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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KIMILILI
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)
KIMILILI 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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Core Values

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

(b) Key Management

The NGCDF KIMILILI 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 2019 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Julius Oketch
2.	Sub-County Accountant	Zakaria Anangwe
3.	Chairman NGCDFC	Hillary Wafula
4.	Member NGCDFC	Patrick Juma

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KIMILILI Constituency Headquarters

P.O. Box 60
NG-CDF Building
Kimilili-Chwele Highway
KIMILILI, KENYA

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(f) NGCDF KIMILILI Constituency Contacts

Telephone: (254)722574566
E-mail: kimililingcdf@ngcdf.go.ke
Website: www.ngcdf.go.ke/kimilili

(g) NGCDF KIMILILI Constituency Bankers

Co-operative Bank
P.O Box 552
Kimilili

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am delighted to present our annual financial report for the FY 2019/2020. This year we have witnessed an improved performance in the overall management of the fund, we have equally launched some of the projects that had been earlier initiated. We continue to boost of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

BUDGET PERFORMANCE

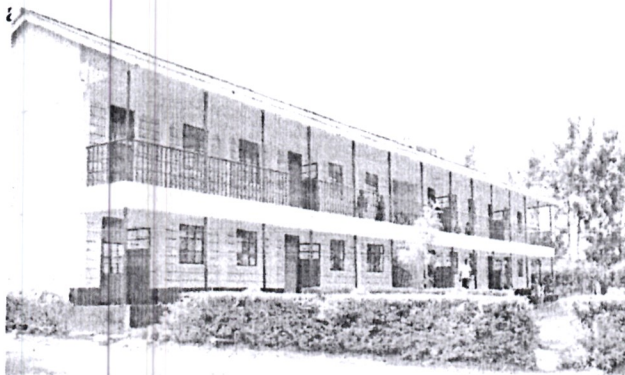
We are proud to share with you that we had an 88% utilization of funds received from the NG-CDF Board. Utilization of funds helps us enhance our core focus and objectives of serving the constituents of Kimilili.

KEY ACHIEVEMENTS DURING 2019/2020 FY

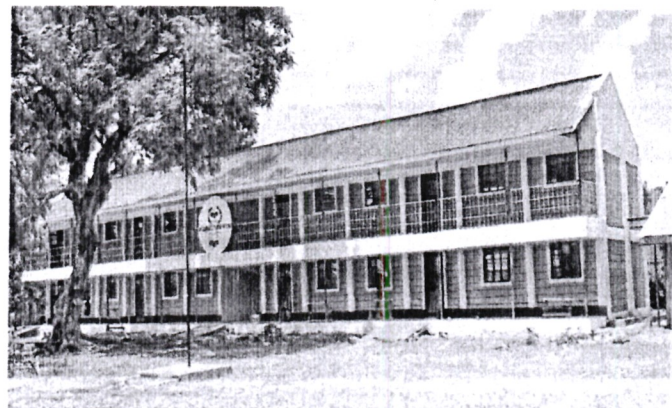
Strong management and governance have been key components of our operational model. This has resulted into the following key achievements during the year:

1. Completion of key Flagship Projects

During our first year in office, we initiated a number of key flagship projects for implementation. I am proud to report that the following Projects have been successfully finished and handed over to the users; Allan Bradley Primary School (8 Classrooms), Matili FYM (8 Classrooms Storey) Daraja Mungu Primary school (6 Classrooms), Kamusinde Primary School (8 Classrooms storey) and Nasianda Primary School (8 Classrooms Storey). The photos below indicate the schools mentioned



Nasianda Primary School (8 Classrooms storey)



Kamusinde FYM (8 Classrooms Storey)

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Matili Primary Schools (8 Classrooms Storey)



Makhonge Primary School (8 Classrooms)

2. Bursary Disbursement

Our bursary award scheme for 2019/2020 was able to benefit way more than 5000 beneficiaries with a minimum of 10,000/= per beneficiary. Besides, we set aside money that befitted special groups including Persons with Disability (PWD) and Orphans (OVCs).

3. Constituency Tree Planting Day

As a committee, we reckon that trees play an important role in enhancing quality of our environment as envisaged under the sustainable development strategies. We actively participated in our Constituency based tree planting activity where we planted more than 100,000 seedlings in institutions cutting across the constituency.

4. PMC AND CDFC CAPACITY BUILDING WORKSHOP

As a way of ensuring smooth operation of the fund as stipulated in the NG-CDF Act (2015), we prioritized training of the key implementers of the fund. We thus had a successful two day training workshop of all NG-CDF Staff, all PMCs, a select PMC and key departmental heads. The training was focused on empowering the key stakeholders with knowledge on the emerging issues related to NG-CDF Fund.

