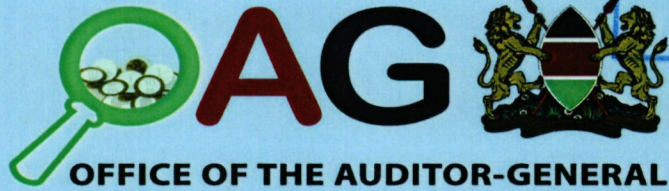



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BY:

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Mainah Wanjiku

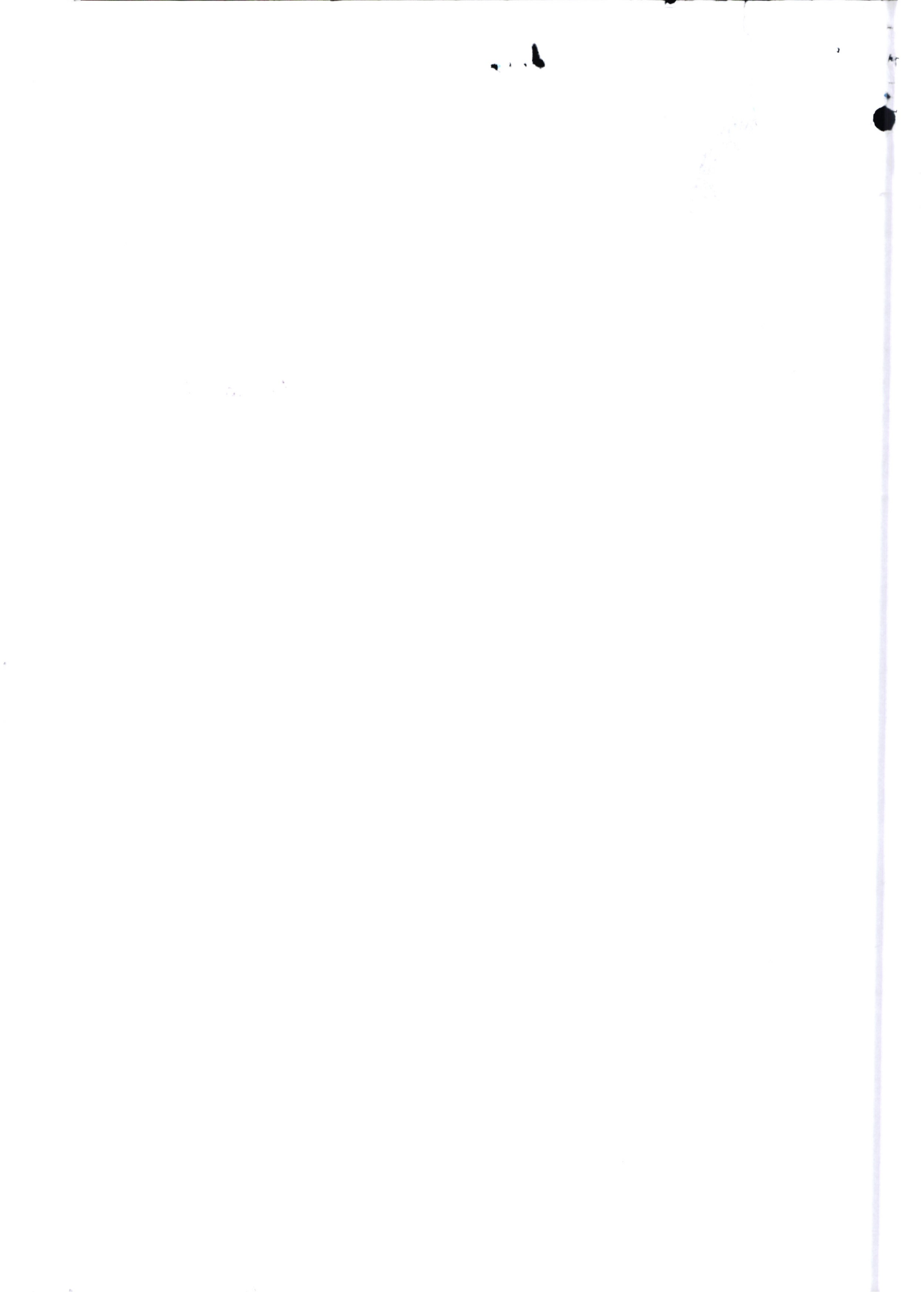
OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KARACHUONYO CONSTITUENCY**

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





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

REPORTS AND FINANCIAL STATEMENTS

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

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





NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KARACHUONYO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

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

Core Values

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

(b) Key Management

The NGCDF KARACHUONYO Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

N o	Designation	Name
1.	A.I.E holder	Bernard Konya
2.	Sub-County Accountant	Chrispinus Ibalai
3.	Chairman NGCDFC	Joramme Osare Hongo
4.	Member NGCDFC	Hesbon Ochoko

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF KARACHUONYO Constituency Headquarters

P.O. Box 36 - 40301
NG-CDF Office Building
At the Sub County HQs, Next to the DCC's office. Kamodi area.
Along Kendubay Oyugis road
KENDU BAY

(f) NG-CDF KARACHUONYO Constituency Contacts

Telephone: (254) 724286473
E-mail: cdfkarachuonyo@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NG-CDF KARACHUONYO Constituency Bankers

1. Equity Bank of Kenya
Homabay Branch
P.O. Box 75104
40300, HOMA BAY

(h) Independent Auditors

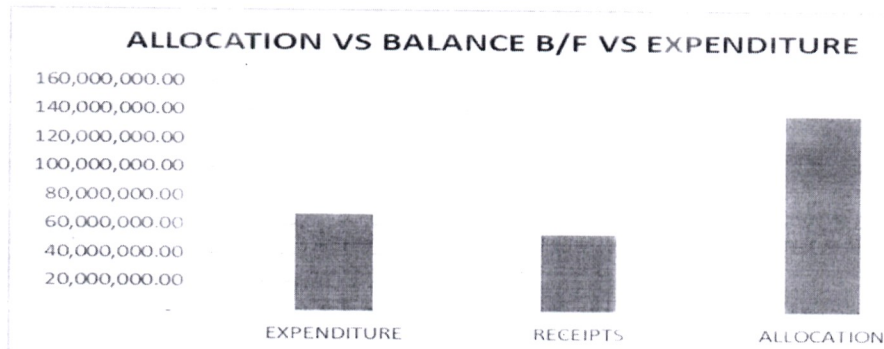
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

