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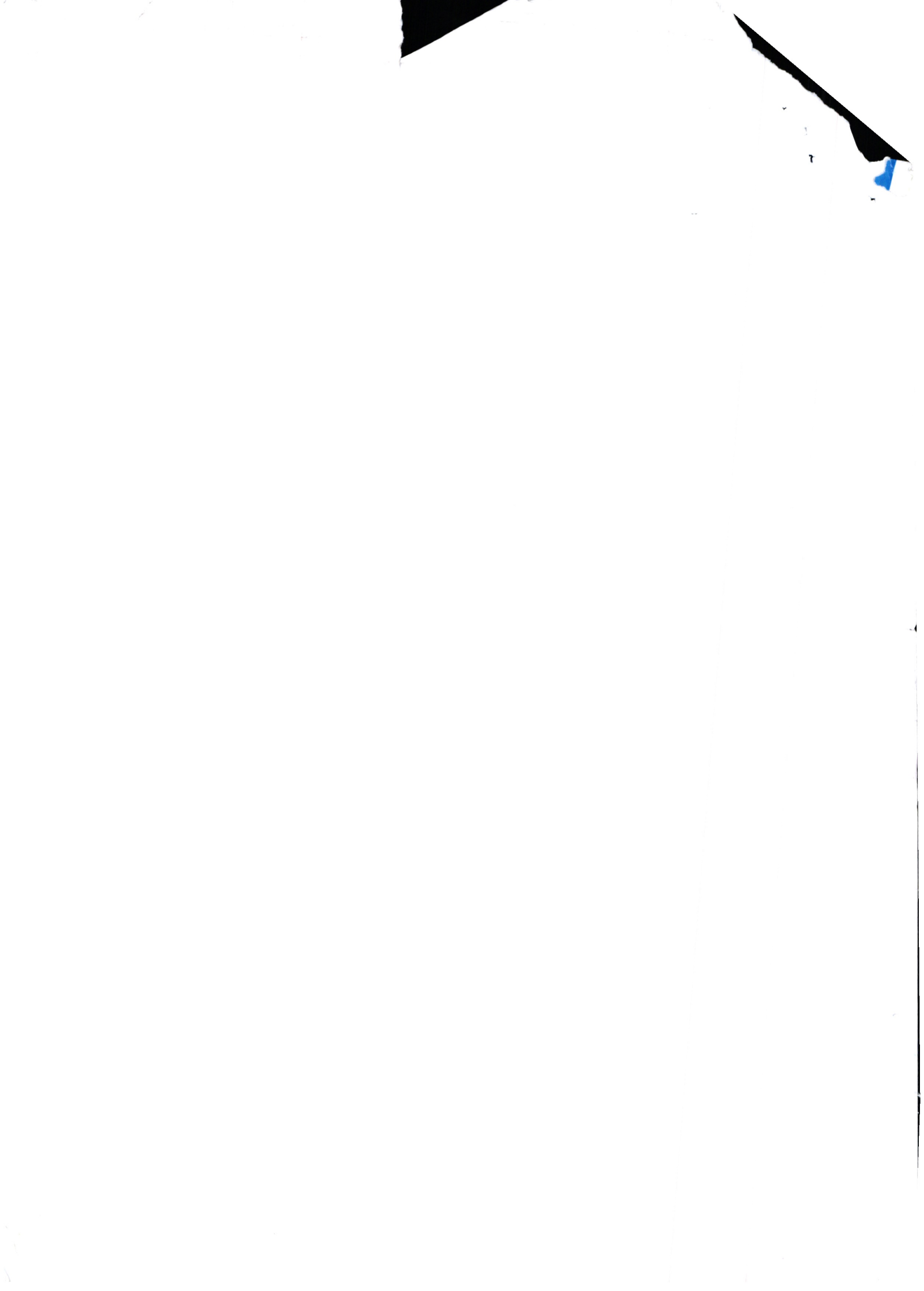
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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**





OFFICE OF THE AUDITOR GENERAL
NORTH RIFT REGIONAL OFFICE

07 JUL 2022

RECEIVED

P O Box 2774 30100, ELDORET

Revised Template 30th June 2021



KACHELIBA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

KACHELIBA Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, 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

**Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
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Mission

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

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.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The Kacheliba Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Wilson C. Koringura
2.	Sub-County Accountant	Stephen N. Marigi
3.	Chairman NGCDFC	Aaron K. Krole
4.	Member NGCDFC	John B. Losuko

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kacheliba Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the

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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) Kacheliba Constituency NGCDF Headquarters

P.O. Box 221-30600
Alale CDF Building Plaza
Kacheliba Road
KAPENGURIA, KENYA

(f) Kacheliba Constituency NGCDF Contacts

Telephone: (254) 721730821
E-mail: kacheliba@ngcdf.go.ke
Website: www.ngcdfboard.go.ke

(g) Kacheliba Constituency NGCDF Bankers

Equity Bank
Kapenguria Branch
P.o Box 114-30600
Kapenguria, Kenya.

