

REPUBLIC OF KENYA



NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 FEB 2023 DAY: THURSDAY

Leader of Majority
Party

By: Joyce Lemerelle

REPORT

OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

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

**National Government Constituencies Development Fund –Kilgoris Constituency
Reports and Financial Statements for the year ended June 30, 2021**

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, 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.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The KILGORIS Constituency NGCDF 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 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Eric Muange (FAM)
2.	Sub-County Accountant	Benson Aseka (DA)
3.	Chairman NGCDFC	Shadrack Seiyio
4.	Member NGCDFC	Ruth Naiduya

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(d) Fiduciary Oversight Arrangements

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

P.O. Box 361-40700

Kilgoris NG-CDF Building

Off Kisii Kilgoris Road Next to Sub County Headquarters

Kilgoris, KENYA

(f) KILGORIS Constituency NGCDF Contacts

Telephone: (+254) 0726 628 930

E-mail: cdkKilgoris@ngcdf.go.ke

Website: www.ngcdf.go.ke

(g) KILGORIS Constituency NGCDF Bankers

Equity Bank Limited

Kilgoris Branch

P.O Box 203

Kilgoris, Kenya.

A/c No.1223261205890

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

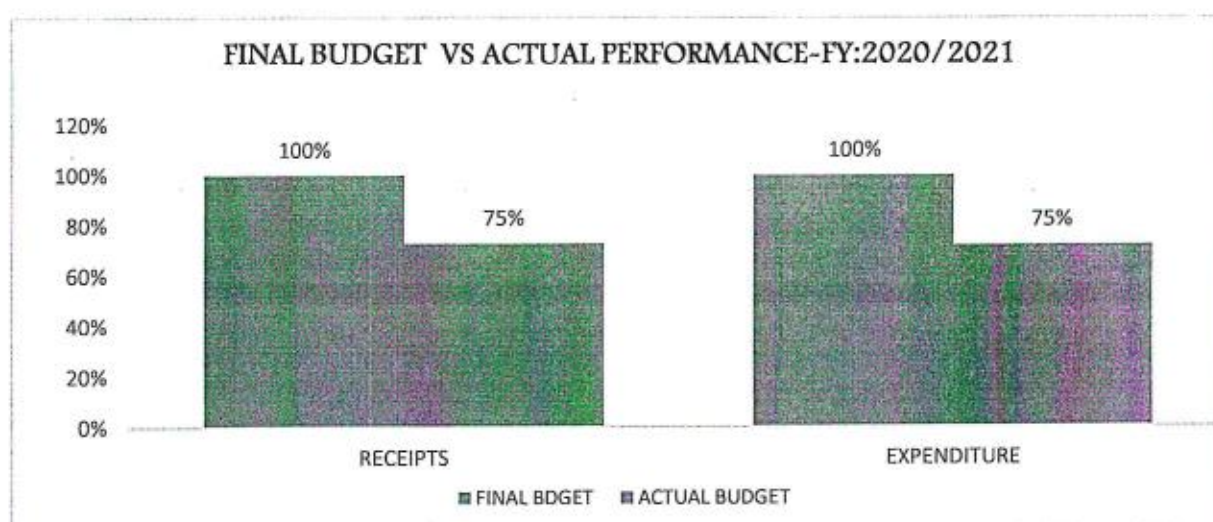
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II. NG-CDFC CHAIRMAN'S REPORT

I am pleased to present the unaudited financial statements for Kilgoris NG-CDF for the financial year ended 30th June 2021. During the financial year under review, the constituency was allocated a total of Kshs 137,088,879.00 being the normal allocation.

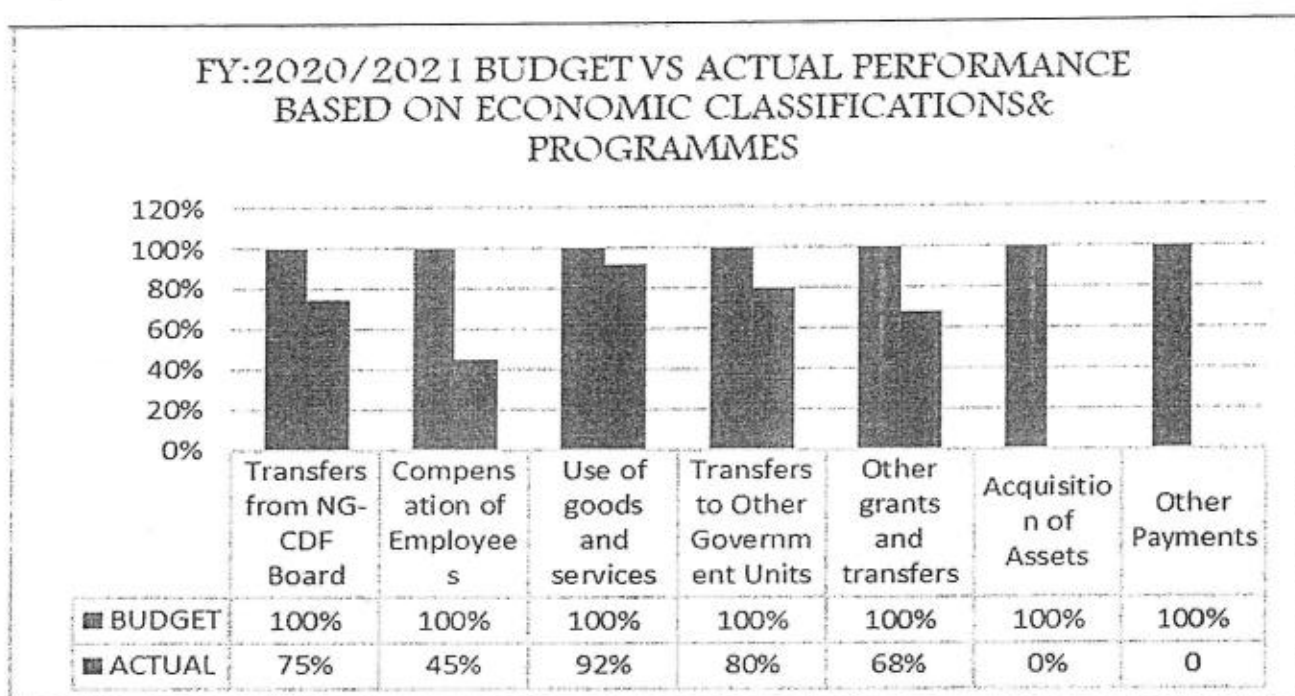
On receipt of the above allocation, Kilgoris NG-CDFC pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to priorities of the public participation meetings held across the constituency. The funds received were disbursed to earmarked projects. Out of these, the committee focused more on full implementation of bursary and completion of projects in primary, secondary and security sectors.

