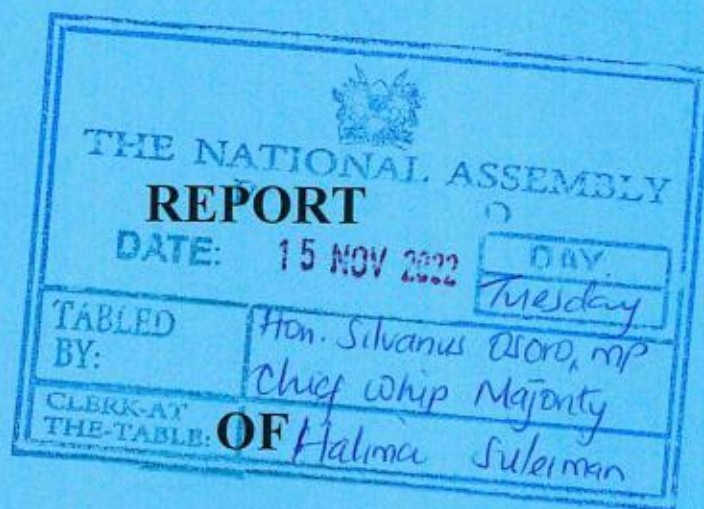


REPUBLIC OF KENYA



Enhancing Accountability



THE AUDITOR-GENERAL

ON

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

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

OFFICE OF THE AUDITOR-GENERAL
NORTH RIFT REGIONAL OFFICE

23 JUN 2022

RECEIVED

P.O. Box 2774-30100, ELDORET

Revised Template 30th June 2020

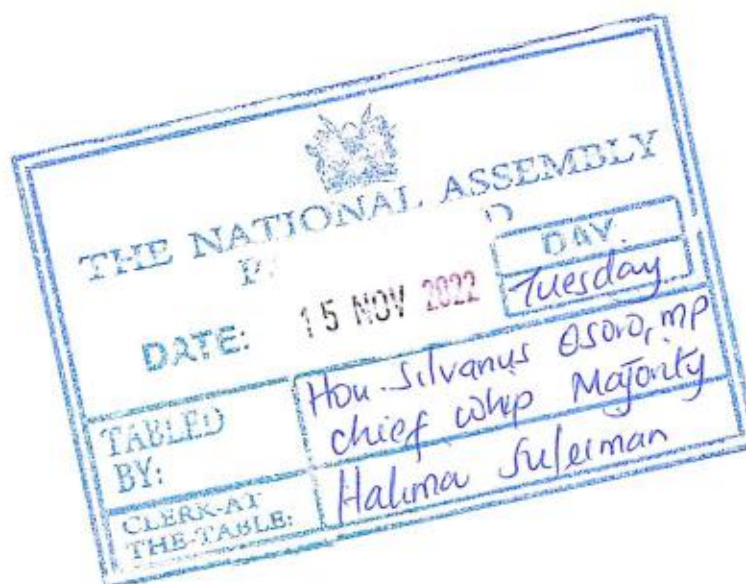


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -CHESUMEI CONSTITUENCY

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 CHESUMEI 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	Harun Chebii
2.	Sub-County Accountant	Naomi Singa
3.	Chairman NGCDFC	Michael Munai
4.	Member NGCDFC	Dinah Maru

(d) Fiduciary Oversight Arrangements

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

P.O. Box 40-30300,
NG-CDFC Building-Chemundu,
Chepterit- Baraton Road
Kapsabet, KENYA

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(f) NGCDF CHESUMEI Constituency Contacts

Telephone: (254) 0721524086, 0721317465
E-mail: chesumeicdf@ngcdf.go.ke / hchebii@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF CHESUMEI Constituency Bankers

Constituency CDF main banker:
Equity Bank, Kapsabet Branch
A/C No. 0490261189435
P.O Box 272-30300
Kapsabet, Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

During the year under review, the Constituency was able to absorb funds up to **63%** of the total budget. This was mainly due to late receiving of funds from the Board.

Achievements and Major Undertakings

During the year, the Committee disbursed a total of Kshs 19.2 M as bursary to needy students in secondary and tertiary institutions and this benefitted over 2000 students in various institutions. Major physical facilities funded are educational infrastructure such as classrooms, administration blocks, laboratories, dormitories and toilets. The committee is also funding the construction of Chiefs' offices as a way of enhancing security of our people. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families.



FIG 1.1 : Kaptel Chiefs office Funded to completion by Chesumei NG-CDF (Completed in FY 2019/2020). This will contribute to improved security in the area.

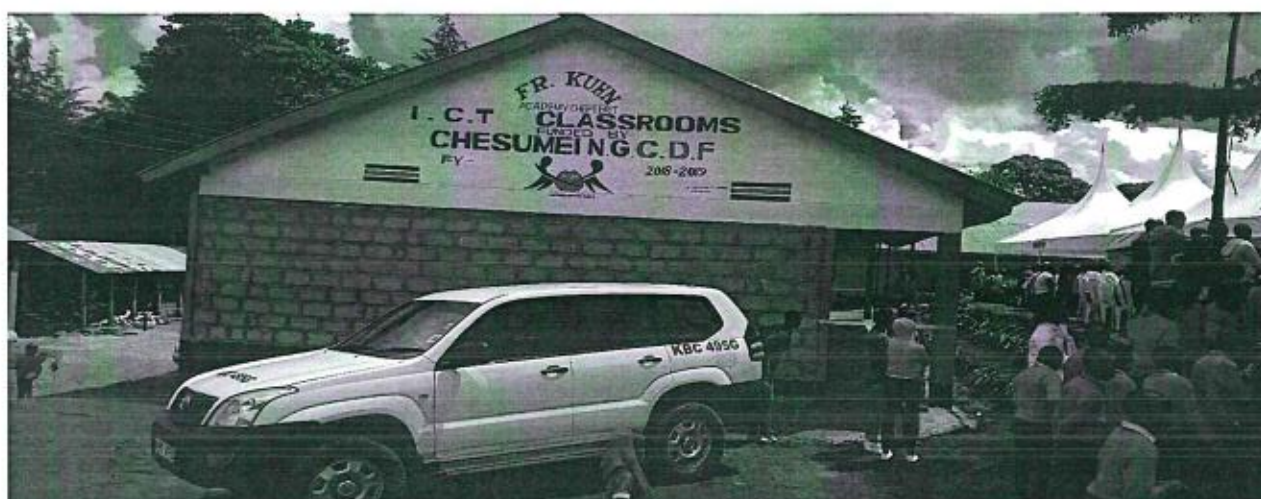


FIG 1.2 Fr. Kuhn Academy-Chepterit : Construction to completion of 2 ICT classrooms (FY 2018/19) to improve learning environment

