

REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY	
PAGE	
DATE: 23 FEB 2023	DAY: THURSDAY
TABLED BY: Leader of Majority Party (Lom)	ON
CHECKED BY: Joyce Lemerele	

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MT. ELGON CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

29 SEP 2021



RECEIVED

MT. ELGON CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

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

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

*Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
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 Mt. Elgon 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	CPA Carolyne Wanyonyi
2.	Sub-County Accountant	CPA Felix Emolem
3.	Chairman NGCDFC	Mr. Julius Masaranja
4.	Member NGCDFC	Mrs Nancy kimachas

(d) Fiduciary Oversight Arrangements

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

P.O. Box 267
Planning Building
DCC office compound
KAPSOKWONY

Mt. Elgon Constituency

***National Government Constituencies Development Fund (NGCDF)
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(f) Mt Elgon Constituency NGCDF Contacts

Telephone: (254) 727625192
E-mail: ngcdfmtelgon@ngcdf.go.ke
Website: www.go.ke

(g) Mt Elgon Constituency NGCDF Bankers

EQUITY BANK BUNGOMA BRANCH
P.O. Box
BUNGOMA

(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

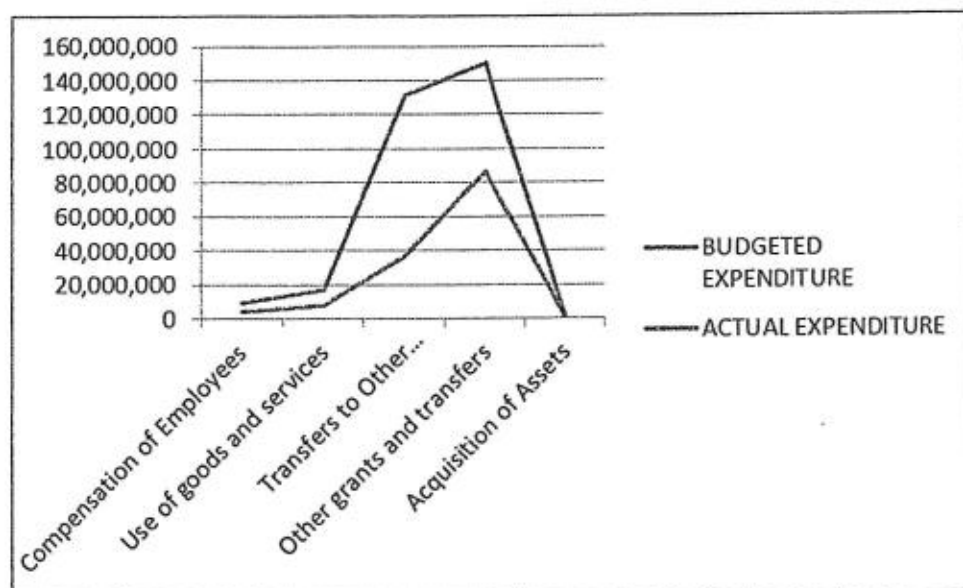
II. NG-CDFC CHAIRMAN'S REPORT



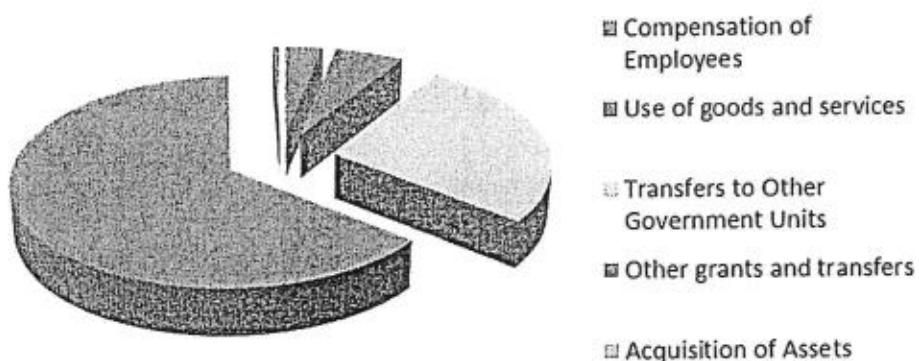
MR. JULIUS MASARANJA
NG-CDF CHAIRMAN, Mt. Elgon
CONSTITUENCY