(h) Independent Auditors

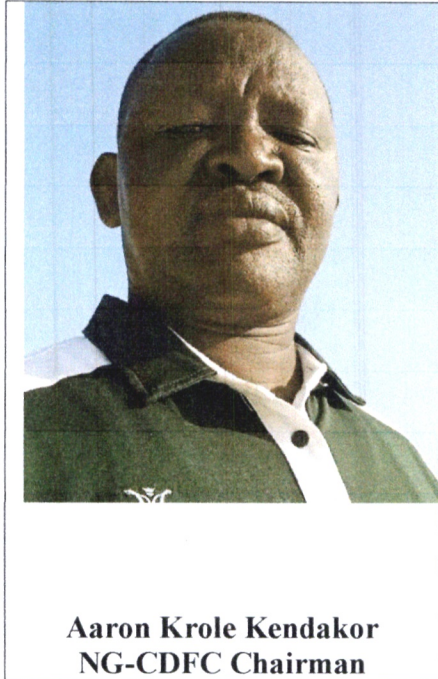
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN'S REPORT

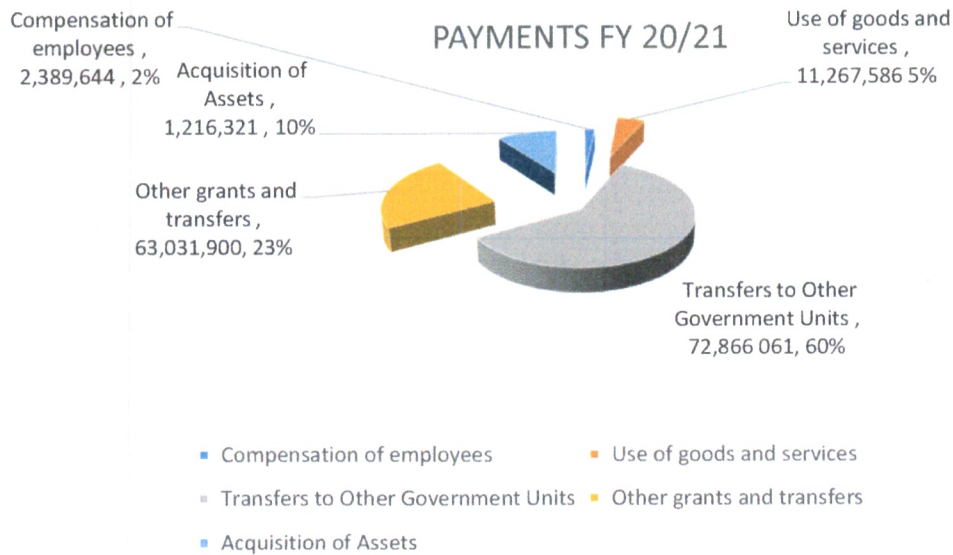
Include among others the following:



On behalf of Kacheliba NG- CDFC, I am pleased to present annual report and financial statements for the financial year 2020/2021. During the 2018/2019 financial year our overall performance was at 66.3% which was above average. However, in the year under review, 2020/2021 our overall performance was at 71.8 % which was a slight improvement from the last financial year. This was because the NGCDF board was able to disburse funds for the previous financial years

KachelibaNG- CDF has made significant progress in its budget especially on the completion rates of the funded projects. The financial statement details the performance and financial position of Kacheliba NG CDF for financial year 2020/2021. The total funds Kacheliba NG-CDFC received from the NG-CDF Board amounts to Ksh161,967,724 during the financial year 2020/2021. The total expenditure in the financial year under review amounted to Ksh. 150,771,512. This represented 71.8% absorption of total receipts in the year under review. The total budget for the year under review is Ksh210,086,022. This comprises of the constituency allocation of Ksh. 137,088,879in the FY 2020-2021 and a balance brought forward from the previous financial years of Ksh72,997,143. Below we present the graphical presentation of the expenses.

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Implementation of NG-CDF Kacheliba objectives were achieved through timely providence of service delivery through school infrastructure, security infrastructures, school environmental services through construction of toilets and holding of Constituency tournament at Kodich Ward..

With these few remarks, I would wish to congratulate my CDFC committee, CDF Board and Fund Accounts manager for making this year a success.

Signature

CHAIRMAN NGCDF COMMITTEE



**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S
 PREDETRMINED OBJECTIVES**

Introduction

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

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

- a) Improve the quality of education at all levels within the learning Institution
- b) To Improve the Quality of Health within the Constituency
- c) To Improve Agricultural Sector and Enhance Security within the Constituency
- d) To Improve Manufacturing Sector within the Constituency
- e) To Improve Tourism Sector within the Constituency
- f) To Enhance Security within the Constituency
- g) To Arrest Environmental Degradation
- h) To Enhance Cohesion through Sports
- i) To Effectively Manage the Constituency Development Fund
- j) To Contain Urgent and Unforeseen Disasters within the Constituency

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 20/21 we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules

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Security	Facilitate construction of security infrastructures	Safe, peaceful and conducive environment	4 security infrastructures built within the constituency	One additional security construction as compared to 2019/2020 financial year
Environment	Environmental conservation in Kacheliba	Safe environment for students	8 school toilets were constructed	Toilets increased from 6 to 14 in primary schools
Sports	Organize constituency activities promptly	Peaceful co-existence and cohesion among constituents	The tournament in Kodich ward was more organized	The teams from all the six wards appreciated the tournament
Emergency (Disaster management)	Handling emergency activities promptly	Properly coordinated management program	2 security constructions were funded and education stakeholder meetings were funded after education performance crises.	Service delivery continued after crises.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

To ensure sustainability of Kacheliba NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kacheliba NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers

within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e,g planting trees once in an academic calendar
- Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- NG-CDF staff Have at least one day in Financial Year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

We invest in providing the best working environment for our employees. Kacheliba constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kacheliba constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues. Kacheliba constituency also

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has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Kacheliba NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local-vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

5. Community Engagements-

Kacheliba NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Kacheliba NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

Kacheliba Constituency

*National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

V. STATEMENT OF 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-Kacheliba 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, 2021. 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-Kacheliba 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kacheliba Constituency further confirms the completeness of the accounting records maintained for the constituency, 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 Kacheliba Constituency confirms that the constituency 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 *constituency'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-Kacheliba Constituency financial statements were approved and signed by the Accounting Officer on 5/7/2021 2021.