KEY IMPLIMENTATION CHALLENGES

We experienced operational challenges in the course of the year. These included but were not limited to the following:

1. Most of the PMC members were not well acquainted to the operational nature of the fund. To this regard, the committee embarked on capacity building activities scheduled throughout the FY to

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empower the PMCs, NG-CDF staff as well as committee members on issues of importance in the operation of the fund.

2. Piece meal funding from the NG-CDF Board curtailed efficient implementation of projects by the committee. The committee therefore agreed to hasten the utilization of funds as received from the board as well as prevailing upon the board to fast track release of funds.

In summary, 2019/20 was a year of great performance. We have demonstrated we have the right strategy the right culture and the right geographical footprint to deliver consistent and sustained value for our constituents. We enter 2020/2021 in excellent shape and a positive note. We have recently signed a performance contract with the NG-CDF Board which I am convinced will improve on our performance.

Sign



CHAIRMAN

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

Kimilili is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-KIMILILI Constituency's *2017-2022* plan are to:

Strategic Area One: Education

Objective: Become a national model for education by improving school's infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance school's infrastructure to enhance facilities and provide conducive learning environment for children.

Strategic Area Two: Environment

Objective: Improve access to clean hygienic toilets.

Initiative: Construct Modern toilets in Public institutions.

Strategic Area Three: Sports

Objective: Promote peace building activities and enhance community cohesion.

Initiative: Develop and empower youth and special groups through sports.

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Strategic Area Four: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by Kimilili residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

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	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities	Number of Classrooms/laboratories Constructed.	Number of classrooms increased from 427 to 504
Environment	Improve hygiene standards in schools.	Construction of Modern toilets in schools	Number of toilets built in primary and secondary.	The constituency constructed 4 Modern toilets in Primary schools.

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Constituency Program	Objective	Outcome	Indicator	Performance
Sports	Promote peace building activities and enhance community cohesion.	Sports activities for the youth and other vulnerable groups.	Number of Sports Tournaments organized.	The Constituency organized two big tournaments where youths were awarded with trophies.
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery.	Construct an ICT Centre and equip with computers and internet connectivity	Number of ICT Centers built and equipped.	The Constituency built 1 ICT Centre.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

SUSTAINABILITY STRATEGY AND PROFILE

The Kimilili NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values.

ENVIRONMENTAL PERFORMANCE

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

EMPLOYEES WELFARE

Kimilili NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously

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for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

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

COMMUNITY ENGAGEMENTS

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability. Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two- way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

Covid-19 Mitigation Measures

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

1. The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency
2. Printing of brochures disseminating information regarding Corona Virus protection measure.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIMILILI CONSTITUENCY
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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-KIMILILI 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-KIMILILI 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-KIMILILI 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-KIMILILI 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-KIMILILI Constituency financial statements were approved and signed by the Accounting Officer on 20/05 2021.

KIMILILI NGCDF
P. O. Box 6055 204
KIMILILI

Fund Account Manager
Name: Julius Ogetch

DISTRICT ACCOUNTANT
KIMILILI-BUNGOMA DISTRICT
P.O. Box 750
Name: ZAKARIA NAWANDA
ICPAK Member Number:

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIMILILI 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 - Kimilili Constituency set out on pages 1 to 27, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts 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 - Kimilili Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Understated Cash and Cash Equivalents - Stale Cheques

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.7,741,274 as disclosed in Note 8 to the financial statements. However, audit review procedures performed on the bank reconciliation statement for the month of June, 2020 reflected unrepresented cheques totalling to Kshs.3,397,828 out of which cheques totalling Kshs.1,117,145 related to the period of 31 December, 2019 and earlier years and were therefore stale. No adjustment had been made in the cash book of the Fund to reverse the stale cheques and have the correct cash book balance as at 30 June, 2020.

Consequently, the accuracy and completeness of the cash and cash equivalents balance of Kshs.7,741,274 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kimilili 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 judgement, 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 approved budget of Kshs.154,132,087 and total actual expenditure of Kshs.125,655,357 resulting to under expenditure of Kshs.28,476,730 or 18% of the budgeted amount.

Based on the approved estimates, under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2. Projects Implementation Status

A review of the project implementation status report availed for audit verification, revealed that the Fund had a total of 350 projects planned for implementation in 2019/2020 and earlier years valued at Kshs.719,438,140 which were at various levels of implementation.