The final budget performance against the actual performance was as depicted here below



In summary the budget performance against actual amounts for current year based on economic classification and programmes is as illustrated in the figure below

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Key achievements among others include;

- Increased transition from primary school to secondary school as a result of more infrastructure facilities been put up by the NG-CDF and increased awareness by the local leaders' campaign.
- Increased enrolment in school for all children of school going age as a result of increase in the number of usable physical infrastructure built in primary, secondary, and tertiary institutions.

A fair share of failure was also witnessed in the form of inability to achieve the requisite infrastructure count and size due to limited resources.

Despite the challenges, we strongly believe that with continued engagement of all stakeholders, increased Accountability and transparency in our activities, the organisation's activities will remain sustainable to the foreseeable future.

Emerging issues

Some of the emerging issues the Fund is facing include; over dependence on the Fund due to high poverty index in the constituency which is estimated to be 72%, and secondly is high enrolment in upcoming schools thus creating high demand of infrastructure.

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Major challenges faced by the Fund include; delay in disbursement of funds from the board, infrastructural demand is higher than the amount allocated, and the incomplete National Government and devolved projects which have not been given any attention by the county government.

As a way forward, the Board need to release funds in good time, secondly the Board needs to lobby for increase of funding to every constituency and finally the Board to create a linkage with the county government with a view of completing the devolved projects.

- ❖ All learning institutions, security, water and roads almost entirely depend on NG-CDF 100% on infrastructure development.
- ❖ Increase in population is piling pressure on NG-CDF to allocate more funds to various development infrastructures.
- ❖ The Outbreak of Covid 19 has impacted negatively on household disposable incomes forcing some constituents to request the NG-CDF to provide food rations and basic items to combat Covid 19.
- ❖ There's a growing Need to compete with the county government to justify the long existence of NG-CDF.

d). NG-CDF Implementation challenges in Kilgoris Constituency are;

- ❖ Overdependence of the fund by the public and National government functions on all development related issues.
(Here public participation is employed in identification of priority projects for funding and bursary beneficiaries within the constituency).
 - ❖ Funds disbursement from the board is almost always untimely leading to delays in execution of budgets thus unnecessary adjustments.
(NG-CDF committee continues to work with the board to facilitate timely disbursement of funds and will endeavour to disburse funds to the project management committees (PMC's) as soon as it receives).
1. Many projects are allocated funds on piece meal basis leading to projects receiving insufficient funds and projects been costly in the long run.
(NG-CDF is focusing on allocating enough funds to complete the project within at most 2 years).

Under my leadership, NG-CDFC Kilgoris constituency will endeavour to fulfil its mandate in disbursement and monitoring of projects funds as per the guidelines of the NG-CDF ACT 2015.

Signature



CHAIRMAN NG-CDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Introduction

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

The key development objectives of NG-CDF-Kilgoris Constituency's *2018-2022* plan are to:

1: Education

Objective:

- To support provision of quality education, improving infrastructure and access to education.

Initiatives:

- To build, equip, furnish and renovate public Primary and Secondary schools in the constituency.
- To give bursaries to bright, needy and deserving pupils and students in secondary schools, colleges and universities; with priority to people with disability.
- To finance youth-based competency programs.

Two: Security

Objective:

- To support the national government in providing an enabling environment that enhances peace, security, efficiency and effectiveness in public administration.

Initiatives:

- To construct and equip chiefs and assistant chiefs' offices for improved service delivery.
- To improve public administration infrastructure in the constituency.
 - To equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure.

Strategic Goal Four: Sports

Objective:

- To empower and develop youth and special groups to reduce dependence by nurturing talents economic through sports.

Initiatives:

- Nurture sports as a peace building avenue.
- Provide games equipment to identified talented and organised groups.
- Sponsor selected tournaments as an annual event.
- Improve by levelling game fields.

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Strategic Goal Five: Environment

Objective:

- To compliment environmental conservation efforts in the constituency.

Initiatives:

- Support active communities in environmental conservation.
- Carry out tree planting activities.
- Support environmentally friendly initiatives such as solar use and biogas.
- Build toilets in public institutions and offices.

Strategic Goal Six: Staff Capacity building.

Objective:

- To improve the capacity of NG-CDF Kilgoris Committee and staff for effective and efficient running of constituency affairs.

Initiatives:

- Annual team building.
- Training on corporate governance and community mobilisation.
- Training on basic financial management knowledge.

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:

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:

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Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	- Develop and enhance school's infrastructure to enhance facilities and provide conducive learning environment for children. - To acquire buses for schools to facilitate ease of movement. - To give bursaries to bright, needy but deserving pupils and students in secondary schools, colleges and universities; with priority to people with disability.	- Number of usable physical infrastructure built in primary, secondary, and tertiary institutions - Number of bursary beneficiaries at all levels	Number of classrooms increased from 500 to 1,000 Number of laboratories increased from 20 to 27. Number of dormitories increased from 8 to 18. Number of administration blocks increased from 13 to 22.
Security	Equip, facilitate and enhance capacity of Ministry of interiors officers and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 6 to 15 Number of assistant chiefs' offices increased from 2 to 10 Number of police lines increased from 4 to 9
Sports	To empower and develop youth and special groups to reduce dependence by nurturing talents economic through sports.	Provide games equipment to identified talented and organised groups.	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 20 to 80
Environment	-Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives. -Improve sanitation in Public institution. To recycle the natural energy by installation of solar	-Equip schools and public institutions with sanitation facilities. -Provide tree seedlings to schools to improve the forest cover. -To provide water tanks and water harvesting equipment's	-Number of sanitation facilities built in primary and secondary. -Number of trees planted. -Number of water tanks installed and gutters	- Number of sanitation facilities increased from 40 to 50 - Number of trees planted increased from 0 to 10. - Number of solar panels installed from 0 to 5

