

PUBLIC OF KENYA



Enhancing Accountability

REPORT

OF
THE NATIONAL ASSEMBLY
PART OF THE
THE AUDITOR GENERAL

PARLIAMENT
OF KENYA
LIBRARY

TABLED BY:		MAJ WHTIP
CLERK-AT THE-TABLE:		ON FINLEY

10 NOV 2021

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – HAMISI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2019.

Revised Template 30th June 2019



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND -HAMISI CONSTITUENCY

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)

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
P. O. Box 262 - 50309,
KAIMOSI

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG CDF)
HAMISI CONSTITUENCY**

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 (NG-CDF)
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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 NG-CDF Hamisi Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Mr. Silverius M. Wakoli
2.	Sub-County Accountant	Mr. Oringo T. Griffins
3.	Chairman NGCDFC	Mr. Stephene N. Ganira
4.	Member NGCDFC	Miss Mary Jemaiyo

(d) Fiduciary Oversight Arrangements

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

(e) NG-CDF Hamisi Constituency Headquarters

P.O. Box 262-50309,
Shamahoho ACC's Office Grounds,
Chavakali – Kapsabet Highway
Kaimosi, KENYA

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

(f) NG-CDF Hamisi Constituency Contacts

Telephone: (254) 0722959351
E-mail: cdhamisi@ngcdf.go.ke
Website: www.cdhamisi.go.ke

(g) NG-CDF Hamisi Constituency Bankers

Kenya Commercial Bank
KCB Mbale Branch
Account No. 1102380598
P.O. Box 1123
Maragoli.

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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NG-CDF HAMISI CONSTITUENCY
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF)
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II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

Hamisi Constituency Geographic and Climatic Background

Hamisi is one of the five constituencies in Vihiga County. It borders Aldai constituency to the east, Ikolomani and Emgwen constituencies to the north, Vihiga and Sabatia constituencies to the west and Kisumu East constituency to the south. The constituency covers an area of 189.1 km². 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 support a variety of cash crops mainly tea, coffee and horticultural crops. Dairy farming is also practiced in the constituency.

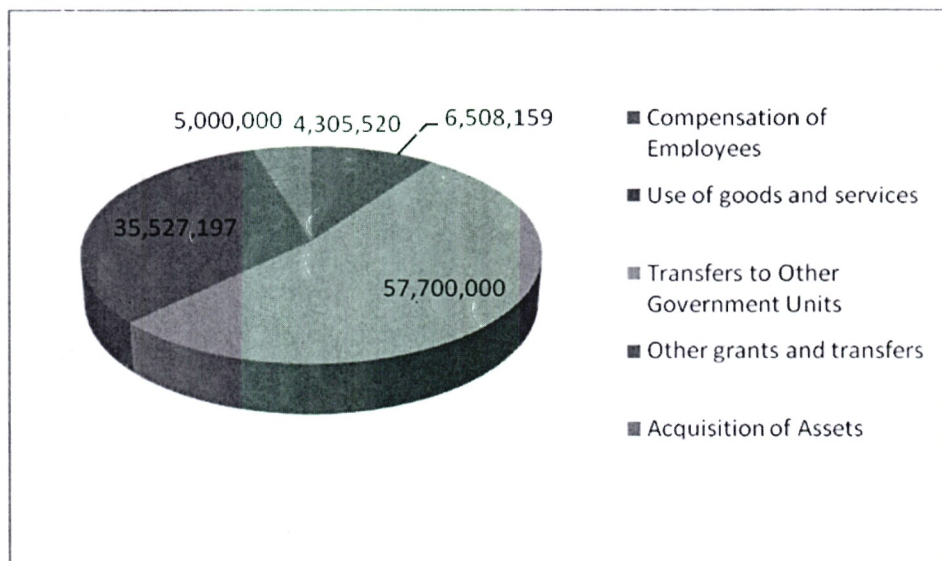
Hamisi Constituency Population Project and Density by Division

The population of the constituency was 148,259 by the 2009 housing and population census and is projected at 173,424 by 2012 and 179,406 by 2015.

Administrative Units

CONSTITUENCY	DIVISION	NOs. LOCATION	NOs. SUB- LOCATION
HAMISI	Shamakhokho	2	5
	Shaviringa	2	6
	Tambua	2	9
	Jepkoyai	2	8

The constituency has seven electoral wards namely Banja, Shamakhokho, Muhudu, Shaviringa, Tambua, Jepkoyai and Gisambai. The Constituency had a budget of Kshs.109,040,876 during the financial year 2018-2019. The budget was distributed as per the illustrated pie chart below.