One hundred and ninety-nine (199) projects with a budget of Kshs.339,208,231 had been completed, one hundred and fifteen (115) projects planned for implementation in 2019/2020 and earlier years with a budget of Kshs.260,497,039 were yet to be completed while two (2) projects with a budget of Kshs.1,612,870 had not started. Further, the Fund Management planned for thirty-two (32) new projects with an allocation of Kshs.117,120,000 in 2019/2020 and earlier years. The Fund Management has not provided a reason for planning for multiple projects with limited funding and the failure to implement previous outstanding projects before starting new ones.

Consequently, the Kimilili Constituents have not benefited as projected from the incomplete projects.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Poor Workmanship on Projects Implemented

The statement of receipts and payments reflects transfers to other government units balance of Kshs.74,145,000 as disclosed in Note 4 to the financial statements. A sample verification of the projects for which the amounts were disbursed revealed that the expenditure includes Kshs.1,800,000 paid to Daraja Mungu Primary School for the construction of 4 classrooms awarded to a local contractor at a contract sum of Kshs.5,880,337. The project verification carried out in February, 2021 revealed the water drainage works was not properly executed and therefore the storm water had started eroding part of the walls of the building. Further, the skirting on the outside was not done and this has led to the walls being slowly worn out by storm water.

The expenditure also includes a payment of Kshs.9,000,000 to Kamusinde Primary School in respect of construction to completion of storey building housing 8 classrooms which was awarded to a local Contractor at a contract sum of Kshs.15,318,299. During the audit in February, 2021, the class rooms floor on ground floor had deep cracks on its walls and floor.

Further, the expenditure includes Kshs.6,000,000 disbursed to Khamulati Primary School for construction to completion of 6 classrooms in a contract awarded to a local construction company in July, 2018 at a contract sum of Kshs.8,220,033. Although the classrooms were complete and in use, verification of the project in February, 2021 revealed that the classrooms had cracks on the walls and its floors.

Consequently, the constituents of Kimilili did not receive value for money in respect of the amounts spent on the projects and expensed as transfers to other government units during the year ended 30 June, 2020.

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 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 governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance 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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 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

10 February, 2022

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

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	120,557,524	120,420,185
TOTAL RECEIPTS		120,557,524	120,420,185
PAYMENTS			
Compensation of employees	2	2,839,940	2,680,844
Use of goods and services	3	8,899,017	9,593,919
Transfers to Other Government Units	4	74,145,000	67,500,000
Other grants and transfers	5	39,171,400	35,799,294
Acquisition of Assets	6	600,000	-
Other Payments	7	-	1,500,000
TOTAL PAYMENTS		125,655,357	117,074,057
SURPLUS/DEFICIT		(5,097,833)	3,346,128

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIMILILI Constituency financial statements were approved on 20/05 2021 and signed by:

KIMILILI NGCDF
P. O. Box 6045-204,
KIMILILI
Fund Account Manager
Name: JULIA SIKOTI

DISTRICT ACCOUNTANT
KIMILILI-BUNGOMA DISTRICT
P. O. Box 750
KIMILILI
National Sub-County Accountant
Name: JAKARIA ANANGI
ICPAK Member Number:

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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	8	7,741,274	12,839,106
Total Cash and Cash Equivalents		7,741,274	12,839,106
TOTAL FINANCIAL ASSETS		7,741,274	12,839,106
FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		7,741,274	12,839,106
REPRESENTED BY			
Fund balance b/Fwd 1st July...	9	12,839,106	9,492,978
Surplus/Deficit for the year		(5,097,833)	3,346,128
NET FINANCIAL POSITION		7,741,274	12,839,106

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIMILILI Constituency financial statements were approved on ~~2020~~ 2021 and signed by:

KIMILILI NGCDF
P. O. Box 60 - 51002
Fund Account Manager
Name: JULIUS OUKOTA

NATIONAL SUB-COUNTY ACCOUNTANT
KIMILILI-BUNGOMA DISTRICT
P. O. Box 750
KIMILILI
National Sub-County Accountant
Name: ZAKARIA ANANUS
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIMILILI CONSTITUENCY
Reports and Financial Statements
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IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	120,557,524	120,420,185
		120,557,524	120,420,185
Payments for operating expenses			
Compensation of Employees	2	2,839,940	2,680,844
Use of goods and services	3	8,899,017	9,593,919
Transfers to Other Government Units	4	74,145,000	67,500,000
Other grants and transfers	5	39,171,400	35,799,294
Other Payments	7	-	1,500,000
		125,055,357	117,074,057
Net cash flow from operating activities		(4,497,833)	3,346,128
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	600,000	-
Net cash flows from Investing Activities		600,000	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(5,097,833)	3,346,128
Cash and cash equivalent at BEGINNING of the year	9	12,839,106	9,492,978
Cash and cash equivalent at END of the year	8	7,741,274	12,839,106