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	panels in public institutions			
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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

1. SUSTAINABILITY STRATEGY AND PROFILE

The Kilgoris 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	Equitable socio-economic development fostering peace and unity.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To entrench fairness and inclusivity in resource allocation and distribution, compliance with the mandate of the NG-CDF to the satisfaction of its people.	This communicates what the office does to attain sustainable developments
Core Values	Teamwork, Integrity, Professionalism, Inclusivity, Competency, Innovation, Competency, Customer focus, Efficiency, Effectiveness, Reliable.	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 internal and external stakeholders with a clear set of objectives for management and a measure 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.

ENVIRONMENTAL PERFORMANCE Environment Policy and Action Plan

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

Our Environmental Policy

In this policy statement Kilgoris NG-CDF commits to:

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- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Seeking to leverage our environmental impact by encouraging stakeholders to
- Improve their environmental performance
- Comply with all relevant environmental legislation, regulations and approved codes of practice.
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water.
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources.
- Managing and disposing of all waste in a responsible manner.
- Providing training for our CDFO and staff so that we all work in accordance with this and within an environmentally aware culture.
- Regularly communicating our environmental performance to our employees and other significant stakeholders.
- Monitoring and continuously improving our environmental performance.

Our Environmental Action Plan

Kilgoris NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	• Promote environmental awareness by sensitizing the Kilgoris NG-CDFO, NG-CDFO staff and PMCs on good conservation practices • To encourage, through regular communication to Kilgoris NG-CDFO, staff, and other stakeholders' changes in individual behaviour to emphasise on the importance of caring for the environment.
Conservation of Energy and Resources	• To swiftly move to the culture of having a paperless office through use of technology. • To encourage our clients to engage with us using electronic means where possible. • To maximize on rain water harvesting which would rather go to waste. • To make energy efficiency a key factor in the selection of any new electronic gadget being purchased. • To invest in available energy saving technologies and devices within our existing premises.

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Environmental Protection and Conservation	• To promote use of volt guards to control power surges. • We have constructed culverts and gabions to prevent soil erosion. • To encourage tree planting in the constituency to improve the forest cover. • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	• To ensure proper human waste disposal through construction of pit latrines, septic tanks.

3. EMPLOYEES WELFARE

TERMS 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

Kilgoris NG-CDFC offers only 2 categories of employment namely;

- Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.
- Casual employees are 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 sub-committee

A selection and interview subcommittee are appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

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Interviews

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 which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

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. Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendation for promotion is only made by the NG-CDFC resolution

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 to maintain 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.

Fire precautions

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.

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, are eligible to affordable health care services and to benefit from the NHIF medical scheme as 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 Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute 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 Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An

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officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected 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. There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

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 an 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 Institute 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

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual.

4. MARKET PLACE PRACTICES

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

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government Development Agenda at the constituency level.

- **Responsible competition practice.**

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

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

- **Responsible Supply chain and supplier relations**

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

- **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

▪ **Product stewardship**

In order to safeguard consumer rights and interests, the Kilgoris 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.

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

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

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In summary stakeholder participation is important since:

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

Public Awareness

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

Public Awareness and Sensitisation Exercise Provide

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

Covid-19 Mitigation Measures

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

- The office purchased hand wash tanks that were distributed to the densely populated areas and government offices.
- The office resolved that only a limited number would be served in the office so as to reduce congestion.
- Use of thermal gun for compulsory temperature checks for anyone accessing the office.
- The office distributed face masks to the project management committees.

- Printing of brochures disseminating information regarding Corona Virus protection measures

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-KILGORIS 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, 2021. 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-KILGORIS 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- KILGORIS Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF KILGORIS Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of

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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 *constituency'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- KILGORIS Constituency financial statements were approved and signed by the Accounting Officer on 30/9/ 2021.



Chairman NG-CDF Committee
Name: Shadrack Seiyio



Fund Account Manager
Name: Eric Muange

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KILGORIS CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kilgoris Constituency set out on pages 24 to 56, which comprise of the statement of assets and liabilities as at 30 June, 2021 and the statement of receipts and payments, statement of cash flows and summary statement of

appropriation 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 - Kilgoris Constituency as at 30 June, 2021 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

1. Unreconciled Cash and Bank Balances

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.362,654. However, the bank reconciliation statement for the month of June, 2021 reflects unpresented cheques totalling to Kshs.11,566,138 out of which cheques amounting to Kshs.1,851,606 were stale and had not been reversed in the cash book. Further, the bank reconciliation statement reflects an amount of Kshs.10,000 dated 21 February, 2021 without any cheque details.

In the circumstances, the accuracy and completeness of the cash and bank balance of Kshs.362,654, could not be confirmed.

2. Unsupported Transfers to Other Government Entities

The statement of receipts and payments reflects an amount of Kshs.66,820,497 as transfer to other government entities which as disclosed in Note 6 to the financial statements includes Kshs.37,200,837, Kshs.20,255,000 and Kshs.9,364,660 as transfers to primary schools, secondary schools and tertiary institutions respectively. However, projects worth Kshs.37,190,837, Kshs.12,055,000 and Kshs.9,364,660 undertaken in primary schools, secondary schools and tertiary institutions respectively were not supported with procurement and accounting records. These includes bills of quantities, advertisements, inspection and acceptance committee reports, interim, completion certificates issued by the inspection and acceptance committee, cashbooks, bank statements and expenditure returns and evidence that the projects were implemented in consultation with relevant government departments.