The NG-CDF Hamisi members were inducted on best practices on Monitoring and Evaluation, financial and project management.

Sign 
Stephen Ganira Ngiliman
CHAIRMAN NG CDF COMMITTEE

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF)
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**Reports and Financial Statements
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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.

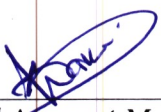
The Accounting Officer in charge of the NG-CDF Hamisi Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2019. 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 NG-CDF Hamisi 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 Hamisi Constituency 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 NG-CDF Hamisi 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 NG-CDF Hamisi 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 NG-CDF Hamisi Constituency financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

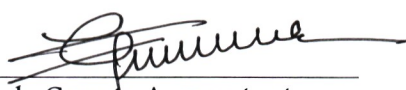
Approval of the financial statements

The NG-CDF Hamisi Constituency financial statements were approved and signed by the Accounting Officer on 21st August 2019.



Fund Account Manager
Name: Silverius M. Wakoli

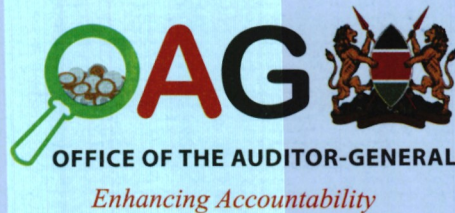
FUND ACCOUNT MANAGER
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P. O. Box 262 - 50309,
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Sub-County Accountant
Name: Oringo Tonny Griffins
ICPAK Member Number: 6191

REPUBLIC OF KENYA

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund- Hamisi Constituency set out on pages 6 to 33, which comprise the statement of financial assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund- Hamisi 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund- Hamisi 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 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 statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.148,584,186 and Kshs.92,743,311 respectively resulting to an under-funding of Kshs.55,840,876 or 38% of the budget. Similarly, the Fund spent Kshs.76,105,045 against an approved budget of Kshs.148,584,186 resulting to an under-expenditure of Kshs.72,479,141 or 49% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Hamisi Constituency.

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 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. Incomplete Construction of 2 Classrooms at Kitagwa Secondary School

The transfers to other government entities amount of Kshs.36,900,000 includes transfers to secondary schools amount of Kshs.22,500,000 as disclosed in Note 6 to the financial statements, The amount includes an amount of Kshs.1,000,000 paid to the Kitagwa Secondary School project management committee towards ongoing construction of two (2) classrooms. However, it was not possible to ascertain the total cost of the incomplete building since the project file did not contain any documentation and valuation reports from the Department of Public Works.

Further, physical verification of the project in September, 2020 revealed that the building was incomplete and the contractor was not on site. It was therefore not possible to establish when the building shall be completed and put to use.

Consequently, the residents of Hamisi Constituency did not get value for Kshs.1,000,000 incurred on the project during the year ended 30 June, 2019.

2. Construction of 8 Classrooms and Administration Complex at Dr. Gimose Jeviriri Secondary School

2.1 Payments Paid Directly by the Fund Instead of Project Management Committee

The statement of receipts and payments for the year ended 30 June, 2019, reflects transfers to other government entities amount of Kshs.36,900,000 being Kshs.14,400,000 and Kshs.22,500,000 transfers to primary and secondary schools respectively as disclosed in Note 6 to the financial statements. The transfers to secondary schools amount of Kshs.22,500,000 includes payments totalling Kshs.6,000,000 paid to a local contractor towards the complete construction of eight (8) classrooms and administration complex upto plastering, fitting doors and windows, ceiling, wiring and painting at Dr. Gimose Jeviriri Secondary School. Audit examination of the project file revealed that a total sum of Kshs.21,800,000 had been paid to the contractor against the contract sum of Kshs.30,378,728 directly from the National Constituencies Development Fund- Hamisi Constituency instead of the Project Management Committee as stipulated in Section 15(1) of the CDF Regulations, 2016 and Section 36(1) of the CDF Act, 2015.

2.2 Lack of Crucial Information in the Project File

In addition, there were no progress reports and interim payment certificates indicating the actual work done in the project file thus quantity and progress of works being paid for could not be ascertained. There were also no inspection and acceptance committee reports made available or filed in the project file to confirm that the project was supervised as required.