Mt. Elgon constituency is one of the constituencies that make up the Bungoma County. The constituency borders the republic of Uganda to the north and west, Trans Nzoia County to the east, Sirisia and Kabuchai constituencies to the south. The constituency comprises of Mt Elgon and Cheptais sub counties, sub-divided into six wards, sixteen locations and further into 40 sub locations. The constituency occupy an area of 956.6sq. Km. around 70% of the constituency area is covered by a gazetted forest reserve which is in the upper section of the constituency while the rest is under human settlement which is the lower region of the constituency. The constituency is inhabited by the majority Sabaot community, and the minority Bukusu and the Teso. NG-CDF Mt. Elgon is led by Mt. Elgon NG-CDF which was selected and inaugurated as per the NG-CDF act and regulations. The committee has had a decline in its performance due to the world pandemic COVID-19. Mt elgon constituency has poor terrain because of its hilly nature. This actually had an effect on delivery of materials to the construction sites. Due to hilly topography, the constituency also suffered high cost of construction as the contractors had to spent a lot to get the required level. There were delays of disbursements from the board and as at the close of the year the constituency had not received 30% of its allocation. Most of the funds were disbursed towards the close of the financial year. The comparison in performance can be well elaborated by the graph and bar chart below

GRAPHICAL REPRESENTATION OF BUDGETED EXPENDITURE VERSES ACTUAL EXPENDITURE



ACTUAL EXPENDITURE



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**KUBURA PRIMARY SCHOOL
FUNDED BY NG-CDF. MT. ELGON CONSTITUENCY**

Mt. Elgon NG-CDF has the following Institutional challenges

The Mt. Elgon NG-CDFC is currently experiencing the following constraints:

- Poor terrain
- High insecurity
- Unstable loam soil which makes construction very expensive
- Inadequate office equipment and space especially in the field
- Low funding that makes it hard for the NG- CDFC to implement its programs
- vast constituency
- Devolution challenges which have led to possible duplication of development projects
- high poverty level which leads to early pregnancies and early marriages
- high poverty level has also strained bursary kitty.

The above challenges can be addressed through

- Co-operation between the county government and national government to improve road network
- Increase in NG-CDF allocation
- Improve in security network

Signature

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of *Mt. Elgon Constituency 2019-2023* plan are to:

- To improve education outcomes at all levels of learning within the learning institution in the constituency
- To harness the potential of youth in combating unemployment in the constituency
- To empower special interest groups and provide safety nets for the vulnerable groups in the constituency.
- To encourage social cohesion through cultural programming
- To coordinate and facilitate infrastructural development in the constituency
- To enhance security for residents through multi-stakeholder pronged approaches
- To promote and enhance networks

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 20/21</p> <ul style="list-style-type: none"> -we built a story building in Bukonoi primary school with a total of 8 classrooms. This increased their classrooms from 12 to 20. We also completed the dormitories in the following schools- Toywondet primary school, Kim girls and Toroso sec school. This impacted more on enrolment. We

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				supported 4500 students with buesaries
Security	To curb insecurity on the constituency	Reduced cases of insecurity in the constituency	Increased number of modern physical structures of police post and police stations	We have increase police station and police post by 2 i.e. Cheptais police station and Kipsigon police station
Environment	To have a conducive ecosystem	Reduce soil erosion, increased water catchment areas.	Increased rain fall pattern and volume of water in catchment areas have increased	We planted tree of various type i.e. indigenous and exotic tree in 10 schools/institution example chepkurkur primary school, Toroso sec school
Sports	To have a sporty constituency with improved sporting environment where other sports not only football are encouraged. For example athletics	Increased morally upright and economically engaged youth	Identified and nature various talents in	We supported 10 schools in procurement of sports kits
Emergency	To have a fund set aside for emergencies in the constituency	Responded to emergencies immediately	number of usable physical infrastructure build in primary, and institutions supported by emergency kitty	We supported 12 institutions with emergency funds

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

To ensure sustainability of Mt. Elgon NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Mt. Elgon NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

Environmental performance

Mt. Elgon NG-CDF constituency cares for the environmental protection that we operate in, it is our key responsibility to conserve the environment by planting trees and protecting the existing one.

Our environmental policy

In this policy statement for Mt. Elgon NG CDF commits to:

- ☐ Comply with all environmental legislation and regulation.
- ☐ provide training to NG CDFC and staff so that we work in accordance with environmental aware culture
- ☐ developing our management processes to ensure that environmental factors are considered during planning and implementation

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- ☐ Encouraging stakeholders to preserve the natural environment and improve our ecosystem

2. Employee welfare

We invest in providing the best working environment for our employees. Mt. Elgon constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

3. Market place practices-

Mt. Elgon NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

4. Community Engagements-

Mt. Elgon NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

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The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

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.

Mt. Elgon NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

Mt. Elgon Constituency

**National Government Constituencies Development Fund (NGCDF)
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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-Mt. Elgon 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-Mt. Elgon 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- Mt. Elgon 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 Mt. Elgon Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *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- Mt. Elgon Constituency financial statements were approved and signed by the Accounting Officer on 31/9/2021 2021.