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

KIMILILI NGCDF
P. O. Box 6045-204,
KIMILILI
Fund Account Manager

Name: Julius Odet
 ICPAK Member Number:


DISTRICT ACCOUNTANT
KIMILILI-BUNGOMA DISTRICT
P.O. Box 750,
KIMILILI, 50204
National Sub-County Accountant
 Name: ZAKARIA ANANGWE

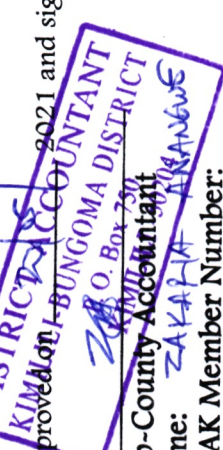
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIMILILI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget 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 NG-CDF Board	137,367,724	16,764,363	154,132,087	133,396,630	20,735,457	87%
TOTAL RECEIPTS	137,367,724	16,764,363	154,132,087	133,396,630	20,735,457	87%
PAYMENTS						
Compensation of Employees	3,626,000	-386,450	3,239,550	2,839,940	399,610	88%
Use of goods and services	7,215,095	3,431,060	10,646,155	8,899,017	1,747,138	84%
Transfers to Other Government Units	87,295,000	2,100,000	89,395,000	74,145,000	15,250,000	83%
Other grants and transfers	38,631,629	11,110,928	49,742,557	39,171,400	10,571,157	79%
Acquisition of Assets	600,000	1,985	601,985	600,000	1,985	100%
Others (Strategic Plan)	-	506,840	506,840	-	506,840	
TOTAL	137,367,724	16,764,363	154,132,087	125,655,357	28,476,730	82%

1. Compensation of employees scored an underutilization owing to gratuity money that has not been paid to the staff.
2. Transfers to other Government units got a 17% underutilization due to funds of some projects held at the main account.
3. Other grants and transfers registered a 21% underutilization due to bursary money not yet disbursed due to prevailing Covid-19 Restrictions on school learning.


Fund Account Manager
 Name: Julius Ousorah


DISTRICT ACCOUNTANT
 KIMILILI BUNGOMA DISTRICT
 P.O. Box 200
Sub-County Accountant
 Name: ZAKARIA MANGWE
 ICPAK Member Number:

The NGCDF-Kimilili Constituency financial statements were approved on 2021 and signed by:

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustment \$ Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,626,000	-386,450	3,239,550	2,839,940	399,610
1.2 Committee allowances	1,516,000	840,132	2,356,132	2,183,000	173,132
1.3 Use of goods and services	3,030,218	725,478	3,755,696	2,746,152	1,009,544
2.0 Monitoring and evaluation					
2.1 Capacity building	1,060,877	922,450	1,983,327	1,547,665	435,662
2.2 Other Committee Expenses	1,608,000	943,000	2,551,000	2,422,200	128,800
3.0 Emergency					
3.1 Emergency Projects	8,452,925	177,717	8,630,642	8,608,000	22,642
4.0 Bursary and Social Security					
4.2 Secondary Schools	10,333,941	5,669,454	16,003,395	15,291,000	712,395
4.3 Tertiary Institutions	18,590,079	4,701,091	23,291,170	14,045,400	9,245,770
5.0 Sports					
5.1 Sports Activities	677,342	241,491	918,833	677,000	241,833
6.0 Environment					
6.1 Environmental Activities	577,342	321,175	898,517	550,000	348,517
7.0 Primary Schools Projects					
Misikhu Main SDA Primary school	800,000		800,000		800,000
Makhonge FYM Primary school	800,000		800,000	400,000	400,000
Allan Bradley Primary School	800,000		800,000	800,000	
Matisi Primary School	800,000		800,000	800,000	
DarajaMungu Primary School	1,800,000		1,800,000	1,800,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIMILILI CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	\$ Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
Khamulati Primary School	6,000,000		6,000,000	6,000,000	
Ng'oli primary school	6,000,000		6,000,000	2,800,000	3,200,000
Siuna Primary School	400,000		400,000		400,000
Maeni Primary School	6,000,000		6,000,000	5,000,000	1,000,000
Lutonyi Primary School	900,000		900,000		900,000
Nasianda Primary School	650,000		650,000		650,000
Namasanda Primary school	6,000,000		6,000,000	6,000,000	
Kikwechi Primary School	2,400,000		2,400,000	2,400,000	
Namawanga DEB Primary school	900,000		900,000	900,000	
Khwiroro Primary school	400,000		400,000		400,000
Matili RC Primary	900,000		900,000	900,000	
Matili Primary school	14,000,000		14,000,000	14,000,000	
Kamusinde FYM Primary school	13,000,000		13,000,000	9,000,000	4,000,000
Chesamisi Primary school	5,200,000		5,200,000	5,200,000	
Sango Baptist Primary school	5,000,000		5,000,000	5,000,000	
Nasianda Primary School	3,000,000		3,000,000	4,000,000	-1,000,000
8.0 Secondary Schools Projects (List all the Projects)					
Chelekei Bahai Secondary School	800,000		800,000	800,000	
St Lukes Kimilili Boys		1,000,000	1,000,000		1,000,000
St Mary's Sosio Girls		1,100,000	1,100,000	1,100,000	
Matili Secondary School	3,500,000		3,500,000		3,500,000
Chesamisi High School	4,000,000		4,000,000	4,000,000	
ICT Centre	3,245,000		3,245,000	3,245,000	
12.0 Others					
Strategic Plan		506,840	506,840		506,840
Acquisition of Assets	600,000	1,985	601,985	600,000	1,985
	137,367,724	16,764,363	154,132,087	125,655,357	28,476,730