Further, the following anomalies were noted;

- i. The amount of Kshs.37,200,837 transferred to primary schools varies with the supporting documents amount of Kshs.37,190,837 resulting to an unexplained and unreconciled variance of Kshs.10,000. Further, included in the transfers to primary schools amount of Kshs.37,200,837 is an amount of Kshs.2,504,800 for grading a road, which is a County Government function. This is contrary to Section 24(a) of

the National Government Constituencies Development Act, 2015, which states that projects will only be in respect of works and services falling within the functions of the national government under the Constitution.

- ii. The transfers to secondary schools' amount of Kshs.20,255,000 included Kshs.2,600,000 transferred to a school vide two (2) cheques of Kshs.1,300,000 each. However, only an amount of Kshs.1,300,000 was reflected in the Project Management Committee bank statement resulting to unaccounted for balance of Kshs.1,300,000.
- iii. Transfers to tertiary institutions of Kshs.9,364,660 were disbursed without a joint financing agreement that specifies the particular phase or phases, assets or any other defined unit of the project the funds were financing.

In the circumstances, the accuracy, completeness and regularity of Kshs.58,620,497 transferred to other Government entities could not be confirmed.

3. Unsupported Security Projects

The statement of receipts and payments reflects other grants and transfers amount of Kshs.51,583,428 which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.13,860,000 for security projects. However, the security projects were not supported with procurement and accounting records. These includes bills of quantities, advertisements, inspection and acceptance committee reports, interim/completion certificates issued by the inspection and acceptance committee, cashbooks, bank statements and expenditure returns and evidence that the projects were implemented in consultation with relevant government departments.

Further, included in the security projects expenditure of Kshs.13,860,000 is a transfer of Kshs.1,000,000 to Irokkeni Primary School for construction of classroom which is not a security project.

In the circumstance, the accuracy and regularity of Kshs.13,860,00 for security projects could not be confirmed.

4. Unsupported Bursary Payments

The statement of receipts and payments reflects an amount of Kshs.51,583,428 for other grants and transfers which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.15,071,258 and Kshs.10,602,500 for bursary to secondary schools and tertiary institutions respectively, totalling to Kshs.25,673,758. However, approved guidelines by the Board for vetting of beneficiaries was not provided for audit and no evidence was provided to confirm that relevant National Government agencies were consulted. Further, the list of beneficiaries detailing name, admission number, name of the institution, cheque numbers and amount paid were not provided for audit. In addition, evidence to confirm that the beneficiaries were residents of the constituency and acknowledgement receipts of bursaries from the learning institutions were not provided for audit.

In the circumstance, the accuracy and regularity of Kshs.25,673,758 for bursary payments could not be confirmed.

5. Unsupported Training Expenses

The statement of receipts and payments reflects an amount of Kshs.12,102,371 for use of goods and services which as disclosed in Note 5 to the financial statements includes training expenses of Kshs.875,273. However, the training expenses were not supported with documents such as invoices, list of trainees and criteria for selecting them. Further, the allowances paid had not been approved by the Cabinet Secretary and the Management had not conducted a training needs assessment.

In the circumstances, the accuracy and regularity of Kshs.875,273 training expenses could not be confirmed.

6. Irregular Committee Allowances

The statement of receipts and payments reflects an amount of Kshs.12,102,371 for use of goods and services. As disclosed in Note 5 to the financial statements the amount included an expenditure of Kshs.5,728,000 with respect to committee allowances. Review of records provided for audit revealed that committee allowances were paid based on number of days and not meetings held. The committee allowance of Kshs.5,728,000 were paid for over 130 days for each member. This is contrary to Section 43(11) of National Government Constituencies Development Fund Act, 2015 which indicates that Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

In the circumstances, the accuracy and regularity of Kshs.5,728,000 committee allowances 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 - Kilgoris 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.

Emphasis of Matter

Budget and Budgetary Control and Performance

The summary statement of appropriation reflects final receipt budget and actual on comparable basis of Kshs.178,362,209 and Kshs.131,417,724 respectively, resulting to an under-funding of Kshs.45,088,273 (excluding the cash opening balance of Kshs.1,856,212) or 25% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.178,362,209 and Kshs.132,911,282

respectively, resulting to an under expenditure amounting to Kshs.45,450,927 or 25% of the budget. In addition, the summary statement of appropriation has no footnotes indicating reasons for material differences between actual receipts and expenditures and the budgeted amounts as required.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

Key Audit Matters

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

Other Matter

Unresolved Prior Year matters

In the audit report of previous year, several issues were raised. However, Annex 6 to the financial statements indicates no progress on follow up of auditor's recommendations. Management has not resolved the issues or given explanations and subsequent progress made on the resolution of the issues raised.

No satisfactory explanations have been given for failure to adhere to the provisions of the Public Sector Accounting Standards Board template and the National Treasury Circular Ref:PSASB/1/12VOL.I(44) of 25 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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. Lack of Risk Management Policy

The Fund did not have a risk management policy contravening Regulation 165(1), of the Public Finance Management (National Government) Regulations, 2015. The Regulation states that, the Accounting Officer shall ensure that the national government entity develops a risk management strategy, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management was in breach of the law.

2. Poor Implementation of Projects

The audit team verified nine (9) projects worth Kshs.12,935,038 in the month of April, 2022. It was noted that four (4) completed projects worth Kshs.6,234,038 had not been labelled contrary to Regulation 11(1)(cc) of the National Government Constituencies Development Regulations, 2016. This regulation requires the constituency committee to ensure all projects are labelled. Further, four (4) projects worth Kshs.3,701,000 did not meet quality standards while a project worth Kshs.3,000,000 was incomplete.

In the circumstances, Management was in breach of regulations.

3. Lack of Assets Register

The summary of fixed assets register under Annex 4 to the financial statements reflects total assets of Kshs.23,785,569 for financial year 2020/2021. However, the assets register was not provided for audit to confirm the existence of the assets. This was contrary to Regulation 143(1) of Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, Management was in breach of Regulation.