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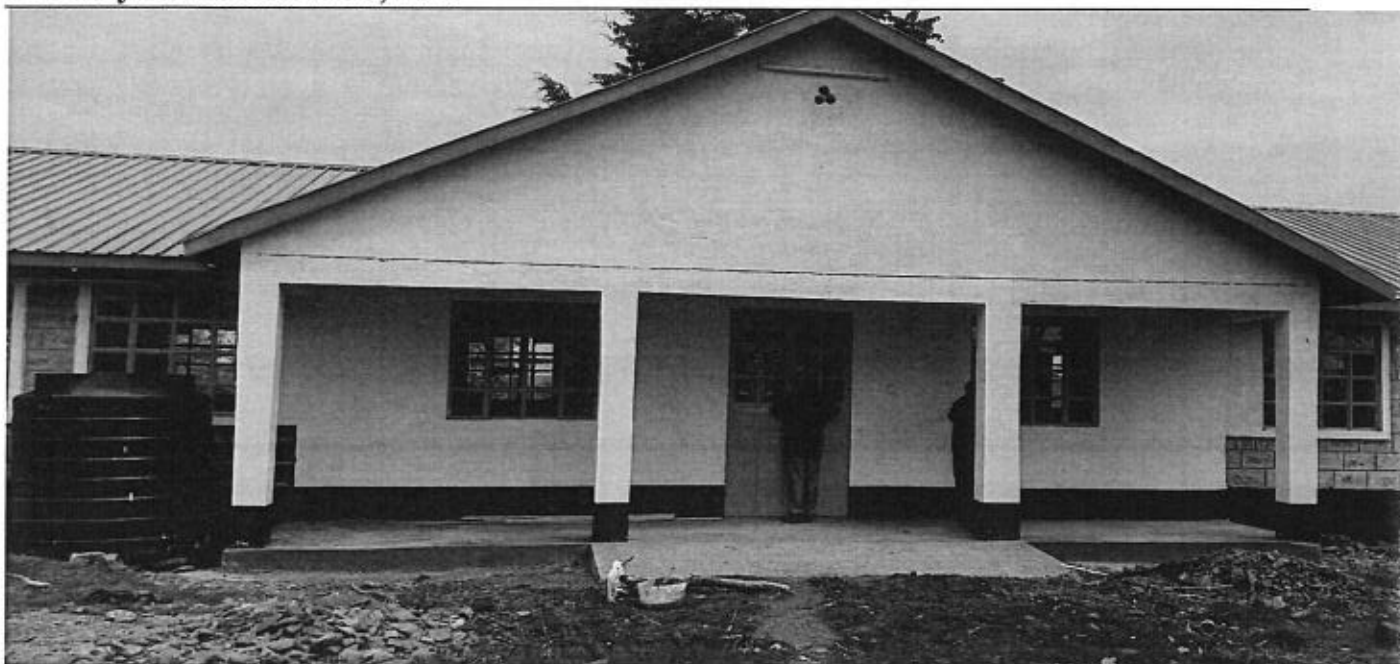


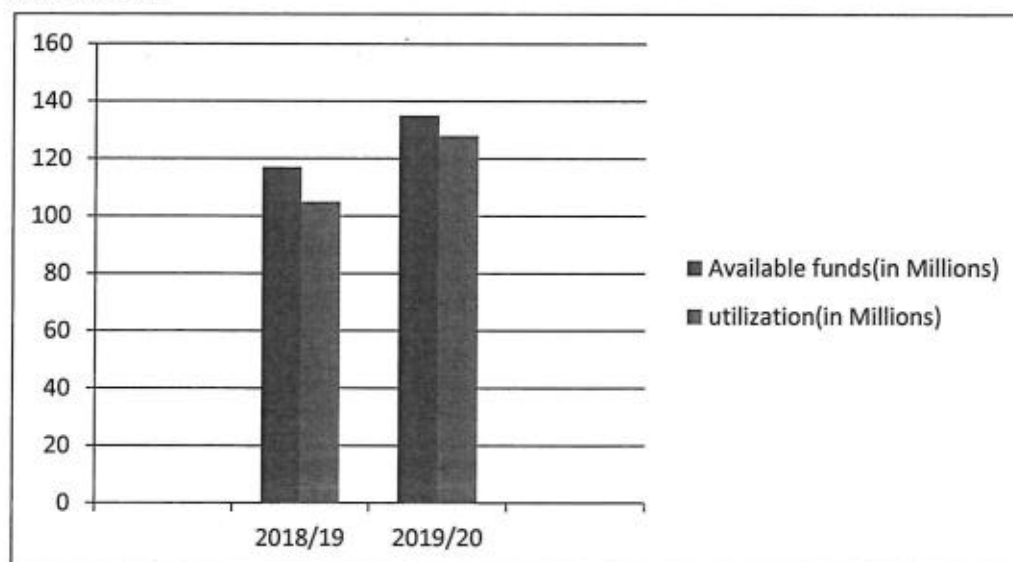
FIG 1.3: Saniak Secondary school: 120-capacity Boys Dormitory in final stages of completion. This will increase capacity of students being accommodated in the school

Budgetary Appropriations

During the financial year 2019/2020, the overall budget performance stood at 63 percent based on the funds received against the total budget for the year. During the period Kshs 135,194,876 was received against the total expected budget of Kshs 204,636,668.

Out of the Ksh 135,194,876 available during the financial year, Ksh 128,622,781 was utilized on various programmes. This is about 95% utilization. This was achieved due to expeditious disbursement of funds received to earmarked projects by the NGCDF Committee despite delay in disbursement from the NG-CDFB

Graphical representation of comparative budget performance for the financial years 2018/19 and 2019/20



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Development Planning

The National Government Constituency Development Funds continue to draw a lot of interest from the community and various stakeholders. This has seen the receipt of many proposals from the community spanning various sectors. To ensure focus and fast track Constituency development, the Committee is planning to develop a five-year strategic plan as a blue print that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and related County Integrated Development Plans. The NGCDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal.

Challenges

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2019/2020. These includes, inadequate record keeping by PMCs, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. Another notable challenge was the effects of Covid-19 pandemic which affected the general implementation of projects. Training of PMCs was greatly affected during the period under review and this delayed implementation of various projects. To mitigate the above challenges, the committee had to do piece meal induction of the PMCs' signatories.

The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the ensuing financial year so as to strengthen service delivery to the constituents.



Michael Munai

CHAIRMAN NG-CDF COMMITTEE

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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.