Chairman NGCDF Committee

Name: CPK CAROLINE WAMUNGU


Fund Account Manager

Name: JULIUS MURRAYA

REPUBLIC OF KENYA

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



HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MT. ELGON 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 National Government Constituencies Development Fund-Mt. Elgon Constituency set out on pages 15 to 47, which comprise of the statement of assets and liabilities as at 30 June, 2021, and the

*Report of the Auditor-General on National Government Constituencies Development Fund - Mt. Elgon Constituency
for the year ended 30 June, 2021*

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Mt. Elgon 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 Audit Act, 2012, and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Unsupported Committee Allowances

The statement of receipts and payments reflects an amount of Kshs.9,148,630 and as disclosed on Note 5 on use of goods and services. Included in the amount is Kshs.2,885,525 out of which an amount of Kshs.500,000 relating to committee allowances during bursary vetting exercises in various Wards of the Constituency. However, list of the beneficiaries of the bursaries was not provided for audit.

In the circumstances, the regularity and completeness of the Kshs.500,000 expenditure 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 - Mt. Elgon Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation indicates that during the year under review, the Fund had a final approved budget of Kshs.216,534,678 but realized actual receipts of Kshs.182,345,799. The resultant under funding of Kshs.34,188,879 was not explained.

In addition, out of the actual receipts of Kshs.182,345,799, the Fund utilized Kshs.172,267,724 resulting to an under absorption of Kshs.10,078,075.

The underfunding and under absorption of the approved budget affects the implementation of planned projects and service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015, and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 control that

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

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

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

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

I communicate with 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


08 September, 2022


Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	172,267,724	68,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	39,000	64,000
TOTAL RECEIPTS		172,306,724	68,064,000
PAYMENTS			
Compensation of employees	4	5,401,110	3,428,355
Use of goods and services	5	9,148,630	5,145,870
Transfers to Other Government Units	6	94,250,000	22,755,500
Other grants and transfers	7	63,131,600	32,734,000
Acquisition of Assets	8	800,000	800,000
Other Payments	9	-	-
TOTAL PAYMENTS		172,731,340	64,863,725
SURPLUS/(DEFICIT)		(424,616)	3,200,276

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mt. Elgon Constituency financial statements were approved on 2/9/21 2021 and signed by:


Fund Account Manager
Name: CPA CAROLINE WANJONJI


National Sub-County Accountant
Name: FELIX O. ENOLEM
ICPAK M/No: 11731



Chairman NG-CDF Committee
Name: JULIUS MASARUSA


*Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

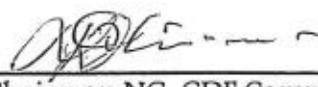
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	9,614,459	10,039,075
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		9,614,459	10,039,075
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		9,614,459	10,039,075
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITIES		9,614,459	10,039,075
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd		10,039,075	6,121,624
Prior year adjustments	14	-	717,176
Surplus/Deficit for the year		(424,616)	3,200,276
NET FINANCIAL POSITION		9,614,459	10,039,076

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Mt. Elgon Constituency financial statements were approved on 31/9/2021 and signed by:


Fund Account Manager
Name: CPA CAROLINE Wanjau


National Sub-County
Accountant
Name: FENX O. ENOLEM
ICPAK M/No: 11731


Chairman NG-CDF Committee
Name: JULIUS MASARUTJA

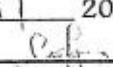
Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

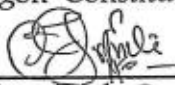
STATEMENT OF CASHFLOW

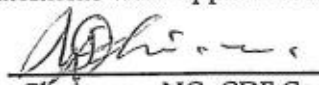
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	172,267,724	68,000,000
Other Receipts	3	39,000	64,000
Total receipts		172,306,724	68,064,000
Payments for operating activities			
Compensation of Employees	4	5,401,110	3,428,355
Use of goods and services	5	9,148,630	5,145,870
Transfers to Other Government Units	6	94,250,000	22,755,500
Other grants and transfers	7	63,131,600	32,734,000
Other Payments	9	-	-
Total payments		171,931,340	64,063,725
Total Receipts Less Total Payments			
Adjusted for:		-	-
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	717,176
Prior year adjustments	14	-	717,176
		375,384	4,717,452
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	800,000	800,000
Net cash flows from Investing Activities		(800,000)	(800,000)
NET INCREASE IN CASH AND CASH EQUIVALENT		(424,616)	3,917,452
Cash and cash equivalent at BEGINNING of the year	10	10,039,076	6,121,624
Cash and cash equivalent at END of the year		9,614,460	10,039,076

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

21/9/2021 and signed by:


 CPA CAROLINE
 WANJONI


 National Sub-County
 Accountant
 Name: FALK ENDLEM
 ICPAK M/No: 11731


 Chairman NG-CDF Committee

Name: JULIUS
 ANAS ARANDA

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget A	Adjustments B		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021			2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	10,039,075	69,367,724	216,495,678	182,306,799	34,188,879	84.2%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts(AIA)	-	39000	-	39000	39000	-	0.0%
TOTALS	137,088,879	10,078,075	69,367,724	216,534,678	182,345,799	34,188,879	84.2%
PAYMENTS							
Compensation of Employees	4,259,640	1,435,217	839,640	6,534,497	5,401,110	1,133,387	82.7%
Use of goods and services	7,937,032	972,239	2,578,057	11,487,328	9,148,630	2,338,698	79.6%
Transfers to Other Government Units	74,800,000	7,555,519	50,950,000	125,750,000	94,250,000	31,500,000	75.0%
Other grants and transfers	48,792,207	-	15,000,027	71,347,753	63,131,600	8,216,153	88.5%
Acquisition of Assets	800,000	-	-	800,000	800,000	-	100.0%
Other Payments	-	-	-	-	-	-	-
Funds pending approval**	500,000	115,100	-	-	-	615,100	-
TOTALS	137,088,879	10,078,075	69,367,724	216,534,678	-	43,803,338	79.8%

***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*

- (a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. All the expenditures were below 90% due delayed disbursement from the board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	43,803,338
Less undisbursed funds receivable from the Board as at 30th June 2021	34,188,879
	9,614,459
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 202021	9,614,459

The NGCDF-Mt. Elgon Constituency financial statements were approved on 3/9/2021 and signed by:



Fund Account Manager

Name: CPA CAROLINE WAKOTONI

Accountant

Name: Felix EMOLEH
ICPAK M/No: 11731

National Sub-County

Chairman NG-CDF Committee

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,259,640	1,435,217	839,640	6,534,497	5,401,110	1,133,387
1.2 Committee allowances	1,830,000	93,996	198,214	2,122,210	1,313,525	808,685
1.3 Use of goods and services	2,075,532	276,864	652,423	3,004,819	2,643,105	361,714
TOTAL	8,165,172	1,806,077	1,690,277	11,661,526	9,357,740	2,303,786
2.0 Monitoring and evaluation						
2.1 Capacity building	1,650,000		1,650,000	3,300,000	3,170,000	130,000
2.2 Committee allowances	1,681,500	570,315	77,420	2,329,235	1,572,000	757,235
2.3 Use of goods and services	700,000	31,064		731,064	450,000	281,064
TOTAL	4,031,500	601,379	1,727,420	6,360,299	5,192,000	1,168,299
3.0 Emergency						
3.1 Primary Schools	7,192,207	364,087	27	7,556,321	2,705,600	4,850,721
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects			-	-		-
TOTALS	7,192,207	364,087	27	7,556,321	2,705,600	4,850,721
4.0 Bursary and Social Security						
4.1 Primary Schools	18,000,000	5,827,130		23,827,130	23,119,000	708,130
4.2 Secondary Schools	10,400,000	1,364,302	10,000,000	21,764,302	21,447,000	317,302
4.3 Tertiary Institutions				-		-
4.4 Universities	1,000,000			1,000,000	660,000	340,000
TOTALS	29,400,000	7,191,432	10,000,000	46,591,432	45,226,000	1,365,432

*Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
5.0 Sports						
5.1	2,500,000		2,500,000	5,000,000	5,000,000	-
TOTAL	2,500,000	-	2,500,000	5,000,000	5,000,000	-
5.3						
6.0 Environment						
6.1	2,500,000		2,500,000	5,000,000	5,000,000	-
TOTALS	2,500,000	-	2,500,000	5,000,000	5,000,000	-
7.0 Primary Schools Projects (List all the Projects)						
TOY'WONDET PRIMARY	0	-	4,000,000	4,000,000	4,000,000	-
CHEPKUJ PRIMARY	0		1,000,000	1,000,000	1,000,000	-
KAPKONG PRIMARY	0		2,000,000	2,000,000	2,000,000	-
BURKENWO PRIMARY SCHOOL	0		500,000	500,000	500,000	-
CHESRUP PRIMARY SCHOOL			1,000,000	1,000,000	1,000,000	-
YAMBEKHO PRIMARY SCHOOL			1,000,000	1,000,000	1,000,000	-
RAMA PRIMARY SCHOOL			500,000	500,000	500,000	-
SEREK PRIMARY SCHOOL			2,000,000	2,000,000	2,000,000	-
BUKONOI PRIMARY			3,000,000	3,000,000	3,000,000	-
BUKONOI PRIMARY			5,000,000	5,000,000	5,000,000	-
RWANDA PRIMARY SCH			2,000,000	2,000,000	2,000,000	-
MASAEK PRIMARY SCH	500,000			500,000	500,000	-