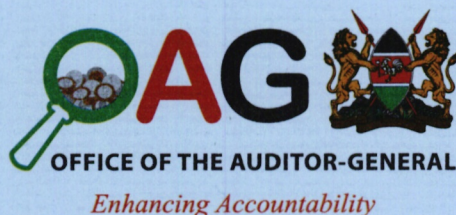

Chairman NGCDF Committee
Name:

AARON KROLA
KENDAGOR



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KACHELIBA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kacheliba Constituency set out on pages 15 to 53,

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kacheliba Constituency as at 30 June, 2021, 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015

Basis for Qualified Opinion

1. Unsupported Acquisition of Assets

The statement of receipts and payments reflects acquisition of assets amount of Kshs.1,216,321 as disclosed in Note 8 to the financial statements. However, payment vouchers and expenditure returns for the expenditure were not provided for audit review.

In the circumstances, the accuracy of the acquisition of assets expenditure of Kshs.1,216,321 could not be confirmed.

2. Unsupported Fixed Assets

The summary of fixed assets register in Annex 4 of the financial statements reflects fixed assets balance of Kshs.55,140,612 which includes transport equipment of Kshs.30,134,112 and building and structures of Kshs.24,480,000. However, logbooks for the motor vehicles and motorcycle and valuation certificates for the buildings and structures were not provided for audit review.

Further, review of the assets register presented for audit review reflected fixed assets balance of Kshs.68,566,105 resulting to an unreconciled variance of Kshs.13,425,493 as shown below:

Item	Summary of Fixed Assets Register (Kshs.)	Assets Register (Kshs.)	Variance (Kshs.)
Buildings and Structures	24,480,000	37,000,000	(12,520,000)
Transport Equipment	30,134,112	30,987,606	362,827
Office Equipment, Furniture and Fittings	526,500	184,000	342,500
ICT Equipment	-	394,499	(394,499)
Total	55,140,612	68,566,105	(13,425,493)

In the circumstances, the accuracy, ownership and valuation of fixed assets balance Kshs.55,140,612 could not be confirmed.

3. Unsupported Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers balance of Kshs.63,031,900, which, as disclosed in Note 7 to the financial statements includes bursary to Secondary Schools and Tertiary Institutions of Kshs.28,374,900 and Kshs.8,791,000 respectively all totalling to Kshs.37,165,900. Out of the amount issued only Kshs.416,000 was acknowledged by the respective institutions. The balance of Kshs.36,749,900 issued as bursaries to schools was not acknowledged. Further, the following unsatisfactory matters were noted statement of receipts and payments reflects other grants and transfers balance of Kshs.63,031,900. This includes bursary to secondary schools and tertiary institutions of Kshs.28,374,900 and Kshs.8,791,000 respectively as indicated in Note 7 of the financial statements. Documentary evidence provided for audit revealed the following:

- i. Secondary School beneficiaries did not fill application forms and thus it was not possible to establish how the beneficiaries were picked.
- ii. Ward Committee meeting minutes where needy students were identified were not signed and the names of the beneficiaries were not attached to the minutes.
- iii. Management issued bursaries to students who had overpaid their fees, which left doubt as to whether vetting took place or whether there was equity in distribution of the bursary.
- iv. Management issued bursaries to persons who were not students in the schools as indicated below or used the wrong names and as such the amounts issued could not be confirmed.

In the circumstances, the accuracy and completeness of other grants and transfers amount of Kshs.63,031,900 could not be confirmed.

4. Irregular Training Expenses

The statement of receipts and payments reflects use of goods and services of Kshs.11,267,586 as disclosed in Note 5 to the financial statements. However, under training expenses, an expenditure amount of Kshs.310,000 was payments of per diems and allowances and conference fees made to Fund's staff between 27 August, 2020 to 1 September, 2020.

However, the following unsatisfactory observations were made:

- i. The per diems and conference fees were withdrawn through cash, rather than through the payee's accounts.
- ii. The details of the facilitators including their profession and qualification for the workshop training were not provided.

- iii. The car hire services receipt was dated 16 July, 2020 which is one month before the training was undertaken.
- iv. There were no work tickets or bus tickets provided to support the travel to the venue of the training and back to office.
- v. There were no quotations raised for the provision of the conference facility services hence it was difficult to confirm the criteria used to identify the service provider.
- vi. No invoice was raised by the hotel or service provider for the venue of training.
- vii. Attendance registers and programme for the training were not provided for audit review.

In the circumstances, the accuracy, completeness and regularity of the expenditure of Kshs.310,000 on training expenses could not be confirmed.