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls 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 Constituency 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 controls.
- 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 Funds' 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 controls 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

09 September, 2022

National Government Constituencies Development Fund –Kilgoris Constituency
Reports and Financial Statements for the year ended June 30, 2021

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	131,367,724	103,360,800
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	50,000	-
TOTAL RECEIPTS		131,417,724	103,360,800
PAYMENTS			
Compensation of employees	4	2,404,986	1,309,804
Use of goods and services	5	12,102,371	7,344,915
Transfers to Other Government Units	6	66,820,497	55,443,000
Other grants and transfers	7	51,583,428	38,414,290
Acquisition of Assets	8	-	1,200,000
Other Payments	9	-	-
TOTAL PAYMENTS		132,911,282	103,712,009
SURPLUS/DEFICIT		(1,493,558)	(351,209)

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

30/9/2021 and signed by:



Fund Account Manager
Name: Eric Muange



National Sub-County
Accountant
Name: Benson Aseka



Chairman NG-CDF Committee
Name: Shadrack Seiyio

**National Government Constituencies Development Fund –Kilgoris Constituency
Reports and Financial Statements for the year ended June 30, 2021**

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	362,654	1,856,212
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		362,654	1,856,212
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		362,654	1,856,212
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		362,654	1,856,212
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	1,856,212	2,207,421
Prior year adjustments	14	-	
Surplus/Defict for the year		(1,493,558)	(351,209)
NET FINANCIAL POSITION		362,654	1,856,212

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

30/9/ 2021 and signed by:



Fund Account Manager
Name: Eric Muange



National Sub-County
Accountant
Name: Benson Aseka



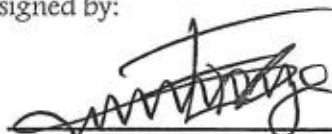
Chairman NG-CDF Committee
Name: Shadrack Seiyio

**National Government Constituencies Development Fund –Kilgoris Constituency
Reports and Financial Statements for the year ended June 30, 2021**

IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	131,367,724	103,360,800
Other Receipts	3	50,000	-
		131,417,724	103,360,800
Payments for operating activities			
Compensation of Employees	4	2,404,986	1,309,804
Use of goods and services	5	12,102,371	7,344,915
Transfers to Other Government Units	6	66,820,497	55,443,000
Other grants and transfers	7	51,583,428	38,414,290
Other Payments	9	-	-
		132,911,282	102,512,009
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(1,493,558)	848,791
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(1,200,000)
Net cash flows from Investing Activities		-	(1,200,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(1,493,558)	(351,209)
Cash and cash equivalent at BEGINNING of the year	10	1,856,212	2,207,421
Cash and cash equivalent at END of the year		362,654	1,856,212

The NGCDF-KILGORIS Constituency financial statements were approved on 30/9/ 2021 and signed by:



Fund Account Manager
Name: Eric Muange



National Sub-County
Accountant
Name: Benson Aseka



Chairman NG-CDF Committee
Name: Shadrack Seiyo

National Government Constituencies Development Fund-Kilgoris Constituency
Reports and Financial Statements for the year ended June 30, 2021

X. SUMMARY STATEMENT OF APPROPRIATION

Receipt/Expense Item	Original Budget	Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	Opening Balance (C/Bk) and AIA	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	1,856,212	39,367,118	178,312,209	131,367,724	46,944,485	75%
Proceeds from Sale of Assets				0	-	-	0%
Other Receipts-AIA		50000		50,000	50,000	-	100%
TOTAL RECEIPTS	137,088,879	1,906,212	39,367,118	178,362,209	131,417,724	46,944,485	75%
PAYMENTS							
Compensation of Employees	1,883,269	587,542	2,863,735	5,334,546	2,404,986	2,929,560	45%
Use of goods and services	10,454,730	1,252,520	1,511,394	13,218,644	12,102,371	1,116,273	92%
Transfers to Other Government Units	65,628,896	15,800	18,228,837	83,873,533	66,820,497	17,053,036	80%
Other grants and transfers	59,121,984	350	16,763,152	75,885,486	51,583,428	24,302,058	68%
Acquisition of Assets	-	-	-	-	-	-	0%
Other Payments	-	-	-	-	-	-	0%
Funds Pending Approval-AIA	-	50,000	-	50,000		50,000	0%
TOTAL	137,088,879	1,906,212	39,367,118	178,362,209	132,911,282	45,450,927	75%
SURPLUS/DEFICIT	-	-	-	-	(1,493,558)		

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

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- i. **Receipts from NG-CDF Board 75%-**Kshs 45,088,273 had not been not received / not disbursed from the NG-CDF Board as at 30th June 2021.
- ii. **Compensation of Employees 45%-** unspent balance of Kshs 2,929,560 being utilized for the same purpose in the subsequent financial year till exhaustion. Included also is the provision of gratuity for the staff.
- iii. **Use of goods and services-92%** unspent balance being utilized for the same purpose in the subsequent financial year till exhaustion.
- iv. **Transfers to Other Government Units-80%-** The following projects had not been implemented as at 30th June 2021

	PROJECT	AMOUNT	
1.	ENKOIPERIA PRIMARY SCHOOL	220,000	Awaiting disbursement of funds from the NG-CDF Board
2.	MAILALONG PRIMARY SCHOOL	1,300,000	Awaiting disbursement of funds from the NG-CDF Board
3.	EMBOLIOI PRIMARY SCHOOL	1,300,000	Awaiting disbursement of funds from the NG-CDF Board
4.	OLEREKO SECONDARY SCHOOL	200,000	Awaiting disbursement of funds from the NG-CDF Board
5.	OLNDOINYO ONKOPIT SECONDARY SCHOOL	5,591,896	Awaiting disbursement of funds from the NG-CDF Board
6.	SOSIO SECONDARY SCHOOL	2,000,000	Awaiting disbursement of funds from the NG-CDF Board
7.	OSONKOROI SECONDARY SCHOOL	5,800,000	Awaiting disbursement of funds from the NG-CDF Board

- v. **Other Grants and Transfers -68%-** The following projects had not been implemented as at 30th June 2021

