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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – EMURUA DIKIRR CONSTITUENCY**

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

Revised Template 30th June 2020



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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Core Values

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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 EMURUA DIKIRR Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Mr. Felix Ntutu.
2.	Sub-County Accountant	CPA. Kipsafari Toromo.
3.	Chairman NGCDFC	Mr. Samwel Kipsiele Towett.
4.	Member NGCDFC	Mrs. Caroline Chelanget Tonui.

(d) Fiduciary Oversight Arrangements

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

P.O. Box 119-20401 Chebunyo
NG-CDFC Building Emurua Dikirr
Narok, Kenya.

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(f) NGCDF EMURUA DIKIRR Constituency Contacts

Telephone: (254)- 722774506

E-mail: cdfemuruadikirrconstituency@ngcdf.go.ke

Website: www.ngcdfemuruadikirrconstituency.go.ke

(g) NGCDF EMURUA DIKIRR Constituency Bankers

Equity Bank Kenya Limited
Kilgoris Branch
A/C No. 1230261760486
P O Box 119-203
Kilgoris Kenya.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

These reports and financial statements present a true and fair view of the state of affairs of EMURUA DIKIRR NG-CDF for the financial year ended 30th June 2020. It lays down the Receipts and Payments of all the funds that EMURUA DIKIRR NG-CDF received from the NG-CDF BOARD during the financial year.

I wish to make the following remarks;

A). Budget Performance

In the financial year 2019/2020 EMURUA DIKIRR NG-CDF budget performance against actual amounts for current year based on economic classification and programmes, was to a large extent hampered by untimely disbursement of funds by the NG-CDF BOARD, The NG-CDF Committee in collaboration with other government agencies as per the guidelines of the NG-CDF ACT 2015 disbursed received funds to the Project management committees (Pmcs) in a timely manner and is continuously monitoring the execution of the funded programmes.

In the financial year ended 30th June 2020, EMURUA DIKIRR NG-CDF had a cumulative approved budget of kes 213,394,155 out of which kes 144,026,432, was received from the NG-CDF Board while a balance of kes 69,367,724 is yet to be received.

NG-CDF EMURUA DIKIRR disbursed the received funds as follows;

- Kes 2,665,758 was used in payment of NG-CDFC staff salaries and gratuity.
- Kes 10,653,413 was used in payment of NG-CDFC committee allowances monitoring, evaluation and other administration expenses.
- Kes 84,750,000 was disbursed to various schools and other government agencies for implementation of the approved projects during the financial year.
- Kes 38,633,700 was issued as bursaries to needy students in the constituency and
- Kes 8,684,000 was used to fund emergency occurrences in the constituency during the financial year.
- Kes 2,168,787 was used to fund constituency Sports tournament.
- Kes 2,180,000 was used to fund constituency environment programme.

The performance during the year is summarised as follows;

PAYMENTS	Final Budget	Total Expenditure	Budget utilization difference	% of utilization
Compensation of Employees	3,712,000	2,665,758	1,046,242	71.8%
Use of goods and services	13,091,064	10,653,413	2,437,651	81.4%
Transfers to Other Government Units	134,940,876	84,750,000	50,190,876	62.8%
Other grants and transfers	56,150,216	51,666,487	4,483,729	92.0%
Acquisition of assets	5,500,000		5,500,000	0.0%
Other Payments(Strategic Plan)				
TOTAL	213,394,155	149,735,658	63,658,497	70.2%

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b).in detail, NG-CDF EMURUA DIKIRR has been able to achieve the following during the financial year;

- ❖ Funded 15 Primary school projects, 5 Secondary school projects, 1 Technical and Vocational Training institute project and 1 chief's office. Activities involved among others, construction and completion of classrooms, Laboratories, administration blocks, teachers' houses, purchase of school buses, drilling of water borehole, Construction of toilets and pit latrines and chiefs office. Some of this infrastructure is already complete and in use while others are nearing completion, contributing to increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions in line with the constituency 2018-2022 strategic plan. Herein attached are pictorials to depict successful projects undertaken during the year.



- ❖ The NG-CDFC EMURUA DIKIRR also allocated kes.37million for bursary to support needy students in both secondary and tertiary institutions which have resulted in students' retention in school and improved overall academic performance.

The absorption of this budget was however largely affected by the outbreak of Covid 19 which resulted in the closure of all learning institutions in March 2020.

c). **Emerging issues related to NG-CDF in EMURUA DIKIRR Constituency are;**

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

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- ❖ There's a growing Need to compete with the county government to justify the long existence of NG-CDF.
-

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

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

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



Signature

Mr. Samwel Kipsiele Towett.,

Chairman NG-CDF Committee.

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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.

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

- a) Improve Education Standards.
- b) Improve Security.
- c) Conserve the environment.
- d) Nurture talent through sporting activities and art
- e) Increase youth, women and persons with disability participation in development objectives.
- f) Supplementing infrastructure development at the constituency level in matters falling within the functions of the national government in accordance with the Constitution.