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
CHEMONDI PRIMARY SCH	500,000			500,000	500,000	-
CHEMEGER PRIMARY SCH	1,000,000			1,000,000	1,000,000	-
CHEMSES PRIMARY SCH	1,200,000			1,200,000	1,200,000	-
KIPSIKA PRI	2,000,000			2,000,000	2,000,000	-
CHESTO PR. SCH	1,000,000			1,000,000	1,000,000	-
CHEMOGE PR. SCH	1,000,000			1,000,000	1,000,000	-
BUKONOI PRIMARY	11,000,000			11,000,000	11,000,000	-
KIPTUNGURURWO PRI SCH PMC	1,000,000			1,000,000	1000000	-
CHEMOIKUT PRI SCH PMC	2,000,000			2,000,000	2000000	-
KAMABUS PRI SCH PMC	2,600,000			2,600,000	2600000	-
KAPSOROMAT PRI SCH PMC	2,000,000			2,000,000	2000000	-
KAPSOGOM PRI SCH PMC	2,000,000			2,000,000	2000000	-
CHERONGOS PRI SCH PMC	1,000,000			1,000,000	1000000	-
KOSHOK PRI SCH PMC	500,000			500,000	500000	-
KIPYETO PRI SCH PMC	1,000,000			1,000,000	1000000	-
NDERET PRI SCH PMC	2,000,000			2,000,000	2000000	-
CHEMOREMWO PRI SCH PMC	500,000			500,000	500000	-

*Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
YEMBEKHO PRI SCH PMC	2,000,000			2,000,000	2000000	-
BANANTEGA PRIMARY SCH	1,000,000			1,000,000		1,000,000
BANDAPTAI PR. SCH	1,000,000			1,000,000		1,000,000
CHEMOSITET PR	800,000			800,000		800,000
CHEPCHABAI PRI	500,000			500,000		500,000
CHEPKAT PR	500,000			500,000		500,000
CHEPKOWO PR	2,900,000			2,900,000		2,900,000
CHEPKUI PRIMARY	2,000,000			2,000,000		2,000,000
CHESKAKI PR	2,000,000			2,000,000		2,000,000
CHESKAKI SPECIAL SCH	2,000,000			2,000,000		2,000,000
CHESURUP PRIMARY	2,900,000			2,900,000		2,900,000
KAMKATA PR	1,000,000			1,000,000		1,000,000
KAPCHEBUK PRI	800,000			800,000		800,000
KEWANGOI PR	1,000,000			1,000,000		1,000,000
KIBUK PRIMARY	1,000,000			1,000,000		1,000,000
KIMORONG PR	500,000			500,000		500,000
KIPSIS PR	500,000			500,000		500,000
KIPSOEN PR	2,000,000			2,000,000		2,000,000
KIPTOITIK	2,000,000			2,000,000		2,000,000
MILIMANI PR	1,000,000			1,000,000		1,000,000
NAMATOTOA PR	600,000			600,000		600,000
SIRKOI PR	500,000			500,000		500,000
TOROSO PR	2,000,000			2,000,000		2,000,000
TULWO PR	500,000			500,000		500,000

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
CHEPTABURBUR PR	500,000			500,000		500,000
KABOYWO PR	2,000,000			2,000,000		2,000,000
TOTAL	66,300,000	-	22,000,000	88,300,000	56,800,000	31,500,000
8.0 Secondary Schools Projects (List all the Projects)						
KIMABOLE SEC SCHOOL			1300000	1,300,000	1300000	-
NALONDO SEC SCHOOL			2000000	2,000,000	2000000	-
ST. MARKS KIPCHIRIA SEC SCH.			1000000	1,000,000	1000000	-
TEREM SEC SCHOOL			1000000	1,000,000	1000000	-
ST. TERESAS CHEPTOROR SEC			1500000	1,500,000	1500000	-
KUBURA SEC SCHOOL			2000000	2,000,000	2000000	-
CHELEBEI SEC			7150000	7,150,000	7150000	-
KAPTAMA BOYS	8,000,000		3,000,000	11,000,000	11,000,000	-
SENDERA SEC SCH PMCC	500000			500,000	500,000	-
Total	8,500,000		18,950,000	27,450,000	27,450,000	-
Mt. Elgon TTI			10,000,000	10,000,000	10,000,000	-
Total	-	-	10,000,000	10,000,000	10,000,000	-
10.0 Security Projects						
Cheptais police	2,700,000		-	2,700,000	2,700,000	-
kipisigon police	2,500,000			2,500,000	2,500,000	-
Chemoge chiefs office	1,000,000			1,000,000		1,000,000
Rwanda chiefs office	1,000,000			1,000,000		1,000,000
Total	7,200,000	-	-	7,200,000	5,200,000	2,000,000

*Mt. Elgon Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2	800,000		-	800,000	800,000	-
Funds pending approval**	500,000	76,100	-	576,100	-	
Total	137,088,879	10,078,075	69,367,724	215,734,678	172,731,340	43,803,338

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

XI. 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-Mt. Elgon 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.