1. Emergency Reserve	5,188,416	Balance to be reallocated
2. Bursary		
Secondary Schools	10,530,795	Balance to be spent for the same purpose in the subsequent financial year
Tertiary Institutions	5,372,120	Balance to be spent for the same purpose in the subsequent financial year
3. Social Security Programme	3,100,000	Balance to be spent for the same purpose in the subsequent financial year
4. Environment		
Ildolisho Primary School	100,000	Balance to be spent for the same purpose in the subsequent financial year

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	45,450,927
Less undisbursed funds receivable from the Board as at 30th June 2021	45,088,273
	362,654.28
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 202021	362,654

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XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(c = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Constituents and community							
1.2 Committee allowances	4,500,000	615,965	743,272	5,859,237	5,728,000	131,237	98
1.3 Use of goods and services	1,842,063	105,348	127,122	2,074,533	1,896,948	177,585	91
1.4 Acquisition of assets	-	-	-	-	-	-	-
Total	8,225,333	1,308,855	3,734,129	13,268,317	10,029,934	3,238,383	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,000,000	169,135	204,093	1,373,228	875,273	497,955	64
2.2 Committee allowances	2,200,000	338,678	408,677	2,947,355	2,927,000	20,355	99
2.3 Use of goods and services	912,666	23,394	28,230	964,290	675,150	289,140	70
Total	4,112,666	531,207	641,000	5,284,873	4,477,423	807,450	
3.0 Emergency							
3.1 Primary Schools			1,121,000	1,121,000	1,121,000		100

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7.0 Primary Schools Projects									
7.1 Empurkel Primary School			200,000			200,000	200,000	-	100
7.2 Ilkarian Primary School			600,000			600,000	600,000	-	100
NGENDELEL PRIMARY SCHOOL			3,349,037			3,349,037	3,349,037		
7.3 TUMPELION Primary School			2,504,800			2,504,800	2,504,800	-	100
KILETIEN GAA PRIMARY SCHOOL		410,000				410,000	410,000	-	100
KIKAAT PRIMARY SCHOOL		299,000				299,000	299,000	-	100
OLMANGUTIAN PRIMARY SCHOOL		301,000				301,000	301,000	-	100
EMFURKEL PRIMARY SCHOOL		300,000				300,000	300,000	-	100
KAPTEMBWO PRIMARY SCHOOL		272,000				272,000	272,000	-	100
SALGAA PRIMARY		395,000				395,000	395,000	-	100
MASHANGWA PRIMARY SCHOOL		1,700,000				1,700,000	1,700,000	-	100
NYAMESANGURA PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
OLESOILAL PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
ENKOIPERIA PRIMARY SCHOOL		1,400,000				1,400,000	1,180,000	220,000	84
KAPSINENDET PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
OLDANYATI PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
MUMEITA PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
ENOORATET PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
NENTENYENY PRIMARY SCHOOL		1,300,000				1,300,000	1,300,000	-	100
MAILALONG PRIMARY SCHOOL		1,300,000				1,300,000	-	1,300,000	-
EMBOLIOI PRIMARY SCHOOL		1,300,000				1,300,000	-	1,300,000	-

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SITOKA PRIMARY SCHOOL	3,000,000			3,000,000	3,000,000	-	100
NASIRA NKUJIT PRIMARY SCHOOL	590,000			590,000	590,000	-	100
OLSHETI PRIMARY SCHOOL	585,000			585,000	585,000	-	100
OLKIRERUKI PRIMARY SCHOOL	1,300,000			1,300,000	1,300,000	-	100
IRONKENI PRIMARY SCHOOL	1,300,000			1,300,000	1,300,000	-	100
OLMAKAU PRIMARY SCHOOL	1,300,000			1,300,000	1,300,000	-	100
MARANATHA FAITH PRIMARY SCHOOL	1,300,000			1,300,000	1,300,000	-	100
KILGORIS D.E.B PRIMARY SCHOOL	1,200,000			1,200,000	1,200,000	-	100
OSINONI PRIMARY SCHOOL	1,800,000			1,800,000	1,800,000	-	100
ORONKAI PRIMARY SCHOOL	2,600,000			2,600,000	2,600,000	-	100
NAILARE PRIMARY SCHOOL	660,000			660,000	660,000	-	100
OLAMURIKI PRIMARY SCHOOL	410,000			410,000	410,000	-	100
OLDONYO PRIMARY SCHOOL	535,000			535,000	535,000	-	100
Total	33,357,000	-	6,653,837	40,010,837	37,190,837	2,820,000	93
8.0 Secondary Schools Projects							
8.1 Olalui Secondary School	5,800,000		1,200,000	7,000,000	7,000,000	-	
8.3 Shankoe Secondary School		15,800	375,000	390,800	375,000	15,800	
MASHANGWA SECONDARY SCHOOL	1,300,000			1,300,000	1,300,000	-	100
KONDAMET SECONDARY SCHOOL	300,000			300,000	300,000	-	100
EMARTI SECONDARY SCHOOL	355,000			355,000	355,000	-	100
SITOKA SECONDARY SCHOOL	2,000,000			2,000,000	2,000,000	-	100
OLFREKO SECONDARY SCHOOL	1,800,000			1,800,000	1,600,000	200,000	89

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OLINDOINYO ONKOPIT SECONDARY SCHOOL	5,591,896			5,591,896	-	5,591,896	-
SOSIO SECONDARY SCHOOL	2,000,000			2,000,000	-	2,000,000	-
SOSIANA SECONDARY SCHOOL	100,000			100,000	100,000	-	100
OSONKORO SECONDARY SCHOOL	5,800,000			5,800,000	-	5,800,000	-
POROKO SECONDARY SCHOOL	675,000			675,000	675,000	-	100
SHANKOF SECONDARY SCHOOL	450,000			450,000	450,000	-	100
ENOOSEAN SECONDARY SCHOOL	6,100,000			6,100,000	6,100,000	-	100
Total	32,271,896	15,800	1,575,000	33,862,696	20,255,000	13,607,696	60
9.0 Tertiary institutions Projects							
9.1 Kilgoris Technical & Vocational Centre			10,000,000	10,000,000	9,364,660	635,340	94
Total	-	-	10,000,000	10,000,000	9,364,660	635,340	94
10.0 Security Projects							
10.1 Esait GSI Camp	6,200,000		100,000	6,300,000	6,300,000	-	100
10.2 Lelgorian Police Station	400,000			400,000	400,000	-	100
10.3 Lelgorian Police Station	4,300,000			4,300,000	4,300,000	-	100
10.4 ANGALA CHIEFS			1,200,000	1,200,000	1,200,000	-	100
10.5 OLDONYO OKOK CHIEF			600,000	600,000	600,000	-	100
10.6 ADMIN POLICE IRONKEN			1,000,000	1,000,000	1,000,000	-	100
Total	10,900,000		2,900,000	13,800,000	13,800,000	-	-
11.0 Acquisition of assets							
11.1 Motor Vehicles							
11.2 Construction of GDI Office							

