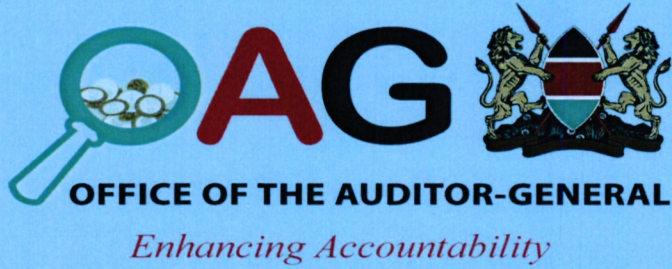



REPUBLIC OF KENYA



PARLIAMENT  
OF KENYA  
LIBRARY

 <b>REPORT</b> THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 07 OCT 2021	DAY. Thursday
TAKEN BY:	LOM
CLERK-AT THE-TABLE:	Benson Inziye

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2019**



11

11





---

TONGAREN CONSTITUENCY  
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND  
REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019

---

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



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

**TONGAREN CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

Table of Content

Page

I.	KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II.	FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE.....	5
III.	STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	6
IV.	REPORT OF THE AUDITOR GENERAL.....	7
V.	STATEMENT OF RECEIPTS AND PAYMENT.....	9
VI.	STATEMENT OF FINANCIAL ASSETS AND LIABILITIES.....	10
VII.	STATEMENT OF CASHFLOW.....	11
VIII.	SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	12
IX.	STATEMENT OF BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES...	13
X.	SIGNIFICANT ACCOUNTING POLICIES.....	17
XI.	NOTES TO THE FINANCIAL STATEMENTS.....	18

---



## I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

### (a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

### Mandate

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

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

### Vision

Equitable Socio-economic development countrywide

### Mission

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
TONGAREN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

---

**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 TONGAREN 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Paul N. Adome
2.	Sub-County Accountant	Kenneth O. Onyango
3.	Chairman NGCDFC	Maurice W. Chagalwa
4.	Member NGCDFC	Christopher Simiyu

**(d) Fiduciary Oversight Arrangements**

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

P.O. Box 214-50211, NAITIRI  
NGCDF Building  
Bungoma North Sub county headquaters  
Makuyuni, KENYA



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

**(f) NGCDF TONGAREN Constituency Contacts**

Telephone: (254) 721776554  
E-mail: [cdf Tongaren@ngcdf.go.ke](mailto:cdf Tongaren@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF TONGAREN Constituency Bankers**

Co-operative Bank of Kenya  
Kimilili Branch  
P.O. Box  
KIMILILI - 50204  
KENYA.

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
TONGAREN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**II. FOREWARD BY THE CHAIRMAN NGCDF COMMITTEE**

I am pleased to present the unaudited financial statements for Tongaren Constituency for the financial year ended 30<sup>th</sup> June 2019. During the year, the Constituency was allocated a total of Kshs 109,040,875.50 as normal allocation.

On receipt of the above allocations, Tongaren National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. It is noteworthy that during the FY 2017/2018, we received 50% of the normal Constituency funding equivalent to Kshs 43,405,172 and these funds were then disbursed to projects.

**Sector Prioritization**

During the year, a total of Kshs 95,711,523 was allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools. The funding consisted of Kshs 54,784,483 not received during the FY 2017/2018.

**Sectoral Analysis of Funding**

Over the past 10 years, the Constituency has received a total of over Kshs 700M which were subsequently been disbursed to various projects in such sectors as education, security, in addition to the statutory bursary, emergency, sports, environment, administration and monitoring and evaluation votes. The funding has benefitted over 500 projects and the breakdown in terms of the number of projects funded in these leading sectors over the last two years is as hereunder provided;

**Number of Projects Per Sectors FY 2017/18-2018/19 (In Key Sectors)**

Sector	2017/18	2016/17	Total
Primary Schools	29	21	50
Secondary Schools	20	17	47
Tertiary Institutions	1	2	3
Security	4	3	7
<b>Total No Funded</b>	<b>54</b>	<b>43</b>	<b>107</b>

Source: Tongaren NGCDF Records (2018)

It is therefore notable that within the education sector, primary schools have realized the highest number of projects funded in the Constituency followed by secondary schools and finally tertiary institutions. Overall, the ranking based on highest number projects funded over the period is has primary Schools as the leading sector followed by secondary Schools, security and finally tertiary Institutions.

The NG-CDF (Amendment) Act 2016 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other national government residual functions. During the FY 2017/2018, the Committee undertook to expedite the disbursement of funds to earmarked projects in accordance with the provisions of the NGCDF Act, 2015, as amended in 2016, and the requirements of the Annual





Handwritten text or scribbles at the bottom center of the page, possibly a signature or initials.

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

Performance Contract. The disbursements saw the implementation of approved project activities across the Constituency.

**Achievements and Major Undertakings**

During the year, the Committee disbursed a total of Kshs 28,000,000 as bursary to needy students in secondary, tertiary institutions and this benefitted over 1,500 students in addition to 90 students in two driving schools. Major physical facilities funded are infrastructure such as classrooms, twin laboratories, dormitories, and libraries. The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families.

**Budgetary Appropriations**

During the financial year 2017/2018, the overall budget utilization stood at 90 percent based on the funds received. This was achieved due to expeditious disbursement of funds received to earmarked projects by the NGCDF Committee. During the period Kshs 108,040,876 was received against the total allocation of Kshs 109,040,876.

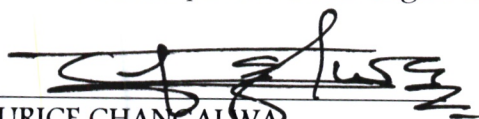
**Development Planning**

The Constituency Development Funds continue to draw interest of beneficiaries and communities alike. This has seen the receipt of many proposals from communities spanning various sectors. To ensure focus and expedite Constituency development, the Committee has finalized its strategic plan which is a formalized road map that spells out where the Constituency is going over the next five years in project identification, implementation and management taking cognizance of the global Sustainable Development Goals, Kenya Vision 2030 and the big four agenda and related County Integrated Development Plans. The NGCDF Committee is convinced that the strategic plan shall help the Constituency in setting priorities, focusing energy and resources, strengthening operations and ensuring that the Committee, its employees and other stakeholders are working towards a common goal and results.