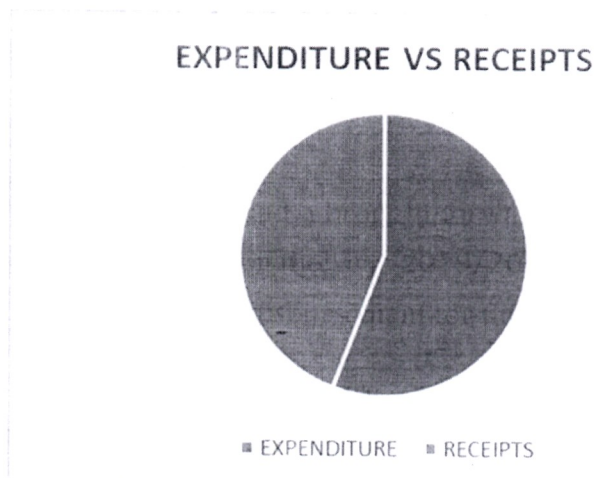
A. FUNDS ALLOCATED VS EXPENDITURE VS RECEIPTS FROM THE BOARD.



The constituency had a brought forward balance of Kshs. 34,110,576 as of 1st July, 2019. The new funds allocation for the year 2019/20 was Kshs. 137,367,724 out of which Kshs. 54 million was received and total disbursement for the year is Kshs 68,852,196.

EXPENDITURE VS RECEIPTS

The amount spent in the year was Kshs. 68,852,196 which is 80% of the total funds available in year of Kshs. 85,704,125.



ACHIEVEMENTS

The committee has only been able to fund the bursaries as that was the only funds received. The issuance of Bursary to the students was done in April this year where a total of 4,100 students of which 700 were tertiary and 3,400 were both secondary and special institution students received a total of Kshs. 31,455,038. The process was successful with the public participating fully in identification of the needy beneficiaries.

Challenges

The year in question was coupled with a number of challenges;

- There is a high demand and pressure on the fund where the needs are more than the available funds.
- The region has serious problems on the sanitation element where toilets keep collapsing due to loose soil and wet areas and the emergency kit can't handle this to satisfaction.
- The community solely relies on government funding to develop the public institutions with very low parents input or none at all.

To address these challenges, the committee is working towards creation of a factual data base on the NG CDF funded projects to guide future development. The committee is also committed to ensuring completion of all ongoing projects and realistic funds allocation per project to get quality projects as well as timely completion.

Sign
MR. JORAMME OSARE HONGO
CHAIRMAN NGCDF COMMITTEE



DATE 30/03/2021

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

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

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- a) Develop and improve infrastructure, increase capacity and facilitate the uplifting of the status of key academic institutions
- b) Develop a youth resource centre and youth development programmes in the constituency
- c) Develop and improve National Government Administration infrastructure, equipment and tools
- d) To implement environmental programme and facilitate prompt waste collection and disposal in an environmentally acceptable manner
- e) To foster a cohesive, corruption-free and financially stable constituency through active public participation
- f) Aligning bursary structure and process

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 - The budget was not approved until August 2020 making it impossible to achieve the infrastructure development target. - Bursary was approved and awarded to 4,100 beneficiaries out of which 45 were special category students.750 Tertiary students

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

				and 3,305 secondary schools students. We were able to start a full scholarship programme for best evaluated performers in K.C.P.E per ward leading to a total of 14 students taken to form one.
Security	Improved security and development	Security infrastructure availed	No. of security offices constructed/renovated	No project was done in the year
Environment	Foster a safe and sustainable environment	Trees planted, Water harvesting and solid waste disposal facilities availed	No. of institutions benefiting from Tree planting, water harvesting and solid waste disposal managements.	Planted trees in schools
Sports	Positive engagement of the youth and talent development	Sports tournament and equipment availed	No. of teams benefiting from the tournament	No activities done
Disaster Management	Foster a safe and sustainable environment	Emergency situations responded to.	No. of emergency respond projects responded to	Had no project funds hence, never responded to any disaster situation.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

The committee has ensured public participation in identification of projects and bursary beneficiaries. This is all to guide and give the public a chance in project implementation and ownership. During the meetings the people were given information on the Fund and their roles in project implementation. The construction of a minimum of two classrooms per every construction in a school and quality has been budgeted for and this will go a long way to help reduce the class congestion.

2. Environmental performance

The committee was able to carry out tree planting in selected schools under environment. We This has gone a long way to provide fresh air and wind breakers. There is also a plan to start introducing fruit trees under the environment docket as well as water harvesting facilities.

3. Employee welfare

There are six members of staff out of which two are ladies and four males. The Salary for the employees after appraisal shall be harmonised with the current approved system.

4. Market place practices-

The committee plans to ensure above the table and transparent tender process during the upcoming procurement activities for the projects. The involvement of the relevant Government Officer including Public health officers is already in motion. The PMC shall be trained before procurement takes place.

5. Community Engagements-

In order to ensure on job development, we have planned to have a training plan for the staff once the Covid –19 pandemic. Three staff shall go for relevant trainings. The former staff were all paid their gratuity. Bursary issuance was positively embraced as the public were involved. Other CSR activities are yet to be embraced as the proposals were approved in the Month of August. We are planning to hold publicity meeting in conjunction with the Youth officers over the Youth Fund by 21st September, 2020.

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

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

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-KARACHUONYO Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

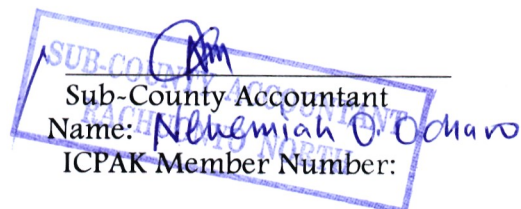
The Accounting Officer in charge of the NGCDF-KARACHUONYO Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KARACHUONYO Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-KARACHUONYO Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-KARACHUONYO Constituency financial statements were approved and signed by the Accounting Officer on 30/6/2020, 2020.

Fund Account Manager
Name:



REPUBLIC OF KENYA

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



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Karachuonyo Constituency set out on pages 12 to 42, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 the National Government Constituencies Development Fund - Karachuonyo Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy in Bank Balances

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.16,851,929. The balance excludes stale cheques amounting to Kshs.5,634,600 in the operations account. However, the cheques had not been reversed in the cashbook as at the time of audit.

