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**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND ~  
SABATIA CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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



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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA  
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**Core Values**

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

**(b) Key Management**

The NGCDF SABATIA 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

<b>N</b>	<b>Designation</b>	<b>Name</b>
<b>o</b>		
1.	A.I.E holder	<b>Mr. Tom M. Gimonge</b>
2.	Sub-County Accountant	<b>Mr. Claytone O. Okego</b>
3.	Chairman NGCDFC	<b>Mr. John Sabwa Sagala</b>
4.	Member NGCDFC	<b>Mr. Ephraim Galo</b>

**(d) Fiduciary Oversight Arrangements**

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

Sabatia DCC's Office Grounds,  
P.O. Box 260-50311,  
Chavakali – Kapsabet Highway  
Wodanga, KENYA

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**(f) NGCDF Sabatia Constituency Contacts**

Telephone: (254) 0722358998  
E-mail: [cdfSabatia@ngcdf.go.ke](mailto:cdfSabatia@ngcdf.go.ke)  
Website: [www.ngcdfsabatia.go.ke](http://www.ngcdfsabatia.go.ke)

**(g) NGCDF Sabatia Constituency Bankers**

1. Kenya Commercial Bank  
KCB Mbale Branch  
Account No. 1102377678  
P.O. Box 1123  
Maragoli.

**(h) Independent Auditors**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084 -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**

**SABATIA Constituency Geographic and Climatic Background**

Sabatia is one of the five constituencies in Vihiga County. It borders Vihiga constituency to the South, Emuhaya and Luanda, constituencies to the West, Hamisi to the East, and Ikolomani to the north.

The constituency has an equatorial climate with fairly distributed rainfall throughout the year. It has an average precipitation of 1900mm. Temperatures range between 14°C to 32°C with a mean of 23°C. The climate supports a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

**Sabatia Constituency Population and Density Projections**

According to the 2009 National Population and Housing census, Sabatia Constituency had a population of 129,678. Currently, the constituency has a Population of 149,079 (2018), and is projected to increase to 162,767 by 2022. Further, this population density is 1,344 per sq/km, and is projected to increase to 1,468 per sq/km by 2028.

**Administrative Units**

CONSTITUENCY	DIVISION	Nos. LOCATION	Nos. SUB- LOCATION
SABATIA	Sabatia	3	15
	Chavakali	5	16

**Summary the budget performance against actual amounts for current year 2019-2020**

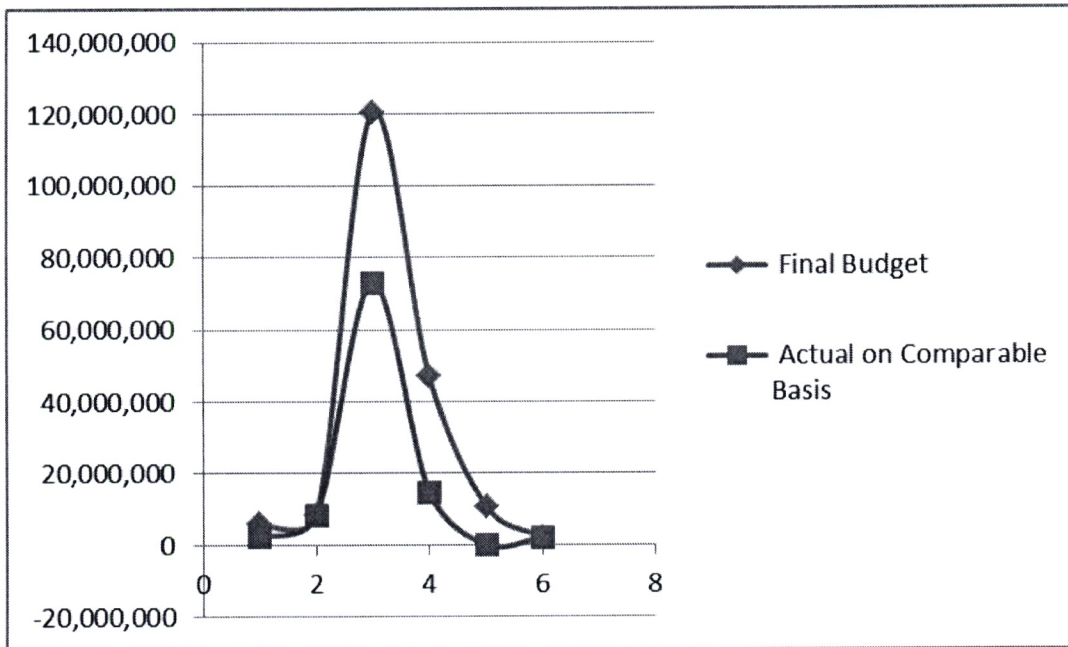
PAYMENTS	Final Budget	Actual on Comparable Basis
Compensation of Employees	5,798,897	2,279,912
Use of goods and services	8,346,540	8,328,361
Transfers to Other Government Units	125,269,256	73,069,256
Other grants and transfers	43,367,036	14,668,900
Acquisition of Assets	9,606,607	-
Other Payments	2,043,442	2,043,442

*Table 1: Summary of budget performance against the actual amount for the year 2019/2020*

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA CONSTITUENCY**

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*Line Graph 1: Summary of budget performance against the actual amount for the year 2019/2020*

*Some of the key achievements for during the financial 2019/2020*



**Pic. 1: Administration offices and classroom complex at Moi Girls High School - Vokoli funded by Sabatia NG-CDF**



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA  
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**Pic. 2: Construction of Chiefs Office - Chavakali Location funded by Sabatia NG-CDF**



**Pic. 3: Construction of Twin Laboratory at Kivagala Secondary School funded by Sabatia NG-CDF**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA  
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**Fig. 4: Equipping of computer laboratory at Mululu Primary School funded by Sabatia NG-CDF**

**List the implementation challenges and recommended way forward.**

- ❖ Shortage of technical officers from the public works to supervise the projects. The NGCDFC is in the process of hiring a qualified clerk of works to help on the same.