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 (gratuity 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-KILGORIS 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

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All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency 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 constituency 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 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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 are 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 financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 xx June 20xx for the period 1st July 2021 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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 2021.

14. Errors

Material prior period errors are 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.

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15. Related Party Transactions

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

**National Government Constituencies Development Fund –Kilgoris Constituency
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020 - 2021	2019 - 2020
		Kshs	Kshs
Normal Allocation	AIE NO. B 041413	5,000,000	
	AIE NO. B 047466	20,000,000	
	AIE NO. B 896831	14,367,724	
	AIE NO B 124556	9,000,000	
	AIE NO B 124990	8,500,000	
	AIE NO B 124558	12,000,000	
	AIE NO B 128133	6,900,000	
	AIE NO B 128445	7,000,000	
	AIE NO B 132189	6,000,000	
	AIE NO B 138857	12,000,000	
	AIE NO B 126151	7,000,000	
	AIE NO B 126444	11,600,000	
	AIE NO B 140589	12,000,000	
	AIE NO B 047132		300,000
	AIE NO B 041413		5,060,800
	AIE NO B 047466		4,000,000
	AIE NO B 041475		20,000,000
	AIE NO B 049312		15,000,000
	AIE NO B 104337		15,000,000
	AIE NO B 096586		14,000,000
	AIE NO B 047167		30,000,000
Conditional Grants	AIE NO...	-	-
Receipt from Other Constituency			
TOTAL		131,367,724	103,360,800

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	50,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	50,000	-

4. COMPENSATION OF EMPLOYEES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,499,671	1,291,804
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	824,915	-
Employer Contributions Compulsory national social security schemes	80,400	18,000
TOTAL	2,404,986	1,309,804

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Utilities, supplies and services	9,450	9,450
Electricity	31,600	75,965
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	875,273	-
Hospitality supplies and services	-	-
Other committee expenses	2,927,000	892,000
Committee allowance	5,728,000	4,196,800
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	507,948	-
Fuel , oil & lubricants	1,389,000	1,550,000
Other operating expenses	-	-
Bank service commission and charges	30,000	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	604,100	620,700
Routine maintenance- other assets	-	-
TOTAL	12,102,371	7,344,915

National Government Constituencies Development Fund –Kilgoris Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Transfers to Primary Schools	37,200,837	36,019,763
Transfers to Secondary Schools	20,255,000	19,423,237
Transfers to Tertiary Institutions	9,364,660	-
TOTAL	66,820,497	55,443,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2020 - 2021	2019 - 2020
	Kshs	Kshs
Bursary - Secondary (see attached list)	15,071,258	10,380,020
Bursary -Tertiary (see attached list)	10,602,500	8,025,380
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	3,600,000	1,800,000
Security Projects (see attached list)	13,860,000	9,336,890
Sports Projects (see attached list)	2,741,400	2,747,000
Environment Projects (see attached list)	1,250,000	1,740,000
Emergency Projects (see attached list)	4,458,270	4,385,000
TOTAL	51,583,428	38,414,290

National Government Constituencies Development Fund –Kilgoris Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	1,200,000
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	-	1,200,000

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

**National Government Constituencies Development Fund –Kilgoris Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020 - 2021	2019 - 2020
	Kshs	Kshs
Equity Bank,Kilgoris Branch KILGORIS NG-CDF Kshs	362,654	1,856,212
A/C NO.1230261205890	-	-
	-	-
TOTAL	362,654	1,856,212
10B: CASH IN HAND)	-	-
	2020 - 2021	2019 - 2020
	Kshs	Kshs
Location 1	-	-
Location 2	-	-
TOTAL	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	-	-	-	-
Total	-	-	-	-

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

13. BALANCES BROUGHT FORWARD

	2020-2021	2019-2020
	Kshs	Kshs
Bank accounts	1,856,212	2,207,421
Cash in hand	-	-
Imprest	-	-
Total	1,856,212	2,207,421

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14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-d	-	-

**** The adjusted balances are not carried down on the face of the financial statement.**
(Entity to provide disclosure on the adjusted amounts)

15.CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	4,388,800.00
Imprest surrendered during the Year (C)	-	4,388,800.00
closing accounts in account receivables D= A+B-C	-	-

16.CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCD/FC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020- 2021	2019- 2020
	Kshs	Kshs
Compensation of employees	2,929,560	3,998,256.00
Use of goods and services	1,116,273	2,464,520.17
Amounts due to other Government entities (see attached list)	17,063,036	10,797,332.00
Amounts due to other grants and other transfers (see attached list)	24,292,058	23,663,828.00
Acquisition of assets		-
Others (<i>specify</i>)	-	-
Funds pending approval-AIA	50,000	
	45,450,927	40,923,936.00

**National Government Constituencies Development Fund –Kilgoris Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	15,795,806	33,655,358.40

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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					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers				
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval				
Grand Total		45,450,927	40,923,936	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/2021
Land	-	-	-	-
Buildings and structures	5,800,000	-	-	5,800,000
Transport equipment	10,551,221	-	-	10,551,221
Office equipment, furniture and fittings	7,234,348	-	-	7,234,348
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	200,000	-	-	200,000
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	23,785,569	-	-	23,785,569