CHESUMEI is a constituency whose latent for growth is promising. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative management.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2022) outlined key strategic objectives that were to be used to spur development in the constituency. The key development objectives of NGCDF-CHESUMEI Constituency's 2018-2022 plan are as outlined in the table below:

Strategic issue	Strategic objective(s)
Education	• To achieve 100% transition of pupils in primary schools • To achieve 100% transition of students in secondary schools • To achieve 100% transition of students to Universities or and other tertiary institutions • To attain a sub-county mean score of 280 and above in KCPE • To attain a sub-county mean score of 6 and above in KCSE • To have adequate and quality infrastructure in all educational institutions
Security & Administration	• To have peace and tranquillity in the constituency • To have administration and security personnel work and live in a conducive environment.
Environment	• To have the environment preserved for posterity • To have a clean environment • To have a better environment
Sports	• To have the talented in the constituency realize their full potential • To have adequate facilities for different sports within the constituency
Gender/Youth/ Women/PLWDs	• To empower the youth • To empower the women • To have people living with disability (PLWDs) lead quality lives
ICT	• To have ICT hubs in place • To have constituents easily access ICT training facilities
Housing	• To have adequate housing in educational institutions • To have security and administration personnel living in descent houses

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Health	- To have more trained health professionals - To have constituents register for insurance fund
Manufacturing	To have more investments within the constituency
Food security	- To have adequate & extra production of food for all - To have knowledgeable farmers

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 adequate and quality infrastructure in all educational institutions	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-number of usable physical infrastructure build in primary, secondary, and tertiary institutions -number of bursary beneficiaries at all levels	-During FY 19/20, we increased the number of new classrooms as well as renovating several others. -School buses increased from 0 to 2 - Over 2000 students benefited from bursary award
Security	•Construct more offices for administrators	-More offices for administrators - Reduced crime rates	-No of administrative offices constructed	-No of administrative offices increased from 10 to 14
Environment	•Organize for training of constituents on conservation of the environment	- To have the environment preserved for posterity - To have a clean environment	-No. Of sensitisation workshops -No of institutions receiving funding for environment activities	- 2 sensitisation workshops organised for both the NGCDFC and the PMCs -Funds allocated for water harvesting in 10 learning institutions

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Sports	-To have the talented in the constituency realize their full potential -To have adequate facilities for different sports within the constituency	-More sports men and sports women from the constituency - Realization of potential of the talented	-No of sports activities supported -No of teams participating in the tournament	-Two tournaments were organised in the constituency for both football and volley ball -Purchase of sports equipment and uniforms for ten teams
Disaster Management	-Organise training for the NGCDFC and Staff on disaster management	-To mitigate the effects of an emerging disaster	-No. Of trainings organised	- 2 trainings sessions organised for both the NGCDFC and the Staff

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF –Chesumei 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 Chesumei 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 is 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 Chesumei 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

Vision: *To be the leading constituency in socio-economic development.* What the constituency is striving for in the future is to influence the strategies, purpose and aspirations of the constituents.

Mission: *To improve the socio-economic livelihood of Chesumei constituency community by ensuring successful completion of projects identified through facilitation of stakeholders involvement in the development process, proper and fair administration, allocation and accountability of public funds, building capacity of stakeholders and making timely feedback.* This communicates what the office does to attain sustainable developments

Core Values: Accountability, Transparency, Integrity, Honesty, Equality, Equity. 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

2 ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Chesumei NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

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Our Environmental Policy

In this policy statement Chesumei NG-CDF commits to:

- Organize for training of constituents on conservation of the environment
- Organize for tree planting
- Support established tree nurseries
- Place litter bins in strategic areas
- Hold cleaning days every quarter
- Regularly communicating our environmental performance to our employees and other significant stakeholders

3. EMPLOYEES WELFARETERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Chesumei NG-CDFC offers only one main category of employment, which are Contract employees who are employed for 3 years on a renewable contract subject to satisfactory performance. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are sometimes hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC; an approval is then sought for advertisement within the constituency to be done.

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications.

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria. Interviews for staff employment 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. Offer of Appointment A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment. The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

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HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff.

Guidelines to General Safety

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents. All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events. The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually. General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers.

Health Care Services

Members of staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme; statutory deductions are done and remitted on a monthly basis.

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the organization. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the organization has put in place care and support programs for the infected and affected officers to enable them remain productive. HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the organization shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace. HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling.

Drug and Substance Abuse

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

Persons Living with Disability

An employee with impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the institution which will then recognize them as employees living with disabilities. The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities.

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,

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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.

a) 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 organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) 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

d) Product stewardship-In order to safeguard consumer rights and interests, the Chesumei NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. 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.

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Chesumei 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-Chesumei 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-Chesumei Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

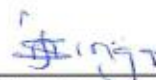
The Accounting Officer in charge of the NGCDF-Chesumei Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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-Chesumei Constituency financial statements were approved and signed by the Accounting Officer on 22/6/2022.



Fund Account Manager
Name: Harun Chebii



Sub-County Accountant
Name: Naomi Singa
ICPAK Member Number: 8816

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CHESUMEI 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 - Chesumei Constituency set out on pages 17 to 31, 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 summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

Unsupported Expenditures and Project Bank Balance

- i. The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects a balance of Kshs.7,765,926 in respect of use of goods and services. Included in this amount is committee allowance of Kshs.3,111,200. However, the Management did not provide the relevant supporting documents for the expenditure.
- ii. The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects balance of Kshs.33,989,459 in respect to other grants and other payments. Included in this amount is Kshs.19,259,132 in respect to bursary disbursements to secondary schools. However, the list of beneficiaries and acknowledgement letters by the schools and tertiary institutions were not provided.

- iii. Note 17.4 and Annexure 5 of the financial statements reflects Project Committee bank balance of Kshs.26,272,003 in respect of unutilized disbursements to various Project Management Committees. However, supporting documents were not provided.

In the circumstances, the accuracy and validity of the committee expenses totalling Kshs.3,111,200, bursaries amounting to Kshs.19,259,132 for the year ended 30 June, 2020 and Project Management Committee bank balance of Kshs.26,272,003 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 - Chesumei Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no other key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The statement of comparative budget and actual amounts for the year ended 30 June, 2020 reflects final receipts budget and actual on comparable basis of Kshs.204,636,668 and Kshs.135,194,945 respectively resulting to an under-funding of Kshs.69,441,723 or 34% of the budget. Similarly, the Fund expended Kshs.127,712,781 against an approved budget of Kshs.204,636,668 resulting to an under-expenditure of Kshs.76,923,887 or 38% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Project Implementation Status

Review of the project implementation status report revealed that there were twelve (12) ongoing/incomplete projects, two (2) projects with undisbursed funds and two (2) projects still at procurement stage relating to 2018-2019 financial year. Further, the report indicated that for the year 2019-2020, forty-two (42) projects were ongoing, thirty-eight (38) were complete whereas two (2) projects were at procurement stage.