*Sign*

**Mr. John Sabwa Sagala  
CHAIRMAN NG CDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA  
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**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED  
OBJECTIVES**

**Introduction**

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

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

- a) Improving access to quality education by rehabilitation/ renovation/ Construction of classrooms, sanitary facilities, laboratories, library and boarding facilities, computer labs/ classes in schools in the Constituency, provision of laboratory equipment and ICT facilities to schools, provision of bursary to needy and bright students at all levels of learning
- b) Improving access to safe drinking water by purchase of water pumps, tanks and pipes
- c) Catering for any unforeseen occurrences in the Constituency
- d) Promoting health and clean environment by planting indigenous trees at the public places
- e) Enhancing security in the constituency by construction/ rehabilitation of chiefs' offices, police stations and police housing among others
- f) Improving and tracking of implementation of NGCDF programmes
- g) Harnessing youth and women talent and local culture by funding youth and women tournaments

**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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
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	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we increased number of classrooms by 21, 6 dormitories, 4 laboratories - Bursary beneficiaries of approximately 8,000 students at all levels benefitted

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**For the year ended June 30, 2020**

Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners' have an office  To have modern police stations and posts at the Constituency	Access to quality services  Reduced crime rate	- number of usable physical infrastructure build at the locational levels  - Number of crimes reported	SABATIA NGCDFC constructed 7 chiefs offices.  - The NGCDFC constructed Kichutu AP line
Environment	To have health and clean environment	Access to good health and sanitation	- Number of Indigenous trees planted - Number of sanitary facilities constructed	During the financial year 2019-2020, SABATIA NGCDFC constructed 17 sanitary facilities
Sports	Harnessing youth and women talent	Increased youth and women talents	- Numbers of tournaments held	Sabatia NGCDF committee held one football during the month of December 2019
Disaster Management	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	- Number of unforeseen occurrences in the constituency	Sabatia NGCDF committee allocated Kshs. 7,198,241.14, million under the emergency kitty to cater for the same

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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

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

**1. Sustainability strategy and profile -**

The Sabatia NG-CDF Committee endeavoured to work within the existing policy guidelines that help in focusing on the service delivery. Our vision is to be a constituency where communities are exploiting development opportunities and sharing prosperity. This is achieved through our resolve to develop and improve sustainable livelihoods of constituents in partnership with stakeholders. Achievement and sustenance of this mission and vision is guided by our core values of integrity, focus on result, participatory approach, respect and equity.

**2. Environmental performance**

We operate in a physical environment that calls for concerted efforts to ensure its sustainability. We made commitments to our public to;

- ❖ Comply with all relevant environmental legislation, regulations and approved codes of practice protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water.
- ❖ Keep wastage to a minimum and maximize the efficient use of materials and resources.
- ❖ Management and disposal of all wastage in a responsible manner;
- ❖ Provide training for our Committee Members and staff on issues of environment sustenance.
- ❖ Communicate regularly our environmental performance to our employees and other significant stakeholders.
- ❖ Developing our management processes to ensure that environmental factors are considered during planning and implementation.
- ❖ Monitoring and continuously improving our environmental performance.
- ❖ Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance.
- ❖ Promote environmental awareness by sensitizing the NG-CDFC, NG-CDFC staff and PMCs on good conservation practices.
- ❖ To encourage, through regular communication to NG-CDFC, staff, and other stakeholders' changes in individual behaviour to reduce usage Conservation of Energy and Resources to maximize use of available technologies to remove the need to use paper.

**3. Employee welfare**

Sabatia NGCDF is an equal opportunity employee, we do not discriminate based on gender, tribe or colour.

**i. Recruitment**

We recruit our employees competitively through a rigorous process that ensures fairness and adherence to the existing laws and regulations. Where a need for recruitment is felt, an advertisement with clear description of the requirements is done and posted in both the local noticeboards and social media. A selection panel is constituted by the accounting officer which incorporates the government officer in charge of human resources at the sub county. Interviews are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

# **NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA CONSTITUENCY**

## **Reports and Financial Statements**

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### **ii. Employment categories**

We engage our key staff on a two year renewable performance based contract. Support staff are engaged on a casual basis and on need basis. In compliance to the government policy on internship and attachment, we engaged 4 interns on a 3 months basis.

### **iii. Training and Development**

Induction and orientation of new employees is done within the first three months of employment. We have a policy for continuous training and development of our employees. Regular trainings on emerging issues are conducted jointly with other constituencies. Employees are encouraged to pursue higher education in their field and NGCDF committed to paying 50% of the tuition fee.

### **iv. Staff Welfare**

A welfare kitty exists where members of staff makes monthly contribution to it. The kitty acts as a buffer to support staff members in distress.

### **4. Market place practices-**

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

Sabatia recognizes that it operates in a highly political and competitive environment coupled with the huge demands by the public.

- Our services as outlined in the service charter shall be provided to all without discrimination on political, tribal or any other consideration.
- Procurement of service providers for all manner of procurements shall be done competitively and in a manner that ensures equity and value for money. Available tenders shall be made public by way of advertisement in the local print media, notice boards and social media. Adjudication of the tenders shall be done in strict compliance with the existing laws on procurement. Project management committees shall be properly trained and sensitized on the procurement procedures and regulations.
- Genuine obligations to service providers shall be honoured and met on agreed timelines. Payments to suppliers are done promptly upon presentation of requisite supporting documents.
- Information on our development plans, our current commitments and planned projects shall be availed in our offices, notice boards, websites and social media platforms.
- Confidential information shall be on a need to know basis upon a written request.
- The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible.