5. Unsupported Project Management Committee Bank Balances

Note 17.4 as well as Annex 5 to the financial statements reflect bank balance of Kshs.2,705,035. However, audit review revealed that a total of Kshs.87,841,061 was disbursed to forty-five (45) projects but Management did not disclose their Project Management Committee bank balances as at 30 June, 2021. Further, certificate of bank balances, bank reconciliation statement and cashbooks for the forty-five (45) Project Management Committee (PMC) bank accounts and for the bank balance of Kshs.2,705,035 were not provided for the audit review.

In the circumstances, the accuracy and completeness of the Project Management Committee bank balances of Kshs.2,705,035 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kacheliba Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.210,086,022 and Kshs.161,967,724 respectively, resulting to an

underfunding amounting to Kshs.48,118,298 or 23% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling Kshs.210,086,022 and Kshs.150,771,512 respectively resulting to an under expenditure amounting to Kshs.59,314,510 or 28% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standard Board (PSASB) Requirements

The summary statement of appropriation is not titled. This is contrary to the Public Sector Accounting Standard Board (PSASB) template.

In the circumstances, the presentation and disclosure of the summary statement of appropriation did not comply with the prescribed format by the Public Sector Accounting Standards Board template.

2. Delay in Project Implementation

During the year 2020/2021, there were fifty-seven (57) projects budgeted for implementation. Out of these fourteen (14) projects were already complete. Further, twenty-three (23) projects which received disbursements totalling to Kshs.52,425,580 were physically verified in May, 2022 and were found to be incomplete .

In the circumstances, the value for money and regularity of expenditure Kshs.52,425,580 occurred on the projects could not be confirmed.

3. Lack of Technical Expertise for Clerk of Works

During the year under review the Fund earmarked projects valued at Kshs.95,562,061 for implementation. However, Management did not engage the services of the technical expert - clerk of works to assist in the project implementation. This was contrary to Section 45(1) of the National Government Constituencies Development Fund Act, 2015.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 controls 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 controls, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the 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 controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of

effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund policies and procedures may deteriorate.

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 September, 2022

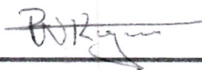
Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,967,724	150,060,057
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		161,967,724	150,060,057
PAYMENTS			
Compensation of employees	4	2,389,644	2,694,654
Use of goods and services	5	11,267,586	7,493,032
Transfers to Other Government Units	6	72,866,061	96,272,819
Other grants and transfers	7	63,031,900	37,302,232
Acquisition of Assets	8	1,216,321	15,925,722
Other Payments	9	-	-
TOTAL PAYMENTS		150,771,512	159,688,459
SURPLUS/(DEFICIT)		11,196,212	(9,628,402)

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

5/7/2021 and signed by:







Fund Account Manager

Name: WILSON K
CHEMILENET

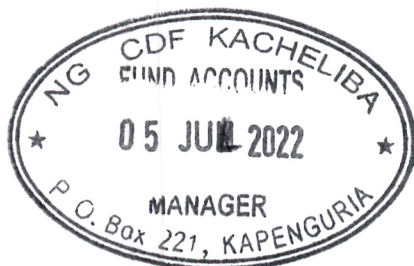
National Sub-County

Accountant

Name: STEPHEN MARIKI
 ICPAK M/No: 14501

Chairman NG-CDF Committee

Name: AARON KROGIE
KEN DALWA



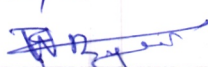
*Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*


VII. STATEMENT OF ASSETS AND LIABILITIES


	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	14,825,633	3,629,421
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		14,825,633	3,629,421
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		14,825,633	3,629,421
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		14,825,633	3,629,421
NET FINANCIAL ASSETS		<u>14,825,633</u>	<u>3,629,421</u>
REPRESENTED BY			
Fund balance b/fwd	13	3,629,421	13,257,823
Prior year adjustments	14	-	-
Surplus/Deficit for the year		11,196,212	(9,628,402)
NET FINANCIAL POSITION		<u>14,825,633</u>	<u>3,629,421</u>

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

5/7/21 2021 and signed by:


Fund Account Manager
 Name: Wilson K CHEMILINET


National Sub-County Accountant
 Name: STEPHEN MATIGI
 ICPAK M/No: 11150


Chairman NG-CDF Committee
 Name: AARON KROLO KENYAGOR



Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,967,724	150,060,057
Other Receipts	3	-	-
Total receipts		161,967,724	150,060,057
Payments for operating activities			
Compensation of Employees	4	2,389,644	2,694,654
Use of goods and services	5	11,267,586	7,493,032
Transfers to Other Government Units	6	72,866,061	96,272,819
Other grants and transfers	7	63,031,900	37,302,232
Other Payments	9	-	-
Total payments		149,555,191	143,762,737
Total Receipts Less Total Payments		12,412,533	6,297,320
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		12,412,533	6,297,320
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,216,321)	(15,925,722)
Net cash flows from Investing Activities		(1,216,321)	(15,925,722)
NET INCREASE IN CASH AND CASH EQUIVALENT		11,196,212	(9,628,402)
Cash and cash equivalent at BEGINNING of the year	10	3,629,421	13,257,823
Cash and cash equivalent at END of the year		14,825,633	3,629,421

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kacheliba Constituency financial statements were approved on 5/7/2021 and signed by:


Fund Account Manager

Name: Wilson K
CHEMUNGETI


National Sub-County Accountant

Name: STEPHEN MARIANI
 ICRAK M/No: 111501


Chairman NG-CDF Committee

Name: AARON KROKE
KENBATOR



***Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
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Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
RECEIPTS	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	3,629,421	69,367,722	210,086,022	161,967,724	48,118,298	77.1%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
TOTALS	137,088,879	3,629,421	69,367,722	210,086,022	161,967,724	48,118,298	77.1%
PAYMENTS							
Compensation of Employees	2,806,560	889,319	-	3,695,879	2,389,644	1,306,235	64.7%
Use of goods and services	9,531,439	2,235,102	-	11,766,541	11,267,586	498,955	95.8%
Transfers to Other Government Units	69,300,000	-	48,900,000	118,200,000	72,866,061	45,333,939	61.6%
Other grants and transfers	55,450,880	327,273	14,468,652	99,320,791	63,031,900	7,394,905	63.5%
Acquisition of Assets	-	74,278	1,142,043	1,216,321	1,216,321	-	100.0%
Other Payments	-	103,449	-	103,449	-	103,449	0.0%
Funds pending approval**	-	-	4,676,937	4,676,937	-	4,676,937	0.0%
TOTAL	137,088,879	3,629,421	69,367,722	210,086,022	150,771,512	59,314,510	71.8%

**Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.

The absorption rate of the 2020-2021 budgets for Kacheliba Constituency NGCDF stood at 71.8%. This was a slight improvement from last year's absorption rate of 68.63%. At the close of the 2020-2021 financial year, Kshs. 48,118,298 for Kacheliba Constituency NGCDF were yet to be disbursed from the Board.

The underutilisation of Other grants and transfers was as a result of low disbursement of bursary funds due to the closure of learning institutions resulting from the COVID pandemic

The increase in the original budget is represented by the unutilised funds carried forward from the previous financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	59,314,510
Less undisbursed funds receivable from the Board as at 30 th June 2021	48,118,298
	11,196,212
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	11,196,212

National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

The NGCDF-Kacheliba Constituency financial statements were approved on 5/7/21 2021 and signed by:



Fund Account Manager

Name: Wilson K
CHETUKEMBI

National Sub-County Accountant

Name: STEPHEN MARIAM
ICPAK M/No: 11501

Chairman NG-CDF Committee

Name: AARON KROLÉ KENDAGOR



X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,806,560.00	889,319.00	-	3,695,879.00	2,389,644.00	1,306,235.00
1.2 Committee allowances	3,000,000.00	875,150.00	-	3,875,150.00	3,376,195.00	498,955.00
1.3 Use of goods and services	2,418,772.76	155,773.00	-	2,574,545.00	2,574,545.00	-
2.0 Monitoring and evaluation						
2.1 Capacity building	1,200,000.00	161,170.00	-	1,361,170.00	1,361,170.00	-
2.2 Committee allowances	1,500,000.00	787,310.00	-	2,287,310.00	2,287,310.00	-
2.3 Use of goods and services	1,412,666.38	255,699.00	-	1,668,365.38	1,668,365.38	-
3.0 Emergency						
3.1 Emergency	7,191,206.90	1,163,174.00	-	8,354,380.90	7,721,000.00	633,380.00
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	18,000,000.00	-	27,180,790.00	45,180,790.00	28,374,900.00	16,805,890.00
4.3 Tertiary Institutions	11,276,118.09	-	3,181,030.00	14,457,148.09	8,971,000.00	5,486,148.09
4.4 special schools	5,000,000.00	-	5,000,000.00	10,000,000.00	-	10,000,000.00
4.5 Social Security						
5.0 Sports						
5.1 sports	2,741,777.59	180,818.00	-	2,922,595.59	2,990,000.00	67,404.41
6.0 Environment						
Chepurwo primary	-	-	300,000.00	300,000.00	-	300,000.00

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 ional Government Constituencies Development Fund (NGCDF)
 Reports and Financial Statements for The Year Ended June 30, 2021

Timale primary	300,000.00	-	-	300,000.00	-	300,000.00
Cheptapa primary	300,000.00	-	-	300,000.00	-	300,000.00
Natemer primary	600,000.00	-	-	600,000.00	-	600,000.00
Kapeheror primary	300,000.00	-	-	300,000.00	-	300,000.00
Tiyinei primary	300,000.00	-	-	300,000.00	-	300,000.00
Kapterema primary	340,000.00	-	-	340,000.00	-	340,000.00
Alany primary	300,000.00	-	-	300,000.00	-	300,000.00
Kotulpogh primary	301,777.59	-	-	301,777.59	-	301,777.59
					180,000.00	180,000.00
7.0 Primary Schools Projects (List all the Projects)						
Lonyangalem primary	500,000.00	-	-	500,000.00	-	500,000.00
Kour primary	500,000.00	-	-	500,000.00	-	500,000.00
Kituti primary	1,500,000.00	-	-	1,500,000.00	-	1,500,000.00
ELCK Kaptolomwo primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Moruepong primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Lokomolo primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Shongen primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Moruongar primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Lopusienikou primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Nakuyen primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Chematichor primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Chesawach primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Reretiang primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Arol primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Kawalok primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Kalukuna primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Kalam primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Cheptokol primary	1,000,000.00	-	-	1,000,000.00	820,000.00	180,000.00
Napitiro primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Chemayos primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Churum primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Amura primary	1,000,000.00	-	-	1,000,000.00	280,000.00	720,000.00
Chepsen primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Kalam primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Atatar primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Akiriamet primary	1,000,000.00	-	-	1,000,000.00	-	1,000,000.00
Nakuse primary	2,000,000.00	-	-	2,000,000.00	-	2,000,000.00
Lochoriamonyang	1,000,000.00	-	-	-	-	-
Katumkale primary	2,000,000.00	-	-	-	-	-