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance	Bank Balance
			2020/2021	2019/2020
PROJECT				
MASHANGWA PRIMARY SCHOOL	EQUITY	1230261417160	1,701,810.00	452,110.00
ILOOKWAYA PRIMARY SCHOOL A/C	EQUITY	1230298714066	64,117.50	2,558,597.50
KILETIEN -GAA PRIMARY SCHOOL	EQUITY	1230279892383	867.50	500.00
TUMPELIAN PRIMARY SCHOOL-CDF	EQUITY	1230298815293	2,505,318.00	2,505,318.00 .
KARDA PRIMARY SCHOOL (CDF A/C	EQUITY	1230276433243	460.00	460.00 .
ISAMPIN PRIMARY SCHOOL	EQUITY	1230279884879	487.50	5,000,000.00
OLDONYO RASHA PRIMARY	EQUITY	1230279905693	287.50	1,600,000.00
KIKATI PRIMARY SCHOOL	EQUITY	1230268951677	4,185.00	801,305.00
NAILARE PRIMARY SCHOOL-CDF	EQUITY	1230279902539	287.50	1,600,000.00
NTUKA PRIMARY SCHOOL	EQUITY	1230268178649	55.00	55.00 .
NAILARE PRIMARY SCHOOL-CDF	EQUITY	1230279902539	287.50	1,600,000.00
ENKILORITI PRIMARY SCHOOL-CDF	EQUITY	1230268178396	60.00	60.00 .
ILDOLISHO PRIMARY SCHOOL-CDF	EQUITY	1230298749756	725.30	300,030.30
KABUSA PRIMARY SCHOOL-CDF A/C	EQUITY	1230262469902	781.50	301,394.00
ROMOSHA PRIMARY SCH (CDF A/C)	EQUITY	1230299517728	11,692.75	311,072.75
OLOPIKIDONG'OE B. PRIMARY	EQUITY	1230298570295	18,890.00	1,818,170.00
OLOSHETI PRIMARY SCHOOL	EQUITY	1230279891174	97.50	1,600,000.00
SHARTUKA PRIMARY-CDF ACCOUNT	EQUITY	1230278991118	880.00	880.00
SIRIA GIRLS SECONDARY SCHOOL	EQUITY	1230297575972	319.00	301,544.00
EMARTI SECONDARY SCHOOL	EQUITY	1230298662917	576.00	2,013,376.00
SOSIANA SECONDARY SCHOOL	EQUITY	1230268883441	101,543.50	3,500,676.00
SHANKOE SECONDARY SCHOOL	EQUITY	1230299545347	50,047.00	6,500,072.00
OLDONYO OROK CHIEFS OFFICE	EQUITY	1230264381285	102.85	545.35
DCC'S OFFICE TRANSMARA WEST	EQUITY	1230279051755	220.00	220.00
ESOIT GSU CAMP	EQUITY	1230299557851	172.50	172.50 .
LOLGORIAN POLICE STATION	EQUITY	1230279818642	4,300,087.50	798,800.00
Kikaat primary school	EQUITY	1230268951677	4,185.00	801,305.00
Olmangutian primary school	EQUITY	1230280223631	301,179.90	
Empurkel primary school	EQUITY	1230298826569	500.50	800,013.00
Kaptembwo primary school	EQUITY	1230299822296	1,317.50	377.50
Salgaa primary school	EQUITY	1230279909564	2,427.50	
Mashangwa secondary school	EQUITY	1230298686268	3,956.00	1,956.00

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Nyamesangura primary school	EQUITY	1230298696337	1,977.50	1,977.50
Olesoilal primary school	EQUITY			
Enkoiperia primary school	EQUITY	1230299484905	77.50	817.50
kondamet secondary school	EQUITY	1230299447240	1,517.50	2,117.50
Kapsinendet primary school	EQUITY	1230298838606	1,098.00	1,098.00
Oldanyati primary school	EQUITY	1230280806976	387.50	
Mumeita primary school	EQUITY	1230299734547	2,160.00	760.00
Enooratet primary school	EQUITY	1230299999227	1,322.50	1,322.50
Nenteken primary school	EQUITY	1230298432032	590.00	590.00
Mailalong primary school	EQUITY			
Embolioi primary school	EQUITY			
Sitoka Secondary school	EQUITY	1230299673115	2,000,000.00	-
Sitoka primary school	EQUITY	1230299528390	1,008,272.50	8,872.50
Nasira Nkujit primary school	EQUITY	1230279896301	287.50	-
Olkirreruki primary school	EQUITY	1230280936270	1,700.00	
Ironkeni primary school	EQUITY	1230280885240	2,299,550.00	
Olmakau primary school	EQUITY	1230299440568	1.00	1.00
Maranatha Faith primary school	EQUITY			
Olereko secondary school	EQUITY	1230299731665	2,359.00	2,359.00
Kilgoris D.E.B primary school	EQUITY	1230299733234	1,205,084.00	5,084.00
Osinoni primary school	EQUITY	1230261411532	500.00	385.00
Endoinyo Onkopit secondary school	EQUITY	1230298722517	630.50	630.50
Sosio secondary school	EQUITY	1230298877742	5,123.00	5,123.00
Olalui secondary school	EQUITY	1230276431516	480.00	-
Sosiana Secondary school	EQUITY	1230268883441	101,543.50	3,500,676.00
Osonkoroi secondary school	EQUITY	1230298574757	2,247.50	2,247.50
Poroko secondary school	EQUITY	1230298803682	55.50	63.00
Oronkai primary school	EQUITY	1230280785332	487.50	-
Olamuriaki primary school	EQUITY	1230279912470	367.50	
Oldonyo Rasha primary school	EQUITY	1230279905693	287.50	1,600,000.00
Mashangwa secondary school	EQUITY	1230298686268	3,956.00	1,956.00
Ngendalel primary school	EQUITY	1230298972761	2,982.25	1,637.75
Pirrar girls secondary school	EQUITY	1230298804043	72,835.50	592,468.00
Total			15,795,806	33,565,358.40

**National Government Constituencies Development Fund –Kilgoris constituency
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ANNEX 6 - 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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