### **5. Community Engagements-**

*Sabatia NGCDFC values the spirit of public participation in its operations. Project identification and implementation is conducted in a participatory manner as stipulated in the NGCDF Act 2015.*

*Public forums are conducted to collect proposals every year, during these fora, the opinions of the constituents on development projects are sought and packaged in a project proposal. Project Management Committees are key in project implementation, formation of these committees is done in a participatory manner*

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA  
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**Reports and Financial Statements**

**For the year ended June 30, 2020**

**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 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.

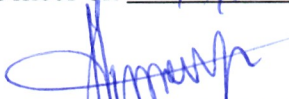
The Accounting Officer in charge of the NGCDF-Sabatia Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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

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

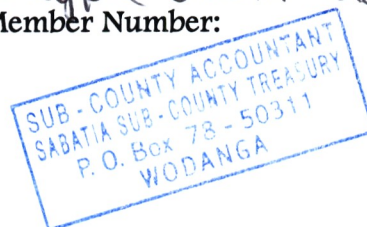
The NGCDF-Sabatia Constituency financial statements were approved and signed by the Accounting Officer on 17/3 2020.



**Fund Account Manager  
Name:**

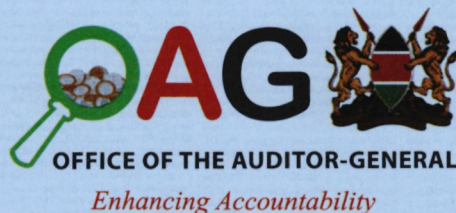


**Sub-County Accountant  
Name: Chapman Omari Okeyo  
ICPAK Member Number:**



# REPUBLIC OF KENYA

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Sabatia Constituency set out on pages 14 to 49, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### Basis for Qualified Opinion

##### 1. Lack of Trial Balance

The Management did not provide a trial balance for the financial statements balances for the year ended 30 June, 2020.

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

##### 2. Inaccuracies in Receipts

As disclosed in Note 2 to the financial statements, the statement of receipts and payments reflects nil balance on proceeds from sale of assets. However, disclosed in Annex 4 to the financial statements, the summary of fixed asset register reflects disposal of assets



amounting to Kshs.5,457,448 and an undisclosed sale of a land rover for an amount of Kshs.590,200 all totalling to Kshs.6,047,648 during the year.

Consequently, the accuracy, completeness and validity of receipts nil balance on proceeds from sale of assets reflected in the statement of receipts and payments for the year 30 June, 2020 could not be confirmed.

### **3. Inaccuracies in Bank Balances**

As disclosed in Note 10A to the financial statements, the statement of assets and liabilities reflects bank balances totalling to Kshs.20,374,183. The bank reconciliation statement as at 30 June, 2020 disclosed unpresented cheques totalling to Kshs.4,800,887 which included stale cheques amounting to Kshs.2,922,273. However, the stale cheques had not been reversed in the cash book.

Consequently, the accuracy, validity and completeness of the bank balances totalling to Kshs.20,374,183 reflected in the statement of assets and liabilities as at 30 June, 2020 could not be confirmed.

### **4. Unsupported Committee Account Balances**

Disclosed in Note 17.4 to the financial statements and as supported by Annex 5 are Committee bank balances totalling to Kshs.55,647,712. However, the balances were not supported by the bank certificates and bank reconciliation.

Consequently, the accuracy, completeness and validity of the Committee account balances totalling to Kshs.55,647,712 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Sabatia 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 totalling to Kshs.194,431,778 and Kshs.120,764,054 respectively, resulting to an underfunding amounting to

Kshs.73,667,725 or 38% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.194,431,778 and Kshs.100,389,871 respectively, resulting to an under expenditure amounting to Kshs.94,041,907 or 48% of the budget.

The underfunding and underperformance 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 lawfully and in an effective way.

### Basis for Conclusion

#### 1. Non-compliance with the Public Sector Accounting Standards Board Requirements

The financial statements do not indicate names of the signatories. In addition, the Institute of Certified Public Accountants of Kenya number for the accountant is not included. This is contrary to Public Sector Accounting Standards Board (PSASB) reporting template issued for the year ended 30 June, 2020.

In the circumstances, the presentation of the financial statements for the year under review is not in accordance with the prescribed PSASB format.

#### 2. Irregular Funding of Project

The Management disbursed an amount of Kshs.16,500,000 to Moi Girls Vokoli to co-fund a project in the School. However, the funds were not applied for a specific or a particular phase of the project. This is contrary to Section 49 of the National Government Constituencies Development Fund Act, 2015 which states that co-funding of a project financed from sources other than the Fund may be undertaken so long as the other financiers or donors of that project have no objection and provided that the part of funding for the project availed shall go to a defined unit or any part or phase of the project in order to ensure that the particular portion defined in the allocation is completed with the funds allocated.

Consequently, the Management is in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with Governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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


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

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

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

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

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

  
**CPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**03 December, 2021**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA  
CONSTITUENCY**

**Reports and Financial Statements**


**For the year ended June 30, 2020**

**VI. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			<b>Kshs</b>
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	<b>1</b>	120,740,876	112,784,483
Proceeds from Sale of Assets	<b>2</b>	-	-
Other Receipts	<b>3</b>	-	-
<b>TOTAL RECEIPTS</b>		<b>120,740,876</b>	<b>112,784,483</b>
<b>PAYMENTS</b>			
Compensation of employees	<b>4</b>	2,279,912	1,609,919
Use of goods and services	<b>5</b>	8,328,361	15,169,722
Transfers to Other Government Units	<b>6</b>	73,069,256	51,200,000
Other grants and transfers	<b>7</b>	14,668,900	42,550,943
Acquisition of Assets	<b>8</b>	-	1,193,444
Other Payments	<b>9</b>	2,043,442	1,243,494
<b>TOTAL PAYMENTS</b>		<b>100,389,871</b>	<b>112,967,522</b>
<b>SURPLUS/DEFICIT</b>		<b>20,351,005</b>	<b>(183,039)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Sabatia Constituency financial statements were approved on 17/3 2020 and signed by:

  
**Fund Account Manager**  
**Name:**

  
**National Sub-County Accountant**  
**Name:** *C. Lanyo Omari Obeyo*  
**ICPAK Member Number:**

**SUB - COUNTY ACCOUNTANT**  
**SABATIA SUB - COUNTY TREASURY**  
**P. O. Box 78 - 50311**  
**WODANGA**

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA CONSTITUENCY**


**Reports and Financial Statements**

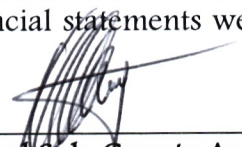
**For the year ended June 30, 2020**

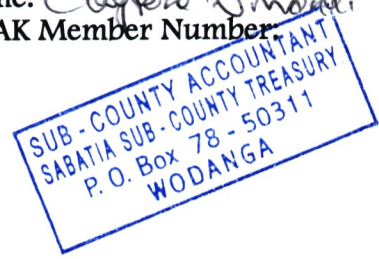
**VII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	20,374,183	23,178
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>20,374,183</b>	<b>23,178</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>20,374,183</b>	<b>23,178</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>20,374,183</b>	<b>23,178</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	23,178	206,217
Surplus/Defict for the year		20,351,005	(183,039)
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>20,374,183</b>	<b>23,178</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Sabatia Constituency financial statements were approved on 17/03 2020 and signed by:

  
 Fund Account Manager  
 Name:

  
 National Sub-County Accountant  
 Name: Clayton Dmond  
 ICPAK Member Number: 01193



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) SABATIA CONSTITUENCY**

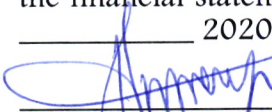
**Reports and Financial Statements**


**For the year ended June 30, 2020**

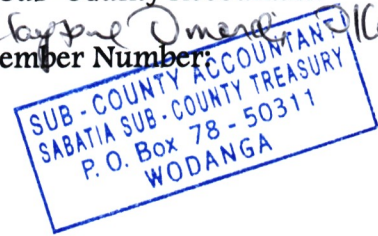
**VIII. STATEMENT OF CASHFLOW**

<b>STATEMENT OF CASH FLOW</b>			
		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	120,740,876	112,784,483
Other Receipts	3	-	-
		<b>120,740,876</b>	<b>112,784,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,279,912	1,609,919
Use of goods and services	5	8,328,361	15,169,722
Transfers to Other Government Units	6	73,069,256	51,200,000
Other grants and transfers	7	14,668,900	42,550,943
Acquisition of Assets	8	-	1,193,444
Other Payments	9	2,043,442	1,243,494
		<b>100,389,871</b>	<b>112,967,522</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>20,351,005</b>	<b>(183,039)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>20,351,005</b>	<b>(183,039)</b>
Cash and cash equivalent at BEGINNING of the year	13	23,178	206,217
Cash and cash equivalent at END of the year		<b>20,374,183</b>	<b>23,178</b>

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

  
 Fund Account Manager  
 Name: \_\_\_\_\_

  
 National Sub-County Accountant  
 Name: Chrysine Omer  
 ICPAK Member Number: \_\_\_\_\_





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

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

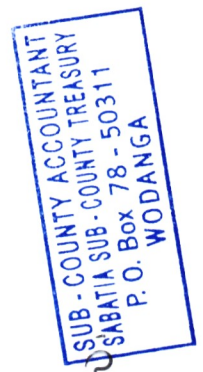
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	57,064,054	194,431,778	120,764,054	73,667,725	62%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	0%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>57,064,054</b>	<b>194,431,778</b>	<b>120,764,054</b>	<b>73,667,725</b>	<b>62%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,970,000	1,828,897	5,798,897	2,279,912	3,518,985	39%
Use of goods and services	6,399,483	1,947,057	8,346,540	8,328,361	18,179	100%
Transfers to Other Government Units	88,600,000	36,669,256	125,269,256	73,069,256	52,200,000	58%
Other grants and transfers	37,398,241	5,968,795	43,367,036	14,668,900	28,698,136	34%
Acquisition of Assets	1,000,000	8,606,607	9,606,607	-	9,606,607	0%
Other Payments	-	2,043,442	2,043,442	2,043,442	-	100%
<b>TOTAL</b>	<b>137,367,724</b>	<b>57,064,054</b>	<b>194,431,778</b>	<b>100,389,871</b>	<b>94,041,907</b>	<b>52%</b>

- a) The adjustments (Column b) of Kshs. 57,064,054 is the total amount owed at the Constituency as at 30<sup>th</sup> June 2019 of Kshs. 57,040,876 plus opening cash book as at 1<sup>st</sup> July 2020 of Kshs. 23,178
- b) The underutilization was as a result of delay in disbursement of funds as at 30<sup>th</sup> June 2020 while the overutilization was as a result of late disbursement of funds from the financial year 2018-2019 which was utilized in the financial year 2019-2020

The NGCDF-Sabatia Constituency financial statements were approved on \_\_\_\_\_ 2020 and signed by:

  
Fund Account Manager  
Name: Christine Onandi

Sub-County Accountant  
Name: Christine Onandi  
ICPAK Member Number: \_\_\_\_\_



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

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	
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	3,970,000		1,828,897		5,798,897		2,279,912		3,518,985	
1.2 Committee allowances	2,150,000		1,947,057		4,097,057		4,043,600		53,457	
1.3 Use of goods and services	890,000		-		890,000		498,142		391,858	
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	659,483		-		659,483		637,400		22,083	
2.2 Committee allowances	1,500,000		-		1,500,000		1,420,600		79,400	
2.3 Use of goods and services	1,200,000		-		1,200,000		1,091,769		108,231	
<b>3.0 Emergency</b>	7,198,241		83,297		7,281,538		686,850		6,594,688	
<b>4.0 Bursary and Social Security</b>										
4.1 Primary Schools	-		-		-		-		-	
4.2 Secondary Schools	14,000,000		215,006		14,215,006		4,333,300		9,881,706	
4.3 Tertiary Institutions	10,000,000		54,028		10,054,028		2,949,500		7,104,528	
4.4 Special Schools	1,000,000		3,180		1,003,180		65,600		937,580	
4.5 Social Security	-		-		-		-		-	