In the circumstances, the accuracy, validity and completeness of the bank balances totalling to Kshs.16,851,929 as at 30 June, 2020 reflected in the statement of assets and liabilities could not be confirmed.

2. Unsupported Summary Statement of Appropriation

The summary statement of appropriation - recurrent and development combined includes adjustments totalling to Kshs.41,610,576 for both receipts and payments. However, detailed schedule of the projects and programmes in the approved code list for the prior year which were to be funded during the 2019/2020 financial year were not provided.

In the circumstances, the validity, accuracy and completeness of the adjustments totalling to Kshs.41,610,576 reflected in the summary statement of appropriation for the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Karachuonyo Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.178,978,300 and Kshs.88,110,576 respectively, resulting to an underfunding amounting to Kshs.90,867,724 or 51% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.178,978,300 and Kshs.68,852,196 respectively, resulting to an underperformance amounting to Kshs.110,126,104 or 62% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury and Planning Circular reference No. AG.4/16/3 Vol.1(9) dated 24 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Bursaries Disbursement

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects transfers to other grants and other payments totalling to Kshs.48,900,903. The balance includes bursaries disbursement to secondary, tertiary and special schools totalling to Kshs.34,927,779 which is 65% of the transfers from Constituency Development Fund Board totalling to Kshs.54,000,000. This exceeded the approved 35% contrary to Section 48 of National Government Constituency Development Fund Act, 2015 which states that, the funding of social security programme, education bursary schemes, mock examinations and continuous assessment tests shall be considered as development projects for the purposes of the Act provided that such projects shall not be allocated more than thirty-five per cent (35%) of the total funds allocated for the constituency in any financial year.

Consequently, the Management is in breach of the law.

2. Delay in Project Implementation

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other Government Entities totalling to Kshs.8,400,000. However, the balance included an amount of Kshs.5,750,000 that was transferred to primary and secondary schools as shown below;

Project	Amount (Kshs.)	Status
Ndwara Primary School (building of two classrooms).	2,000,000	Funds had not been utilized by the school to date. It was also noted that the school was in bad shape and students were learning under trees.
Denga Primary School (repair of 3 classrooms)	500,000	The amount allocated for the school was not in the PMC account. Further scrutiny revealed that the cheque given to the school was cancelled yet the school is in very bad shape and needs renovation.
Achuth Primary School (completion of classrooms)	250,000	The project had not been implemented since financial year 2018/2019.

Project	Amount (Kshs.)	Status
Simbi Mixed Secondary School (construction of dormitory)	3,000,000	project had not been implemented.
Total	5,750,000	

Further, review of Project Implementation Status Report indicated that Management transferred an amount of Kshs,2,000,000 in 2016/2017 for construction of two classrooms at Ochuoga Primary School. Physical verification in 15 December, 2020 revealed that the contractor was not on site and the project had stalled.

In the circumstances, I am unable to confirm whether the public will obtain value for money for the above delayed projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 January, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KARACHUONYO CONSTITUENCY


Reports and Financial Statements


For the year ended June 30, 2020

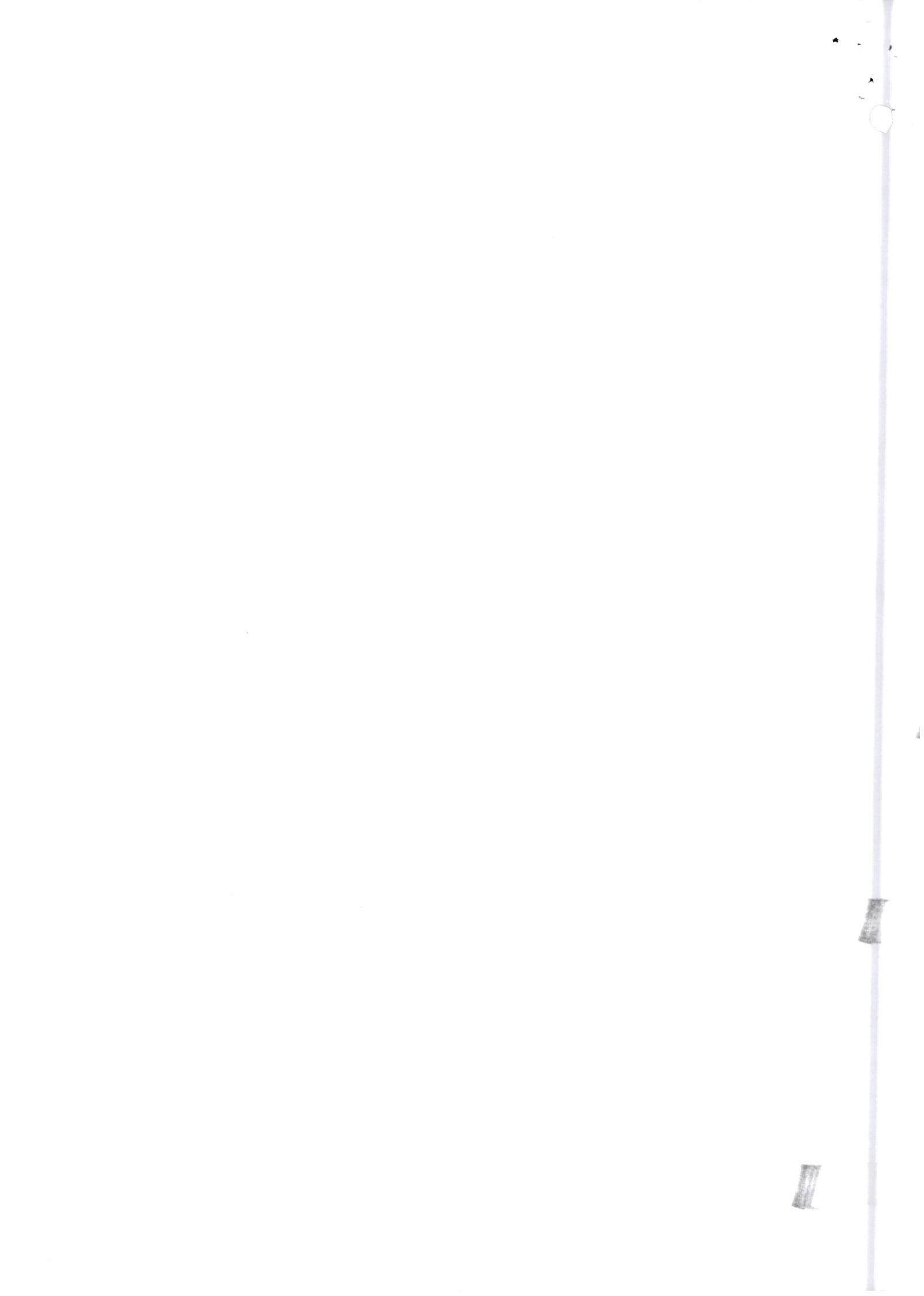
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	54,000,000	112,920,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		54,000,000	112,920,186
PAYMENTS			
Compensation of employees	4	2,670,840	848,946
Use of goods and services	5	8,880,453	8,584,605
Transfers to Other Government Units	6	8,400,000	18,439,939
Other grants and transfers	7	48,900,903	52,256,730
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		68,852,196	80,130,220
SURPLUS/DEFICIT		(14,852,196)	32,789,966