2.3 Extra Payment Made to the Contractor

Hamisi NG-CDF Committee Meeting held on 06 May, 2019, under MIN.02/06/05/2019: 4th Disbursement Financial Year 2018/2019 of Kshs.24,000,000, had approved a disbursement of Kshs.3,000,000 towards the school project but the Fund management made direct payment of Kshs.3,800,000 to the contractor. No reason or explanation was provided for the extra payment of Kshs.800,000 and the vote, the allocation was reallocated from.

2.4 Construction of Six (6) Classes Instead of Eight (8) as Per the Bills of Quantities

Physical verification of the project in September, 2020 revealed one (1) storied building was put up consisting of six (6) classrooms instead of eight (8) as was indicated in the Bills of Quantities (BQs) and an administration complex.

Under the circumstances, it was not possible to confirm the regularity, validity and value for money of Kshs.22,500,000 reflected to the financial statements as transfer to secondary schools in the year under review.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 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 as a going concern or 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

15 October, 2021

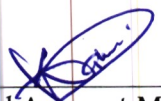
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF)
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**Reports and Financial Statements
For the year ended June 30, 2019**

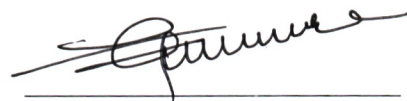
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018-2019	2017 - 2018
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF Board	1	65,379,310	86,010,345
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		65,379,310	86,010,345
PAYMENTS			
Compensation of employees	4	2,889,656	826,540
Use of goods and services	5	7,508,592	6,718,386
Transfers to Other Government Units	6	36,900,000	37,519,950
Other grants and transfers	7	28,806,797	13,915,400
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		76,105,045	58,980,276
SURPLUS/DEFICIT		(10,725,735)	27,030,069

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Hamisi Constituency financial statements were approved on 21st August 2019 and signed by:


Fund Account Manager
Name: Silverius M. Wakoli

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
P. O. Box 262 - 50309,
KAIMOSI


Sub-County Accountant
Name: Oringo Tonny Griffins
ICPAK Member Number: 6191

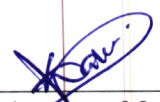
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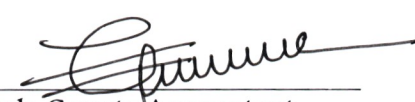
STATEMENT OF ASSETS

	Note	2018-2019 Kshs	2017-2018 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	16,638,266	27,364,000
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		16,638,266	27,364,000
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		16,638,266	27,364,000
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		<u>16,638,266</u>	<u>27,364,000</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	27,364,000	333,931
Surplus/Deficit for the year		(10,725,735)	27,030,069
Prior year adjustments	14	-	-
NET LIABILITIES		16,638,266	27,364,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Hamisi Constituency financial statements were approved on 21st August 2019 and signed by:


Fund Account Manager
Name: Sylverius M. Wakoli

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Sub-County Accountant
Name: Oringo Tonny Griffins
ICPAK Member Number:


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

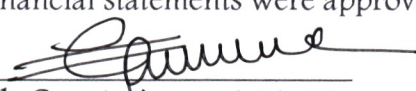
V. STATEMENT OF CASHFLOW

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	65,379,310	86,010,345
Other Receipts	3	-	
Total Receipts		65,379,310	86,010,345
Payments			
Compensation of Employees	4	2,889,656	826,540
Use of goods and services	5	7,508,592	6,718,386
Transfers to Other Government Units	6	36,900,000	37,519,950
Other grants and transfers	7	28,806,797	13,915,400
Other Payments	9	-	-
Total Payments		76,105,045	58,980,276
Total Receipts Less Total Payments		(10,725,735)	27,030,069
Adjusted for:			
Outstanding Imprest	11	-	
Retention	12A	-	
Gratuity Payable	12B	-	
Prior Year adjustment	14	-	
Net Adjustments		-	-
Net cash flow from operating activities		(10,725,735)	27,030,069
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,725,735)	27,030,069
Cash and cash equivalent at BEGINNING of the year	13	27,364,000	333,931
Cash and cash equivalent at END of the year		16,638,266	27,364,000

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF Hamisi Constituency financial statements were approved on 21st August 2019 and signed by:


Fund Account Manager
Name: Silverius M. Wakoli

FUND ACCOUNT MANAGER
NG-CDF HAMISI CONSTITUENCY
P. O. Box 262 - 50309,
KAIMOSI


Sub-County Accountant
Name: Oringo Tonny Griffins
ICPAK Member Number: 6191

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI CONSTITUENCY

Reports and Financial Statements


For the year ended June 30, 2019

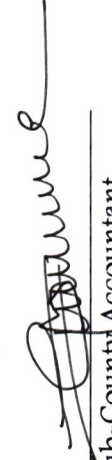
VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

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 %
RECEIPTS						
Transfers from CDF Board	109,040,876	39,543,311	148,584,186	92,743,311	55,840,876	62.4%
Proceeds from Sale of Assets	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-
TOTAL RECEIPTS	109,040,876	39,543,311	148,584,186	92,743,311	55,840,876	62.4%
PAYMENTS						
Compensation of Employees	4,305,520	1,382,558	5,688,078	2,889,656	2,798,422	50.8%
Use of goods and services	6,508,159	5,005,580	11,513,739	7,508,592	4,005,147	65.8%
Transfers to Other Government Units	57,700,000	23,631,034	81,331,034	36,900,000	44,431,034	45.4%
Other grants and transfers	35,527,197	9,524,138	45,051,335	28,806,797	16,244,538	69.3%
Acquisition of Assets	5,000,000	-	5,000,000	-	5,000,000	0.0%
Other Payments	-	-	-	-	-	-
TOTAL	109,040,876	39,543,311	148,584,186	76,105,045	72,479,141	51.2%

Note: Adjustments b is the funds carried forward as at 30th June 2018 of Kshs. 27,364,000.30 plus the amount owing to the Constituency from the Board as at 30th June 2018 of Kshs. 12,179,310.35 totalling to Kshs. 39,543,310.65. The underutilization was generally caused by late disbursement of funds. The budget utilization difference of Kshs. 55,840,875.52 is the amount owed to the Constituency by the board.

The NG-CDF Hamisi Constituency financial statements were approved on 21st August 2019 and signed by:


Fund Account Manager
 Name: Silverius M. Wakoli


Sub-County Accountant
 Name: Oringo Tonny Griffins
 ICPAK Member Number: 619


NGCDF HAMISI CONSTITUENCY
 P. O. Box 262 - 50309,
 KAIMOSI

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on	Budget
	2018/2019	2018/2019	2018/2019	comparable basis	utilization
	Kshs	Kshs	Kshs	30/06/2019	difference
				Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	4,305,520	1,382,558	5,688,078	2,889,656	2,798,422
1.2 Committee allowances	1,900,000	1,725,000	3,625,000	2,837,000	788,000
1.3 Use of goods and services	336,933	327,201	664,133	471,675	192,458
2.0 Monitoring and evaluation					
2.1 Capacity building	1,370,330	640,000	2,010,330	654,000	1,356,330
2.2 Committee allowances	1,300,000	982,000	2,282,000	2,067,923	214,077
2.3 Use of goods and services	600,897	331,380	932,277	-	932,277
3.0 Emergency	5,738,993	3,100,000	8,838,993	10,895,000	43,993
3.1 Primary Schools	-	468,966	468,966	-	468,966
3.2 Secondary schools	-	100,000	100,000	-	100,000
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	-	-	-	-
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	10,000,000	1,000,000	11,000,000	7,908,000	3,092,000
4.3 Tertiary Institutions and Universities	7,300,000	1,750,000	9,050,000	5,631,900	3,418,100
4.4 Special Schools	700,000	200,000	900,000	133,000	767,000
4.5 Social Security	-	-	-	-	-
5.0 Sports					
5.1	2,288,203	277,586	2,565,789	2,438,897	126,892
6.0 Environment					
6.1	-	227,586	227,586	200,000	27,586