**Challenges**

Despite the above impressive performance and plans, the Committee has noted various challenges in project implementation and management during the FY 2017/2018. These encompass, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed. To mitigate the above, the committee during the year 2017/2018 scaled up its capacity building programmes for NGCDF Committee, Project Management Committees and staff on various aspects of NGCDF projects management. These programmes contributed to minimizing the challenges and improving overall performance by Project Management Committees. The NG-CDFC plans to continue with the capacity building as well as monitoring and evaluation programmes during the FY 2018/2019.

I wish to sincerely thank the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the cooperation and support that saw the achievement of the above milestones. Going forward, the Committee envisions to even perform better and attain better assessments in its performance targets for FY 2018/2019.



**MAURICE CHANGALWA  
CHAIRMAN NGCDF COMMITTEE**



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

**Reports and Financial Statements  
For the year ended June 30, 2019**

**III. 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.

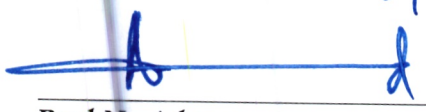
The Accounting Officer in charge of the NGCDF-TONGAREN Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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-TONGAREN 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, 2019, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-TONGAREN Constituency further confirms the completeness of the accounting records maintained for the *Tongaren NGCDF*, 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-TONGAREN 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.

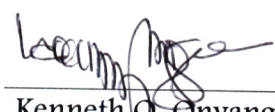
**Approval of the financial statements**

The NGCDF-TONGAREN constituency financial statements were approved and signed by the Accounting Officer on 22/7/20 2020.



Paul N. Adome  
Fund Account Manager

**Fund Account Manager  
TONGAREN NG CDF**



Kenneth O. Onyango  
Sub-County Accountant

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
***TONGAREN CONSTITUENCY***  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

**IV. REPORT OF THE AUDITOR GENERAL**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**TONGAREN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---



# REPUBLIC OF KENYA

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



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-TONGAREN CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019**

---

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Tongaren Constituency set out on pages 9 to 31, which comprise the statement of assets and liabilities as at 30 June, 2019 and the 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. 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 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 National Government Constituencies Development Fund – Tongaren Constituency as at 30 June, 2019, 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**

##### **1.0 Other Grants and Transfers**

##### **1.1 Un-disclosed Expenditure**

The statement of receipts and payments reflects other grants and transfers of Kshs.42,198,690. However, a review of the payment vouchers for the payments made during the year under review, revealed that expenditure totalling to Kshs.838,790 had been excluded from the balance.

Consequently, the accuracy of the reported balance for other grants and transfers could not be confirmed.



Further, Regulation 21(3) of National Government Constituency Development Fund Regulations, 2016, provides that a Constituency Committee shall vet all persons proposed to receive support in accordance with the guidelines issued by the Board. However, the bursary vetting committee minutes and reports were not provided for audit verification. It could therefore not be confirmed that bursary awards were done in a transparent manner and to the deserving beneficiaries.

## 1.2 Unsupported Bursaries

Included in other grants and transfers of Kshs.42,198,690 is Kshs.13,381,858, Kshs.15,422,665 and Kshs.975,940 being bursaries to secondary schools, tertiary institutions and special schools respectively. However, the bursary amounts reflected in the supporting schedules differed with the amounts paid as per the payment vouchers as summarized below:

	Payment Voucher No.	Details	Amount in Schedule (Kshs.)	Payment Voucher Amount (Kshs.)	Variance (Kshs.)
1	181935	Bursaries - Tertiary	1,610,300	1,570,300	40,000
2	181947	Bursaries - Tertiary	435,200	428,200	7,000
3	181983	Bursarie - Secondary	203,000	293,000	(90,000)
4	181984	Bursaries - Secondary	6,490,000	6,544,315	(54,315)
5	181985	Bursaries - Tertiary	799,315	640,000	159,315
6	181991	Bursaries - Secondary	1,511,000	1,196,000	315,000
7	181992	Bursaries - Special	90,790	58,000	32,790
8	181993	Bursaries - Tertiary	150,000	85,000	65,000
9	1819126	Bursaries - Tertiary	12,289,000	11,902,000	387,000
10	1819128	Bursaries - Secondary	4,943,516	3,616,000	1,327,516

The variances were not explained or reconciled.

In the circumstances, it was not possible to ascertain the accuracy and completeness of the bursary payments included in the reported balance for other grants and transfers.

## 2.0 Variances Between Statement of Appropriation and Statement of Budget Execution by Programmes and Sub-Programmes

The balances reflected in the statement of budget execution by programmes and sub-programmes differed with the ones reflected in the statement of appropriation-recurrent and development combined and the statement of receipts and payments as summarized below:



Item	Budget as per Statement of Budget Execution by Programmes and Sub-Programmes (Kshs.)	Budget as per Summary Statement of Appropriation (Kshs.)	Difference (Kshs.)	Actual Expenditure as Per Statement of Budget Execution by Programmes and Sub-Programmes (Kshs.)	Actual Expenditure as per Summary Statement of Appropriation (Kshs.)	Difference (Kshs.)
Compensation of Employees	4,533,574	5,913,167	(1,379,593)	1,964,442	3,586,488	(1,622,046)
Use of Goods and Services	13,242,917	11,586,907	1,656,010	9,381,549	11,583,906	(2,202,357)
Transfers to Other Government Units	86,654,285	95,521,154	(8,866,869)	86,654,285	95,711,523	(9,057,238)
Other Grants and Transfers	43,525,640	47,995,646	(4,470,006)	41,401,731	42,198,690	(796,959)
Other Payments	4,677,027	5,846,284	(1,169,257)	4,677,027	5,846,284	(1,169,257)
Undisbursed	1,000,000		1,000,000			-
<b>Total</b>	<b>153,633,443</b>	<b>166,863,158</b>	<b>(13,229,715)</b>	<b>144,079,034</b>	<b>158,926,891</b>	<b>(14,847,857)</b>

No explanation or reconciliation was provided for the variances.