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

Mt. Elgon Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

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 30th June 2020 for the period 1st July 2020 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.

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.

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
B041148		4,000,000
B041324		20,000,000
B047742		7,000,000
B047985		9,000,000
B049393		19,000,000
B104418		9,000,000
B096985	18,000,000	
B104649	28,000,000	
A823691	8,367,724	
B104904	15,000,000	
B124621	9,000,000	
B119582	12,000,000	
B128215	6,900,000	
B118974	15,000,000	
B129177	8,000,000	
B132271	6,000,000	
B138940	15,000,000	
B126232	6,000,000	
B105027	10,000,000	
B140670	15,000,000	
TOTAL	172,267,724	68,000,000

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	39,000	64,000
Hire of plant/equipment/facilities		
Unutilized funds from PMCs		
Other Receipts Not Classified Elsewhere		
Total	39,000	64,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,449,190	2,631,135
Personal allowances paid as part of salary		
House Allowance		684,000
Transport Allowance		-
Leave allowance		-
Gratuity to contractual employees	1,794,240	-
Employer Contributions Compulsory national social security schemes	157,680	113,220
Total	5,401,110	3,428,355

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	527,037	912,247
Communication, supplies and services	-	-
Electricity	-	25,000
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	9,450	-
Rentals of produced assets	-	-
Training expenses	3,170,000	-
Hospitality supplies and services	-	-
Other committee expenses	1,199,787	960,000
Committee allowance	2,885,525	1,680,500
Insurance costs	-	-
Specialized materials and services	-	-
Fuel oil and lubricants	798,148	-
Office and general supplies and services		
Security operations	-	17,341
Other operating expenses	59881	670,000
Routine maintenance – vehicles and other transport equipment	498,802	248,782
Routine maintenance – other assets		
Total	9,148,630	5,145,870

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	56,800,000	7,550,000
Transfers to secondary schools (see attached list)	27,450,000	15,205,500
Transfers to tertiary institutions (see attached list)	10,000,000	
TOTAL	94,250,000	22,755,500

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,119,000	19,151,000
Bursary – tertiary institutions (see attached list)	21,447,000	5,303,000
Bursary – special schools (see attached list)	660,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	5,200,000	-
Sports projects (see attached list)	5,000,000	-
Environment projects (see attached list)	5,000,000	-
Emergency projects (see attached list)	2,705,600	8,280,000
Total	63,131,600	32,734,000

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	800,000.00	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	300,000
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	800,000	800,000

9. OTHER PAYMENTS

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

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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
<i>Equity Bank – BUNGOMA A/C no.0480278995270</i>	9,614,459	10,039,075
	-	-
Total	9,614,459	10,039,075
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
	-	-
Total	-	-

11: OUTSTANDING IMPRESTS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	10,039,075	6,121,624
Cash in hand		
Imprest		
Total	10,039,075	6,121,624

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>) stale cheques	717,176	-	717,176
TOTAL	717,176	-	717,176

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	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 payables D= A+B-C	-	-

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
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,133,387	2,274,858
Use of goods and services	2,338,698	3,550,296
Amounts due to other Government entities (see attached list)	31,500,000	50,950,000
Amounts due to other grants and other transfers (see attached list)	8,216,153	22,555,546
Acquisition of assets		0
Others (<i>specify</i>)	115,100	76,100
Funds pending approval	500,000	
	43,803,338	79,406,800

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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)	54,061,790	8,269,380
	54,061,790	8,269,380

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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		1,133,387	2,274,858	
Committee allowances		808,685	292,210	
Use of goods and services		361,714	929,287	
Capacity building		130,000	1,650,000	
Committee allowances		757,235	647,735	
Use of goods and services		281,064	31,064	
sub-total		3,472,085	5,825,154	
Amounts due to other Government entities				
Transfer to sec school				
Kimabole sec School	Completion of dormitory		1,300,000	
Nalondo Sec School	Construction of 2 classrooms		2,000,000	
St. Marks Kipchiria	purchase of land		1,000,000	
Terem Sec	completion of laboratory		1,000,000	
St Teresas Cheptoror	Completion of dormitory		1,500,000	
Kubura sec	Construction of 2 classrooms		2,000,000	
Chelebei Sec	purchase of school bus		7,150,000	
Kaptama boys	completion of dinning hall		3,000,000	
St. Jude Kaimugul	Construction of 2 classrooms		2,000,000	
Transfer to tertiary institution- Mt. Elgon TTI			10,000,000	
Transfer to primary schools				
Toywondet pri	Completion of dormitory		4,000,000	
Chepkui pr	purchase of land		1,000,000	
Kapkong Pr	Construction of 2 classrooms		2,000,000	
Burkenwo Pr	completion of one classrooms		500,000	
Chesrup Pr	completion of two classrooms		1,000,000	