The delay in implementation of the budget projects denies the public the would be benefits accruing from their use.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Lack of Ownership Documents

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government entities figure of Kshs.83,04,500. This amount includes transfer to primary schools of Kshs.41,100,000 out of which an amount of Kshs.3,000,000 was incurred on the purchase of land for three (3) schools. However, the following anomalies were noted;

- i. Kapcheluch Primary School had been allocated Kshs.600,000 for purchase of 0.2 acres of land but the valuation report and title deed was not provided yet the Fund had already put up two classrooms in the said land.
- ii. Kipshorori Primary School had been allocated additional funding amounting to Kshs.200,000 for the purchase of 1 acre of land but there was no valuation report and title deed provided.
- iii. SDA Mlango Academy entered into a sale agreement for the purchase of 2 acres of land on 30 June, 2017 at a price of Kshs.4,400,000. However, it purchased one acre of the land from the same seller at a cost of Kshs.2,200,000 in 2019 and no valuation report or a sale agreement was provided. Physical verification conducted on 3 March, 2021 revealed that a block of two classrooms funded by the National Government Constituencies Development Fund - Chesumei Constituency had already been put up without a title deed contrary to circular reference number CDFBOARD/CIRCULARS/VOL.I/108 dated 24 August, 2010.

Consequently, the ownership of the parcels of the land purchased could not be confirmed and Management was in breach of the Law.

2.0 Lack of an Education Officer on the Board

The statement of receipts and payments reflects other grants and transfers amount of Kshs.33,989,459 for the year ended 30 June, 2020, which includes bursary to secondary schools of Kshs.19,259,132 as disclosed in Note 7 to the financial statements. However, no evidence was provided to show that during the vetting, identification and categorizing of needy students the Bursary Subcommittee was inclusive of Area Education Officer or his representative as directed by the Board nor an Officer seconded from Ministry of

Education. This was contrary to the CDF Board circular reference VOL1/111 dated 13 September, 2010 requires formation of a subcommittee of Constituency Development Fund to manage the bursary scheme whose membership includes two co-opted members one who must be education officer or an officer seconded from Ministry of Education.

3.0 Unlabeled Projects

Physical verification carried out on 3 March, 2021 revealed that eight (8) projects valued at Kshs.3,750,000 were complete but not labeled contrary to Section 15(1)[f] of the National Government Constituencies Development Fund Regulations, 2016, which states that the Project Management Committee shall undertake project closure, labelling and handover upon completion.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

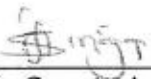
11 February, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CHESUMEI 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	123,040,876	107,084,413
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	<u>74,000</u>
TOTAL RECEIPTS		123,040,876	107,158,413
PAYMENTS			
Compensation of employees	4	2,023,196	1,912,643
Use of goods and services	5	7,765,926	8,608,830
Transfers to Other Government Units	6	83,074,500	46,785,000
Other grants and transfers	7	33,989,459	34,614,580
Acquisition of Assets	8	859,700	11,117,489
Other Payments	9	-	<u>3,386,040</u>
TOTAL PAYMENTS		127,712,781	106,424,542
SURPLUS/(DEFICIT)		<u>(4,671,906)</u>	<u>733,831</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Chesumei Constituency financial statements were approved on 22/6/2022 and signed by:


Fund Account Manager
Fund Account Manager
Name: Harun Chebii


National Sub-County Accountant
Sub-County Accountant
Name: Naomi Singa
ICPAK Member Number: 8816

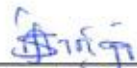
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements
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VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,572,164	12,154,069
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		6,572,164	12,154,069
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,572,164	12,154,069
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	910,000
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	910,000
NET FINANCIAL ASSETS		<u>6,572,164</u>	<u>11,244,069</u>
REPRESENTED BY			
Fund balance b/fwd	13	11,244,069	10,510,238
Prior year adjustments	14	-	-
Surplus/Defict for the year		(4,671,906)	733,831
NET FINANCIAL POSITION		<u>6,572,164</u>	<u>11,244,069</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Chesumei Constituency financial statements were approved on 22/6/2022 and signed by:


Fund Account Manager
Name: Harun Chebii

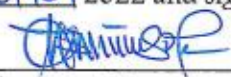

Sub-County Accountant
Name: Naomi Singa
ICPAK Member Number: 8816

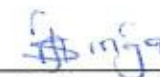
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
CHESUMEI CONSTITUENCY
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IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,876	107,084,413
Other Receipts	3	=	74,000
Total receipts		123,040,876	107,158,413
Payments for operating expenses			
Compensation of Employees	4	2,023,196	1,912,643
Use of goods and services	5	7,765,926	8,608,830
Transfers to Other Government Units	6	83,074,500	46,785,000
Other grants and transfers	7	33,989,459	34,614,580
Other Payments	9	-	3,386,040
Total payments		126,853,081	(95,307,093)
Total Receipts Less Total Payments		(3,812,206)	11,851,320
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		(4,671,206)	11,851,320
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	859,700	(10,207,489)
Net cash flows from Investing Activities		(859,700)	(10,207,489)
NET INCREASE IN CASH AND CASH EQUIVALENT		(4,671,906)	733,831
Cash and cash equivalent at BEGINNING of the year	13	11,244,069	10,510,238
Cash and cash equivalent at END of the year		<u>6,572,164</u>	<u>11,244,069</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Chesumei Constituency financial statements were approved on 22/6/2022 and signed by:


Fund Account Manager
Name: Harun Chebii


Sub-County Accountant
Name: Naomi Singa
ICPAK Member Number: 8816

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,441,724	67,194,944	204,636,668	135,194,945	69,441,723	66
Proceeds from Sale of Assets				-	-	
Other Receipts			0		-	
	137,441,724	67,194,944	204,636,668	135,194,945	69,441,723	66
PAYMENTS						
Compensation of Employees	2,846,503	2,158,014	5,004,517	2,023,196	2,981,321	40
Use of goods and services	9,523,252	3,049,651	12,572,903	7,765,926	4,806,977	69
Transfers to Other Government Units	72,400,000	37,050,000	109,450,000	83,074,500	26,375,500	76
Other grants and transfers	52,671,969	17,903,892	70,575,861	33,989,459	36,586,402	48
Acquisition of Assets	0	2,342,400	2,342,400	859,700	1,482,700	37
Other Payments	0	4,690,987	4,690,987	-	4,690,987	-
TOTALS	137,441,724	67,194,944	204,636,668	127,712,781	76,923,887	63

Brief explanations on underutilization:

The total receipts from the NG-CDF Board during the financial year 2019/2020 stood at 66% (i.e Ksh 135,194,945 out of the total budget of Ksh 204,636,668) hence affecting the overall performance.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY

Reports and Financial Statements

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On compensation of employees, 40% of the budget was spent since there were additional funds from the previous year and the constituency had anticipated to employ more staff.