Kacheliba Constituency -
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Moinoi primary	1,000,000.00	-	-	-	-	-
Moruokol primary	2,000,000.00	-	-	-	-	-
Oron primary	1,000,000.00	-	-	-	-	-
Chepsepin primary	1,000,000.00	-	-	-	-	-
Kasitet primary	1,000,000.00	-	-	-	480,000.00	520,000.00
Chemulunjo primary	1,000,000.00	-	-	-	-	-
Kalapata primary	2,000,000.00	-	-	-	880,000.00	1,060,000.00
Kalapata primary	300,000.00	-	-	-	-	300,000.00
8.0 Secondary Schools Projects (List all the Projects)						
St Bhakhita	-	-	7,500,000.00	7,500,000.00	6,925,580.00	574,420.00
Kodich secondary school	3,000,000.00	-	1,000,000.00	4,000,000.00	3,000,000.00	1,000,000.00
Atulia secondary	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Namoru secondary	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Kamketo trinity girls	3,000,000.00	-	2,000,000.00	5,000,000.00	3,000,000.00	2,000,000.00
Kasei boys secondary	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Kangoletiang girls	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Korpu boys	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Korokou girls	2,500,000.00	-	2,000,000.00	4,500,000.00	2,500,000.00	2,000,000.00
Lopet boys	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-
Nasal secondary	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-
9.0 Tertiary institutions Projects (List all the Projects)						
Kodich TTI	-	-	5,200,000.00	5,200,000.00	3,500,000.00	1,700,000.00
10.0 Security Projects						
Kasei D.O.'S/ Chief's Office	-	1,000,000.00	-	-	-	1,000,000.00
Kacheliba Police Station	-	1,000,000.00	-	-	-	1,000,000.00
Orolwo Chief's Office	-	500,000.00	-	-	-	500,000.00
Alale police post	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Alale ACC office	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
Orolwo police post	1,500,000.00	-	-	1,500,000.00	1,500,000.00	-
Kacheliba police station	3,000,000.00	-	-	3,000,000.00	3,000,000.00	-

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11.0 Acquisition of assets						
11.1 Motor Vehicles	-	54,278.00	1,162,043.00	1,216,321.00	1,216,321.00	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Construction of office fence	-	20,000.00	-	20,000.00	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
12.0 Others						
12.1 Strategic Plan	-	-	-	-	-	-
12.2 Innovation Hub	-	103,449.00	-	103,449.00	-	-
Funds pending approval**	-	-	-	-	-	-
Total	137,088,879	3,629,421	69,367,722	210,086,022	150,771,511	59,314,511

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency 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 constituency 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 constituency 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 Equivalent.

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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 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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 financial 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 which is 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 10 June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

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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 2021.

14. Errors

Material prior period errors are 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

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B047913	1		1,519,181
AIE NO B047235	2		40,780,657
AIE NO B 047319	3		27,260,219
AIE NO. B041386	4		10,000,000
AIE NO. B041464	5		20,000,000
AIE NO. B047433	6		4,000,000
AIE NO. B104305	7		15,000,000
AIE NO. B104220	8		500,000
AIE NO. B049281	9		15,000,000
AIE NO. B104206	10		2,000,000
AIE NO. B096567	11		14,000,000
AIE NO. B104718	1	20,000,000	
AIE NO. A823524	2	35,000,000	
AIE NO. B104542	3	12,867,724	
AIE NO. B104952	4	1,500,000	
AIE NO. B124529	5	9,000,000	
AIE NO. B124956	6	8,500,000	
AIE NO. B132157	7	6,000,000	
AIE NO. B138825	8	13,000,000	
AIE NO. B128101	9	6,900,000	
AIE NO. B119505	10	600,000	
AIE NO. B132157	11	6,000,000	
AIE NO. B138825	12	13,000,000	
AIE NO. B126410	13	10,600,000	
AIE NO. B126120	14	7,000,000	
AIE NO.	15	12,000,000	
TOTAL		161,967,724	150,060,057

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	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	-	-

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Total	-	-
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,389,644	2,012,682
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	614,172
Employer Contributions Compulsory national social security schemes	-	67,800
Total	2,389,644	2,694,654

Kacheliba Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	5,091,267	2,837,540
Utilities, supplies and services	1,897,246	1,187,927
Communication, supplies and services		
Domestic travel and subsistence	113,760	230,600
Printing, advertising and information supplies & services	134,298	165,360
Office rent	240,000	240,000
Training expenses	2,112,000	1,138,300
Hospitality supplies and services	61,405	121,739
Insurance costs		
Specialized materials and services		
Office and general supplies and services	907,145	504,525
Other operating expenses		
Routine maintenance – vehicles and other transport equipment	245,800	661,241
Routine maintenance – other assets	74,665	55,800
Fuel, Oil and lubricants	390,000	350,000
Total	11,267,586	7,493,032

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	14,940,000	45,123,079
Transfers to secondary schools (see attached list)	54,426,061	40,849,740
Transfers to tertiary institutions (see attached list)	3,500,000	10,300,000
TOTAL	72,866,061	96,272,819