Consequently, the accuracy of the financial statements could not be ascertained.

### 3.0 Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2019. Management did not provide adequate reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Tongaren 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.



# 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

### 1.0 Projects Implementation Status

According to the project implementation status report provided, a total of Kshs.557,128,157 was disbursed for four-hundred and sixty (460) projects whose implementation was at various stages as summarized below:

Status	2017/2018 and Earlier Years		2018/2019		Total	
	No.	Value (Kshs.)	No.	Value (Kshs.)	No.	Value (Kshs.)
Completed	338	348,902,882	41	45,323,542	379	394,226,424
Ongoing	46	76,589,240	16	25,938,993	62	102,528,233
Funds Not Disbursed	2	13,874,500	6	32,399,000	8	46,273,500
Funds Not Approved	0	-	11	14,100,000	11	14,100,000
<b>Total</b>	<b>386</b>	<b>439,366,622</b>	<b>74</b>	<b>117,761,535</b>	<b>460</b>	<b>557,128,157</b>

From the above, 46 projects with disbursements of Kshs.76,589,240 relating to 2017/18 and earlier years that would have been completed by 30 June, 2019 or earlier were still ongoing.

In addition, sixteen (16) projects with disbursements of Kshs.44,150,000 were ongoing as at the time of audit in June 2020 yet they should have been completed and handed over by December 2019. Further, another two (2) projects already approved relating to prior years and expected to receive Kshs.13,874,500 had not yet received their disbursement as scheduled, while in 2018/2019, six (6) projects are recorded as not having been funded for Kshs.32,399,000. The Constituency Committee was therefore in breach of Regulation 11(j) of National Government Constituencies Development Fund Regulations, 2016 which requires all projects to receive adequate funding and be completed within three (3) years.

Kshs.14,100,000 was disbursed for eleven (11) projects without approved budget under unclear circumstances and contrary to Regulation 25(2) of National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall not incur expenditure unless such expenditure is supported by an approved work plan, a procurement plan and a budget.



Delayed implementation of projects denies the residents of Tongaren Constituency the benefits or services they would have derived from them.

## **2.0 Project not Implemented at Kiminini Secondary School**

Included in the transfers to other government units balance of Kshs.95,711,523 reflected in the statement of receipts and payment, is Kshs.800,000 and Kshs.1,500,000 disbursed to Kiminini Friends Secondary School Project Management Committee for purchase of one acre piece of land and construction of a twin laboratory, respectively. However, as at the time of audit, in July 2020, the two projects had not been implemented and no evidence was provided that the total amount of Kshs.2,300,000 was still held intact. In the circumstances, the propriety of the transfers of Kshs.2,300,000 could not be confirmed.

## **3.0 Propriety of Strategic Plan Workshops Facilitation**

The statement of receipts and payments reflects Kshs.11,583,906 for use of goods and services which included Kshs.861,900 being facilitation to a consultant towards the delivery of the strategic plan. However, the expenditure was not supported with relevant documents including reports of public participation, ward meetings minutes, monitoring and evaluation reports as well as minutes of meetings held with various stakeholders and consultants on the strategic plan.

Consequently, value for money on the expenditure could not be confirmed.

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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in



compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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's policies and procedures may deteriorate.

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

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

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**


**16 September, 2021**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
TONGAREN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**


**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from CDF board	1	162,825,359	43,405,172
<b>TOTAL RECEIPTS</b>		<b>162,825,359</b>	<b>43,405,172</b>
<b>PAYMENTS</b>			
Compensation of employees	2	3,586,488	2,000,815
Use of goods and services	3	11,583,906	5,420,114
Transfers to Other Government Units	4	95,711,523	13,800,000
Other grants and transfers	5	42,198,690	21,380,572
Other Payments	6	5,846,284	
<b>TOTAL PAYMENTS</b>		<b>158,926,891</b>	<b>42,601,501</b>
<b>SURPLUS/DEFICIT</b>		<b>3,898,468</b>	<b>803,671</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TONGAREN Constituency financial statements were approved on 27/7/2020 and signed by:

  
Paul N. Adome  
Fund Account Manager

**Fund Account Manager  
TONGAREN NG CDF**

  
Kenneth O. Onyango  
Sub-County Accountant



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

**Reports and Financial Statements**


**For the year ended June 30, 2019**

**VI. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**

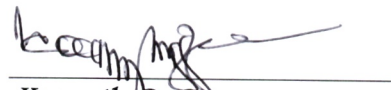
	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	7	6,936,267	3,037,799
<b>Total Cash and Cash Equivalents</b>		<b>6,936,267</b>	<b>3,037,799</b>
Current Receivables			
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,936,267</b>	<b>3,037,799</b>
<b>FINANCIAL LIABILITES</b>			
Accounts Payable			
<b>NET FINANCIAL ASSETS</b>		<b><u>6,936,267</u></b>	<b><u>3,037,799</u></b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	8	3,037,799	2,234,128
Surplus/Deficit for the year		3,898,468	803,671
<b>NET LIABILITIES</b>		<b><u>6,936,267</u></b>	<b><u>3,037,799</u></b>

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

22/7/2020 and signed by:

  
Paul N. Adome  
Fund Account Manager

**Fund Account Manager  
TONGAREN NG CDF**

  
Kenneth O. Onyango  
Sub-County Accountant

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
TONGAREN CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2019**

**VII. STATEMENT OF CASHFLOW**

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
<b>Receipts</b>			
Transfers from CDF Board	1	162,825,359	43,405,172
<b>Total Receipts</b>		<b>162,825,359</b>	<b>43,405,172</b>
<b>Payments</b>			
Compensation of Employees	2	3,586,488	2,000,815
Use of goods and services	3	11,583,906	5,420,114
Transfers to Other Government Units	4	95,711,523	13,800,000
Other grants and transfers	5	42,198,690	21,380,572
Other Payments	6	5,846,284	-
<b>Total Payments</b>		<b>158,926,891</b>	<b>42,601,501</b>
<b>Total Receipts Less Total Payments</b>		<b>3,898,468</b>	<b>803,671</b>
<b>Net cash flow from operating activities</b>		<b>3,898,468</b>	<b>803,671</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>3,898,468</b>	<b>803,671</b>
Cash and cash equivalent at BEGINNING of the year	8	3,037,799	2,234,128
Cash and cash equivalent at END of the year	7	6,936,267	3,037,799