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIMILILI CONSTITUENCY
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(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)

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

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

XII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-KIMILILI 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KIMILILI CONSTITUENCY
Reports and Financial Statements
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SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

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 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

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 2018 for the period 1st July 2018 to 30th June 2019 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 2019.

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) –
KIMILILI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
	AIE NO. B005048		11,379,310
Normal Allocation	AIE NO. B030254		10,000,000
	AIE NO. B006387		8,000,000
	AIE NO. B030444		12,000,000
	AIE NO. B047011		24,000,000
	AIE NO. B017557		55,040,875
	AIE NO. B047470	4,000,000	
	AIE NO. B047808	20,000,000	
	AIE NO. B049316	15,000,000	
	AIE NO. B104341	15,000,000	
	AIE NO. B096587	14,000,000	
	AIE NO. B096758	52,557,524	
TOTAL		120,557,524	120,420,185

2. COMPENSATION OF EMPLOYEES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
Basic wages of temporary employees		2,839,940	2,680,844
Employer contribution to NSSF		-	203,512
TOTAL		2,839,940	2,680,844

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

3. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	581,699	9,450
Electricity	95,510	
Water & sewerage charges	35,055	31,450
Communication, supplies and services	23,910	1,347,483
Training expenses	1,547,665	942,650
Other committee expenses	2,422,200	3,233,650
Committee allowance	2,183,000	2,057,350
Office and general supplies and services	886,659	683,600
Fuel , oil & lubricants	645,000	700,000
Bank service commission and charges	18,600	30,091
Routine maintenance - vehicles and other transport equipment	459,719	421,097
Routine maintenance- other assets		137,098
TOTAL	8,899,017	9,593,919

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	64,100,000	56,000,000
Transfers to Secondary Schools	6,800,000	11,500,000
Transfers to Tertiary Institutions	3,245,000	
TOTAL	74,145,000	67,500,000

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	15,291,000	9,891,500
Bursary -Tertiary	14,045,400	15,970,880
Sports	677,000	1,670,000
Environment	550,000	1,850,000
Emergency Projects	8,608,000	6,416,914
TOTAL	39,171,400	35,799,294

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

6. ACQUISITION OF ASSETS

Non-Financial Assets		2019 - 2020	2018 - 2019
		Kshs	Kshs
Refurbishment of Buildings		600,000	-
TOTAL		600,000	-

7. OTHER PAYMENTS

		2019-2020	2018-2019
Strategic Plan			1,500,000
TOTAL			1,500,000

8. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs	Kshs
		(30/6/2019)	(30/6/2018)
<i>Corporative Bank, kimilili Branch . Kimilili NG-CDF.</i>	<i>A/C no.01141470264700</i>	7,741,274	12,839,106

9. BALANCE BROUGHT FORWARD

		2019 - 2020	2018 - 2019
		Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts		12,839,106	9,492,978
TOTAL		12,839,106	9,492,978