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KARACHUONYO Constituency financial statements were approved on 30/6/2020, and signed by:


 Fund Account Manager
 Name:


 Sub-County Accountant
 Name: Nhemiah O. Othman
 ICPAR Member Number:




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

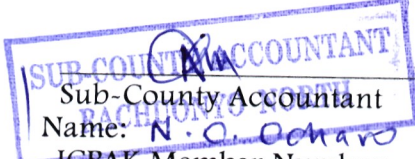
**Reports and Financial Statements
For the year ended June 30, 2020**

VIII. STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalentents			
Bank Balances (as per the cash book)	10A	16,851,929	34,110,576
Cash Balances (cash at hand)	10B	-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		16,851,929	34,110,576
FINANCIAL LIABILITIES			
retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		16,851,929	34,110,576
REPRESENTED BY			
Retention	12		
Fund balance b/fwd 1st July...	13	34,110,576	1,320,610
Surplus/Defict for the year		(14,852,196)	32,789,966
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		19,258,380	34,110,576

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KARACHUONYO Constituency financial statements were approved on 30/6/2020 and signed by:


Fund Account Manager
Name:


Sub-County Accountant
Name: N. O. Ocharo
ICPAK Member Number:

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

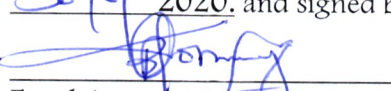
Reports and Financial Statements


For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

		2019-2020	2018-2019
		KShs	KShs
Receipts for operating income			
Transfers from CDF Board	1	54,000,000	112,920,186
Other Receipts	3	-	-
		54,000,000	112,920,186
Payments for operating expenses			
Compensation of Employees	4	2,670,840	848,946
Use of goods and services	5	8,880,453	8,584,605
Transfers to Other Government Units	6	8,400,000	18,439,939
Other grants and transfers	7	48,900,903	52,256,730
Other Payments	9	-	-
		68,852,196	80,130,220
Adjusted for:			
Adjustments during the year	14		-
Net cash flow from operating activities		(14,852,196)	32,789,966
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		-
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(14,852,196)	32,789,966
Cash and cash equivalent at BEGINNING of the year	13	34,110,576	1,320,610
Cash and cash equivalent at END of the year		19,258,380	34,110,576

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KARACHUONYO Constituency financial statements were approved on 30/6/2020, and signed by:


Fund Account Manager
Name:


National Sub-County Accountant
Name: N. O. Oduho
ICPAK Member Number:

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

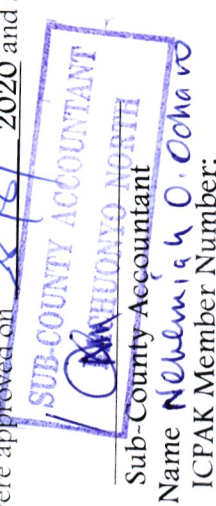
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	137,367,724	41,610,576	178,978,300	88,110,576	90,867,724	49.2%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,367,724	41,610,576	178,978,300	88,110,576	90,867,724	49.2%
PAYMENTS						
Compensation of Employees	3,178,000	2,711,110	5,889,110	2,670,840	3,218,270	45.4%
Use of goods and services	9,185,094	13,766	9,198,860	8,880,453	318,407	96.5%
Transfers to Other Government Units	57,200,000	28,383,197	85,583,197	8,400,000	77,183,197	9.8%
Other grants and transfers	64,898,241	3,502,503	68,400,744	48,900,903	19,499,841	71.5%
Acquisition of Assets	2,906,389	7,000,000	9,906,389	-	9,906,389	0.0%
Other Payments	-	-	-	-	-	0.0%
TOTAL	137,367,724	41,610,576	178,978,300	68,852,196	110,126,104	38.5%

The NGCDF-KARACHUONYO Constituency financial statements were approved on 22/6/2020 and signed by:



Fund Account Manager
 Name: _____


 SUB-COUNTY ACCOUNTANT
 KARACHUONYO NORTH
 Sub-County Accountant
 Name: Nhemah O. Ocho
 ICPAK Member Number: _____

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,178,000.00	2,711,110	5,889,110.00	2,670,840.00	1,157,550.00
1.2 Committee allowances	3,764,063.00	13,766	3,777,829.00	3,777,829.00	-
1.3 Use of goods and services	1,300,000.00	-	1,300,000.00	1,300,000.00	-
2.0 Monitoring and evaluation					
2.1 Capacity building	1,021,031.00	-	1,021,031.00	1,021,031.00	-
2.2 Committee allowances	1,800,000.00	-	1,800,000.00	1,800,000.00	-
2.3 Use of goods and services	1,300,000.00	-	1,300,000.00	981,593.00	318,407.00
3.0 Emergency					
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
	7,198,241.38	2,946,200.00	10,144,441.38	6,897,150.00	3,247,291.38
4.0 Bursary and Social Security					
4.1 Primary					