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-TONGAREN Constituency financial statements were approved on 20/7/2020 and signed by:



Paul N. Adome  
Fund Account Manager

**Fund Account Manager  
TONGAREN NG CDF**



Kenneth O. Onyango  
Sub-County Accountant





II. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	A	b	c=a+b	D	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	109,040,876	57,822,282	166,863,158	165,863,158	1,000,000	95%
Proceeds from Sale of Assets			-		-	
Other Receipts						
<b>TOTAL RECEIPTS</b>	<b>109,040,876</b>	<b>57,822,282</b>	<b>166,863,158</b>	<b>158,926,891</b>	<b>1,000,000</b>	<b>95%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,981,881	1,931,286	5,913,167	3,586,488	2,326,679	60%
Use of goods and services	4,137,841	7,449,066	11,586,907	11,583,906	3,001	100%
Transfers to Other Government Units	72,921,154	22,600,000	95,521,154	95,711,523	(190,369)	100%
Other grants and transfers	28,000,000	19,995,646	47,995,646	42,198,690	5,796,956	88%
Acquisition of Assets			-			
Other Payments		5,846,284	5,846,284	5,846,284	-	100%
<b>TOTAL</b>	<b>109,040,876</b>	<b>57,822,282</b>	<b>166,863,158</b>	<b>158,926,891</b>	<b>7,936,267</b>	<b>95%</b>

- i. *Transfer from CDF Board was 95.2% due to the fact that ksh.108,040,876/= was received from the board within the FY 2018/19.*
- ii. *The general budget performance is therefore at 95% due to timely receipt of the funds from the board as analysed above.*

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



Paul N. Adome  
Fund Account Manager

Fund Account Manager  
TONGAREN NG CDF



Kenneth O. Onyango  
Sub-County Accountant



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

**TONGAREN CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**X. STATEMENT OF BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019		2018/2019	2018/2019	2018/2019
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration</b>					
Employees' Salaries	2,602,288.27	1,931,286.00	4,533,574.27	1,964,442.00	2,569,132.27
Committee Expenses	1,200,000.00	1,000,000.00	2,200,000.00	919,200.00	1,280,800.00
Goods and Services	2,619,146.00	2,500,000.00	5,119,146.00	4,923,613.00	195,533.00
<b>Sub-Total</b>	<b>6,421,434.27</b>	<b>5,431,286.00</b>	<b>11,852,720.27</b>	<b>7,807,255.00</b>	<b>4,045,465.27</b>
<b>2.0 Monitoring and Evaluation</b>					-
Goods and Services	1,300,000.00	1,552,545.28	2,852,545.28	1,240,110.00	1,612,435.28
Committee Expenses	1,271,226.00	-	1,271,226.00	1,271,226.00	0.00
Capacity Building of NG-CDFs/PMCs	700,000.00	1,100,000.00	1,800,000.00	1,027,400.00	772,600.00
<b>Sub-Total</b>	<b>3,271,226.00</b>	<b>2,652,545.28</b>	<b>5,923,771.28</b>	<b>3,538,736.00</b>	<b>2,385,035.28</b>
<b>3.0 Emergency</b>					-
Emergency	5,738,993.45	1,000,000.00	6,738,993.45	6,233,227.00	505,766.45
<b>Sub-Total</b>	<b>5,738,993.45</b>	<b>1,000,000.00</b>	<b>6,738,993.45</b>	<b>6,233,227.00</b>	<b>505,766.45</b>
<b>4.0 Bursary and Social Security Programme</b>					-
Bursary Secondary Schools	11,000,000.00	4,000,000.00	15,000,000.00	13,381,858.00	-
Bursary Tertiary Schools	16,000,000.00	801,646.00	16,801,646.00	16,801,646.00	-
Bursary Special Schools	1,000,000.00	-	1,000,000.00	1,000,000.00	-
<b>Sub-Total</b>	<b>28,000,000.00</b>	<b>4,801,646.00</b>	<b>32,801,646.00</b>	<b>31,183,504.00</b>	-
<b>5.0 Sports</b>					0
Sports	1,000,000.00	990,000.00	1,990,000.00	1,990,000.00	0
<b>6.0 Environment</b>					-

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

**TONGAREN CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

Planting of trees	1,000,000.00	995,000.00	1,995,000.00	1,995,000.00	0.00
<b>Sub-Total</b>	<b>1,000,000.00</b>	<b>995,000.00</b>	<b>1,995,000.00</b>	<b>1,995,000.00</b>	<b>0.00</b>
<b>7.0 Primary School Projects</b>					
NAITIRI RC PRI SCHOOL	300,000	-	300,000.00	300,000.00	0.00
NDALU PRI SCHOOL	300,000	-	300,000.00	300,000.00	0.00
TONGAREN DEB PRI SCHOOL	900,000	-	900,000.00	900,000.00	0.00
MUKUYUNI PRI SCHOOL	900,000	-	900,000.00	900,000.00	0.00
ARCH BISHOP WABUKALA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
BUNAMBO PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
BUYANZI PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
CHUMA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
LUMUKILE PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MACHAKHA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MAKOLOLWE PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MARINDA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MATISI CEB PRI SCHOOL	1,600,000	1,000,000.00	2,600,000.00	2,600,000.00	0.00
MBAKALO DEB PRI SCHOOL	1,000,000	-	1,000,000.00	1,000,000.00	0.00
MBIRIRA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MITUA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MIYUKE PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MUSEMBE PAG PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
NDENGELWA PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
SHIKUKU PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
SIKULU PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
MILIMA PRIMARY SCHOOL	0.00	300,000.00	300,000.00	300,000.00	0.00
SIRENDE PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
ST JOAN SANGO RC PRI SCHOOL	1,200,000	-	1,200,000.00	1,200,000.00	0.00
ST PETERS MAKUMU PRI SCHOOL	1,200,000.00	-	1,200,000.00	1,200,000.00	0.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****TONGAREN CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2019**