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
7.0 Primary Schools Projects					
7.1 Boyani Primary School	500,000	-	500,000	-	500,000
7.2 Bulukhombe Primary School	300,000	-	300,000	-	300,000
7.3 Bumbo Primary School	600,000	-	600,000	600,000	-
7.4 Bumira Primary School	200,000	-	200,000	-	200,000
7.5 Butiti Primary School	500,000	-	500,000	-	500,000
7.6 Chepsaga Primary School	400,000	-	400,000	-	400,000
7.7 Cheptech Primary School	300,000	-	300,000	300,000	-
7.8 Cheptembu Primary School	1,000,000	-	1,000,000	800,000	200,000
7.9 Egemeni Primary School	1,500,000	-	1,500,000	-	1,500,000
7.10 Friends Primary School Givogi	1,000,000	-	1,000,000	-	1,000,000
7.11 Gambaragai Primary School	600,000	-	600,000	-	600,000
7.12 Gidimo Primary School	600,000	-	600,000	-	600,000
7.13 Gimarakwa Primary School	500,000	-	500,000	-	500,000
7.14 Gisambai Primary School	200,000	-	200,000	-	200,000
7.15 Givavei Primary School	500,000	-	500,000	-	500,000
7.16 Givudemesi Primary School	200,000	-	200,000	-	200,000
7.17 Hamisi Primary School	500,000	-	500,000	-	500,000
7.18 Ivumbu Primary School	600,000	-	600,000	-	600,000
7.19 Jebrongo Primary School	1,500,000	-	1,500,000	-	1,500,000
7.20 Jepakoyai Primary School	700,000	-	700,000	700,000	-
7.21 Jeptorol Primary School	300,000	-	300,000	300,000	-
7.22 Jidereri Primary School	300,000	-	300,000	-	300,000
7.23 Jinjini Primary School	1,000,000	-	1,000,000	-	1,000,000
7.24 Kapchemgung Primary School	600,000	-	600,000	-	600,000
7.25 Kapchorwa Primary School	800,000	-	800,000	-	800,000
7.26 Kaptis Primary School	400,000	-	400,000	-	400,000

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
7.27 Kinu Primary School	400,000	-	400,000	-	400,000
7.28 Kisasi Primary School	400,000	-	400,000	-	400,000
7.29 Logere Primary School	1,500,000	-	1,500,000	800,000	700,000
7.30 Luther Primary School	700,000	-	700,000	700,000	-
7.31 Makuchi Primary School	1,000,000	-	1,000,000	800,000	200,000
7.32 Mudindi Primary School	2,000,000	-	2,000,000	-	2,000,000
7.33 Mungavo Primary School	500,000	-	500,000	-	500,000
7.34 Musawa Primary School	500,000	-	500,000	-	500,000
7.35 Museywa Primary School	1,200,000	-	1,200,000	700,000	500,000
7.36 Musiri Primary School	500,000	-	500,000	-	500,000
7.37 Mutave Primary School	1,500,000	-	1,500,000	-	1,500,000
7.38 Mutiva Primary School	400,000	-	400,000	-	400,000
7.39 Mwanzo ADC Primary School	2,500,000	-	2,500,000	-	2,500,000
7.40 Mwembe Primary School	500,000	-	500,000	500,000	-
7.41 Nyang'ori Primary School	500,000	-	500,000	-	500,000
7.42 Shaviringa Primary School	300,000	-	300,000	-	300,000
7.43 Shivembe Primary School	600,000	-	600,000	-	600,000
7.44 Simbi Primary School	500,000	-	500,000	-	500,000
7.45 Tigo Primary School	500,000	-	500,000	-	500,000
7.46 Kapchorwa Primary School	-	800,000	800,000	-	800,000
7.47 Chepsaga Primary School	-	400,000	400,000	-	400,000
7.48 Gambaragai Primary School	-	700,000	700,000	-	700,000
7.49 Kapege Primary School	-	200,000	200,000	-	200,000
7.50 Erusai Girls Primary School	-	400,000	400,000	-	400,000
7.51 Mwanzo ADC Primary School	-	500,000	500,000	-	500,000
7.52 Luther Primary School	-	600,000	600,000	-	600,000
7.53 Givudemesi Primary School	-	500,000	500,000	-	500,000
7.54 Kaptik Primary School	-	500,000	500,000	-	500,000