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Yembekho pr	Construction of 1 classrooms		1,000,000	
Rama pr	completion of two classrooms		500,000	
Serek pr	Construction of 2 classrooms		2,000,000	
Bukonoi pr	construction of 8 classrooms		8,000,000	
Banantega pr	renovations of classrooms.	1000000		
Bandaptai pr	Renovation of 2 no. classrooms	1000000		
Chemositet pr	completion of two classrooms	800000		
Chepchabai pr	completions of two classrooms.	500000		
Chepkat pr	completions of two classrooms.	500000		
Chepkowo pr	Construction of 2 classrooms	2900000		
Chepkui pr	Construction of 2 classrooms	2000000		
Cheeskaki pr	renovations of 5 classrooms.	2000000		
Cheeskaki special school	Construction of 2 classrooms	2000000		
Chesrup Pr	Construction of 2 classrooms	2900000		
Kamkata pr	completion of two classrooms	1000000		
Kapchebuk	renovations of 3 classrooms	800000		
Kewangoi pr	completion of two classrooms	1000000		
Kibuk pr	completion of four classrooms	1000000		
Kimorong pr	purchase of 1 acre land	500000		
kipsis pr	completion of 1 classroom	500000		
Kipsoen pr	Construction of 2 classrooms	2000000		
Kiptoitik pr	Construction of 2 classrooms	2000000		
Milimani pr	renovations of 3 classrooms	1000000		
Namatoatoa pr	renovations of 3 classrooms	600000		
Sirkoi pr	completion of 3 classrooms	500000		
Toroso pr	Renovation of 5 classrooms	2000000		
Tulwo pr	completion of 3 classrooms	500000		
Cheptabur pr	completion of 3 classrooms	500000		
Kaboywo pr	Renovation of 5 classrooms	2000000		
		31,500,000	50,950,000	

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Amounts due to other grants and other transfers				
Bursary – secondary schools	payment of fees to needy students	708,130.00	4,827,130	
Bursary – tertiary institutions	payment of fees to needy students	317,302.00	11,364,302	
Bursary – special schools	payment of fees to needy students	340,000.00	1,000,000	
Security projects				
Chemoge Chiefs office	construction of chiefs office	1,000,000		
Rwanda chiefs office	construction of chiefs office	1,000,000		
Sports projects	purchase of sports kits		2,500,000	
Environment projects	planting of trees		2,500,000	
Emergency	cater for unseen calamities	4,850,721	364,114	
Sub-Total		8,216,152.90	22,555,546	
Acquisition of assets				
Others (specify)				
AIA		115100	76100	
Sub-Total		115100	76100	
Funds pending approval		500000		
Grand Total		43,803,338	79,406,800	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	1,000,000	-	-	1,000,000
Buildings and structures	10,500,000	-	-	10,500,000
Transport equipment	5,500,000	-	-	5,500,000
Office equipment, furniture and fittings	701,000	-	-	701,000
ICT Equipment, Software and Other ICT Assets	916,945	-	-	916,945
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	18,617,945			18,617,945

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 202xx

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Toroso Pr School	Equity Bank of Kenya	0480294445378	51,589	51,589
Kananachi Primary School	Equity Bank of Kenya	0480277386540	882,829	882,829
Emgen Primary School	Equity Bank of Kenya	0480277386500	240,833	240,833
Kimorong Primary School	Equity Bank of Kenya	0480277386450	2,256	2,256
Cheptonon Police Station	Equity Bank of Kenya	0480279007696	41,907	41,907
Kopsiro Do	Equity Bank of Kenya	0480277386525	103,933	103,933
Kiptii Primary School	Equity Bank of Kenya	0480278971728	1,256,522	1,256,522
Saria Primary School	Equity Bank of Kenya	0480278976934	320	320
Cheptais Police Station	Equity Bank of Kenya	0480278914451	1,300,000	1,300,000
Chemta Primary School	Equity Bank of Kenya	0480278965512	861,985	861,985
Busanja Primary School	Equity Bank of Kenya	0480278913623	333,689	333,689
Kiptoitik Primary School	Equity Bank of Kenya	0480278995850	277,880	277,880
Kaberwa Primary School	Equity Bank of Kenya	0480296581524	1,615	1615
Masaek Sec School	Equity Bank of Kenya	0480278913147	245,401	245,401
Cheptonon Sec	Equity Bank of Kenya	0480277129064	1,301,991	1,301,991
Chebin Primary School	Co-op Bank of Kenya	01139290435800	1,260	1,260
Kimerin Primary School	Co-op Bank of Kenya	01139290610600	768	768
Kapchoiywo Primary School	Co-op Bank of Kenya	01141469948600	1,480	1,480
Masaek Primary	Co-op Bank of Kenya	01141050030400	32,050	32,050
Toroso Sec	Co-op Bank of Kenya	01139469414000	1,328,000	1,328,000
Chesikaki Special School	Co-op Bank of Kenya	01141688715500	500	500
Kabero Primary School	Co-op Bank of Kenya	01141687955000	2,572	2,572
Toywondet primary school	Equity Bank of Kenya	480278976662	42,367.50	
Chepkui primary school	Equity Bank of Kenya	0480280030791	555,727.50	