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Schools							
4.2 Secondary Schools	26,000,000.00	4,282,421	30,282,421.00	22,712,079.00	13,282,421.00		
4.3 Tertiary Institutions	16,600,000.00	4,005,464	20,605,464.00	11,485,700.00	8,005,464.00		
4.4 Special Institutions	2,000,000.00	-	2,000,000.00	730,000.00	1,270,000.00		
4.5 Social Security	2,400,000.00	-	2,400,000.00	13,973,124.00	2,400,000.00		
5.0 Sports							
5.1 Sports Activities	1,500,000.00	2,968,404	4,468,404.00	2,283,064.00	2,185,340.00		
6.0 Environment							
6.1 Kibugu Primary School	50,000.00		50,000.00	-			
6.2 Ong'ang' Primary School	50,000.00		50,000.00	-			
6.3 Maguti Primary School	50,000.00		50,000.00	-			
6.4 Mirembe Primary School	50,000.00		50,000.00	-			
6.5 Sanda Primary School	50,000.00		50,000.00	-			
6.6 Samanga Primary School	50,000.00		50,000.00	-			
6.7 Gogo Primary School	50,000.00		50,000.00	-			
6.8 NG-CDF Office	50,000.00		50,000.00	-			
6.9 Kanyadhiang /Simbi Primary School	800,000.00	680,818.00	1,480,818.00	-			
6.10 Environment activities/Tree Planting	-	2,569,006.00	1,880,818.00				
7.0 Primary		3,249,824.00	5,130,642.00	4,792,910.00	337,732.00		



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Schools Projects (List all the Projects)						
7.1 Migingo Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.2 Oyombe Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.3 Orire Primary School	1,200,000.00		1,200,000.00			1,200,000.00
7.4 Adiedo Primary School	1,200,000.00		1,200,000.00			1,200,000.00
7.5 Ayub Okoko Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.6 Nyangajo Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.7 Nyaburi Integrated Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.8 Kamser Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.9 Kanyang'wena Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.10 Buru Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.11 Oriwo Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.12 Sangla Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.13 Alara Primary School	2,400,000.00		2,400,000.00			2,400,000.00
7.14 Ndwara primary school	-	1,900,000.00	1,900,000.00		1,900,000.00	-
7.15 Oneno nam primary school	-	250,000.00	250,000.00		250,000.00	-
7.16 Achuth primary school	-	250,000.00	250,000.00		250,000.00	-
7.17 Migeni	-	250,000.00	250,000.00		250,000.00	250,000.00



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

primary school						
7.18 Kibuku primary school	-	390,000.00	390,000.00			390,000.00
7.19 Assorted Primary Schools	-	-	-			18,071,000.00
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Nyangajo Secondary School	1,100,000.00		1,100,000.00			1,100,000.00
8.2 St. Joseph's Kobuya Secondary School	1,200,000.00		1,200,000.00			1,200,000.00
8.3 Ogenya Girls Secondary School	4,000,000.00		4,000,000.00			4,000,000.00
8.4 St. Benard Otaro Secondary School	1,500,000.00		1,500,000.00			1,500,000.00
8.5 Ngeta Secondary School	1,400,000.00	1,000,000.00	2,400,000.00		1,000,000.00	1,400,000.00
8.6 Simbi Secondary School	2,500,000.00	1,000,000.00	3,500,000.00		1,000,000.00	2,500,000.00
8.7 Bware Mixed Secondary School	2,400,000.00		2,400,000.00			2,400,000.00
8.8 St. Martin's Oluti Secondary School	2,400,000.00		2,400,000.00			2,400,000.00
8.9 Ojijo Oteko Secondary School	2,400,000.00		2,400,000.00			2,400,000.00
8.10 Wagwe Mixed Secondary School	2,000,000.00		2,000,000.00			2,000,000.00
8.11 Koredo Secondary School	2,900,000.00		2,900,000.00			2,900,000.00
8.12 Wikondiek Secondary School	1,600,000.00		1,600,000.00			1,600,000.00