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
7.55 Jinjini Primary School	-	500,000	500,000	-	500,000
7.56 Cheptech Primary School	-	200,000	200,000	-	200,000
7.57 Ikonza Primary School	-	500,000	500,000	500,000	-
7.58 Itovo Primary School	-	500,000	500,000	500,000	-
7.59 Malinda Primary School	-	300,000	300,000	300,000	-
7.60 Kimarani Primary School	-	200,000	200,000	200,000	-
7.61 Isikhi Primary School	-	300,000	300,000	300,000	-
7.62 Logere Primary School	-	200,000	200,000	200,000	-
7.63 Kapsegeli Primary School	-	200,000	200,000	200,000	-
7.64 Cheptech Primary School	-	200,000	200,000	200,000	-
7.65 Mutiva Primary School	-	400,000	400,000	400,000	-
7.66 Zululu Primary School	-	400,000	400,000	400,000	-
7.67 Mwanzo ADC Primary School	-	500,000	500,000	500,000	-
7.68 Luther Primary School	-	600,000	600,000	600,000	-
7.69 Gamalenga Primary School	-	500,000	500,000	500,000	-
7.70 Kaptik Primary School	-	500,000	500,000	500,000	-
7.71 Mutave Primary School	-	500,000	500,000	500,000	-
7.72 Saride Primary School	-	400,000	400,000	400,000	-
7.73 Gimarakwa Primary School	-	400,000	400,000	400,000	-
7.74 Cheptembu Primary School	-	800,000	800,000	800,000	-
7.75 Munzatsi Primary School	-	300,000	300,000	300,000	-
7.76 Givudemesi Primary School	-	500,000	500,000	500,000	-
8.0 Secondary Schools Projects					
8.1 Bumira Secondary School	500,000	-	500,000	-	500,000
8.2 Bumuyange Secondary School	600,000	-	600,000	600,000	-
8.3 Buyangu Secondary School	500,000	-	500,000	500,000	-
8.4 Chebunaywa Secondary School	700,000	-	700,000	700,000	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
8.5 Chepsaga Secondary School	500,000	-	500,000	-	500,000
8.6 Dr. Dangana Secondary School	2,000,000	-	2,000,000	2,000,000	-
8.7 Dr. Gimose Jeviriri Sec. School	9,000,000	-	9,000,000	6,000,000	3,000,000
8.8 Gimarian Secondary School	1,000,000	-	1,000,000	-	1,000,000
8.9 Goibei Girls High School	800,000	-	800,000	800,000	-
8.10 Kinu Secondary School	3,000,000	-	3,000,000	2,000,000	1,000,000
8.11 Kitagwa Secondary School	1,000,000	-	1,000,000	1,000,000	-
8.12 Malinda Secondary School	1,000,000	-	1,000,000	-	1,000,000
8.13 Muhudu Secondary School	1,500,000	-	1,500,000	-	1,500,000
8.14 Musiri Secondary School	1,000,000	-	1,000,000	800,000	200,000
8.15 Simbi Secondary School	500,000	-	500,000	-	500,000
8.16 St. Johns Cheptech Sec. Sch.	1,500,000	-	1,500,000	-	1,500,000
8.17 Kaptik Secondary School	-	400,000	400,000	-	400,000
8.18 Stanley Godia Sec. School	-	400,000	400,000	-	400,000
8.19 Kamulugywa Secondary School	-	300,000	300,000	300,000	-
8.20 Simbi Secondary School	-	800,000	800,000	800,000	-
8.21 Gavudunyi Secondary School	-	400,000	400,000	400,000	-
8.22 Nyang'ori High School	-	600,000	600,000	600,000	-
8.23 Kaptik Secondary School	-	1,000,000	1,000,000	1,000,000	-
8.25 Muyere Secondary School	-	4,500,000	4,500,000	4,500,000	-
8.26 St. Pauls Girls High Sch. - Erusii	-	500,000	500,000	500,000	-
9.0 Tertiary institutions Projects					
9.1 Kaimosi TTC	1,000,000	1,031,034	2,031,034	-	2,031,034
10.0 Security Projects					
10.1 DCCs Headquarters	700,000	-	700,000	700,000	-
10.2 Jeptului Police Post	400,000	-	400,000	400,000	-
10.3 Tambua DOs Office	2,000,000	-	2,000,000	-	2,000,000
10.4 Kaptis AP Line	400,000	-	400,000	-	400,000

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF) HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Programme/Sub-programme	Original Budget 2018/2019	Adjustments	Final Budget 2018/2019	Actual on comparable basis 30/06/2019	Budget utilization difference
10.5 Senende Chief's Office	500,000	-	500,000	-	500,000
10.6 Serem Police Station	1,500,000	-	1,500,000	-	1,500,000
10.7 Gambogi Police Post	1,500,000	-	1,500,000	-	1,500,000
10.8 Jepses AP Line	1,000,000	-	1,000,000	-	1,000,000
10.9 Gisambai AP line	-	500,000	500,000	500,000	-
11.0 Acquisition of assets					
11.1 Motor Vehicles	5,000,000	-	5,000,000	-	5,000,000
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
12.0 Others					
12.1 Strategic Plan	1,000,000	1,000,000	2,000,000	1,477,994	522,006
12.2 Innovation Hub	1,500,000	-	1,500,000	-	1,500,000
TOTAL	109,040,876	39,543,311	148,584,187	76,105,045	72,479,141

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG CDF) HAMISI
CONSTITUENCY**

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

IX. 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 NG CDF-Hamisi 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.