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
<b>5.0 Sports</b>	1,800,000	500,000	2,300,000	2,220,500	79,500
<b>6.0 Environment</b>			-		
Chekombero Primary School	1,200,000	-	1,200,000	-	1,200,000
Mulundu Primary School	1,200,000	-	1,200,000	-	1,200,000
Mudete Primary School	-	50,000	50,000	-	50,000
Kivagala Primary School	-	50,000	50,000	-	50,000
Sabatia Primary School	-	50,000	50,000	-	50,000
Kilagiru Primary School	-	50,000	50,000	-	50,000
<b>7.0 Primary Schools Projects</b>			-		
Vokoli Primary School	600,000	-	600,000	-	600,000
Gavudia Primary School	1,200,000	-	1,200,000	-	1,200,000
Mukunya Primary School	600,000	-	600,000	-	600,000
Kibaala Primary School	600,000	-	600,000	-	600,000
Tsimbalo Primary School	1,200,000	-	1,200,000	-	1,200,000
Mutsulyu Primary School	800,000	-	800,000	-	800,000
Ondeyo Primary School	1,200,000	-	1,200,000	-	1,200,000
Mbale Primary School	700,000	-	700,000	-	700,000

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
Hamadira Primary School	500,000	-	500,000	-	500,000
Igunga Primary School	1,000,000	-	1,000,000	-	1,000,000
Halombove Primary School	800,000	-	800,000	-	800,000
Madegwa Primary School	1,000,000	-	1,000,000	1,000,000	-
Wangulu Primary School	800,000	-	800,000	-	800,000
Kegondi Primary School	1,200,000	-	1,200,000	-	1,200,000
Simboyi Primary School	800,000	-	800,000	-	800,000
Inyali Primary School	600,000	-	600,000	-	600,000
Mululu Primary School	1,000,000	-	1,000,000	1,000,000	-
Chamakanga Special Primary School	600,000	-	600,000	-	600,000
Lotego Primary School	800,000	-	800,000	-	800,000
Ikobero Primary School	1,200,000	-	1,200,000	-	1,200,000
Mwilitisa Primary School	800,000	-	800,000	-	800,000
Evojo Primary School	-	600,000	600,000	600,000	-
Halombove Primary School	-	600,000	600,000	600,000	-
Wanondi Primary School	-	500,000	500,000	500,000	-
Wagevi Primary School	-	600,000	600,000	600,000	-
Mambai Primary School	-	-	600,000	600,000	-

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
	-	600,000			
Lososi Primary School	-	500,000	500,000	500,000	-
Gahumbwa Primary School	-	600,000	600,000	600,000	-
Nabwani Primary School	-	600,000	600,000	600,000	-
Davanga Primary School	-	600,000	600,000	600,000	-
Isitsi Primary School	-	600,000	600,000	600,000	-
Lyadyuywa Primary School	-	500,000	500,000	500,000	-
Ondeyo Primary School	-	600,000	600,000	600,000	-
Endeli Primary School	-	500,000	500,000	500,000	-
Chamasilihi Primary School	-	600,000	600,000	600,000	-
Kibaala Primary School	-	600,000	600,000	600,000	-
BO Yusuf Primary School	-	600,000	600,000	600,000	-
Homunoywa Primary School	-	600,000	600,000	600,000	-
Budaywa Primary School	-	600,000	600,000	600,000	-
Kilagiru Primary School	-	500,000	500,000	500,000	-
Wandega Primary School	-	600,000	600,000	600,000	-
Kivuye Primary School	-	600,000	600,000	600,000	-
Hakerongo Primary School	-	600,000	600,000	600,000	-

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
Selelwa Primary School	-	600,000	600,000	600,000	-
Hombala Primary School	-	600,000	600,000	600,000	-
Madegwa Special School	-	600,000	600,000	600,000	-
Vihindi Primary School	-	600,000	600,000	600,000	-
Kigama Primary School	-	600,000	600,000	600,000	-
Vohovole Primary School	-	600,000	600,000	600,000	-
Igunga Primary School	-	700,000	700,000	-	700,000
<b>8.0 Secondary Schools Projects</b>					
Nabwani Secondary School	1,500,000	-	1,500,000	1,500,000	-
Gahumbwa Secondary School	1,500,000	-	1,500,000	-	1,500,000
Gaigedi Secondary School	1,500,000	-	1,500,000	-	1,500,000
Moi Girls High School – Vokoli	2,500,000	-	2,500,000	2,500,000	-
Bukulunya Secondary School	2,000,000	-	2,000,000	2,000,000	-
Mbale High School	1,500,000	-	1,500,000	1,500,000	-
Friends Technical Secondary School- Munoywa	1,500,000	-	1,500,000	1,500,000	-
Mukingi Secondary School	1,500,000	-	1,500,000	1,500,000	-
Demesi Secondary School	2,500,000	-	2,500,000	-	2,500,000