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 -among others, we increased number of classrooms, dormitories, laboratories, school buses etc from 108 to 194 in the following schools/institutions - Chemurin Primary school - Mokondo Primary school. -Dikirr Primary school. - Bursary beneficiaries at all

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					levels were as per the attached schedules
Security	To have a safe and secure environment for business, learning and where the residents go about their lives without fearing for their lives and property.	-Decrease in the number of insecurity related incidents. -Improved security and a more secure business environment	-Numbers of usable physical infrastructure build in Police stations. Chief's offices and county Commissioners security facilities. -		In FY 19/20 We built one chiefs office.
Environment	To have a well Conserved and Conducive environment.	Increased tree cover and sustainable waste management and disposal practices contributing to mitigation of negative effects of climate change.	Number of tree seedlings planted in public land. -sustainable environmental management activities.		In FY 19/20 -we increased number of trees planted where hundreds of tree seedlings were purchased, distributed and planted in various schools as per the attached schedules.
Sports	To Nurture sporting talent, This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.	Increased engagement and persons earning a decent living from exploiting their sporting talent. -reduced unemployment rate among the youth.	Number of youth, women and persons living with disabilities taking up sporting activities. -Number of usable physical sporting infrastructure build.		In FY 19/20 -we organised the constituency sports tournament where trophies, games kits and balls were awarded to the winning teams in every ward in the constituency.
Road Network	To improve the road network in the constituency.	Ease in movement of people, goods and services and access to markets and social services.	Numbers of usable physical infrastructure build in kilometres of road network.		In FY 19/20 -we increased kilometres of road network by funding Soget-Kibaraa road.

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These bold and noble efforts however continue to face broad political and macroeconomic activities that affect sustainability priorities, example,

- A continued realignment of the governance structure affecting National resource allocation,
- A skyrocketing population increase and outbreak of Covid 19 are panning out to be an enormous challenge to the attainment of these strategies.

Key achievements among others include;

- Increased enrolment in school for all children of school going age as a result of increase in the number of usable physical infrastructure built in primary, secondary, and tertiary institutions.

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

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

Environmental performance

As climate issues intensify, NGCDF EMURUA DIKIRR operations and people are helping to create a sustainable future, based on a policy that reduces the organisations energy related carbon emissions on the environment.

This policy is evident in among others;

- The successful distribution and planting of thousands of tree seedlings in schools and public areas coupled with holding annual environmental awareness and conservation meets in the community.
- Reduction in energy and paper consumption in our offices, by limiting hardcopy document printouts, recycling paper, use of natural ventilation and reducing staff travel.

These efforts however have been plagued by a number of shortcomings, including among others,

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- Lack of awareness in the community and society on the need to conserve the environment.
 - Long droughts and erratic rainfall patterns derailing the success of the tree planting exercise.
 - Limited resources directed to investment in renewable sources of energy.
-

Notable effort is particularly being dedicated to manage biodiversity and waste disposal where installation of bio digesters and incineration of waste is encouraged in all our practices.

Employee welfare

Our hiring process is strictly guided by the provisions of the employment Act 2007 taking into account the gender ratio, with the aim of building a gender balanced organisation focused on management.

NGCDF EMURUA DIKIRR makes special provisions for Kenyans with various disabilities and previously marginalized communities.

Our practices are designed to ensure that we recruit, retain and engage a high quality and diverse workforce while increasing productivity and efficient service provision,

We endeavour to incorporate stakeholder engagements throughout the process by advertisement of vacancies in the local press and public notice boards, giving details of the vacancies in the prescribed format as per the provisions of the employment Act 2007 section 76(1).

- We are continuously improving on our hiring practices to align them with new international best practices anchored on employee engagement, diversity and inclusion.
- We provide our employees with continuous on the job training and capacity building and enhance access to training and skills by encouraging staff to undertake personal continuous academic and professional development.

Employee succession policy to help manage careers.

Promotions

In selecting candidates for Promotion regard is given to merit and extra ordinary ability as reflected in work performance and results, after the annual performance appraisal recommendation for promotions is only made by the NGCDFC resolution.

Health, Safety and Wellbeing

NG-CDF Committee have put in place a written statement of the general policy with respect to the safety and health at work of our employees and the organisation and arrangements for the time being in force for carrying out that policy; as per the requirements of the Occupational Safety and Health Act of 2007. More however, needs to be done to improve employee health, nutrition and well-being.

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Market place practices-

The NGCDFC EMURUA DIKIRR, in its mandate to support grassroots and constituency level development aimed at poverty reduction and achieving equitable distribution of resources, is providing mechanisms which entrench equitable distribution of resources in line with the provisions of the Ngcdf act 2015.

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

NGCDFC EMURUA DIKIRR ensures responsible competition practices in line with section 37 of the Ng-cdf Act and paragraph 27 of the Ng-cdf regulations, all works and services relating to projects are procured in accordance with the provisions of the public procurement and disposal Act 2015.

Responsible Supply chain and supplier relations-

During project implementation the Ngcdfc promptly transfers funds to the PMC`S who are thereafter guided during tendering process to ensure that the locals benefit competitively in the supply of materials and services to the projects.

How the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

Payments to suppliers are made promptly on presentation of requisite supporting documentation the Ngcdf is strictly guided by the provisions of section 31 of the Ngedf Act, and paragraph 51(2) of the PFM Regulation 2015 which requires that all expenditure commitments for goods and services are based on allocations from the approved budget.

Adherence to this provisions guarantees honouring of contracts and respecting payment practices with our suppliers.

Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Tenders are advertised publicly and no discrimination is entertained that locks out any interested bidder.

NGCDFC EMURUA DIKIRR is working with other government agencies with the expertise to safeguard consumer rights and interests where we strive to provide high quality services to our clients and community.

Community Engagements-

Public Participation is employed in Project identification, implementation and monitoring. As per the provisions of the Ng-cdf act 2015.

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Covid 19 mitigation Measures.

As a major player in the grassroots level, NGCDFC EMURUA DIKIRR heeded the ministry of health call to help in halting the spread of Covid 19 where we donated.

- hand sanitizers,
- face masks and
- Hand washing stations.

Provision of clean drinking water.

- Drilling of water boreholes.
- Provision of water tanks which has increased access to clean drinking water.
- Carried out sensitization activities on HIV Aids, Covid 19 and cancer awareness.

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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.