On the use of goods and services, Transfers to Other Government Units, Other grants and Transfers, the underutilization is due to the underfunding by the NGCDF Board. As earlier mentioned, by close of the financial year, the constituency had received only 50% of the total allocation for the year.

The NGCDF-Chesumei Constituency financial statements were approved on 22/6/ 2022 and signed by:



Fund Account Manager
Name: Harun Chebii



Sub-County Accountant
Name: Naomi Singa
ICPAK Member Number: 8816

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,846,503	2,158,014	5,004,517	2,023,196	2,981,321
1.2 Committee allowances	2,000,000	232,072	2,232,072	2,534,850	-302,778
1.3 Use of goods and services	3,400,000	1,392,226	4,792,226	2,440,817	2,351,409
Sub-Total	8,246,503	3,782,312	12,028,815	6,998,863	5,029,952
2.0 Monitoring and evaluation			0		0
2.1 Capacity building	1,500,000	942,080	2,442,080	925,000	1,517,080
2.2 Committee allowances	2,000,000	421,140	2,421,140	1,105,592	1,315,548
2.3 Use of goods and services	623,252	62,133	685,385	384,167	301,218
Sub-Total	4,123,252	1,425,353	5,548,605	2,414,759	3,133,846
3.0 Emergency	7,198,241	6,892,978	14,091,219	5,697,500	8,393,719
4.0 Bursary and Social Security			0		0
4.2 Secondary Schools	20,000,000	3,006,473	23,006,473	19,259,132	3,747,341
4.3 Tertiary Institutions	14,360,431	66,606	14,427,037	0	14,427,037
4.5 Social Security	3,000,000	0	3,000,000	1,008,000	1,992,000
Sub-Total	37,360,431	3,073,079	40,433,510	20,267,132	20,166,378
5.0 Sports	1,663,297	2,737,835	4,401,132	2,697,800	1,703,332
6.0 Environment		450,000	450,000	400,000	50,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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Kaptel Chief's Office		250,000	250,000	250,000	0
Ngechek Chief's office		250,000	250,000	250,000	0
Kamoiywo Chief's Office		75,000	75,000	0	75,000
Kiptuiya Chief's		75,000	75,000	0	75,000
Tuiyobei Primary	100,000		100,000	0	100,000
Mwein Primary	100,000		100,000	0	100,000
Ielnokwo Primary	100,000		100,000	0	100,000
Ngechek Primary	100,000		100,000	0	100,000
Kamonjil Primary	100,000		100,000	0	100,000
Kapkechui Primary	100,000		100,000	0	100,000
Kamunguiwo Primary	100,000		100,000	0	100,000
AIC Saniak Academy	300,000		300,000	0	300,000
ACK Olmetuny Primary	100,000		100,000	0	100,000
AIC Biriiriet Primary	100,000		100,000	0	100,000
Sub-total	1,200,000	1,100,000	2,300,000	900,000	1,400,000
7.0 Primary Schools Projects					
SDA Mlango academy		2,200,000	2,200,000	2,200,000	0
Aic Baraton academy		800,000	800,000	800,000	0
Chebil pry school		600,000	600,000	600,000	0
Tabongenik pry school		500,000	500,000	500,000	0
Aic saniak academy		600,000	600,000	600,000	0
Kamoiywo pry schl		500,000	500,000	500,000	0
Kiboswa pry sch		800,000	800,000	800,000	0
Simatwet pry schl		500,000	500,000	500,000	0
Kapkobis Pry School		500,000	500,000	500,000	0
A.i.c Kipchabo academy		1,000,000	1,000,000	1,000,000	0
Siksiket Primary		800,000	800,000	800,000	0
A.i.c Mutwot primary		500,000	500,000	500,000	0
Kokwet primary		300,000	300,000	300,000	0

Reports and Financial Statements

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A.i.c Kamoioyo academy		500,000	500,000	500,000	0
A.i.c Kapkuto primary		500,000	500,000	500,000	0
Kamonjil primary		500,000	500,000	500,000	0
Masaba pry		500,000	500,000	500,000	0
Tamboioyo primary		500,000	500,000	500,000	0
Tuloi primary		500,000	500,000	500,000	0
Olbutenet primary		500,000	500,000	500,000	0
Kaptooi primary		600,000	600,000	600,000	0
Rongit primary		800,000	800,000	800,000	0
Kimondi primary		600,000	600,000	600,000	0
Kipsinende primary		500,000	500,000	500,000	0
Kapsile primary		250,000	250,000	250,000	0
A.i.c Kaptel Academy		500,000	500,000	500,000	0
Kaptobongen primary		500,000	500,000	500,000	0
ACK Cheirot primary		500,000	500,000	500,000	0
Kapkemel primary		500,000	500,000	500,000	0
Kiptuiya primary		600,000	600,000	600,000	0
Mwein primary		500,000	500,000	500,000	0
Amai primary		500,000	500,000	500,000	0
AGC Ngeny primary		500,000	500,000	500,000	0
Masaba Chepsogor primary		800,000	800,000	800,000	0
Kingwal primary		400,000	400,000	400,000	0
St. Marks Kabaa primary		500,000	500,000	500,000	0
Primary schools		140,000	140,000	140,000	0
SDA Mlango Adventist Primary	400,000		400,000	400,000	0
ACK St. Luke biribiriet primary	500,000		500,000	500,000	0
Ndonyongaria primary	800,000		800,000	800,000	0
AIC Baraton Academy	500,000		500,000	500,000	0