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

10. OTHER IMPORTANT DISCLOSURES

10.1 PENDING STAFF PAYABLES (See Annex 1)

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Staff Gratuity		1,101,208	673,232
TOTAL		1,101,208	673,232

10.2 UNUTILIZED FUNDS (See Annex 2)

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Compensation of employees		399,610	(386,450)
Use of goods and services		1,747,138	3,431,060
Amounts due to other Government entities		15,250,000	2,100,000
Amounts due to other grants and other transfers		10,571,157	11,110,928
Acquisition of assets		1,985	1,985
Others (Strategic Plan)		506,840	506,840
TOTAL		28,476,730	16,764,363

10.3 PMC Balances (See Annex 3)

		2019-2020	2018-2019
PMC		Kshs	Kshs
Sundry Institutions		1,122,969	6,049,255

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ANNEX 1: PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance	
					2020	2019
		a	b	c		d=a-c
1. JOHN WANYONYI MASUNGO	J		2/2/2021		203,526	133,823
2. METRINE NEKESA MUSANGA	H		2/2/2021		152,716	111,160
3. DORCAS KHAOMA SIMIYU	G		2/2/2021		136,734	100,894
4. PHYLIS NANJALA SIMIYU	G		2/2/2021		133,044	53,690
5. REBECCA NEEMA MASIKA	G		2/2/2021		132,042	51,412
6. JOHN WAFULA SITUMA	G		2/2/2021		118,814	93,367
7. CAROLYNE NEKESA WAMALWA	B		2/2/2021		112,165	64,443
8. DAVID WASIKE KIPCHORI	B		2/2/2021		112,165	64,443
GRAND TOTAL					1,101,208	673,232

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ANNEX 2: UNUTILIZED FUNDS

Name	Final Budget 2019/2020 Kshs	Amount Paid to Date 30/06/2020 Kshs	Outstanding Balance 2019/2020 Kshs	Outstanding Balance 2018/2019 Kshs
1.0 Administration and Recurrent				
1.1 Compensation of employees	3,239,550	2,839,940	399,610	-386,450
1.2 Use of goods and services	10,646,155	8,899,017	1,747,138	3,431,060
	13,885,705	11,738,957	2,146,748	3,044,610
2.0 Emergency				
2.1 Emergency Projects	8,630,642	8,608,000	22,642	42,028
	8,630,642	8,608,000	22,642	42,028
3.0 Bursary and Social Security				
3.1 Secondary Schools	16,003,395	15,291,000	712,395	
3.2 Tertiary Institutions	23,291,170	14,045,400	9,245,770	10,749,906
	39,294,565	29,336,400	9,958,165	10,749,906
4.0.0 Sports				
4.1 Sports Activities	918,833	677,000	241,833	-2,181
	918,833	677,000	241,833	-2,181
5.0 Environment				
5.1 Environmental Activities	898,517	550,000	348,517	321,175
	898,517	550,000	348,517	321,175
6.0 Primary Schools Projects				
Misikhu Main SDA Primary school	800,000		800,000	

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Makhonge FYM Primary school	800,000	400,000	400,000	
Ng'oli primary school	6,000,000	2,800,000	3,200,000	
Siuna Primary School	400,000		400,000	
Maeni Primary School	6,000,000	5,000,000	1,000,000	
Lutonyi Primary School	900,000		900,000	
Nasianda Primary School	650,000		650,000	
Khwiuro Primary school	400,000		400,000	
Kamusinde FYM Primary school	13,000,000	9,000,000	4,000,000	
Nasianda Primary School	3,000,000	4,000,000	-1,000,000	
	31,950,000	21,200,000	10,750,000	-
7.0 Secondary Schools Projects				
St Lukes Kimilili Boys	1,000,000	-	1,000,000	1,000,000
Matili Secondary School	3,500,000	-	3,500,000	1,100,000
	4,500,000	-	4,500,000	2,100,000
8.0 Others				
Strategic Plan	506840	-	506,840	506,840
Acquisition of Assets	601,985	600,000	1,985	1,985
	1,108,825	600,000	508,825	508,825
	101,187,087	72,710,357	28,476,730	16,764,363

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2018/2019	Additions during the year	Disposals during the year	Historical Cost Kshs 2019/2020
Land	2,000,000			2,000,000
Buildings and structures	14,492,057	600,000		15,092,057
Transport equipment	7,835,145			7,835,145
Office equipment, furniture and fittings	2,760,398			2,760,398
ICT Equipment, Software and Other ICT Assets	110,000			110,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	27,197,600	600,000		27,797,600