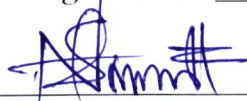
The Accounting Officer in charge of the NGCDF-EMURUA DIKIRR Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2020. 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-EMURUA DIKIRR 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 NGCDF-EMURUA DIKIRR Constituency financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-EMURUA DIKIRR 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-EMURUA DIKIRR 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-EMURUA DIKIRR Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.

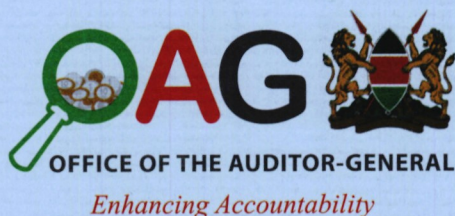


Fund Account Manager
Name: Felix Ntutu.



Sub-County Accountant
Name: CPA Kipsafari Toromo
ICPAK Member Number: 11750

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - EMURUA DIKIRR 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 - Emurua Dikirr Constituency set out on pages 16 to 43, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Emurua Dikirr Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Accuracy of the Financial Statements

1.1 Comparative Balances

The statement of receipts and payments reflects nil balance for the year 2018/2019 while Note 9 to the financial statements reflects other payments balances of Kshs.3,300,000 resulting to unreconciled variance of Kshs.3,300,000.

Similarly, Annex 5 PMC Bank balances reflects comparative figure of kshs.2,350,00 while Annex 5 PMC Bank 2018/2019 reflects Nil closing balance.

1.2 Variance Between Budget and the Financial Statements

Note 8 to the financial statement reflects nil balance on acquisition of assets while the statement of appropriation - recurrent and development combined reflect actual on

comparable basis payments of Ksh.2,665,758 being acquisition of assets during the year resulting to unreconciled or unexplained variance Ksh.2,665,758.

1.3 Variance Between Financial Statements and Ledger Balances

Note 6 to the financial statements reflects Kshs.84,750,000 in respect of transfers to other government units against ledger amounts totalling to Kshs.88,250,000 resulting to unreconciled variance of Kshs.3,500,000.

1.4 PMC Bank Balances

Note 17.4 to the financial statements on the PMC bank balances as at 30 June, 2020 reflects a balance of Ksh.5,700,000 held in fifteen (15) schools. However, the certificate of bank balances indicate that PMC bank accounts had a total amount of Ksh.4,999,902 as at 30 June, 2020 resulting to unreconciled variance of Kshs.700,098.

1.5 Fixed Assets Register

Annex 4 to the financial statements (summary of fixed asset register) reflects that the Emurua Dikirr NG-CDF as at 30 June, 2020 had assets worth Ksh.7,824,266 against the fixed assets register amounts totalling to Ksh.6,798,299 resulting to an unexplained variance of Ksh.1,025,967. Further, the statement of appropriation - recurrent and development combined reflects total payments of Kshs.2,665,758 being acquisition of assets during the year which has not been reflected as additions during the year therefore understating the assets by equivalent amounts.

In the circumstances, the accuracy and completeness of the financial statements as prepared and presented for the year ended 30 June, 2020 could not be confirmed.

2. Cash and Cash Equivalents

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities as at 30 June, 2020 reflect a balance of Ksh.3,058,748 in respect of cash and cash equivalents. However, a review of the Fund bank reconciliation statement revealed stale cheques amounting to Kshs.1,021,098 which had not been reversed in the cash book. No explanation has been provided for failure to update the cash book with the amount of stale cheques.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.3,058,748 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 - Emurua Dikirr Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.213,394,155 and Kshs.144,026,432 respectively resulting to an under-funding of Kshs.69,367,723 or 32.5% of the budget. The Project expenditure was limited to the amount realized.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

Basis for Conclusion

1. Presentation and Disclosures in the Financial statements

The financial statements presented for audit for the year ended 30 June, 2020 had the following errors.

- 1.1. The statement of Entity management responsibilities refers to 'Entity' instead of National Government Constituencies Development Fund - Emurua Dikirr.
- 1.2. The cover page has an inscription "Revised Template 30 June, 2020" which is a template guide.
- 1.3. The statement of receipts and payment has Title-Report of Independent Auditors on the NGCDF - Emurua Dikirr Constituency instead of title Receipt and Payments.
- 1.4. Table of contents is not consistent with the page numbers 6,14,16,21,22 in the financial statements as they are repeated and titles are different.
- 1.5. Significant accounting policies No 2 Reporting entity indicates that the financial statements are presented in Kshs. and the values are rounded to the nearest Kenya shillings which is not the case with Note 13 and 17.3 on fund balance b/fwd and unutilized fund in the financial statements.

This is contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with section 194(1)(d) of the Public Finance Management Act, 2012.

Consequently, the annual report and the financial statements for the year ended 30 June, 2020 as prepared and presented are not IPSAS compliant.

2. Late Submission of the Financial Statements

The financial statements for the year 2019/2020 were submitted for audit on 11 February, 2021, four and a half months after the due date, contrary to Section 47(1) of the Public Audit Act, 2015 which states “The financial statements shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate”.

Consequently, the management is in breach of the Law.

3. Transfers to Other Government Units

3.1 Irregular Procurement

Review of records revealed that, Emurua Dikirr NG-CDF implemented projects in forty-one (41) primary schools and thirteen (13) secondary schools at a total cost of Kshs.84,750,000 during the year under review. However, contract documents were not provided. Therefore, it was not possible to establish whether this contract was awarded in accordance to Article 227(1) of the constitution of Kenya, 2010.