**NATIONAL GOVERNMENT CONSULTANCIES DEVELOPMENT FUND (NGCDF) – CHEBUKELI CONSTITUENCY
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Kipshiorori primary	200,000		200,000	200,000		0
Baraton primary mogoon	200,000		200,000	200,000		0
Kapyagan Primary	500,000		500,000	500,000		0
Segut primary	300,000		300,000	300,000		0
AIC kunurter primary	300,000		300,000	300,000		0
Kiboswa primary	500,000		500,000	500,000		0
Saniak primary	500,000		500,000	0		500,000
Kapkemel primary	800,000		800,000	0		800,000
Chebilat primary	500,000		500,000	0		500,000
AIC Kanoiywo academy	800,000		800,000	0		800,000
Kisabei pry	800,000		800,000	800,000		0
SDA Kanoiywo academy	800,000		800,000	800,000		0
Chepsogor primary	600,000		600,000	0		600,000
Kipngeru primary	500,000		500,000	0		500,000
Talai primary	500,000		500,000	500,000		0
Kapitel primary	500,000		500,000	500,000		0
Tangaton primary	500,000		500,000	0		500,000
Kipsirwo primary	800,000		800,000	0		800,000
Ngatata primary	300,000		300,000	300,000		0
Kapseron primary	800,000		800,000	0		800,000
Kiutany primary	800,000		800,000	800,000		0
Chepsui primary	800,000		800,000	0		800,000
Chebil primary	500,000		500,000	0		500,000
Kechire primary	500,000		500,000	0		500,000
Mwein primary	800,000		800,000	0		800,000
Cheptigok primary	700,000		700,000	700,000		0
Kokwet primary	500,000		500,000	0		500,000
Chepketei primary	500,000		500,000	500,000		0
Kombe primary	600,000		600,000	600,000		0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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Chomisia primary	500,000		500,000	0	500,000
Kabaa primary	500,000		500,000	500,000	0
kipchabo primary	500,000		500,000	0	500,000
Kosirai primary	500,000		500,000	500,000	0
St. patricks ndaptabwa Primary	500,000		500,000	500,000	0
Karrel primary	300,000		300,000	300,000	0
Masaba/chepsogor primary	800,000		800,000	800,000	0
Chemare primary	500,000		500,000	500,000	0
AGC Ngeny primary	800,000		800,000	0	800,000
Lelmokwo Academy	400,000		400,000	400,000	0
Kipkoriony primary	600,000		600,000	600,000	0
St. Luke Mogoiywet primary	300,000		300,000	300,000	0
Kipkongorwo primary	500,000		500,000	0	500,000
SDA Kapkorijusmo primary	800,000		800,000	0	800,000
Holy family academy	800,000		800,000	800,000	0
Tironin primary	400,000		400,000	400,000	0
AIC Sirgoi academy	800,000		800,000	0	800,000
Cheptarit primary	500,000		500,000	0	500,000
Malel primary	500,000		500,000	0	500,000
Jerusalem primary	800,000		800,000	800,000	0
Kapnyemisa primary	500,000		500,000	0	500,000
Kaptien gaa primary	800,000		800,000	0	800,000
AIC nduroto primary	800,000		800,000	0	800,000
Kapkongony primary	800,000		800,000	800,000	0
SDA Leboinet primary	800,000		800,000	800,000	0
Samoei Leboinet primary	800,000		800,000	800,000	0
Sub-total	34,400,000	21,790,000	56,190,000	40,290,000	15,900,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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8.0 Secondary Schools							
Projects							
Saniak sec. School		800,000	800,000		800,000		0
Samoo sec		600,000	600,000		600,000		0
Kosirai high		800,000	800,000		800,000		0
Aic Mosoriot sec		800,000	800,000		800,000		0
Ngechek sec		800,000	800,000		800,000		0
Chemuswa sec		800,000	800,000		800,000		0
Kaptilidi sec School		800,000	800,000		800,000		0
Aic Kipkongorwa sec		700,000	700,000		700,000		0
St Canisius Kipasaron Secondary		700,000	700,000		700,000		0
St. Theresa the Child Jesus- Masaba sec		600,000	600,000		600,000		0
Sirgoi Day Sec. sch		2,000,000	2,000,000		2,000,000		0
Chemuswa sec School		6,500,000	6,500,000		6,500,000		0
St. Canisius sec school- Mateget	800,000		800,000		0		800,000
Saniak secondary	800,000		800,000		800,000		0
ACK Lagat High sch	500,000		500,000		500,000		0
AIC Tamboyo secondary	800,000		800,000		0		800,000
Kapsisiywa secondary	200,000		200,000		200,000		0
Kaptilidi secondary	700,000		700,000		700,000		0
Mwein Adventist Secondary	800,000		800,000		800,000		0
Kimondi secondary	800,000		800,000		0		800,000
St. Stephen kiptuiya secondary	800,000		800,000		800,000		0
A.I.C Cheptwolio secondary	700,000		700,000		700,000		0
St. Jude Kokwet secondary	400,000		400,000		400,000		0

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Mosoriot AIC secondary	800,000		800,000	800,000	0
Lelmokwo Boys	800,000		800,000	800,000	0
Moi Sirgoi High school	1,000,000		1,000,000	1,000,000	0
St. Francis Girls Cheptarit	1,000,000		1,000,000	1,000,000	0
Sirgoi Day secondary	3,000,000		3,000,000	3,000,000	0
AIC Kechire secondary	7,400,000		7,400,000	7,400,000	0
Christ the King secondary	7,400,000		7,400,000	0	7,400,000
Kapsisiywa secondary	7,400,000		7,400,000	0	7,400,000
Chemuswa secondary	900,000		900,000	900,000	0
Namgoi Day secondary	1,000,000		1,000,000	1,000,000	0
Sub-total	38,000,000	15,900,000	53,900,000	36,700,000	17,200,000
9.0 Tertiary institutions Projects	-				0
10.0 Security Projects					
Lelmokwo Chiefs Office		300,000	300,000	0	300,000
Kaptel chiefs office		800,000	800,000	800,000	0
Kosirai Assistant County Commissioner's office		800,000	800,000	800,000	0
Chepterit Assistant County Commissioner's office		1,000,000	1,000,000	1,000,000	0
Equipping of 8 Chiefs offices		1,200,000	1,200,000	0	1,200,000
Kamoiywo Chiefs office	200,000		200,000	200,000	0
Kapngetuny chiefs office	1,000,000		1,000,000	1,000,000	0
Kaptel police station	1,250,000		1,250,000	1,250,000	0
Mosoriot police post	500,000		500,000	500,000	0
Kokwet chiefs office	800,000		800,000	800,000	0
Kombe Chief's office	200,000		200,000	0	200,000
Kiptuiya Chief's office	200,000		200,000	0	200,000
Biribriet Chief's office	200,000		200,000	0	200,000
Kaptildil Chief's office	200,000		200,000	0	200,000