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY

Reports and Financial Statements

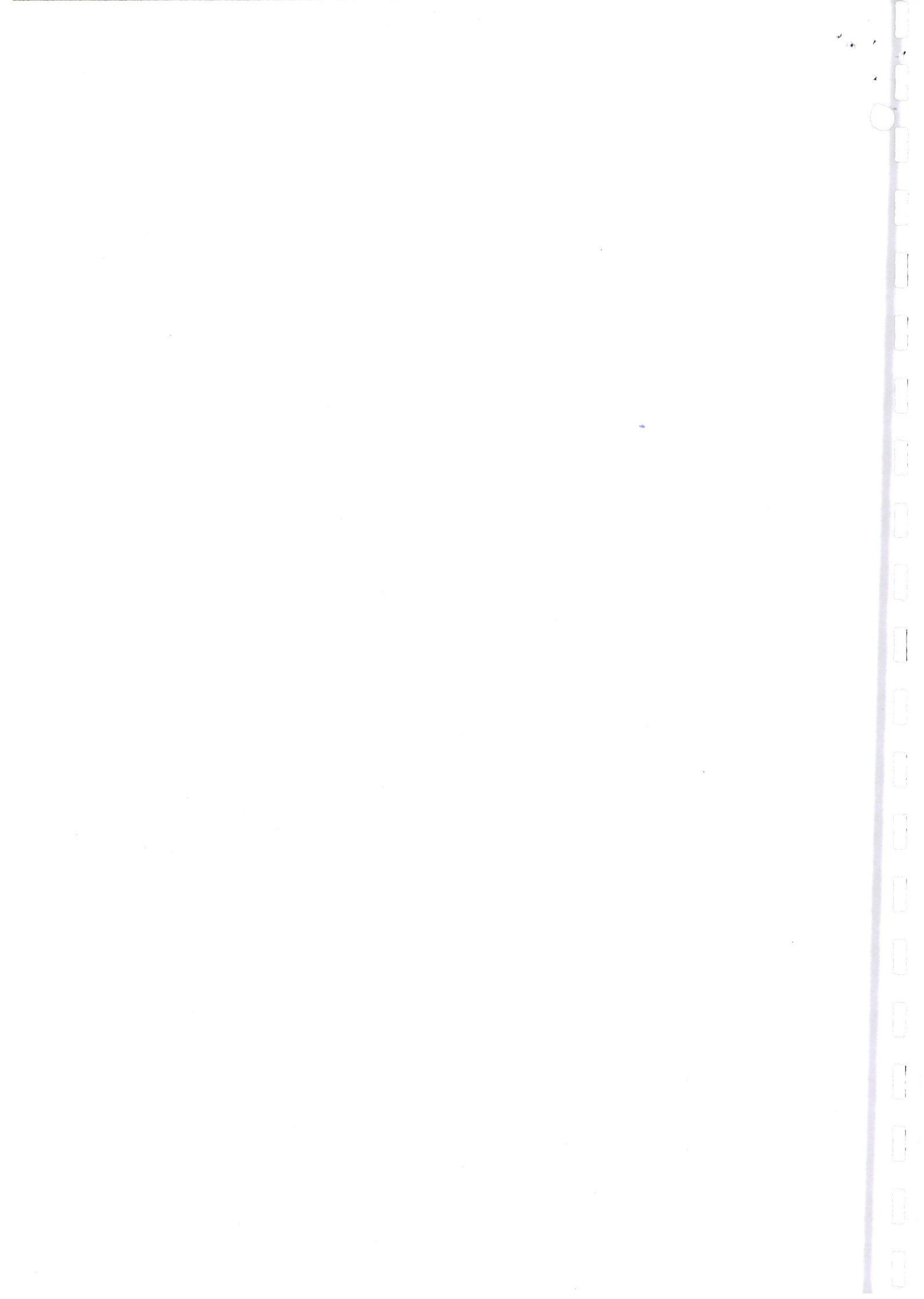
For the year ended June 30, 2020

8.13 Karabondi Girls Secondary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
8.13 Assorted Secondary Schools	-	-	-	-	12,950,000.00
9.0 Tertiary institutions Projects (List all the Projects)					
9.1 Karachuonyo Youth Empowerment Centre	3,000,000.00		3,000,000.00		3,000,000.00
10.0 Security Projects					
10.1 Kendu Bay Police Station	5,000,000.00		5,000,000.00		5,000,000.00
10.2 North Karachuonyo Chief's Office	1,500,000.00		1,500,000.00		1,500,000.00
10.3 Koyugi Chief's Office	1,500,000.00		1,500,000.00		1,500,000.00
10.4 Assorted Administration Office	-	-	-	-	4,000,000.00
10.3 Kanam B Chief's Office	-	600,000.00	600,000.00		600,000.00
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	400,000.00	7,000,000.00	7,400,000.00		400,000.00
11.2 Construction of CDF office	2,506,389.00		2,506,389.00		10,006,389.00
12.0 Others					

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

12.1 Strategic Plan				
12.2 Innovation Hub				
TOTAL	137,367,724.38	41,610,576.00	178,978,300.38	110,126,104

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



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 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-KARACHUONYO Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.



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

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO. B005041	1		11,379,310.35
AIE NO. B030251	2		10,000,000.00
AIE NO. B047006	3		12,000,000.00
AIE NO. B006368	4		8,000,000.00
AIE NO. B042759	5		12,000,000.00
AIE NO. B	6		12,000,000.00
AIE NO. B047551	7		47,540,875.50
AIE NO. B047448	1	4,000,000	
AIE NO. B047831	2	15,000,000	
AIE NO. B104102	3	10,000,000	
AIE NO. B104320	4	15,000,000	
AIE NO. B096576	5	10,000,000	
TOTAL		54,000,000	112,920,185.85

2. PROCEEDS FROM SALE OF ASSETS

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



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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere – Cash banked to pay environment suppliers	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

Description	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of contractual employees	1,671,842	753,046
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance		
Transport allowance		
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	60,480	95,900
Gratuity-contractual employees	938,518	
TOTAL	2,670,840	848,946



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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services		
Electricity	10,215	5,000
Water & sewerage charges	12,245	-
Office rent		
Communication, supplies and services	166,020	
Domestic travel and subsistence		-
Printing, advertising and information supplies & services	55,560	84,000
Rentals of produced assets		
Training expenses		
Hospitality supplies and services		
Other committee expenses	4,050,000	3,508,000
Committee allowance	4,500,000	3,847,000
Outstanding imprest at the beginning of the year		-
Specialised materials and services		
Office and general supplies and services		
Fuel , oil & lubricants	18,620	550,000
Other operating expenses		-
Bank service commission and charges	12,173	
Security operations		
Routine maintenance - vehicles and other transport equipment	55,620	590,605
Routine maintenance- other assets specify(Strategic Plan)	-	-
TOTAL	8,880,453	8,584,605



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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to Primary schools	2,400,000	12,379,000
Transfers to Secondary schools	6,000,000	6,060,939
Transfers to Tertiary institutions	-	-
Transfers to Health institutions	-	-
TOTAL	8,400,000	18,439,939

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary -Secondary	22,712,079	32,132,550
Bursary -Tertiary	11,485,700	9,329,180
Bursary-Special schools	730,000	-
Mocks & CAT		-
Water		
Food security		
Electricity		
Security		250,000
Roads and Bridges		-
Sports	2,283,064	2,545,000
Environment	4,792,910	1,350,000
Cultural Projects		
Agriculture		-
Emergency Projects	6,897,150	6,650,000
TOTAL	48,900,903	52,256,730



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

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	0	0

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
Total	0	0



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

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Homabay Branch. Karachuonyo NG-CDF. A/C no. 0980265100797</i>	19,258,380.00	34,110,576
Total	19,258,380.00	34,110,576
10B: CASH IN HAND		
Location 1	0	0
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total	0	0
<i>[Provide cash count certificates for each]</i>		

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

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
<i>Name of Officer or Institution</i>	dd/mm/yy	0	0	0
Total				0

12A. RETENTION

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

12B. GRATUITY DEPOSITS

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



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	3,218,270	2,711,110
Use of goods and services	318,407	13,766
Amounts due to other Government entities (see attached list)	77,183,197	28,383,197
Amounts due to other grants and other transfers (see attached list)	19,499,841	3,502,503
Acquisition of assets	9,906,389	7,000,000
Others (<i>specify</i>)	-	0
TOTAL	110,126,104	41,610,576



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	34,110,576	1,320,610
Cash in hand	-	-
Imprest		-
TOTAL	34,110,576	1,320,610

14. PRIOR YEAR ADJUSTMENTS

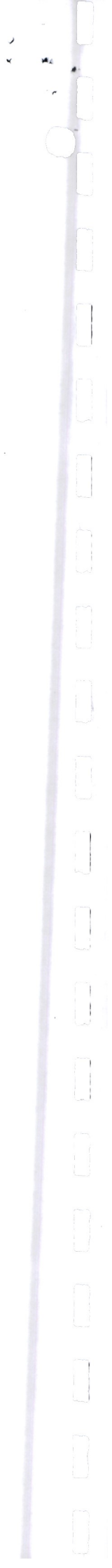
Description of the error	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
TOTAL			