Further, engineer’s estimates on the projects, records of contractor’s retention fees and evidence that withholding tax was being deducted by the Fund and remitted to Kenya Revenue Authority were not provided. In addition, projects did not have interim/final completion certificate contrary to Section 150 (3) of the Public Procurement and Asset Disposal Act, 2015.

3.2 Project Identification and Implementation

The statement of receipts and payments for the year ending 30 June, 2020 reflects Kshs.84,750,000 in respect of transfer to other government units. The Fund implemented projects in fifty-four (54) institutions. However, no ward reports or committee minutes were provided. In addition, files for projects implemented in various institutions amounting to Kshs.29,200,000 were not provided.

3.3 Project Verification/Inspection

Review of project summary confirmed fifty-four (54) projects at a total cost of Kshs.84,750,000 were implemented. However, an audit inspection carried out on 15 and 16 February, 2021 covered ten (10) projects amounting to Kshs.25,100,000 out of which three (3) projects valued at Kshs.5,900,000 revealed that the contractors were paid and work was not completed and evidence of poor workmanship observed.

In the circumstances, the Public did not realize value for money equivalent to Kshs.5,900,000.

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 else 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 standard requires 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors

compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA NANCY GATHUNGU, CBS
AUDITOR-GENERAL

Nairobi


11 February, 2022


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

**VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- EMURUA DIKIRR
CONSTITUENCY-STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	127,320,186	97,405,173
Proceeds from Sale of Assets	2		-
Other Receipts	3		=
TOTAL RECEIPTS		127,320,186	97,405,173
PAYMENTS			
Compensation of employees	4	2,665,758	2,134,941.00
Use of goods and services	5	10,653,413	9,840,690.00
Transfers to Other Government Units	6	84,750,000	45,570,441.00
Other grants and transfers	7	51,666,487	29,326,675.00
Acquisition of Assets	8		-
Other Payments	9		=
TOTAL PAYMENTS		149,735,658	86,872,747
SURPLUS/(DEFICIT)		<u>(22,415,472)</u>	<u>10,532,426</u>

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


Fund Account Manager
Name: Felix Ntutu.



National Sub-County Accountant
Name: CPA Kipsafari Toromo.
ICPAK Member Number: 11750


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMURUA DIKIRR CONSTITUENCY
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VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,058,748	16,706,244.98
Cash Balances (cash at hand)	10B	-	0.00
Total Cash and Cash Equivalents		3,058,748	16,706,244.98
Accounts Receivable			
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		3,058,748	16,706,244.98
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		3,058,748	<u>16,706,244.98</u>
REPRESENTED BY			
Fund balance b/fwd	13	16,706,244.98	6,173,818.98
Prior year adjustments	14	8,767,974	-
Surplus/Deficit for the year		(22,415,472)	10,532,426.00
NET FINANCIAL POSITION		<u>3,058,748</u>	<u>16,706,244.98</u>

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


 Fund Account Manager
 Name: Felix Ntutu.

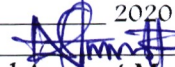

 National Sub-County Accountant
 Name: CPA Kipsafari Toromo
 ICPAK Member Number: 11750


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
EMURUA DIKIRR CONSTITUENCY
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VIII. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	127,320,186	97,405,173
Other Receipts	3		0.00
Total receipts		127,320,186	97,405,173
Payments for operating expenses			
Compensation of Employees	4	2,665,758	2,134,941.00
Use of goods and services	5	10,653,413	9,840,690
Transfers to Other Government Units	6	84,750,000	45,570,441.00
Other grants and transfers	7	51,666,487	29,326,675
Other Payments	9		-
Total payments		(149,735,658)	(86,872,747)
Total Receipts Less Total Payments		(22,415,472)	10,532,426
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprests)	15		
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16		
Prior year adjustments	14	8,767,974	
Net cash flow from operating activities		(13,647,498)	10,532,426
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	9		-
Net cash flows from Investing Activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		(22,415,472)	10,532,426
Cash and cash equivalent at BEGINNING of the year	13	16,706,244.98	6,173,818.98
Cash and cash equivalent at END of the year		<u>3,058,748</u>	<u>16,706,244.98</u>

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


Fund Account Manager
Name: Felix Ntutu.


National Sub-County Accountant
Name: CPA Kipsafari Toromo
ICPAK Member Number: 11750

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIRR CONSTITUENCY
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IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	76,026,431	213,394,155	144,026,432	69,367,723	67.5%
Proceeds from Sale of Assets	-					
Other Receipts	-					
PAYMENTS						
Compensation of Employees	3,130,000	582,000	3,712,000	2,665,758	1,046,242	71.8%
Use of goods and services	9,233,095	3,857,969	13,091,064	10,653,413	2,437,651	81.4%
Transfers to Other Government Units	67,600,000	67,340,876	134,940,876	84,750,000	50,190,876	62.8%
Other grants and transfers	51,904,629	4,245,587	56,150,216	51,666,487	4,483,729	92.0%
Acquisition of Assets	5,500,000		5,500,000	2,665,758	5,500,000	0.0%
Other Payments(Strategic Plan)						
TOTALS	137,367,724	76,026,431	213,394,155	149,735,658	63,658,497	70.2%

- ❖ Compensation of Employees is underutilized due to delay in disbursement of funds by NG-CDF Board.
- ❖ Transfers to other government units are underutilized due to delay in disbursement of funds by NG-CDF Board.
- ❖ Other grants and transfers are underutilized due to delay in disbursement of funds by the NG-CDF Board.
- ❖ Use of goods and Services is underutilized due to delay in disbursement of funds by the NG-CDF Board

Explanation on the changes between the original and final budget as per IPSAS 1.9.23.1;