NATIONAL GOVERNMENT CONSILIENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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Itigo Chief's office	200,000		200,000	0	200,000
Kosirai Division Assistant County Commissioner's office	500,000		500,000	500,000	0
Sub-total	5,250,000	4,100,000	9,350,000	6,850,000	2,500,000
11.0 Acquisition of assets					0
NG-CDFC Motor cycle	-	350,000	350,000	0	350,000
11.2 Construction of CDF office	-	1,065,000	1,065,000	910,000	155,000
11.3 Purchase of furniture and equipment	-	927,400	927,400	859,700	67,700
Sub-total	-	2,342,400	2,342,400	1,769,700	572,700
12.0 Others	-				0
12.1 Strategic Plan	-	13,960	13,960	0	13,960
12.2 Innovation Hub		4,677,027	4,677,027	4,677,027	0
Sub-total	-	4,690,987	4,690,987	4,677,027	13,960
Grand-Total	137,441,724	67,194,944	204,636,668	128,622,781	76,013,887

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHESUMEI CONSTITUENCY**
Reports and Financial Statements
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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-Chesumei 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHESUMEI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHESUMEI CONSTITUENCY**
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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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHESUMEI CONSTITUENCY**
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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	1		28,000,000
AIE NO B005266	2		25,084,413
AIE NO B030170	3		10,000,000
AIE NO B030368	4		12,000,000
AIE NO B006311	5		8,000,000
AIE NO B042722	6		11,000,000
AIE NO B042879	7		13,000,000
B047209	1	55,040,875	
B047389	2	4,000,000	
B041453	3	20,000,000	
B047871	4	6,000,000	
B049248	5	14,000,000	
B104262	6	15,000,000	
B096548	7	9,000,000	
TOTAL		123,040,876	107,084,413

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	74,000
Other Receipts Not Classified Elsewhere	0	0
Total	0	74,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,846,092	1,716,890
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	177,104	195,753
Employer Contributions Compulsory national social security schemes	-	-
Total	2,023,196	1,912,643

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

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	3,111,200	4,989,500
Utilities, supplies and services	0	0
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	125,000	300,000
Training expenses	800,000	1,099,700
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,784,387	925,546
Fuel, Oil & Lubricants	900,000	950,000
Other operating expenses	670,538	-
Routine maintenance – vehicles and other transport equipment	374,801	344,084
Routine maintenance – other assets	0	0
Total	7,765,926	8,608,830

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	41,100,000	33,985,000
Transfers to secondary schools (see attached list)	41,974,500	12,200,000
Transfers to tertiary institutions (see attached list)	0	600,000
Transfers to health institutions (see attached list)	0	0
TOTAL	83,074,500	46,785,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,259,132	14,146,574
Bursary – tertiary institutions (see attached list)	0	12,318,006
Social security programme	1,008,000	0
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	4,427,027	5,050,000
Sports projects (see attached list)	2,697,800	0
Environment projects (see attached list)	900,000	0
Emergency projects (see attached list)	5,697,500	3,100,000
Total	33,989,459	34,614,580

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
CHESUMEI CONSTITUENCY**
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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	-	10,844,489
Refurbishment of Buildings	-	0
Purchase of Vehicles and Other Transport Equipment	-	0
Overhaul of Vehicles and Other Transport Equipment	-	0
Purchase of Household Furniture and Institutional Equipment	-	0
Purchase of Office Furniture and General Equipment	859,700	273,000
Purchase of ICT Equipment, Software and Other ICT Assets		0
Purchase of Specialised Plant, Equipment and Machinery		0
Rehabilitation and Renovation of Plant, Machinery and Equip.		0
Acquisition of Land		0
Acquisition of Intangible Assets		0
Total	859,700	11,117,489

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	3,386,040
ICT Hub	0	0
	0	3,386,040

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

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Kapsabet A/C No. 049261189435</i>	6,572,164	12,154,069
Total	6,572,164	12,154,069
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
	0	0
Total	0	0

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

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>
<i>Name of Officer or Institution</i>	N/A	0	0	0
Total				0

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Juliket Auto Services Ltd	0	910,000
Total	0	910,000

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Name 1	0	0
Name 2	0	0
Name 3	0	0
Total	0	0

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	12,154,069	10,510,238
Cash in hand	0	0
Imprest	0	0
Total	12,154,069	10,510,238

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

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

Description of the error	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

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	910,000	-
Deposit and Retentions held during the year (B)	-	910,000
Deposit and Retentions paid during the Year (C)	910,000	0
Net changes in account receivables D= A+B-C	0	910,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others (<i>specify</i>)	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,981,321	2,315,927
Use of goods and services	5,182,477	2,008,306
Amounts due to other Government entities (see attached list)	33,100,000	36,950,000
Amounts due to other grants and other transfers (see attached list)	34,163,429	25,189,910
Acquisition of assets	572,700	1,432,911
Others (<i>specify</i>)	13,960	4,690,987
	76,013,887	67,911,014

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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)	26,272,003	5,295,664
	26,272,003	5,295,664

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
Construction of buildings					
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					

ADDITIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

ANNEX 3 – UNUTILIZED FUND

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...TIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – CHESUMEI CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	0	0	0	0
Buildings and structures	10,844,489	0	0	10,844,489
Transport equipment	5,750,000	0	0	5,750,000
Office equipment, furniture and fittings	473,000	859,700	0	1,332,700
ICT Equipment, Software and Other ICT Assets	792,800	0	0	792,800
Other Machinery and Equipment	273,000	0	0	273,000
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	18,143,289	859,700	0	19,002,989

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Chemuswa Sec School	Barclays	2030974061	1500	
Agc Ng'eny Pry	Co-op	01139328889001	117,693	
Aic Kipchabo Pry	Co-op	01139329469500	1,850	
Aic Sirgoi Mordern Day Sec	Co-op	01139327006200	2,753,160	
Fr Kuhn Academy	Co-op	01139326214400	3,303	
Pag Jerusalem Pry	Co-op	01139440863300	806,106	
Kapsile Pry	Co-op	01139046324201	32,827	
Kaptobongen Pry	Co-op	01139329211500	4,187	
Kimondi Pry	Co-op	01139329417790	1,246	
Lelmokwo Academy	Co-op	01139440100300	325,240	
Samoo Sec	Co-op	01139328568301	1,247	
St Canisious Sec -Mateget	Co-op	01139328444701	825,380	
Tuloi Pry	Co-op	01139325461301	1,750	
Ack Cheirot Pry	Equity	0490298649005	1,504	
Aic Kamoiywo Pry	Equity	0490279291475	3,625	
Aic Kapkuto Sec	Equity	0490263924873	3,819	
Amai Pry	Equity	0490270178571	1,880	
Chemundu High School	Equity	490299848778	1,000,000	
Chepkober Pry	Equity	0490292026293	200,922	
Chepterit Acc's Office	Equity	0490279896202	1,000,000	
Fr Toror Pry	Equity	040277708830	610	
Kamoiywo Pry	Equity	0490298541775	9	
Kamonjil Pry	Equity	0490299052972	43,250	
Kamurguiywo Sec	Equity	049029950672	46,360	
Kapcheluch Pry	Equity	0490263659418	21,695	
Kapkemel Pry	Equity	0490263989255	26,119	
Kapngingich Pry	Equity	0490299877011	86,191	
Kapsisiywa Sec	Equity	0490299907006	203,065	
Kaptildil Sec Sachool	Equity	0490299082390	448,948	
Kaptoroi Pry	Equity	0490298405595	865	
Kapyagan Pry	Equity	0490299579736	500,420	
Karlei Pry	Equity	0490297424264	300,725	
Kiboswa Pry	Equity	0490279270727	500,000	
Kingwal Pry	Equity	0490267058663	1,265	