TABANI RC PRI SCHOOL	1,200,000.00	-	1,200,000.00	1,200,000.00	0.00
SIRAKARU PRI SCHOOL	500,000.00	-	500,000.00	500,000.00	0.00
MINYALI PRI SCHOOL	500,000.00	1,000,000.00	1,500,000.00	1,500,000.00	0.00
DR ESELI PRI SCHOOL	200,000.00	-	200,000.00	200,000.00	0.00
LUNAO PRI SCHOOL	300,000.00	1,000,000.00	1,300,000.00	1,300,000.00	0.00
NGOYA BUYOFU PRI.SCHOOL	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
KANANACHI PRIMARY SCHOOL	0.00	1,800,000.00	1,800,000.00	1,800,000.00	0.00
<b>Sub-Total</b>	<b>29,300,000.00</b>	<b>6,100,000.00</b>	<b>35,400,000.00</b>	<b>35,400,000.00</b>	<b>0.00</b>
<b>8.0 Secondary School Projects</b>					-
BILIBILI SEC SCHOOL	1,000,000.00	1,000,000.00	2,000,000.00	2,000,000.00	0
MILIMA FRIENDS SEC SCHOOL	2,600,000.00	800,000.00	3,400,000.00	3,400,000.00	0
ST.BRIGIDS SIUMBWA SEC SCHOOL	2,054,285.00	1,000,000.00	3,054,285.00	3,054,285.00	0
NAKOKA SEC SCHOOL	200,000.00	1,000,000.00	1,200,000.00	1,200,000.00	0
LUNGAI SEC SCHOOL	1,500,000.00	500,000.00	2,000,000.00	2,000,000.00	0
DEB LUNYU SEC SCHOOL	1,500,000.00	1,000,000.00	2,500,000.00	2,500,000.00	0
ST.PATRICKS NAITIRI BOYS SEC SCHOOL	1,500,000.00	1,500,000.00	3,000,000.00	3,000,000.00	0
MANYASA FRIENDS SEC SCHOOL	1,800,000.00	1,000,000.00	2,800,000.00	2,800,000.00	0
ST.MARY MWIKHUPO	0.00	300,000.00	300,000.00	300,000.00	0
NABISWA SEC SCHOOL	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0
ST.AUGUSTINE LUKHUNA GIRLS SEC SCHOOL	1,000,000.00	-	1,000,000.00	1,000,000.00	0
BIRUNDA PAG SEC	0.00	800,000.00	800,000.00	800,000.00	0
NAMAWANGA SEC SCHOOL	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0
MALIKI BOYS SEC SCHOOL	1,000,000.00	-	1,000,000.00	1,000,000.00	0
NABISWA SEC SCHOOL	1,200,000.00	1,000,000.00	2,200,000.00	2,200,000.00	0
MULIRO SECONDARY	0.00	1,200,000.00	1,200,000.00	1,200,000.00	0
MITUA GIRLS SEC	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0
MALIKI MIXED SEC SCHOOL	1,200,000.00	-	1,200,000.00	1,200,000.00	0
RCEA NAMUNYIRI GIRLS SEC	1,200,000.00	-	1,200,000.00	1,200,000.00	0

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

**TONGAREN CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

SCHOOL					
MILIMANI SEC SCHOOL	1,200,000.00	-	1,200,000.00	1,200,000.00	0
MUSEMBE SEC SCHOOL	1,500,000.00	-	1,500,000.00	1,500,000.00	0
MUKUYUNI FRIENDS SEC SCHOOL	1,500,000.00	-	1,500,000.00	1,500,000.00	0
FRIENDS KIMININI SEC SCHOOL	1,500,000.00	800,000.00	2,300,000.00	2,300,000.00	0
ST PETERS SEC SCHOOL NDALU	7,000,000.00	-	7,000,000.00	7,000,000.00	0
SANGO SA SEC SCHOOL	200,000.00	1,000,000.00	1,200,000.00	1,200,000.00	0
PWANI SEC SCHOOL	700,000.00	600,000.00	1,300,000.00	1,300,000.00	0
<b>Sub-Total</b>	<b>31,354,285.00</b>	<b>16,500,000.00</b>	<b>47,854,285.00</b>	<b>47,854,285.00</b>	<b>0.00</b>
9.0 Tertiary institutions projects					-
					-
10.0 Security Projects					-
KIMININI AP CAMP	300,000.00	400,000.00	700,000.00	700,000.00	-
NABING'ENG'E AP CAMP	-	1,000,000.00	1,000,000.00	1,000,000.00	-
SIRAKARU CHIEFS OFFICE	400,000.00	400,000.00	800,000.00	800,000.00	-
MILIMA ASS CHIEFS OFFICE	300,000.00	600,000.00	900,000.00	900,000.00	-
<b>Sub-Total</b>	<b>1,000,000.00</b>	<b>2,400,000.00</b>	<b>3,400,000.00</b>	<b>3,400,000.00</b>	<b>0.00</b>
STRATEGIC PLAN	0.00				
ICT HUBS	0.00	4,677,027.20	4,677,027.20	4,677,027.20	0.00
		4,677,027.20	4,677,027.20	4,677,027.20	0.00
PENDING FUNDS AT BOARD	1,000,000.00	-	1,000,000.00	0.00	1,000,000.00
<b>GRAND TOTAL</b>	<b>109,040,875.52</b>	<b>57,822,282.00</b>	<b>166,863,158.00</b>	<b>158,926,891.00</b>	<b>7,936,267.00</b>



**X. 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 TONGAREN 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.

**External Assistance**

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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 criterion is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2018, 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.