- ❖ Kes 16,706,244.98 is the unutilized funds brought forward from FY 2018/2019(refer to cashbook/bank closing balance as at 30th June 2019.
- ❖ Kes 52,040,875.50 is unutilized funds being allocation for FY 2018/2019 received this financial year.
- ❖ Kes 7,279,310.35 is unutilized funds being allocation for FY 2018/2019 received this financial year.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIRR CONSTITUENCY
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The NGCDF-EMURUA DIKIRR Constituency financial statements were approved on _____ 2020 and signed by:



Fund Account Manager
Name: Felix Ntutu



Sub-County Accountant
Name: CPA Kipsafari Toromo
ICPAK Member Number: 11750

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIRR CONSTITUENCY
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X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,130,000.00	582,000.00	3,712,000.00	2,665,758.00	1,046,242.00
1.2 Committee allowances	3,000,000.44		3,000,000.44	2,984,200.00	15,800.44
1.3 Use of goods and services	1,112,063.00	3,857,968.62	4,970,031.62	2,351,781.00	2,618,250.62
2.0 Monitoring and evaluation					
2.1 Capacity building	2,121,031.72		2,121,031.72	2,060,400.00	60,631.72
2.2 Committee allowances	1,500,000.00	275,760	1,775,760	1,775,760.00	0
2.3 Use of goods and services	1,500,000.00		1,500,000.00	1,481,272.00	18,728.00
3.0 Emergency					
3.1 Primary Schools	7,198,241.38	1,485,758.62	8,684,000.00	8,684,000.00	-
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	14,214,390.88	1,679,609.00	15,893,999.88	15,894,000.00	0
4.3 Tertiary Institutions	23,170,965.00	1,115,334.76	24,286,299.76	22,739,700	1,546,599.76
4.4 Universities					
4.5 Social Security(NHIF)					
5.0 Sports					
Constituency sports	2,747,354.48		2,747,354.48	2,168,787	578,567.48
6.0 Environment					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIRR CONSTITUENCY
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
		2,180,000.00	2,180,000.00	2,180,000.00	-
Chepkureet Primary School	68,683.86		68,683.86		68,683.86
Kimugul Primary School	68,683.86		68,683.86		68,683.86
Rwandanat Primary School	68,683.86		68,683.86		68,683.86
Angaset Primary School	68,683.86		68,683.86		68,683.86
Corner Olouch Primary School	68,683.86		68,683.86		68,683.86
Kapkatet Primary School	68,683.86		68,683.86		68,683.86
Maregito Primary School	68,683.86		68,683.86		68,683.86
Chemurin Primary School	68,683.86		68,683.86		68,683.86
Soget Primary School	68,683.86		68,683.86		68,683.86
Mokondo Primary School	68,683.86		68,683.86		68,683.86
Kibisorwet Secondary School	68,683.86		68,683.86		68,683.86
Kabolecho Secondary School	68,683.86		68,683.86		68,683.86
Mokondo Secondary School	68,683.86		68,683.86		68,683.86
Chebulu Secondary School	68,683.86		68,683.86		68,683.86
Mara View Secondary School	68,683.86		68,683.86		68,683.86
Abosi Girls Secondary School	68,683.86		68,683.86		68,683.86
Chesma Secondary School	68,683.86		68,683.86		68,683.86
Chepkisa Secondary School	68,683.86		68,683.86		68,683.86
Chiliani Secondary School	68,683.86		68,683.86		68,683.86
Cherangoi Secondary School	68,683.86		68,683.86		68,683.86
7.0 Primary Schools Projects (List all the Projects)					
Changina Primary School		1,200,000.00	1,200,000.00	1,200,000.00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – EMURUA DIKIRR CONSTITUENCY
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Chemurin Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Chepkebut Primary School		600,000.00	600,000.00	600,000.00	
Chepkisa Primary School		500,000.00	500,000.00	500,000.00	
Chesogon Primary School		600,000.00	600,000.00	600,000.00	
chilani primary school		2,400,000.00	2,400,000.00	2,400,000.00	
Emitiot Primary School		200,000.00	200,000.00	200,000.00	
emurua dikirr primary school		3,400,000.00	3,400,000.00	3,400,000.00	
Kabarak Primary School		200,000.00	200,000.00	200,000.00	
Kablebelit Primary School		500,000.00	500,000.00	500,000.00	
Kabuson Centre Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Kalonok Primary School		200,000.00	200,000.00	200,000.00	
Kamaget Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Kamagut Primary School		2,400,000.00	2,400,000.00	2,400,000.00	
Kaptarakwa Primary School		500,000.00	500,000.00	500,000.00	
Kibailuk Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Kibisorwet Primary School		500,000.00	500,000.00	500,000.00	
Kibwaluk Primary School		800,000.00	800,000.00	800,000.00	
Kilendelit Primary School		700,000.00	700,000.00	700,000.00	

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kilindani Primary School		500,000.00	500,000.00	500,000.00	
Kitaet Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Koisagat Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Korosiot Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Kurget Primary School		300,000.00	300,000.00	300,000.00	
Lelach Primary School		200,000.00	200,000.00	200,000.00	
Lulukwet Primary School		200,000.00	200,000.00	200,000.00	
Mengito Primary School		200,000.00	200,000.00	200,000.00	
Murkan Primary School		3,000,000.00	3,000,000.00	3,000,000.00	
naisagat primary school		2,400,000.00	2,400,000.00	2,400,000.00	
Pimbiniyet Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
pimbiniyet primary school		1,200,000.00	1,200,000.00	1,200,000.00	
Reberwet Primary School		1,400,000.00	1,400,000.00	1,400,000.00	
Soimining Primary School		500,000.00	500,000.00	500,000.00	
Sugutek Primary School		600,000.00	600,000.00	600,000.00	
Tachsis Primary School		1,200,000.00	1,200,000.00	1,200,000.00	
Torochet Primary School		500,000.00	500,000.00	500,000.00	
Tuiyobei Primary School		200,000.00	200,000.00	200,000.00	
Chepkureret Primary School	200,000.00		200,000.00		200,000.00
Kimugul Primary Schol	200,000.00		200,000.00		200,000.00