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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



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

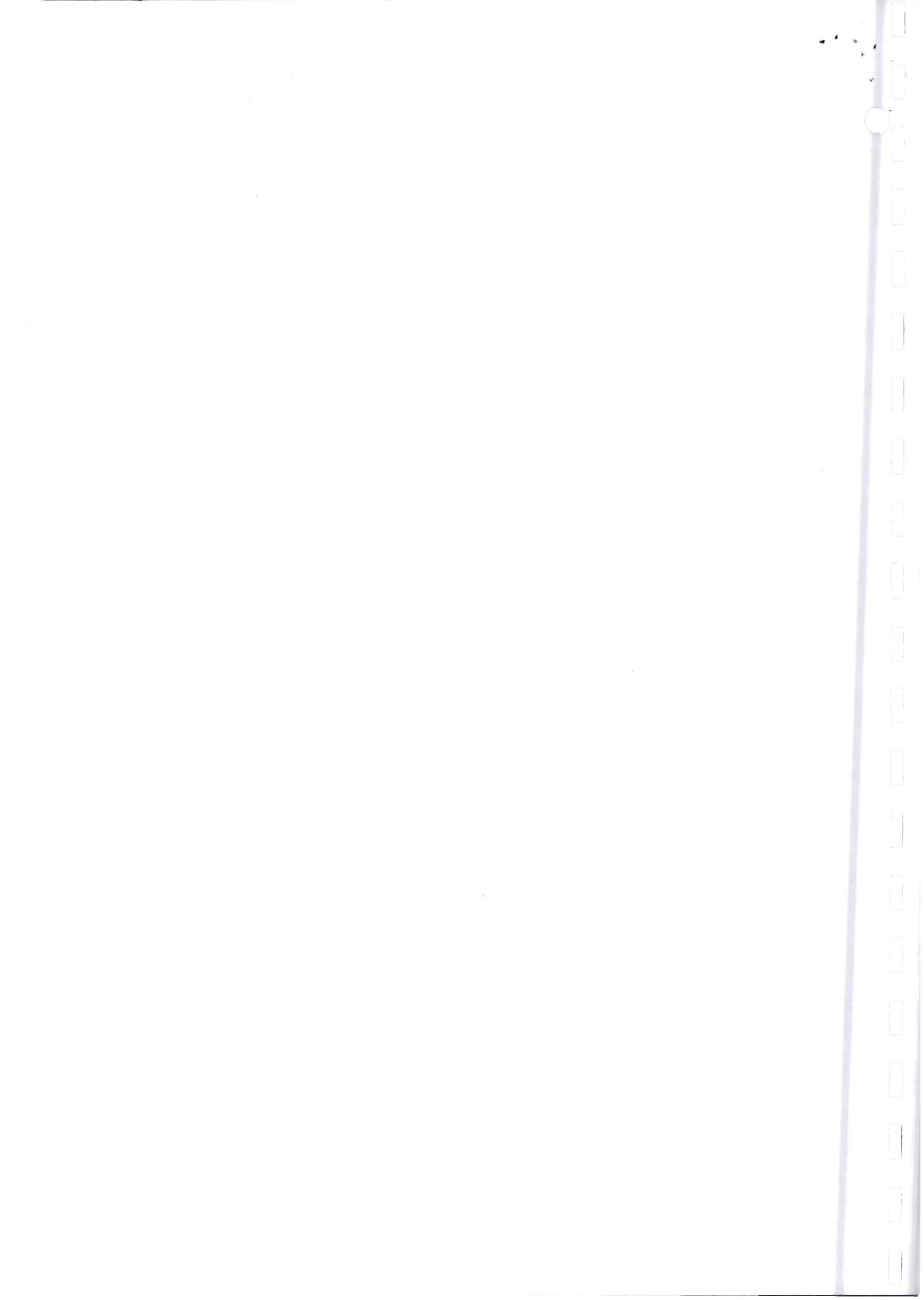
Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

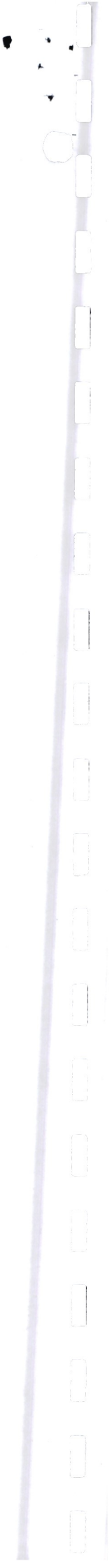
	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	5,400,000	477,838
	5,400,000	477,848



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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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



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

Name of Staff	Job Group	Original Amount	Date Payable Contracted
Senior Management		a	b
1.			
2.			
Sub-Total			
Middle Management			
3.			
4.			
Sub-Total			
Unionisable Employees			
5.			
6.			
Sub-Total			
Others - Contractual Employees(specify)			
1. Vincent Odiwuor	CSG 11	95,480	01.08.2019
2. Justus Ochieng Oliech	CSG 12	81,840	01.08.2019
3. Kenneth Okoth Otiego	CSG 14	37,510	01.08.2019
4. Judith Akoth Odera	CSG 15	37,510	01.08.2019
5. Erick Odhiambo Rota	CSG 15	37,510	01.08.2019
6. Millicent Adhiambo Ochieng	SCG 17	37,510	01.08.2019
Sub-Total		327,360	
Grand Total		327,360	