**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.



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

**TONGAREN CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**TONGAREN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

---

SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

**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 2019.

**14. Errors**

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

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

**15. Related Party Transactions**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**TONGAREN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**XI. . NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	AIE NO. B030124	10,000,000	
	AIE NO. B007493	8,000,000	
	AIE NO. B005490	12,000,000	
	AIE NO. B042631	11,000,000	
	AIE NO. B042850	13,000,000	
	AIE NO. B041003	54,040,875	
	AIE NO.B005015	54,784,483	
	AIE NO.A892527		5,500,000
	AIE NO.A896784		37,905,172
<b>TOTAL</b>		<b>162,825,359</b>	<b>43,405,172</b>

**2. COMPENSATION OF EMPLOYEES**

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,803,245	1,930,095
Basic wages of casual labour		1,600
<b>Personal allowances paid as part of salary</b>		
Employer contribution to NSSF	67,740	69,120
Gratuity-Paid	1,715,503	-
Gratuity-Accrued		
<b>TOTAL</b>	<b>3,586,488</b>	<b>2,000,815</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**TONGAREN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	360,000	258,600
Electricity	28,000	11,462
Water & sewerage charges	128,000	
Communication, supplies and services	340,000	296,700
Domestic travel and subsistence	602,400	294,500
Printing, advertising and information supplies & services	156,000	43,820
Training expenses	660,000	594,800
Hospitality supplies and services	103,000	55,477
Other committee expenses	2,864,315	2,094,495
Committee allowance	538,000	209,000
Office and general supplies and services	206,893	59,828
Fuel , oil & lubricants	1,200,000	858,040
Other operating expenses	97,654	62,300
Bank service commission and charges	110,000	17,825
Routine maintenance - vehicles and other transport equipment	665,259	563,268
Routine maintenance- other assets	311,303	
Strategic Plan	3,213,082	
<b>TOTAL</b>	<b>11,583,906</b>	<b>5,420,115</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**TONGAREN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**4. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary schools	42,300,000	3,300,000
Transfers to Secondary schools	53,411,523	10,500,000
<b>TOTAL</b>	<b>95,711,523</b>	<b>13,800,000</b>

**5. OTHER GRANTS AND TRANSFERS**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary –Secondary	13,381,858	10,476,572
Bursary –Tertiary	15,422,665	10,904,000
Bursary-Special schools	975,940	
Security	2,000,000	0
Sports	1,990,000	0
Environment	1,995,000	0
Emergency Projects	6,433,227	0
<b>TOTAL</b>	<b>42,198,690</b>	<b>21,380,572</b>

**6. OTHER PAYMENTS**

<b>Description</b>	<b>2018-2019</b>	<b>2017 - 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
ICT HUB	5,846,284	-
<b>TOTAL</b>	<b>5,846,284</b>	<b>-</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**TONGAREN CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

7. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	Account Number	2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
<i>Cooperative Bank, Kimili branch A/C no.01141470213900</i>	<i>01141470213900</i>	<b>6,936,267</b>	<b>3,037,799</b>

8. BALANCES BROUGHT FORWARD

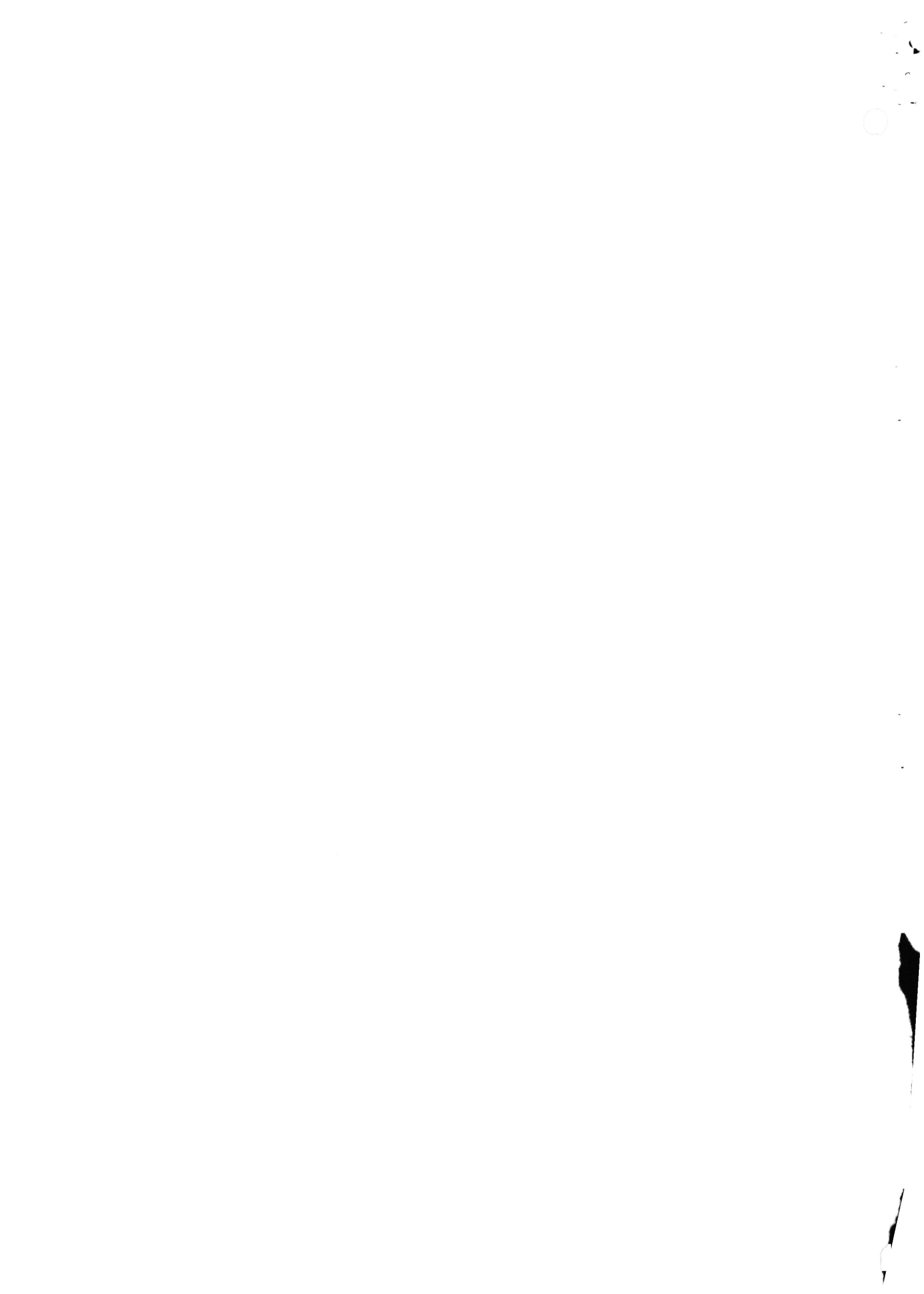
	2018-2019	2017 - 2018
	(1/7/2018)	(1/7/2017)
	Kshs	Kshs
Bank accounts	6,936,267	3,037,799
Cash in hand		-
Imprest		-
<b>TOTAL</b>	<b>6,936,267</b>	<b>3,037,799</b>