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 are 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 the amended NG CDF Act, 2016.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i.e 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 CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017 - 2018
		Kshs	Kshs
Normal Allocation	AIE NO. B005030	11,379,310	
	AIE NO. B030242	10,000,000	
	AIE NO. B030398	13,000,000	
	AIE NO. B006339	7,000,000	
	AIE NO. B042997	24,000,000	
	AIE NO. A855815		5,500,000
	AIE NO. A892824		37,905,172
	AIE NO. A896826		21,000,000
	AIE NO. A896902		21,605,173
Conditional grants	AIE NO...		-
			-
Receipt from other Constituency			-
TOTAL		65,379,310	86,010,345

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
	-	-
Total	-	-

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

3. OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received		
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Basic wages of contractual employees	1,866,841	813,580
Basic wages of casual labour	-	-
Personal allowances paid as part of salary	-	-
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Other personnel payments	-	-
Employer contribution to NSSF	196,752	12,960
Gratuity-Paid	826,063	-
TOTAL	2,889,656	826,540

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2018-2019	2017 - 2018
	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	654,000	-
Hospitality supplies and services	-	-
Other committee expenses	2,067,923	3,224,700
Committee allowance	2,837,000	3,223,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	471,675	270,686
Fuel , oil & lubricants	-	-
Other operating expenses	-	-
Bank service commission and charges	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Strategic Plan	1,477,994	-
TOTAL	7,508,592	6,718,386

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Transfers to Primary schools	14,400,000	9,920,000
Transfers to Secondary schools	22,500,000	23,100,000
Transfers to Tertiary institutions	-	4,499,950
TOTAL	36,900,000	37,519,950

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2018-2019	2017 - 2018
	Kshs	Kshs
Bursary -Secondary	7,908,000	3,386,000
Bursary -Tertiary	5,631,900	1,409,400
Bursary-Special schools	133,000	10,000
Mocks & CAT	-	-
Security	1,600,000	4,300,000
Sports	2,438,897	760,000
Environment	200,000	-
Emergency Projects	10,895,000	4,050,000
TOTAL	28,806,797	13,915,400

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

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
	-	-

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

10A: 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>Kenya Commercial Bank, Mbale Branch. Hamisi NG-CDF</i>	<i>A/C no.1102380598</i>	16,638,266	27,364,000
10B: CASH IN HAND)			
		2018-2019	2017 - 2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-	-
TOTAL		-	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI CONSTITUENCY

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		-	-	-
				-

12A. RETENTION

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Supplier 1	-	-
Total	-	-

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Name 1	-	-
Total	-	-

13. BALANCES BROUGHT FORWARD

	2018-2019	2017 - 2018
	(1/7/2018	(1/7/2017)
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	27,364,000	333,931
Cash in hand	-	-
Imprest	-	-
TOTAL	27,364,000	333,931

14. PRIOR YEAR ADJUSTMENTS

	2018-2019	2017-2018
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	-	-
Cash in hand	-	-
Imprest	-	-
Total	-	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI CONSTITUENCY

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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
NGCDFC Staff	-	-
Others	-	-
Total	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	2018-2019	2017 - 2018
	Kshs	Kshs
Compensation of employees	-	3,759,990
Use of goods and services	2,840,876	1,135,341
Amounts due to other Government entities	35,600,000	19,831,085
Amounts due to other grants and other transfers	12,400,000	14,816,895
Acquisition of assets	5,000,000	-
Others	-	-
Total	55,840,876	39,543,311

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI
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For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)		

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – HAMISI CONSTITENCY
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For the year ended June 30, 2019 (Kshs.)

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2014 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	B	c	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (specify)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

NATIONAL GOVERNMENT HAMISI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs)

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		-	1,382,558	
Use of goods & services		2,840,875	5,005,580	
Amounts due to other Government entities		35,600,000	23,631,034	
Sub-Total		38,440,876	30,019,173	
Amounts due to other grants and other transfers		12,400,000	9,524,138	
Sub-Total		12,400,000	9,524,138	
Acquisition of assets		5,000,000	-	
<i>Others (specify)</i>				
Sub-Total		5,000,000	-	
Grand Total		55,840,876	39,543,311	

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – HAMISI CONSTITUENCY
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For the year ended June 30, 2019 (Kshs')