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	28,374,900	4,668,500
Bursary – tertiary institutions (see attached list)	8,791,000	10,766,750
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)		
Security projects (see attached list)	14,975,000	10,121,378
Sports projects (see attached list)	2,990,000	2,923,600
Environment projects (see attached list)	180,000	2,287,354
Emergency projects (see attached list)	7,721,000	6,534,650
Total	63,031,900	37,302,232

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	5,980,000.00
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	1,216,321	9,945,722.00
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	1,216,321	15,925,722

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Name of Bank, Account No.</i>	14,825,633	3,629,421
<i>Name of Bank, Account No.</i>	-	-
<i>Name of Bank, Account No.</i>	-	-
Total	14,825,633	3,629,421
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

[Include an annex if the list is longer than 1 page.]

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	3,629,421	13,257,823
Cash in hand	-	-
Imprest	-	-
Total	3,629,421	13,257,823

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

*** The adjusted balances are not carried down on the face of the financial statement.
(Entity to provide disclosure on the adjusted amounts)*

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account receivables D= A+B-C	-	-

Kacheliba Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,306,235	889,319
Use of goods and services	498,955	2,091,688
Amounts due to other Government entities (see attached list)	21,116,980	21,828,459
Amounts due to other grants and other transfers (see attached list)	36,288,891	51,817,924
Acquisition of assets	-	1,674,278
Others (<i>specify</i>)	103,449	2,780,476
Funds pending approval	-	-
	59,314,510	81,082,144

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list Annex 5)	2,705,035	16,9076,563
	2,705,035	16,9076,563

*Racheliba Constituency
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

XXX Constituency

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		1,306,235	889,319	
Use of goods & services		498,955	2,091,688	
Amounts due to other Government entities		21,116,980	21,828,459	
Sub-Total		22,922,170	24,809,466	
Amounts due to other grants and other transfers		36,288,891	51,817,924	
Sub-Total		36,288,891	51,817,924	
Acquisition of assets			1,674,278	
Others (<i>specify</i>)		103,449	2,780,476	
Sub-Total		103,449	4,454,754	
Funds pending approval				
Grand Total		59,314,510	81,082,144	

*Kacheliba Constituency
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	24,480,000	-	-	24,480,000
Transport equipment	30,134,112	-	-	30,134,112
Office equipment, furniture and fittings	-	-	-	-
ICT Equipment, Software and Other ICT Assets	526,500	-	-	526,500
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	55,140,612	-	-	55,140,612

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 202xx

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
AGC Katich Primary School		263176/500UCA00/2/0	480,212	42,454
AGC Kangeletiang Girls Sec Sch		263503/500UCA00/1/0	-	1,985,986
Akiriamet Primary School		263174/500UCA00/1/0	-	1,624
Arol Primary School		263131/500UCA00/1/0	-	2,058
Chedawa Primary School		263455/500UCA00/1/0	-	376,610
Chelopoy Trinity Boys Secondary School		263155/500UCA00/1/0	30,424	30,296
Churum Primary School		263134/500UCA00/2/0	136,635	4,484,053
Constituency Fencing		263169/500UCA00/1/0	-	578
D.O Office Alale		263173/500UCA00/1/0	-	12,924
D.O Office Kasei		263261/500UCA00/1/0	750	1,133,298
ELCK Korpu Boys Secondary School		263113/500UCA00/1/0	30	983,729
Kachawa Primary School		263504/500UCA00/1/0	-	2,468,100
Kacheliba Police Station		263132/500UCA00/1/0	2,005,284	1,986,262
Kalia Primary School		263471/500UCA00/1/0	-	215
Kanyerus Primary School		263512/500UCA00/1/0	-	2,464
Kapem Primary School		263262/500UCA00/1/0	-	1,003
Kapetakinei Primary School		263518/500UCA00/1/0	-	198
Kaplelachkoror Primary School		260752/500UCA00/1/0	-	1,003
Kapul Primary School		263514/500UCA00/1/0	-	21,222
Karameri Primary School		263508/500UCA00/1/0	-	1,048
Kasei Primary School		263137/500UCA00/1/0	-	1,003
Kases Primary School		263516/500UCA00/1/0	-	1,003
Kaitet Primary School		263179/500UCA00/1/0	-	16,898
Kasopit Primary School		263155/500UCA00/1/0	-	1,003
Katuda Primary School		263136/500UCA00/1/0	-	281,610