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kamaget Primary School	200,000.00		200,000.00		200,000.00
Angaset Primary School	200,000.00		200,000.00	200,000.00	-
Corner Olouch Primary School	200,000.00		200,000.00		200,000.00
Kapchepomot Primary School	200,000.00		200,000.00		200,000.00
Meregito Primary School	200,000.00		200,000.00		200,000.00
Angaset Primary School	1,200,000.00		1,200,000.00	700,000	550,000
Chemurin Primary School	2,000,000.00		2,000,000.00	1,750,000	250,000
Mokondo Primary School	2,400,000.00		2,400,000.00	2,000,000	400,000
Soget Primary School	1,200,000.00		1,200,000.00	900,000	300,000
Chebungei Primary School	1,200,000.00		1,200,000.00	750,000	450,000
Corner Olouch Primary School	1,200,000.00		1,200,000.00	800,000	400,000
Kapsimotwo Primary School	1,200,000.00		1,200,000.00	1,000,000	200,000
Araret Primary School	1,200,000.00		1,200,000.00	1,000,000	200,000
Chepkisa Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Rwandanat Primary School	1,200,000.00		1,200,000.00		1,200,000.00
Chelemei Primary School	2,400,000.00		2,400,000.00		2,400,000.00
Chepkeigei Primary School	1,200,000.00		1,200,000.00		1,200,000.00
Kaptololo Primary School	2,400,000.00		2,400,000.00		2,400,000.00
Kaptololo Primary School	700,000.00		700,000.00		700,000.00
Naisugut Primary School	2,400,000.00		2,400,000.00		2,400,000.00
Kamaget Primary	2,400,000.00		2,400,000.00		2,400,000.00
Ainamoi Primary School	2,400,000.00		2,400,000.00		2,400,000.00

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Dikirr Primary School	2,400,000.00		2,400,000.00		2,400,000.00
Kapkoros Primary School	300,000.00		300,000.00		300,000.00
Angaset Primary School	300,000.00		300,000.00		300,000.00
Motosiet Primary School	300,000.00		300,000.00		300,000.00
8.0 Secondary Schools Projects (List all the Projects)					
Changina Secondary School		3,500,000.00	3,500,000.00	3,500,000.00	
Chebitoik Secondary School		3,500,000.00	3,500,000.00	3,500,000.00	
Chepkisa Secondary School		1,500,000.00	1,500,000.00	1,500,000.00	
Chepkisa Secondary School		900,000.00	900,000.00	900,000.00	
Ilkerin Girls Secondary School		3,500,000.00	3,500,000.00	1,000,000.00	2,500,000
Ilkerin Secondary School		550,000.00	550,000.00	550,000.00	
Kisiara Secondary School		3,500,000.00	3,500,000.00	3,500,000.00	
Kurangurik Secondary School		3,500,000.00	3,500,000.00	3,500,000.00	
Kurangurik Secondary School		2,800,000.00	2,800,000.00	2,800,000.00	
Kuresiet Secondary School		2,100,000.00	2,100,000.00	2,100,000.00	
Kuresiet Secondary School		300,000.00	300,000.00	300,000.00	
Lalagon Secondary School		500,000.00	500,000.00	500,000.00	
Makondo Secondary School		200,000.00	200,000.00	200,000.00	
Mokondo Secondary School		1,000,000.00	1,000,000.00	1,000,000.00	
Ndamama Secondary School		800,000.00	800,000.00	800,000.00	

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kabolecho Girls High School	2,400,000.00		2,400,000.00	2,000,000	400,000
Mokondo Secondary School	500,000.00		500,000.00	400,000	100,000
Abosi Girls School	1,500,000.00		1,500,000.00	1,300,000	200,000
Chesma Secondary School	2,400,000.00		2,400,000.00	1,750,000	650,000
Chepkisa Secondary School	2,400,000.00		2,400,000.00	2,200,000	200,000
Chilani Secondary School	2,400,000.00		2,400,000.00	2,000,000	400,000
Cheramgoi Girls Secondary	3,500,000.00		3,500,000.00	2,500,000	1,000,000
Kibisorwet Secondary School	1,200,000.00		1,200,000.00	1,200,000	
Ilkerin Mixed Secondary School	7,000,000.00		7,000,000.00		7,000,000.00
Kapweria Secondary School	2,400,000.00		2,400,000.00		2,400,000.00
Kelonget Secondary School	300,000.00		300,000.00		300,000.00
Takitech Secondary School	300,000.00		300,000.00		300,000.00
Mogondo High School	300,000.00		300,000.00		300,000.00
Cheramgoi Girls High School	300,000.00		300,000.00		300,000.00
9.0 Tertiary institutions Projects (List all the Projects)					
Kurangurik KMTc	8,000,000.00		8,000,000.00		8,000,000
Emurua Dikirr TTI	300,000.00		300,000.00		300,000
10.0 Security Projects					
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	5,500,000		5,500,000		5,500,000
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
11.5 Purchase of land					
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub					
12.2 Roads	3,200,000		3,200,000		3,200,000
TOTAL	137,367,724	76,026,431	213,394,155	149,735,658	63,658,497

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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-EMURUA DIKIRR 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.

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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.

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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.

