
George Khaniri Sec. Jepkoyai	KCB	1274572053	698,790	-
Gidagadi Primary School	KCB	1272997456	375	-
Gidimo Primary School	KCB	1126220779	3,039	-
Gimarakwa Primary School	KCB	1238624855	6,324	-
Gimarian Primary School	KCB	1270072013	455	-
Gimarian Secondary School	KCB	1266268804	1,600	-
Gimengwa Primary School	KCB	1271216612	1,075	-
Gimengwa Secondary School	KCB	1101794909	1,203	-
Givole Primary School	KCB	1112506136	3,426	-
Givole Secondary School	KCB	1218529180	1,145	-
Givudemasi Primary School	KCB	1154264310	795	-
Hamisi Primary School	KCB	1172671117	897	874

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Ikonza Primary School	KCB	1101357642	604	
Itovo Primary School	KCB	1116181452	373,542	
Ivola Primary School	KCB	1101799617	88,582	
Ivumbu Primary School	KCB	1101818379	2,520	
Jamulongoji Primary School	KCB	1101842903	1,269	
Jeblebuk Primary School	KCB	1109395337	771	
Jebrongo Primary School	KCB	1102263486	7,623	74,561
Jeptorol Primary School	KCB	1112203516	1,269	
Jidereri Primary School	KCB	1169487629	440	
Jimarani Primary School	KCB	1101840811	139,402	
Jinjini Primary School	KCB	1260971821	1,060	
Kabinjari Primary School	KCB	1271844508	2,880	
Kaimosi Demo Primary School	KCB	1173505288	2,560	
Kapchemgung Primary School	KCB	1172733805	324.00	
Kapchorwa Primary School	KCB	1197908056	252,635	
Kapsegeli Primary School	KCB	1258772175	49	20,278
Kapsogoro Primary School	KCB	1125634243	275	
Kapsotik Primary School	KCB	1271636468	484,395	
Kaptik Secondary School	KCB	1102281689	110,236	
Kaptis Primary School	KCB	1101357642	516	
Kinu Primary School	KCB	1149111763	1,380	
Kinu Secondary School	KCB	1255619007	1,878	
Kisasi Primary School	KCB	1263351972	4,754	
Kitagwa Primary School	KCB	1101845732	1,189	
Kitagwa Secondary School	KCB	1261843843	35,418	
Kitambazi Primary School	KCB	1102346667	1,656	249
Logere Primary School	COOP	01141698120600	715	
Luther Primary School	KCB	1258638916	243	6,289
Madeya Primary School	KCB	1101803088	893	6,401
Makuchi Primary School	KCB	1258104008	1,380	
Malinda Primary School	KCB	1109449992	100,389	
Malinda Secondary School	KCB	1266286187	7,269	
Mudindi Primary School	KCB	1149740515	5,378	
Muhudu Secondary School	KCB	1160971195	964.00	
Mungavo Primary School	KCB	1101574054	2,632	
Musawa Primary School	KCB	1131204678	1,564	
Museywa Primary School	KCB	1102283290	922	
Musiri Primary School	KCB	1236826809	3,835	1,835

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Musiri Secondary School	KCB	1260446069	8,790	-
Mutave Primary School	KCB	1115533126	1,561.00	-
Mutiva Primary School	KCB	1236647793	30,844	-
Muyere Secondary School	KCB	1162318430	1,210	1,210
Mwanzo ADC Primary School	KCB	1238554563	1,210	-
Mwembe Primary School	KCB	1101633174	1,185	-
Nyangori Primary School	KCB	1152617761	582	-
Saosi Primary School	KCB	1112975497	439	-
Saride Primary School	KCB	1112766030	994	-
Senende Chiefs Office	KCB	1117245527	1500	-
Serem Police Station	KCB	1150755873	1,217	-
Shaviringa Primary School	KCB	1239493398	1,183	5,680
Shikomoli Primary School	KCB	1114711098	364,858	-
Shivembe Primary School	KCB	1102376019	1,644	-
Simbi Primary School	KCB	1125925299	1,110	6,628
Simbi Secondary School	KCB	1110450052	329	17,895
St. Pauls Erusui Girls High School	KCB	1122467451	-	260,305
St. Johns Cheptech Secondary School	KCB	1266415181	3,464	90,019
St. Stephen Chepsaga Sec. School	KCB	1274700108	698,975	-
Tigoi Primary School	KCB	1110216533	7,225.00	-
Total			5,218,769	639,823

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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)
KSM/ HAMSI NGCDF/ 2017-2018(12)	Statement of Appropriation Included in summary statement of appropriation under the adjustment column is Kshs. 11,713,241 not supported by any documentary evidence. That is both the expenditure and receipts components totalling Kshs. 11,713,241. Consequently, the accuracy and validity of the statement of appropriation could not be confirmed	Included in summary statement of appropriation under the adjustment column is Kshs. 11,713,241 was additional funding in the financial year 2017-2018 of Kshs. 11,379,910.34 and cashbook balance carried forward from the financial year 2016-2017 of Kshs. 33,931.10.	NGCDFC	Resolved	
KSM/ HAMSI NGCDF/ 2017-2018(12)	Failure to Provide Project returns Included in the transfers to other government entities balance of Kshs. 37,519,950 is transfers to secondary schools of Kshs. 23,100,000 which inturn includes a disbursement of Kshs. 5,000,000 to two	During the audit, the project files for the affected institutions had been taken for audit by the Ministry of Education. Attached find files for the same	NGCDFC	Resolved	

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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)
	secondary schools (Kamuluguywa Kshs. 400,000 and Muyere Kshs. 4,600,000. However, no project return files for the above disbursements were made available for audit examination as per the requirement of the Act				