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –KIMILILI
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance as of 30 th June 2020	Bank Balance as of 30 th June 2019
ALLAN BRADLEY KAMUSINGA PRY SCH	COOPERATIVE	01141470733000	1,587	1,587
BITUYU PRIMARY SCHOOL	COOPERATIVE	01141687446000	63,043	63,043
CHEBUKWABI AP CAMP	COOPERATIVE	01141469624000	925	925
CHEBUKWABI FYM PRIMARY SCHOOL	COOPERATIVE	01141050183600	2,774	2,774
CHELEKEI PRIMARY SCHOOL	COOPERATIVE	01141687279000	1,462	1,462
CHESAMISI BOYS HIGH SCHOOL	COOPERATIVE	01141096859500	17,325	230,885
CHESAMISI PRIMARY SCHOOL	COOPERATIVE	01141687775100	1,831	1,401
DARAJA MUNGU AP CAMP	COOPERATIVE	01141687216700	1,043	1,043
DARAJA MUNGU DISPENSARY	COOPERATIVE	01141469517300	429	429
DARAJA MUNGU PRIMARY SCHOOL	COOPERATIVE	01141687810500	82,148	415,579
FRIENDS' SCHOOL KIBUNDE SEC	COOPERATIVE	01139469444900	1237	1,237
KAMASIELO PRIMARY SCHOOL	COOPERATIVE	01141687465800	2,557	2,557
KAMUKUYWA AC PRIMARY SCHOOL	COOPERATIVE	01141687442200	2,432	2,432
KAMUSINDE FYM PRIMARY SCHOOL	COOPERATIVE	01141050172100	46,157	46,257
KHWIRORO PRIMARY SCHOOL	COOPERATIVE	01141470689400	1290	1290
KIBINGEI FRIENDS SEC SCHOOL	COOPERATIVE	01141470840500	423	705,280
KIKWECHI PRIMARY SCHOOL	COOPERATIVE	01141687371200	461	261
KIMILILI CHIEFS' OFFICE	COOPERATIVE	01141470522900	23,705	23,705
KIMILILI FRIENDS GIRLS' SEC SCHOOL	COOPERATIVE	01141049767600	39,189	39,189
KIMILILI RC BOYS PRIMARY SCHOOL	COOPERATIVE	01141687501600	104,794	104,794
KIMINGICHI PRIMARY SCHOOL	COOPERATIVE	01141050113900	23,011	23,011

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PMC	Bank	Account number	Bank Balance as of 30 th June 2020	Bank Balance as of 30 th June 2019
KITAYI PRIMARY SCHOOL	COOPERATIVE	01141050116500	4,016	3,916
LUKHOME BAPTIST SEC SCHOOL	COOPERATIVE	01141470964900	91,217	91,217
LUTONYI PRIMARY SCHOOL	COOPERATIVE	01141470961400	6,154	6,154
LWANDA PRIMARY SCHOOL	COOPERATIVE	01141687850000	87	927
MAENI PRIMARY SCHOOL	COOPERATIVE	01141469093400	2,373	13,163
MAKHONGE PRIMARY SCHOOL	COOPERATIVE	01141470403300	400	1,581,852
MATILI RC PRIMARY SCHOOL	COOPERATIVE	01141687271300	1,588	1,588
MATISI PRIMARY SCHOOL	COOPERATIVE	01141687917800	12,747	1,594,347
MUSEMBE PRIMARY SCHOOL	COOPERATIVE	01139469235200	1,237	10,736
NAMAKHELE ACK PRIMARY SCHOOL	COOPERATIVE	01141687356700	85,051	479,051
NAMAWANGA DEB PRIMARY SCHOOL	COOPERATIVE	01141687295800	1407	1,407
NAMBOANI PRIMARY SCHOOL	COOPERATIVE	01141470838600	74,793	74,793
NASIANDA PRIMARY SCHOOL	COOPERATIVE	01141687445600	5,855	6,110
NEW HOPE MWANGALE SEC SCHOOL	COOPERATIVE	01141687911700	1,850	1,850
NGO'LI PRIMARY SCHOOL	COOPERATIVE	01141470098500	7,394	209,044
SANGO BAPTIST PRIMARY SCHOOL	COOPERATIVE	01141470101700	113,516	99
SIUNA PRIMARY SCHOOL	COOPERATIVE	01141470947900	3,104	3,104
SOSIO PRIMARY SCHOOL	COOPERATIVE	01141470468100	821	9,271
ST. ELIZABETH SIBAKALA SEC SCHOOL	COOPERATIVE	01141688025100	282	282
ST. EMMANUELS'MIRURI SEC SCHOOL	COOPERATIVE	01141687405200	74,174	74,174
ST. JOHNS' BUKO SEC SCHOOL	COOPERATIVE	01141469793100	193	193
ST.MARYS' SOSIO GIRLS SEC SCHOOL	COOPERATIVE	01141470654600	141,387	141,387
ST. PETERS' NAKALIRA SEC SCHOOL	COOPERATIVE	01141687379100	2,389	2,389