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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 no 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) –
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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDF Board		
AIE NO B030382		20,000,000.00
AIE NO B006324		6,000,000.00
AIE NO A699039		11,000,000.00
AIE NO B042730		7,000,000.00
AIE NO B005157		43,405,172.80
AIE NO B030326		10,000,000
AIE NO B006119	52,040,875.50	
AIE NO B006324	7,279,310.35	
AIE NO.B041166	4,000,000.00	
AIE NO.B047631	20,000,000.00	
AIE NO.B047995	7,000,000.00	
AIE NO.B104057	9,000,000.00	
AIE NO.B104436	19,000,000.00	
	9,000,000.00	
TOTAL	127,320,185.85	97,405,000.00

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,624,758	2,134,941
Personal allowances paid as part of salary		-
Pension and other social security contributions (Gratuity)	41,000	-
Employer Contributions Compulsory national social security schemes		-
Total	2,665,758	2,134,941.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	4,759,960.00	6,097,320
Utilities, supplies and services	2,647,572.00	51,000
Communication, supplies and services		20,000
Domestic travel and subsistence	70,000.00	82,690
Printing, advertising and information supplies & services	204,000.00	200,000
Rentals of produced assets		0.00
Training expenses	2,060,400.00	2,000,000
Hospitality supplies and services	498,200.00	560,000
Insurance costs		0.00
Specialized materials and services		0.00
Office and general supplies and services	294,760.00	609,680
Other operating expenses		0.00
Routine maintenance – vehicles and other transport equipment	118,521.00	220,000
Routine maintenance – other assets		0.00
Total	10,653,413.00	9,840,690.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	49,500,000.00	20,650,441
Transfers to secondary schools (see attached list)	35,250,000.00	16,120,000
Transfers to tertiary institutions (see attached list)		8,800,000
Transfers to health institutions (see attached list)		0.00
TOTAL	84,750,000	45,570,441

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	15,894,000.00	10,209,349
Bursary – tertiary institutions (see attached list)	22,739,700.00	9,016,698
Bursary – special schools (see attached list)		
Roads (see attached list)		
Security projects (see attached list)		
Sports projects (see attached list)	2,168,787.00	2,180,817
Environment projects (see attached list)	2,180,000.00	2,180,817
Emergency projects (see attached list)	8,684,000.00	5,738,993
Total	51,666,487.00	29,326,674

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan		3,300,000
ICT Hub		
Total		3,300,000

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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 Kilgoris, kes Account No. 1230261760486</i>	3,058,748	16,706,244.98
Total	3,058,748	16,706,244.98
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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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>Total</i>				<u>0</u>

12A. RETENTION

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

12B. GRATUITTY DEPOSITS

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

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	16,706,244.80	6,173,819
Cash in hand		
Imprests		
Total	16,706,245	6,173,819

[cashbook closing balances brought forward]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances		8,767,974	
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
		8,767,974	

This amount represents stale cheques for previous year written back to cashbook and paid out during this financial year.

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,046,242.00	582,000.00
Use of goods and services	2,437,650.78	3,857,968.62
Amounts due to other Government entities (see attached list)	50,190,876	67,340,875.50
Amounts due to other grants and other transfers (see attached list)	4,483,728.70	4,245,586.72
Acquisition of assets	5,500,000.00	
Others (Strategic Plan)		
Total	63,658,497	76,026,431

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	5,700,000	2,350,000
	5,700,000	2,350,000

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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					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	6,724,766.20			6,724,766.20
Transport equipment	-			-
Office equipment, furniture and fittings	1,099,500.00			1,099,500.00
ICT Equipment, Software and Other ICT Assets	-			-
Other Machinery and Equipment	-			-
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	7,824,266.20			7,824,266.20

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Angaset Primary School	Equity	0360271575652	550,000.00	
Chemurin Primary School	Equity	0360279791511	250,000.00	
Mokondo Primary School	Equity	0360279027260	400,000.00	
Soget Primary School	Equity	0360277622328	300,000.00	
Chebungei Primary School	Equity	0360268937051	450,000.00	
Corner Olouch Primary School	Equity	0360279787413	400,000.00	
Kapsimotwo Primary School	Equity	0360269217390	200,000.00	
Araret Primary School	Equity	0360266393722	200,000.00	
Kabolecho Girls High School	Equity	0360277446795	400,000.00	
Mokondo Secondary School	Equity	0360263981787	100,000.00	
Abosi Girls School	Equity	0360279593700	200,000.00	
Chesma Secondary School	Equity	0360269100301	650,000.00	
Chepkisa Secondary School	Equity	0360277197761	200,000.00	
Chilani Secondary School	Equity	0360177173291	400,000.00	
Cheramgoi Girls Secondary	Equity	0360279809496	1,000,000.00	
Total			5,700,000	2,350,000

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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)
	The statement of Comparison of Budget and Actual Amount for the financial year 2018/2019, shows that Emurua Dikirr NG-CDF had an approved budget of Kshs.158,819,867 which includes adjustments (previous year balances that were not transferred from CDF Board Account to the Constituency account) of Kshs.49,778,991. Available records indicate that the CDF had an expenditure budget of Kshs.158,819,867, against actual expenditure of Kshs.86,872,747 resulting in under expenditure of Kshs. 71,947,120 (or about 45.3% of the budgeted amount) as shown in the Appendix I. The under expenditure implies that Emurua Dikirr constituents did not receive planned and approved services.	<i>During the financial year 2018/2019 Emurua Dikirr had an expenditure budget of Kshs. 158,819,867. However the whole amount was not utilized during that particular financial year due to delay of disbursement of funds from the national government constituency development fund board NG-CDF Board. It is the mandate of the NG-CDF and PMC'S to implement projects that have been prioritized in the constituency as per the project proposal. When there is delay of funds to the constituency there is</i>	FAM/NGCDFC	ONGOING	2021