**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
Ellongo Sec School	1,600,000	-	1,600,000	1,600,000	-
Igunga Girls High School	1,500,000	-	1,500,000	1,500,000	-
Evojo Secondary School	1,500,000	-	1,500,000	1,500,000	-
Keveye Girls High School	2,000,000	-	2,000,000	2,000,000	-
Kegondi Secondary School	1,500,000	-	1,500,000	1,500,000	-
Ivona Secondary School	1,200,000	-	1,200,000	1,200,000	-
Wangulu Secondary School	1,500,000	-	1,500,000	1,500,000	-
ACK Hombala Secondary School	1,000,000	-	1,000,000	1,000,000	-
Kisangula Secondary School	1,500,000	-	1,500,000	1,500,000	-
Kivagala Secondary School	1,200,000	-	1,200,000	1,200,000	-
Kigama Secondary School	2,800,000	-	2,800,000	2,800,000	-
Bugina Secondary School	1,800,000	-	1,800,000	1,800,000	-
Budaywa Secondary School	1,500,000	-	1,500,000	1,500,000	-
Ikobero Girls Secondary School	1,500,000	-	1,500,000	1,500,000	-
St. Marks Secondary School Chavogere	1,500,000	-	1,500,000	1,500,000	-
Kapsambo Secondary School	1,000,000	-	1,000,000	1,000,000	-
Moi Girls High School - Vokoli	25,000,000	-	25,000,000	-	25,000,000
Sabatia Special Secondary school		-	5,000,000	-	5,000,000

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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
	5,000,000				
Moi Girls High School – Vokoli	-	14,000,000	14,000,000	14,000,000	-
Kigama Secondary School	-	2,500,000	2,500,000	2,500,000	-
Bugina Secondary School	-	1,169,256	1,169,256	1,169,256	-
Igunga Girls High School	-	2,000,000	2,000,000	2,000,000	-
<b>9.0 Tertiary Institutions</b>	-		-		-
<b>10.0 Security</b>					
Chavakali Chief's Office	1,000,000	-	1,000,000	1,000,000	-
Maganyi AP Line	-	800,000	800,000	800,000	-
Bugina AP Line	-	500,000	500,000	500,000	-
Kichutu AP Line	-	800,000	800,000	800,000	-
Nadanya AP Line	-	800,000	800,000	-	800,000
Kivagala Ass. Chief's office	-	500,000	500,000	500,000	-
Evojo Ass. Chief's office	-	500,000	500,000	500,000	-
Lusengeli Ass. Chief's office	-	500,000	500,000	500,000	-
Solongo Ass. Chief's office	-	500,000	500,000	500,000	-
Lunyerere AP Camp	-	13,284	13,284	-	13,284



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<b>11.0 Acquisition of assets</b>								
11.1 Motor Vehicles	1,000,000	8,000,000	9,000,000	-	-	9,000,000		
11.2 Construction / refurbishment of CDF office	-	106,607	106,607	-	-	106,607		9,000,000
11.3 Purchase of furniture and equipment	-	500,000	500,000	-	-	500,000		106,607
11.4 Purchase of computers	-	-	-	-	-	-		500,000
11.5 Purchase of land	-	-	-	-	-	-		-
<b>12.0 Others</b>								
12.1 Strategic Plan	-	2,043,442	2,043,442	-	2,043,442.00	-		
12.2 Innovation Hub	-	-	-	-	-	-		-
	<b>137,367,724</b>	<b>57,064,054</b>	<b>194,431,778</b>		<b>100,439,871</b>	<b>94,041,907</b>		

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

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

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

#### **Transfers from the Exchequer**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**External Assistance**

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

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

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

During the year ended 30<sup>th</sup> 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.

**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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**SIGNIFICANT ACCOUNTING POLICIES**

**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 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> 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.

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**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019 - 2020	2018 - 2019
Normal Allocation		Kshs	Kshs
	B047188	36,540,876	
	B047276	14,000,000	
	B047275	2,000,000	
	B041197	4,000,000	
	B041365	200,000	
	B047792	16,000,000	
	B047846	7,000,000	
	B030297	10,000,000	
	B104467	15,000,000	
	B096639	16,000,000	
	B005014		41,405,173
	B005083		10,579,310
	B005250		800,000
	B005321		6,000,000
	B030297		10,000,000
	B005463		12,000,000
	B007462		8,000,000
	B042834		12,000,000
	B042969		12,000,000
<b>TOTAL</b>		<b>120,740,876</b>	<b>112,784,483</b>

**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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**3. OTHER RECEIPTS**

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

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of temporary employees	2,137,352	1,470,551
Basic wages of casual labour	-	-
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	142,560	139,368
Gratuity-contractual employees	-	-
<b>TOTAL</b>	<b>2,279,912</b>	<b>1,609,919</b>

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**5. USE OF GOODS AND SERVICES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	-	-
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	637,400	2,666,700
Hospitality supplies and services	-	-
Other committee expenses	2,107,450	4,366,350
Committee allowance	3,993,600	5,527,580
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,589,911	2,609,092
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>8,328,361</b>	<b>15,169,722</b>



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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools (see attached list)	18,300,000	5,800,000
Transfers to Secondary Schools (see attached list)	54,769,256	45,400,000
Transfers to Tertiary Institutions (see attached list)	-	-
<b>TOTAL</b>	<b>73,069,256</b>	<b>51,200,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	4,333,300	16,327,235
Bursary -Tertiary	2,949,500	13,875,972
Bursary- Special Schools	65,600	1,976,820
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	5,100,000	4,336,716
Roads and Bridges	-	-
Sports	2,220,500	2,047,000
Environment	-	-
Cultural Projects	-	-
Agriculture	-	-
<b>Emergency Projects</b>	-	3,557,200
Transfers to Health Institutions	-	430,000
<b>TOTAL</b>	<b>14,668,900</b>	<b>42,550,943</b>

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**8. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,193,444
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of photocopier	-	-
Purchase of other office equipment	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	-	<b>1,193,444</b>

**9. OTHER PAYMENTS**

	<b>2019 - 2020</b>	<b>2018 - 2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Strategic Plan	2,043,442	1,243,494
ICT Hubs	-	-
		-
<b>TOTAL</b>	<b>2,043,442</b>	<b>1,243,494</b>