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Kapkong primary school	Equity Bank of Kenya	0480280088128	1,000,000.00	
Chesrup primary school	Equity Bank of Kenya	0480280321642	2,999,550.00	
Yembekho primary school	Equity Bank of Kenya	0480280321636	1,963,430.00	
Serek primary school	Equity Bank of Kenya	0480280574972	9,778,218.00	
Bukonoi primary school	Equity Bank of Kenya	0480280430591	1,963,430.00	
Rwanda primary school	Equity Bank of Kenya	0480280574972	499,100.00	
Chemondi primary school	Equity Bank of Kenya	0480280906129	2,317,747.50	
Chemeger primary school	Equity Bank of Kenya	0480279802524	1,199,550.00	
CHEMSES PRIMARY SCH	Equity Bank of Kenya	0480280839896	1,999,550.00	
Chemses primary school	Equity Bank of Kenya	0480280884778	999,550.00	
Chesito primary school	Equity Bank of Kenya	0480280884948	999,550.00	
Chemoge primary school	Equity Bank of Kenya	0480280858859	1,000,550.00	
Kiptungururwo primary school	Equity Bank of Kenya	0480281005721	2,599,550.00	
Kamabus primary school	Equity Bank of Kenya	0480281016511	1,999,550.00	
Koshok primary school	Equity Bank of Kenya	0480281043368	2,999,550.00	
Chemoikut primary school	Equity Bank of Kenya	0480281008991	157.50	
Kimabole sec school	Equity Bank of Kenya	0480280216783	999,487.50	
Terem sec school	Equity Bank of Kenya	0480280229145	5,735.00	
St. Teresa cheptoror sec school	Equity Bank of Kenya	0480280218527	5,203.50	
KUBURA SEC SCHOOL	Equity Bank of Kenya	0480280204378	10,875,439.85	
KAPTAMA BOYS	Equity Bank of Kenya	0480293646916	1,013,410.00	
CHERENDIO S.D.A PRIMARY SCHOOL	Equity Bank of Kenya	0480277141685	1,013,410.00	
TOTALS			54,061,790	8,269,380

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor 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)
1	Failure to Insure Fixed and Movable Assets Annex 4 on summary of fixed assets register to the financial statements for the year under review reflects total fixed assets of Kshs.19,118,545. However, the assets had not been insured, contrary to Section 36 (3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee shall be the property of the Board and shall be insured in the name of the Board.	The committee has noted the issue and will factor the costs of insurance in the next budget so that the assets can be insured	Resolved	6months
2	Proposed Erection and Completion of Two Classroom Emgwen Primary School The contract for the proposed erection and completion of two classroom at Emgwen Primary School was awarded to a local firm at a sum of Kshs.2,000,000. During the year under review	The committee noted the anomalies and tasked the PMC to work hand in hand with the contractor.	resolved	6months

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)
	Kshs.400,000 was spent on the project. However, field verification revealed that the school did not have students and the land on which it was built did not have title deed. Management explained that the school is new which is to start from scratch, but, did not provide timeframe as to when pupils will be admitted.			
3	<p>Parcels of Land without Title Deeds</p> <p>During the year under review, Chemweisus Secondary School was given Kshs.1,500,000 to purchase 2 acres of land. The school identified three parcels of land measuring 3.477 acres and valued at Kshs.1,675,000. During the year under review, the land sellers were paid Kshs.1,375,000, with the balance of Kshs.300,000 to be settled later.</p> <p>However, title deeds for the parcels of land had not been obtained as at the time of audit.</p> <p>In the absence of title deed, the ownership of the 3.477 acres of land could not be confirmed.</p>	The committee tasked the school with the ministry of lands to speed up the processing of the title deed.	Resolved	6months ;