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

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees				
Use of goods & services		3,218,270	2,711,110	
Amounts due to other Government entities		318,407	13,766	
Primary Schools		43,211,000	13,383,197	
Secondary Schools		34,050,000	15,000,000	
Tertiary Institutions				
Sub-Total		77,261,000	31,108,073	
Amounts due to other grants and other transfers				
Emergency Projects		2,946,200	747,959	
Environmental Projects		1,430,994	0	
Sports Activities		2,968,404	0	
Bursary Secondary		4,282,421	1,994,500	
Bursary Tertiary		4,005,464	508,003	
Bursary Special		1,270,000	0	
Social Security (NHIF)			0	
Security Projects		2,600,000	1,000,000	
Sub-Total		19,499,841	3,502,503	
Sub-Total		96,760,841	34,610,576	
Acquisition of assets				
Purchase of NG-CDF Vehicle		9,906,389	7,000,000	
Purchase of NG-CDF Motorcycle			0	
Renovation of NG-CDF Office			0	
Fencing of the Compound			0	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY
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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
<i>Others (specify)</i>				
Sub-Total		9,906,389	7,000,000	
Grand Total		110,126,104	41,610,575	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2019/2020	Additions during the year	Disposals during the year	Historical Cost Kshs 2018/2019
Land	0			0
Buildings and structures	0			0
Transport equipment	12,089,364			12,089,364
Office equipment, furniture and fittings	442,000			442,000
ICT Equipment, Software and Other ICT Assets	678,495			678,495
Other Machinery and Equipment	0			0
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	13,209,859	0	0	13,209,859



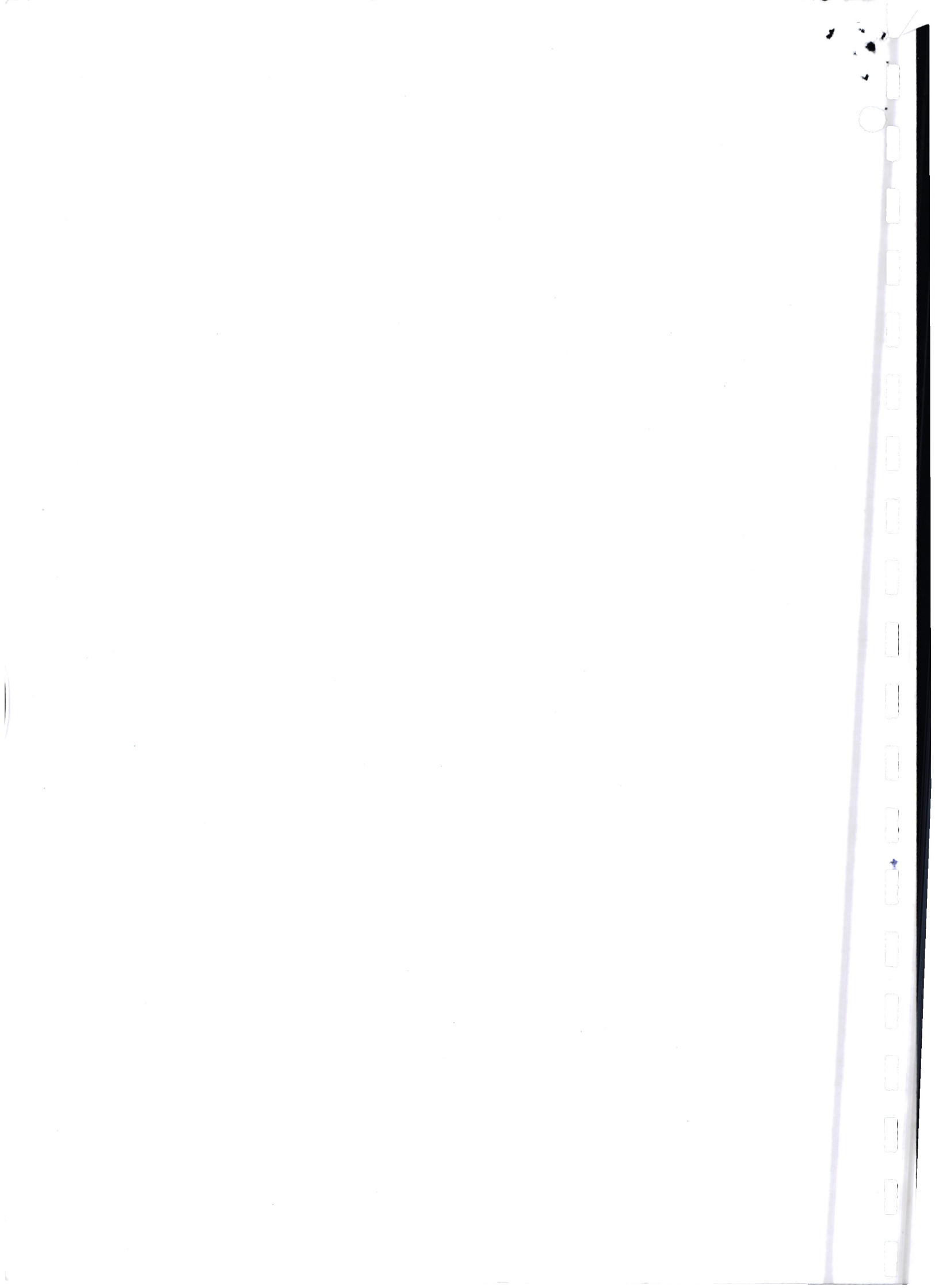
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Reports and Financial Statements

For the year ended June 30, 2020

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Oeno Nam Primary School	EQUITY	980270560134	250,000	0
Ndwara Primary School	KCB	1147769192	1,900,000	0
Achuth Primary School	KCB	1126006130	250,000	0
Karabondi Girls Secondary School	KCB	1147952086	1,000,000	0
Ngeta Mixed Secondary School	KCB	1265090513	1,000,000	0
Simbi Mixed Secondary	KCB	1136165509	1,000,000	0
Total			5,400,000	0



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KARACHUONYO CONSTITUENCY
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>1.0 INTERNAL CONTROL</p> <p>1.1 Lack of approved list of Detailed Budget, procurement plan and risk management plan.</p> <p>The management should put a risk management policy framework and procurement Plan in place.</p>	<p>The constituency to ensure the approved list of detailed budget is availed in future</p> <p>There already exists a risk management Policy Frame work which is in use</p>	<p>FAM – Bernard Konya</p> <p>FAM – Bernard Konya</p>	<p>Resolved</p> <p>Resolved</p>	<p>30th June, 2020</p> <p>Risk Management Policy in existence</p>
4.0	<p>4.0 Stalled Projects Ksh 2,000,000.00</p> <p>Some of these projects may never be completed thus leading to wastage of public resources.</p>	<p>The NG-CDFC resolved to fund projects to completion on first instance for classrooms, or a complete useable phase.</p>	<p>FAM – Bernard Konya</p>	<p>Resolved</p>	<p>December, 2020</p>

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