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**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		<b>Kshs (30/6/2020)</b>	<b>Kshs (30/6/2019)</b>
<i>Kenya Commercial Bank, Mbale Branch . Sabatia NG-CDF</i>	<i>A/C no.1102377678</i>	<b>20,374,183</b>	<b>23,178</b>
<b>10B: CASH IN HAND)</b>			
		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs (30/6/2020)</b>	<b>Kshs (30/6/2019)</b>
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
<b>TOTAL</b>		-	-

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**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>
-	~	-	-	-
-	~	-	-	-
-	~	-	-	-
-	~	-	-	-
-	~	-	-	-
-	~	-	-	-
<b>Total</b>				<b>~</b>

**12A. RETENTION**

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

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Name 1	-	-
Name 2	-	-
Name 3	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**13. BALANCES BROUGHT FORWARD**

Description	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	23,178	206,217
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>23,178</b>	<b>206,217</b>

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY2019 - 2020 per Financial statements	Adjustments	Adjusted balance b/f 2018 - 2019
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others	-	-	-
<b>TOTAL</b>		-	-

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST**

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

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> 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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**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	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	3,518,985	1,828,897
Use of goods and services	18,179	1,947,057
Amounts due to other Government entities (see attached list)	52,200,000	36,669,256
Amounts due to other grants and other transfers (see attached list)	28,698,136	5,968,795
Acquisition of assets	9,606,607	8,606,607
Others	-	2,043,442
	<b>94,041,907</b>	<b>57,064,054</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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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)	55,647,712	6,109,226
	<b>55,647,712</b>	<b>6,109,226</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – SABATIA CONSTITUENCY**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					



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

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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	
<b>Senior Management</b>						
1.						
2.						
3.						
	<b>Sub-Total</b>					
<b>Middle Management</b>						
4.						
5.						
6.						
	<b>Sub-Total</b>					
<b>Unionisable Employees</b>						
7.						
8.						
9.						
	<b>Sub-Total</b>					
<b>Others (specify)</b>						
10.						
11.						
12.						
	<b>Sub-Total</b>					
	<b>Grand Total</b>					

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

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2019/20</b>	<b>Outstanding Balance 2018/19</b>	<b>Comments</b>
<b>Compensation of employees</b>		3,518,985	1,828,897	
<b>Use of goods &amp; services</b>		18,179	1,947,057	
<b>Amounts due to other Government entities</b>				
Primary Schools Projects		16,700,000	17,000,000	
Secondary Schools Projects		35,500,000	19,669,256	
Tertiary Institutions		-	-	
<b>Sub-Total</b>		<b>52,200,000</b>	<b>36,669,256</b>	
<b>Amounts due to other grants and other transfers</b>				
Bursary and Social Security		17,923,814	272,214	
Sports		79,500	500,000	
Environment		2,600,000	200,000	
Security		813,284	4,913,284	
Emergency		7,281,538	83,297	
<b>Sub-Total</b>		<b>28,698,136</b>	<b>5,968,795</b>	
<b>Acquisition of assets</b>				
Motor Vehicles		9,000,000	8,000,000	
Construction / refurbishment of CDF office		106,607	106,607	
Purchase of furniture and equipment		500,000	500,000	
<b>Sub-Total</b>		<b>9,606,607</b>	<b>8,606,607</b>	
<b>Other Payments</b>				
Strategic Plan		-	2,043,442	
<b>Sub-Total</b>		<b>-</b>	<b>2,043,442</b>	
<b>Grand Total</b>		<b>94,041,907</b>	<b>57,064,054</b>	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2018/2019</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/2020</b>
Land	-	-	-	-
Buildings and structures	21,500,000	-	-	21,500,000
Transport equipment	5,457,448	-	5,457,448	-
Office equipment, furniture and fittings	99,300	-	-	99,300
ICT Equipment, Software and Other ICT Assets	1,904,976	-	-	1,904,976
Other Machinery and Equipment	20,849	-	-	20,849
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>28,982,573</b>	<b>-</b>	<b>5,457,448</b>	<b>23,525,125</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
ACK Hombala Primary School	KCB	1134175809	1,003,310	3,310
Boyusuf Primary School	KCB	1146538386	1,425	702
Budaywa Secondary School	KCB	1161156836	1,422,862	862
Bugina Chiefs Office	KCB	1203206968	3,340	3,340
Bugina Secondary School	KCB	1141483777	28,539	2,457
Bukulunya Secondary School	KCB	1117791130	2,000,802	928
Busali Union Secondary School	KCB	1134180527	-	52,140
Chamakanga Girls High School	KCB	1177871513	-	731
Chandumba Primary School	KCB	1173372288	-	3,386
Chavakali Primary School	KCB	1117742709	-	1,194
Chamasilihi Primary School	KCB	1147037418	1,096	1,468
Chavakali Chiefs Office	CO-OPERATIVE	01134698455500	700,825	825
Chavogere AP Line	KCB	1239216122	14,329	14,434
Davanga Primary School	KCB	1237711681	8,338	192,964
Demesi Primary School	KCB	1109729820	-	268
Demesi Secondary School	KCB	1102322075	-	2,534
Ellongo Secondary School	KCB	1208410539	1,545,065	1,920
Endeli Primary School	KCB	1137954329	560	7,674
Evojo ss. Chiefs office	KCB	1269903306	500,500	-
Evojo Primary School	KCB	1136634398	9,375	820
Evojo PAG Secondary School	KCB	1183510535	1,228,921	927
Gahumbwa Primary School	KCB	1267160292	7,735	-
Gahumbwa Secondary School	CO-OPERATIVE	01141472095400	-	15,700
Gavudia Primary School	KCB	1113884460	-	239
Hakerongo Primary School	KCB	1126340588	8,074	-
Hakedohi Primary School	KCB	1136688285	-	4,284
Halombove Primary School	COOPERATIVE	01141699902800	7,975	-
Hamadira Primary School	KCB	1236856082	-	2,109
Hombala Primary School	KCB	1236542134	196	320
Homunoywa Primary School	KCB	1267747234	26,767	-
Igunga Primary School	BARCLAYS	0351131225	-	4,917
Ikobero Girls High School	KCB	1109452160	1,555,941	12,703
Isitsi Primary School	KCB	1236598458	1,883	1,149