*NB. Cash book balance b/f as at 30<sup>th</sup> June, 2019 is Ksh. 6,936,267. This excludes Ksh. 1,000,000/= that the NG-CDF board has not released.*

9. UNUTILIZED FUND (See Annex 1)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	-	994,598
Use of goods and services	-	2,513,669
Amounts due to other Government entities	-	35,690,215
Amounts due to other grants and other transfers	1,000,000	18,615,800
Acquisition of assets		8,000
Others-Balance brought forward	6,936,268	
	<b>7,936,268</b>	<b>57,822,282</b>





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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

---

10. PMC account balances (See Annex 3)

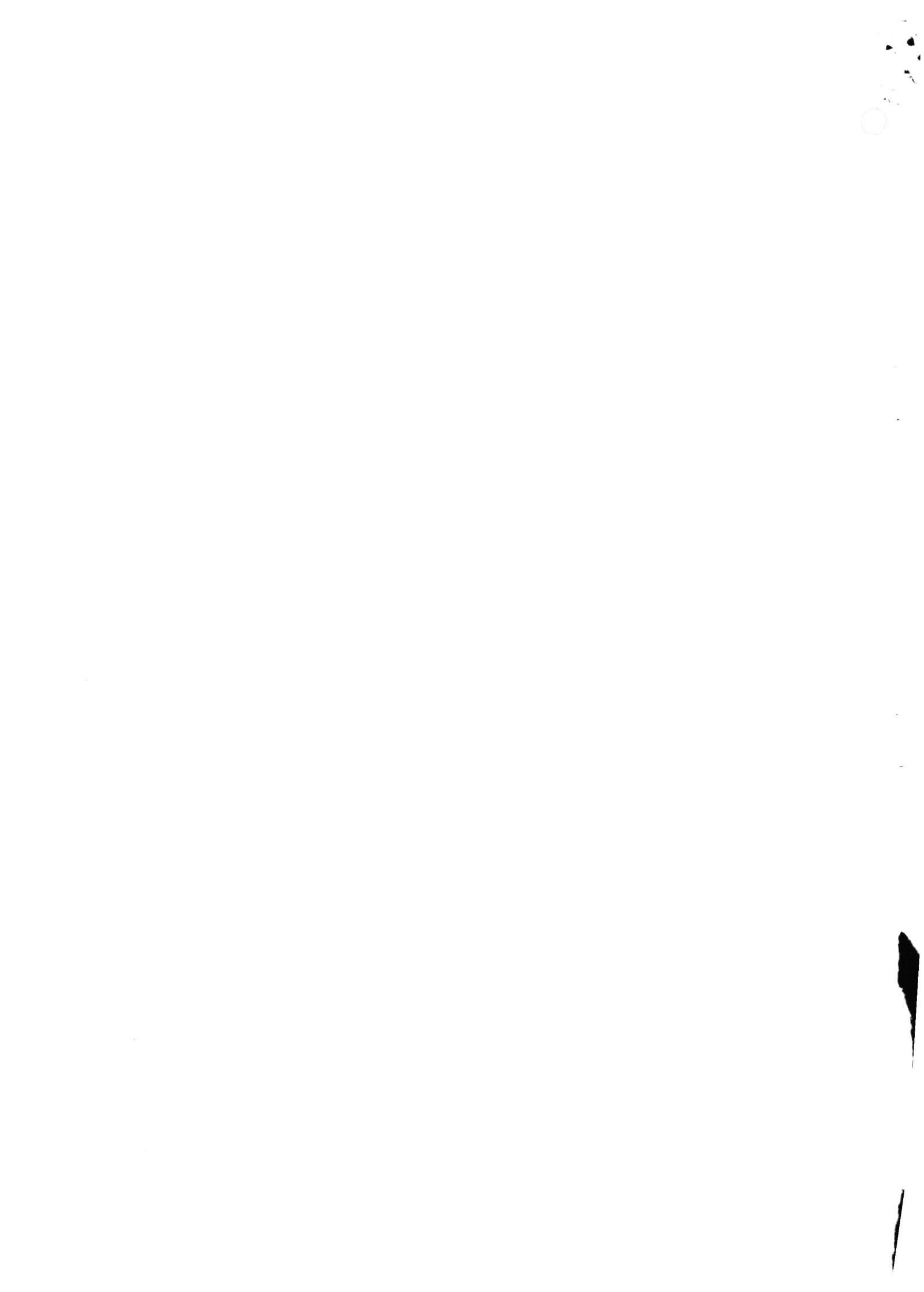
	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances	40,062,947	22,520
<b>TOTAL</b>	<b>40,062,947</b>	<b>22,520</b>



ANNEX 1 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Sub-Total				
Amounts due to other grants and other transfers				
An amount due from the board		1,000,000	54,784,483	
Sub-Total				
Acquisition of assets				
Others ( <i>specify</i> )		6,936,268	3,037,799	
Balance b/f				
Sub-Total				
Grand Total		7,936,268	57,822,282	

NB. The unutilized funds of Ksh. 7,936, 268 comprises of funds for statutory votes particularly Emergency, administrative votes and Monitoring and evaluation votes and the Ksh. 1,000,000 which has not yet been received from the board.