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PMC	Bank	Account number	Bank Balance as of 30 th June 2020	Bank Balance as of 30 th June 2019
ST.JOSEPHS' KAMUSINDE SEC SCHOOL	COOPERATIVE	01141470111800	71,728	71,677
SULIEMAN MURUNGA PRIMARY SCH	COOPERATIVE	01141470089700	1,383	1,383
TOTAL			1,122,969	6,049,255

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –KIMILILI
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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)
2017-2018-1-01-0223-09	<p>Inaccuracies in Budget Analysis and budget performance.</p> <p>The budget figures used by the NGCDF-Kimilili in the summary statement of appropriation-recurrent and development combined do not reflect the allocation to the Constituency for the year under review. The statement shows a total budgeted transfers from the Board of Kshs.106,403,972 while the total allocation for the year was Kshs.98,189,655, which, when adjusted for the balances brought forward (KSHS.1,100000 AND Kshs700,000 for 2015/16 and 2026/2017 respectively) and the opening cash and cash equivalents of Kshs5,763, should amount to Ksh.105,753,344. The difference of Ksh.650,628 has not been explained.</p>	<p><i>The Variance of 650,628 is being reviewed for adjustments and once proper documentation is reconciled we shall avail the reconciled report for your recording. Similarly, we reckon that indeed 23% budget underutilization results in failure to meet intended objectives of the Fund to the residents of Kimilili. This as you may be aware is as a result of the NG-</i></p>	Fund Account Manager and Sub-County Accountant	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		<p><i>CDF Board funding the committee in a rather piecemeal way which ultimately curtails our smooth implementation of programs in the year under review. We have however signed a performance contract with the NG-Board which dictates that funds be disbursed sufficiently and in a timely manner.</i></p>			
	<p>Project Implementation Status According to the PIS Report as at 31 December 2018, The CDFC Kimilili had 251 Projects valued at</p>	<p><i>As explained earlier in our response to the Management letter, the</i></p>	<p>NG-CDF BOARD, NG-CDFC</p>	<p>Solved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>Kshs.401,816,346 under Implementation at various levels.</p> <p>From these statistics, it was noted that 55 projects with disbursements of Kshs.90,046,552 relating to 2016/17 and earlier years that would have been completed by 30th June 2017 were classified as still ongoing while another four projects for the same period were either not started or were new. Further analysis of the PIS showed that during the year under review 16 more projects with a value of Kshs.35,289,655 have also remained ongoing yet they should have been completed and handed over by December 2018. It would therefore appear that the constituents will not be getting value for money and these projects may never be completed contrary to the requirements of the NG CDF Act 2015. No explanation has been provided for this state of affairs.</p>	<p><i>committee has submitted to the NG-CDF Board a schedule of completing all the pending ongoing projects within the next two years. We however take note to manage the projects as per budget, NG-CDF guidelines and PFM Act and regulations.</i></p>			
	<p>Payments not adequately supported</p> <p>During The field verification</p>	<p><i>The NG-CDF Act 2015 and subsequent Regulations gives</i></p>	<p>Fund Account Manager. PMCs, Clerk of works</p>	<p>Solved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
	<p>undertaken as well as review of the records for a number of projects, it was noted that all the payments made to the contractors were processed for the total value of the respective contracts without adequate supporting documents more so a detailed measurement of works certificate linking each project to its bills of quantities. The projects were noted to be continuing with disbursements totaling Kshs.21,893,130.00</p>	<p><i>the Committee authority to engage technical personnel from different line ministries while implementing projects. We have provided supporting documents as attached in the management letter. We however note with great concern that the documents as received from the technical personal do not give enough disclosure or support to warrant payments. The management therefore has</i></p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)
		<p><i>programmed to undertake capacity building of PMCs and staff (Clerk of works) to ensure that Payment certificates quantify the works done and not just an extract from the Bills of Quantities. We hope this will help affirm the validity of expenditures.</i></p>			