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Ivona Secondary School	KCB	1102323810	1,200,000	291
Jemovo Primary School	KCB	1126678503	-	955
Jemovo Secondary School	KCB	1109376344	-	-
Kapsambo Secondary School	KCB	1167449010	955,820	1,020
Kegondi Secondary School	KCB	1237857899	1,453,530	1,470
Keveye Girls High School	KCB	1118047230	2,025,448	25,948
Kibaala Primary School	KCB	1109427360	9,238	630
Kichutu AP Line	KCB	1239565526	1,044,769	257,345
Kigama Primary School	KCB	1137010371	5,858	3,947
Kigama Secondary School	KCB	1234894572	5,340,492	40,618
Kilagiru Primary School	KCB	1127095773	8,641	1,472
Kivagala Ass. Chiefs Office	KCB	1169772538	501,000	-
Kivagala Secondary School	EQUITY	0960299862686	822,285	-
Kivuye Primary School	EQUITY	0960299758850	7,134	-
Lososi Primary School	KCB	1109408080	8,270	2,986
Lusengeli Ass. Chiefs	KCB	1270215558	500,500	-
Lyaduywa Primary School	KCB	1118620348	-	274
Kisangula Secondary School	KCB	1234002493	-	924
Kivagala Secondary School	EQUITY	0960299862686	-	1,970
Logemo Primary School	BARCLAYS	0351106654	2,913.55	-
Lososi Primary School	KCB	1109408080	-	2,986
Madegwa Primary School	KCB	1101848022	1,330	36,266
Madegwa Special School	KCB	1236885384	561	78
Mago Primary School	KCB	1121428436	-	10,480
Mambai Primary School	CO-OPERATIVE	0113969811900	11,690	3,971
Mbale High School	COOPERATIVE	01141472188600	1,571,794	17,274
Moi Girls High School Vokoli	KCB	1156902509	13,417,276	5,310,207
Mululu Primary School	KCB	1129156311	1,013,573	13,573
Mudete Primary School	BARCLAYS	2026428524	1,095	-
Mudungu Primary School	KCB	1121459374	-	1,375
Mukingi Secondary School	EQUITY	0960295093631	1,312,048	1,100
Mukomba Primary School	KCB	1235833119	744	-
Munoywa Primary School	KCB	1236825608	-	2,019
Munoywa Secondary School	KCB	1122304390	1,504,401	4,401
Nabwani Primary School	KCB	1267399368	7,539	-
Nabwani Secondary School	KCB	1160573824	3,278	8,582
Nadanya Primary School	KCB	1135433488	-	460
Ondeyo Primary School	KCB	11367549938	8,953	488

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Selelwe Primary School	KCB	1236592182	1,823	15,783
Solongo Ass. Chiefs Office	KCB	1270718827	501,000	-
St. Marks Chavogere Sec.	KCB	1126391077	1,500,500	500
Vihindi Primary School	KCB	1135340854	63	194
Viyalo Primary School	KCB	1152498940	-	90
Viyalo Secondary School	KCB	1202846912	-	320
Vohovole Primary School	KCB	1114887552	131	247
Vokoli Primary School	BARCLAYS	0351128372	-	1,800
Wagevi Primary School	KCB	1146649460	563	615
Wandega Primary School	KCB	1151252468	9,501	232
Wanondi Primary School	KCB	1147070830	8,215	2,030
Wangulu Secondary School	EQUITY	0960295120315	7,877.85	-
			<b>55,647,712</b>	<b>6,109,226</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KSM/SABATIA/NGCDF/2017/18(2)	The cashbook and cash equivalent balance of Kshs. 206,216 as analysed in the bank reconciliation statement had unrepresented cheques amounting to Kshs. 6,568,969 which included stale cheques amounting to kshs. 1,501,969 which at the time of the audit, had not been written back in the cashbook. Consequently, it was not possible to confirm the accuracy of cash and cash equivalents balance of Kshs. 206,216 as at 30 <sup>th</sup> June 2018	By the close of the financial year 2017/2018, the unrepresented stale cheques amount to Kshs. 1,501,969.00. It is true by the closure of the financial year 2017/18, the cheques had not been reversed. All the outstanding stale cheques were reserved in the month of January 2019, new deserving and needy cases identified by the bursary sub-committee to benefit from the stale cheques balance.	Fund Account Manager	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KSM/SABATIA/NGCDF/2017/18(2)	Included in transfers to other government entities of Kshs. 47,650,000.00 is transfers to secondary schools of Kshs. 35,150,000. However, the schedule made available to support the transfers amounted to Kshs. 34,150,000 leading to unexplained difference of Kshs. 1,000,000	The management noted the error on the annual expenditure status where the special primary school i.e. Chekombero and Chamakanga Special School each benefiting Kshs. 500,000 were recorded under the Secondary school projects leading to unreconciled difference of Kshs. 1,000,000. The annual expenditure statement and the financial statement have been amended to reflect the correct balance	Fund Account Manager	Resolved	
KSM/SABATIA/NGCDF/2017/18(2)	Examination of the budget of Sabatia NGCDF showed that 4 projects in the approved budget were not	The four projects in the approved budget but not implemented during the financial year under review	Fund Account Manager	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue ( <i>Name and designation</i> )	Status: ( <i>Resolved / Not Resolved</i> )	Timefr ame: ( <i>Put a date when you expect the issue to be resolv ed</i> )
	implemented during the financial year under review	resulted from the delay in disbursement of the funds from the Board. So far the funds have been received and utilized			