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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)
	Further, the fund budgeted to receive Kshs.158,819,687 from CDF Board, out of which the Board remitted Kshs.103,578,991	<i>usually an equal effect on the implementation of the projects in the financial year under review. We have requested the NG-</i>			
	resulting in a deficit of Kshs.55,240,876. Consequently, planned and approved projects could not be fully implemented.	<i>CDF Board to ensure that they remit money on time to ensure the projects are implemented within the stipulated time.</i>			
4.1.2 . UN-ACCOUNTED FOR FUNDS - Emergency Reserve.	The financial Statements shows under Note 7 Other Grants and Other Payments balance of Kshs.29,326,674 which includes Emergency Projects Kshs.5,738,993 out of which payments totaling Kshs.4,321,103 were not supported by documentary evidence including payment vouchers contrary to Regulation 99. (1) of the Public Finance Management (National Government) Regulations, 2015. Further, out of the expenditure on emergency	<i>Emergency fund is an allocation of not more than 5% of the total allocation of the constituency meant to cater for unforeseen occurrences during that particular financial year. However during the audit exercise no documents were availed due to the fact that the documents have been provided for audit verification and further direction on the</i>	FAM	RESOLVED	N/A

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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)
	projects balance of Kshs.5,738,993 payments totaling Kshs.1,417,890 were availed for audit out of which an amount of Kshs.418,600 was not supported by a list of beneficiaries while the balance of Kshs.1,052,290 was not supported by approval from the NG-CDF committee.	<i>same. Kindly find copies of the documents attached to the response.</i>			
	The Financial Statements reflects under Note 7 Other Grants & Payments balance of Kshs.29,326,674 which includes Sports Projects Kshs.2,180,817. Audit verification of expenditure on Sports Projects revealed that Kshs.50,000 was paid in cash to the Fund Manager for unsupported sports activities on 3 February 2019.	<i>During the financial years under review 218/2019 Emurua Dikirr constituency received Kshs. 2,180,817 towards Sports Activities. The same amount was meant to purchase sportswear and other miscellaneous expense related to the activity concern stated above. The Kshs. 50,000 that was taken by the fund account</i>	FAM	RESOLVED	N/A

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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)
		<i>manager was meant to pay allowances for the officials who were presiding the activity. Kindly find the payment schedule of the same to support the expenditure under review.</i>			
4.1.4.I Variance in Receipts	The statement of receipts and payments shows receipts of Kshs.97,405,173.00 for the year ended 30 June 2019 which differs with the summary statement of Appropriation for both Recurrent and Development combined shows actual receipts of Kshs.103,578,991.00. The variance of Kshs.6,173,818 between the two sets of records has not been reconciled or explained	<i>During the financial year under review 2018/2019 the constituency received Kshs. 97,405,173. However the summary statement of appropriation shows a figure of Kshs. 103,578,991 resulting to a difference of Kshs. 6,173,818. The summary statement of appropriation has been rectified to reflect the correct figure of Kshs. 97,405,173. Kindly find</i>	FAM	RESOLVED	N/A

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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)
		<i>the rectified copy of the financial rectification.</i>			
	The statement of receipts and payments and Note 7 to the Financial Statements of the National Government Constituencies Development Fund — Emurua Dikirr Constituency revealed that the Fund received Kshs.97,405,173 as transfers from the NFCGF Board. Further, note (7) to the financial statements shows "Other Grants & Transfers" which includes bursaries disbursed to secondary schools, tertiary institutions and special schools amounting to Kshs.19,226,047 or 19.74% of the funds received by Emurua Dikirr Constituency. This is contrary to Regulation 21 (5) of The National Government Constituencies Development Fund	<i>NG-CDF regulations require that any constituency must allocate at least 25% of total allocation to bursaries towards payment of schools fees to the needy students. During 2018/2019 NG-CDF Emurua Dikirr constituency allocated Kshs. 25,872,637.14 towards bursaries consequently part of the allocation was delayed by the NG-CDF Board leading to the anormality of 19.74%. Copies of the code list and A.I.Es have been provided to support the same.</i>	FAM	RESOLVED	N/A

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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)
	Regulations, 2016 which requires not less than twenty-five percent of the funds allocated to a constituency to be set aside for bursaries.				
	The bank reconciliation statement as at 30 June 2019 reflects payments in the Cashbook not in the bank statement (Unpresented Cheques) amounting to Kshs.4,806,771.	<i>The bank reconciliation statement shows that the Kshs. 4,806,771 have been presented for payment therefore appearing as stale cheques. Regulation requires that all stale cheques be reversed in the cashbook and replaced immediately. The same has been done and cheques have also been disbursed to beneficiaries in various institutions. Copies of the cashbook have been provided to show that the stale cheques were recovered and re-issued</i>			
4.4.5 Stale Cheques	The unpresented cheques include stale cheques amounting to Kshs.3,248,697 (Appendix 2) which had not been reversed in the cashbook contrary to Regulation 90 (3) of the Public Finance Management (National Government) Regulations, 2015. No reason has been given for failure to reverse the stale cheques some of which date back to 2017	<i>The bank reconciliation statement shows that the Kshs. 4,806,771 have been presented for payment therefore appearing as stale cheques. Regulation requires that all stale cheques be reversed in the cashbook and replaced immediately. The same has been done and cheques have also been disbursed to beneficiaries in various institutions. Copies of the cashbook have been provided to show that the stale cheques were recovered and re-issued</i>	FAM/NGCDFC	ONGOING	2020

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					Timefr ame: (Put a date
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (<i>Name and designation</i>)	Status: (<i>Resolved / Not Resolved</i>)	when you expect the issue to be resolv ed)