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	3,500,000	-	-	3,500,000
Transport equipment	319,770	-	-	319,770
Office equipment, furniture and fittings	99,300	-	-	99,300
ICT Equipment, Software and Other ICT Assets	588,000	-	-	588,000
Other Machinery and Equipment	31,150	-	-	31,150
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	4,538,220	-	-	4,538,220

NATIONAL GOVERNMENT HAMISI CONSTITUENCY
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For the year ended June 30, 2019 (Kshs)

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Banja Muslim Primary School	KCB	1126380296	-	2,876
Bumbo Primary School	KCB	1123252345	4,027	-
Bumira Secondary School	KCB	1139175238	-	15,225
Bumuyange Primary School	KCB	1101627867	1,934	10,945
Chebunaywa Secondary School	KCB	1150113723	3,521	2,769
Cheptech Primary School	KCB	1114695998	1,952	3,398
Cheptembu Primary School	KCB	1171212607	1,035	2,600
Deputy County Commissioner Project	KCB	1208679031	1,039	3,760
Gamuguywa Primary School	KCB	1131121740	-	1,496
Gavudunyi Secondary School	KCB	1158675696	560	-
Gisambai Primary School	KCB	1115696788	1,318	280
Givudemesi Primary School	KCB	1124598760	113	-
Hamisi Primary School	KCB	1172671117	-	74
Ishiru Secondary School	KCB	1102162167	-	26,171
Jebrongo Primary School	KCB	1102263486	-	580,675
Jepkoyai Primary School	KCB	1176532528	325,600	-
Jeptorol Primary School	KCB	1113291743	752	-
Jeviriri Primary School	KCB	1101840595	-	1,194
Jivuye Primary School	KCB	1173389458	-	2,554
Kamuluguywa Secondary School	KCB	1101803088	4,523	-
Kapsegeli Primary School	KCB	1133370152	-	20,278
Kaptik Secondary School	KCB	1236826809	304	-
Kitambazi Primary School	KCB	1113865709	-	249
Logere Primary School	KCB	1130546820	1,325	5,468
Luther Primary School	KCB	1165253657	6,,289	-
Madeya Primary School	KCB	1101803088	-	1,401
Makuchi Primary School	KCB	1103546872	5,246	-
Munzatsi Primary School	KCB	1158675696	209	-
Museywa Primary School	KCB	1119853250	1,030	-
Musiri Primary School	KCB	1236826809	2,567	1,835
Muyere Secondary School	KCB	1162318430	-	1,210
Nyang'ori High School	KCB	1119853250	4,568	-
Shaviringa Primary School	KCB	1101632240	-	401,680
Shipala Primary School	KCB	1175861588	-	2,044
Simbi Primary School	KCB	1101837756	-	6,628

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Simbi Secondary School	KCB	1103546872	17,895	-
St. Johns Cheptech Secondary School	KCB	1111932565	-	90,019
St. Paul Girls High School	KCB	1230047289	260,305	-
Tambua DOs Office	KCB	1122467451	-	4,824
TOTAL			<u>639,823</u>	<u>1,189,653</u>

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND – HAMISI
CONSTITUENCY**

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For the year ended June 30, 2019 (Kshs')

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/ HAMSI NGCDF/ 2017- 2018(12)	Statement of Appropriation Included in summary statement of appropriation under the adjustment column is Kshs. 11,713,241 not supported by any documentary evidence. That is both the expenditure and receipts components totalling Kshs. 11,713,241. Consequently, the accuracy and validity of the statement of appropriation could not be confirmed	Included in summary statement of appropriation under the adjustment column is Kshs. 11,713,241 was additional funding in the financial year 2017-2018 of Kshs. 11,379,910.34 and cashbook balance carried forward from the financial year 2016-2017 of Kshs. 33,931.10.	NGCDFC	Resolved	
KSM/ HAMSI NGCDF/ 2017- 2018(12)	Failure to Provide Project returns Included in the transfers to other government entities balance of Kshs. 37,519,950 is transfers to secondary schools of Kshs. 23,100,000 which inturn includes a disbursement of Kshs. 5,000,000 to two secondary schools (Kamuluguywa Kshs. 400,000 and Muyere Kshs. 4,600,000. However, no project return files for the above disbursements were made available for audit examination as per the requirement of the Act	During the audit, the project files for the affected institutions had been taken for audit by the Ministry of Education. Attached find files for the same	NGCDFC	Resolved	