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

**TONGAREN CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f Kshs.	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost Kshs.
	2017/18			2018/19
Buildings and structures	6,500,000	0	0	6,500,000
Transport equipment	5,554,490	0	0	5,554,490
Office equipment, furniture and fittings	374,690	0	0	374,690
ICT Equipment, Software and Other ICT Assets	513,500	0	0	513,500
Other Machinery and Equipment	15,000	0	0	15,000
<b>Total</b>	<b>12,957,680</b>			<b>12,957,680</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

**ANNEX 3 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2019**

PMC	BANK	A/C NO	2018-2019 Kshs	2017-2018 Kk Kshs
BILIBILI SEC SCHOOL	Co-operative Bank	01141687645200	2,417	370
MILIMA FRIENDS SEC SCHOOL	Co-operative Bank	01141687481100	41,530	1,310
ST.BRIGIDS SIUMBWA SEC SCHOOL	Co-operative Bank	01139469235900	750,000	528
NAKOBA SEC SCHOOL	Co-operative Bank	01141688399300	-	778
LUNGAI SEC SCHOOL	Co-operative Bank	01139469235600	-	
DEB LUNYU SEC SCHOOL	Co-operative Bank	1115724193	-	
ST.PATRICKS NAITIRI BOYS SEC SCHOOL	Co-operative Bank	0141688393300	80,000	275
MANYASA FRIENDS SEC SCHOOL	Co-operative Bank	01141688399300	1,800,000	1,975
ST.AUGUSTINE LUKHUNA GIRLS SEC SCHOOL	Co-operative Bank		1,000,000	275
MALIKI BOYS SEC SCHOOL	Co-operative Bank	1133424147	1,000,000	
NABISWA SEC SCHOOL	Co-operative Bank	01141470585900	1,000,000	0
MALIKI MIXED SEC SCHOOL	Co-operative Bank	01139469489400	1,200,000	310
RCEA NAMUNYIRI GIRLS SEC SCHOOL	Co-operative Bank	1153846020	1,200,000	310
MILIMANI SEC SCHOOL	Co-operative Bank	01139502061400	1,200,000	310
MUSEMBE SEC SCHOOL	Co-operative Bank	01141470394800	1,500,000	
MUKUYUNI FRIENDS SEC SCHOOL	Co-operative Bank	1136359974	1,500,000	1,050
FRIENDS KIMININI SEC SCHOOL	Co-operative Bank	01139599580403	1,875,000	864
ST PETERS SEC SCHOOL NDALU	Co-operative Bank		-	493
SANGO SA SEC SCHOOL	Co-operative Bank	01141470768400	200,000	1,565
PWANI SEC SCHOOL	Co-operative Bank	1114626570	6,000	930
NAITIRI RC PRI SCHOOL	Co-operative Bank	01141470517700	300,000	39.75
NDALU PRI SCHOOL	Co-operative Bank	01139269431901	300,000	1,472
TONGAREN DEB PRI SCHOOL	Co-operative Bank	01141688390600	430,000	307
MUKUYUNI PRI SCHOOL	Co-operative Bank	01141687135700	900,000	1,110
ARCH BISHOP WABUKALA PRI SCHOOL	Co-operative Bank	0113946121800	430,000	
BUNAMBO PRI SCHOOL	Co-operative Bank	2448035101	740,000	0
BUYANZI PRI SCHOOL	Co-operative Bank	1254607641	884,000	616
CHUMA PRI SCHOOL	Co-operative Bank	01139694800500	1,200,000	271



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

**Reports and Financial Statements**

**For the year ended June 30, 2019**

LUMUKILE PRI SCHOOL	Co-operative Bank	01141268129200	1,200,000	512
MACHAKHA PRI SCHOOL	Co-operative Bank	01141687645300	1,200,000	550
MAKOLOLWE PRI SCHOOL	Co-operative Bank		1,200,000	1,250
MARINDA PRI SCHOOL	Co-operative Bank	01141470216100	1,200,000	940
MATISI CEB PRI SCHOOL	Co-operative Bank	01141688613100	1,200,000	697
MBAKALO DEB PRI SCHOOL	Co-operative Bank		1,200,000	714
MBIRIRA PRI SCHOOL	Co-operative Bank	01139599247303	1,200,000	200
MITUA PRI SCHOOL	Co-operative Bank	01139502937100	1,200,000	1,250
MIYUKE PRI SCHOOL	Co-operative Bank	01141411856400	1,200,000	200
MUSEMBE PAG PRI SCHOOL	Co-operative Bank	01139050350502	1,200,000	912
NDENGELWA PRI SCHOOL	Co-operative Bank		1,200,000	0
SHIKUKU PRI SCHOOL	Co-operative Bank	01141688642800	-	702
SIKULU PRI SCHOOL	Co-operative Bank	01141687947200	1,200,000	5
SIRENDE PRI SCHOOL	Co-operative Bank	01141687938800	1,200,000	697
ST JOAN SANGO RC PRI SCHOOL	Co-operative Bank		1,200,000	912
ST PETERS MAKUMU PRI SCHOOL	Co-operative Bank	01141469823700	605,000	240
TABANI RC PRI SCHOOL	Co-operative Bank		1,200,000	120
SIRAKARU PRI SCHOOL	Co-operative Bank	01141687673200	125,000	212
MINYALI PRI SCHOOL	Co-operative Bank	01139599101300	500,000	
DR ESELI PRI SCHOOL	Co-operative Bank	01141469822900	200,000	301
LUNAO PRI SCHOOL	Co-operative Bank	01139694805000	200,000	12
KIMININI AP CAMP	Co-operative Bank	01141470459600	-	56
SIRAKARU CHIEFS OFFICE	Co-operative Bank	01141687936600	120,000	
MILIMA ASS CHIEFS OFFICE	Co-operative Bank	01141687906900	274,000	0
<b>Total</b>			<b>40,062,947</b>	<b>22,519,750</b>







**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issue raised by the external auditor, and management comments that were provided to the auditor. The CDFC have nominated resolve the issues as shown below with the associated time frame.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ not resolved)	Timeframe: (put a date when you expect the issue to be resolved)
1.	Unsupported land acquisitions	Most of the land is under scheme land. We have met with school heads and education officers to assist in ensuring that the schools are able to get their title deeds soonest. Meanwhile, no future land purchases without true land title deed for the sale is availed.	The school headteachers assisted by Tongaren NG-CDF Committee	Resolved	31.07.2019



11-11-11