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kipkibimbir Pry	Equity	0490298503660	207	
Kipshorori Pry	Equity	0490272067175	21,120	
Kiptuiya Pry	Equity	0490266853118	760	
Lelboinet Pry	Equity	0300298967887	703	
Moi Sirgoi High School	Equity	0490297398265	529,190	
Mwein Adventist Sec	Equity	0490299975723	60,503	
Namgoi Day School	Equity	0490297349175	1,004,030	
Olbutenet Pry	Equity	0300297252797	454	
Rongit Pry	Equity	0490266932628	345	
Samoei Lelboinet Pry	Equity	0300298967887	800,000	
Sda Lelboinet Pry	Equity	0300298967887	800,000	
Sda Mlango Pry	Equity	0490277647430	309,250	
Siksiket Pry	Equity	0490269996421	6,327	
Simatwet Pry	Equity	0490261519344	140	
Sironoi Sda Pry	Equity	0490264748200	7,795	
St Emmanuel Kapkoimet Pry	Equity	0490270221085	13,316.85	
Tabongenik Pry	Equity	0490262670411	10,294	
Tironin Pry	Equity	0490262784427	400,135	
Ack Lagat Sec	Equity	490299733714	532,817	
Kamoiywo Chiefs Office	Equity	490266883745	5,238	
Kosirai Division Dev. Committee	Equity	490272283271	2,270	
St Francis Cheptarit Girls	Equity	490299704991	1,001,314	
Tamboiyo Pry	Equity	490279403154	2,035	
Ngechek Chiefs Office	Equity	4902777366397	7,979	
Aic Masaba Chepsogor Pry	Kcb	1238921116	800,000	
Cheptigok Pry	Kcb	1136977317	700,000	
Kaptel Chiefs Office	Kcb	1209110709	1,250	
Kipkoriony Pry	Kcb	1151902527	600,000	
Kokwet Chiefs Office	Kcb	1238884849	800,000	
Ngatatia Pry	Kcb	1136845941	300,000	
Kabaa Pry	Kcb	1275962157	500,000	
St Peters Chemamul Pry	National	0102456548500	806	
St Theresa Masaba Sec	National	1022211762000	1,315	
Aic Baraton Academy	National	2455697201	500,299.60	
Aic Kipkongorwo Sec Shool	National	01025064793901	81,797	
Aic Kunurter Pry	National	01024055821901	22,794	
Aic Mosoriot Sec School	National	2528297602	28,657	

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Aic Mutwot Pry	National	01022055743400	149	
Aic Saniak Academy	National	01024056800500	1,315	
Baraton Pry	National	01024055636801	200,181	
Bishop Birech Pry	National	2455654601	9,474	
Chebil Pry	National	01024056774100	534	
Chemare Pry	National	01024065876901	500,000	
Holy Family School-Lelmokwo	National	1024117120900	807,594	
Kisabei Pry	National	2456788700	800,000	
Kombe Pry	National	2455586001	137,046	
Kosirai High School	National	2555657802	500	
Kosirai Pry	National	0102216264800	500,000	
Mwein Pry	National	2455930101	1,850	
Ndonyngaria Pry	National	01024028056901	800,000	
Ngechek Secondary	National	01025018735200	4,933	
Saniak Sec School	National	01025056772900	814,755	
Segut Pry	National	01024055682001	300,989	
St Jude Kokwet Sec School	National	2156633300	400,630	
St Luke Mogoiywet Pry	National	2428221001	51,709	
St Mark Kabaa Pry	National	01024056806000	920	
St Patric Ndaptabwa Pry	National	2156025200	17,264	
Chepketei Pry	National	1022055698700	500,000	
Kaptel Primary	National	2455546701	500,000	
Kiptuiya Sec School	National	1025058785901	800,000	
Aic Cheptwolio Sec School	Sidian bank	01008030010680	2,250	
Total			26,272,003	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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)	Time frame: (Put a date when you expect the issue to be resolved)
1.0	Unsupported PMC-Account Balances	The Project Management Committees' (PMCs) account balances as at 30th June 2019 are supported by the bank statements. However, going forward we have advised the PMCs to prepare bank reconciliation statements so as to properly support the balances. Our office staff will play a key role in assisting the PMCs who may be having challenges in preparing the bank reconciliation statements.	Harun Chebii-FAM	Not resolved	Dec 2020
2.0	Unsupported Land Ownership	Indeed the NG-CDF committee disbursed Ksh 1,500,000 for the purchase of two parcels of land for two primary schools-i.e Tuigoin Primary (Ksh 800,000) and Tironin Primary (Ksh 700,000). The two (2) parcels of land are yet to be transferred to the benefiting schools because the same have to go through succession process.	Harun Chebii-FAM, M. Munai-NGCDFC Chair	Not Resolved	Dec 2020
3.0	Project Implementation Report	Indeed there are a few projects which are still incomplete and on-going as observed by the audit team.	Harun Chebii-FAM, M. Munai-NGCDFC Chair	Resolved	June 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)
		The NG-CDF Committee has allocated additional funding to the affected projects and we expect the same to be completed within the current financial year.			
4.0	Budget Analysis	The reported unutilized balances of Ksh 67,911,014 included funds which had not been disbursed to the constituency by the NGCDF board and hence we could not be able to utilize the same. Going forward, the management of Chesumei NGCDF commits itself to utilizing the available funds in the approved programmes so as to benefit the intended users-the residents of Chesumei constituency.	Harun Chebii-FAM, M. Munai-NGCDFC Chair	Resolved	June 2020