Kacheliba Constituency
National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Kasopit Primary School		263133/500UCA00/1/0	-	1,045
Katuda Primary School		263127/500UCA00/1/0	-	15
Kour		263175/500UCA00/1/0	-	988,462
Lobiroi Primary School		263167/500UCA00/1/0	-	1,515
Lecheriamonyang Primary School		263214/500UCA00/1/0	-	40,472
Lokichar Primary School		263158/500UCA00/1/0	-	29,449
Lokomolo Primary School		263124/500UCA00/1/0	-	30,134
Lonyangamalem Primary School		263513/500UCA00/1/0	-	1,016,130
Lowoi Primary School		260628/500UCA00/1/0	-	1,003
Mayaipogh Primary School		260533/500UCA00/1/0	-	944
Mistin Primary School		263520/500UCA00/1/0	-	7,019
Moinoi Primary School		263247/500UCA00/1/0	-	1,003
Morkwebong Primary School		263177/500UCA00/1/0	-	75,851
Murkorio Primary School		263172/500UCA00/1/0	-	5,284
Nakwoilap Primary School		263517/500UCA00/1/0	-	3,074
Namoru Primary School		260640/500UCA00/1/0	-	1,003
Napitiro Primary School		263138/500UCA00/1/0	-	5,510
Nipitiro Primary School		260633/500UCA00/1/0	-	1,358
Ngechechwo Primary School		260639/500UCA00/1/0	-	300
Ngotut Primary School		260639/500UCA00/1/0	-	249
Ngotut Primary School		263519/500UCA00/1/0	-	11,228
St Annes Girls Secondary School		263159/500UCA00/1/0	-	1,003
Tantapos Primary School		263110/500UCA00/1/0	-	768,098
Tight Primary School		263137/500UCA00/1/0	-	678
Kasei Primary School		263162/500UCA00/1/0	-	16,898
Tarakit Primary School		263507/500UCA00/1/0	-	63,133

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Nangolap Primary School		263510/500UCA00/1/0	-	-
Konyao Police Station		263511/500UCA00/1/0	-	-
Kasepa Primary School		263155/500UCA00/1/0	-	-
Krimti Primary School		263155/500UCA00/1/0	-	-
ELCK Napiz Primary			51,700	-
Total			2,705,035	16,907,563

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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>1.0 Cash and Cash Equivalents</p>	<p>Cheques amounting to Kshs.1,112,996 became stale after the end of the financial year and were reversed in the cash book in October, 2020. However, no evidence was provided that the reversed cheques amounting to Kshs.1,112,996 were replaced.</p> <p>Further, the bank charges amounting to Kshs.215,8934 had not been included in the expenses reported in the statement of receipts and payments.</p> <p>Consequently, the accuracy of the reported cash and cash equivalents balance of Kshs.3,629,421 as at 30 June, 2020 and of the total payments of Kshs.159,688,459 could not be confirmed.</p>	<p>Reconciliation for current year done</p>	<p>Resolved</p>	
<p>2.0 Project Management Committee Bank</p>	<p>The cashbooks, bank reconciliation statements and certificates of bank balances as at 30</p>	<p>Follow up done</p>	<p>Not resolved</p>	

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<p>Balances</p>	<p>June, 2020, in respect of each Project Management Committee bank account were not provided for audit. Further, the project status report indicated that an amount of Kshs.102,837,785 was disbursed to one hundred and eleven (111) projects during the year. However, only balances relating to fifty-six (56) Projects were reported.</p> <p>Consequently, the accuracy and completeness of the total Project Management Committees' bank balance of Kshs.16,907,563 as at 30 June, 2020, could not be confirmed.</p>			
<p>3.0 Summary of Fixed Assets Register</p>	<p>The historical fixed assets cost balances for various asset classes reflected in the summary of fixed assets register under Annex 4 to the financial statements, differed with the corresponding balances reflected in the asset register.</p> <p>The variances were not reconciled hence the accuracy and completeness of the total fixed assets historical cost balance of Kshs.55,140,612 as at 30 June, 2020 could not be confirmed.</p>	<p>Reconciliation to be addressed in subsequent financial year</p>		
<p>4.0 Constituency Development Fund</p>	<p>The accuracy and propriety of the committee expenses</p>			

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<p>Committee (CDFC) Membership</p>	<p>amounting to Kshs.2,837,540 could not be confirmed.</p>			
<p>5.0 Transfers to Other Government Entitie</p> <p>5.1 Unsupported Construction Costs at Kacheliba Technical and Vocational College.</p> <p>5.2 Consultancy Services for Construction of Kodich Technical Training College</p>	<p>The statement of receipts and payments reflects transfers of Kshs.96,272,819to other government entities which as disclosed atNote 6 to the financial statements, includes transfersof Kshs.10,300,000to tertiary institutions. The following observations were made regarding the expenditure:</p> <p>The propriety and value for money of the expenditure of Kshs.10,000,000 on the project could not be confirmed.</p> <p>Procurement records required to be maintained under Section 68(1) of the Public Procurement and Asset Disposal Act, 2015 including the advertisement, minutes of the tender opening, evaluation reports, notification of award, acceptance letter, signed professional opinion, notification of unsuccessful tenderers and consultancy report were not provided for audit.</p> <p>Consequently, the propriety of the consultancy expenditure of Kshs.300,000 on the Project could not be confirmed.</p>	<p>Follow up is ongoing</p>		
<p>6.0</p>	<p>No evidence was</p>			

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Unacknowledged Bursary Payments and Lack of Vetting of Beneficiaries	<p>provided that vetting, identification and categorizing of needy students was done by the bursary subcommittee that should include Area Education Officer or a representative from the Ministry of Education as provided by the CDF Board Circular Reference VOL1/111 dated 13 September, 2010. Further, evidence of acknowledgement in the form of receipts and acknowledgement letters from the various institutions that received the bursary funds were not provided for audit neither did the Fund maintain an updated database of secondary schools, colleges and universities registered by the Ministry of Education to ascertain whether the students who applied for and received the bursary funds were undertaking their studies in registered institutions. In addition, the Ward Education Fund Appraisal Committees did not establish from the learning institutions whether the bursary applicants had received funding from other sources.</p> <p>Consequently, the accuracy and propriety of the bursary payments amounting to Kshs.15,435,250 could not be confirmed.</p>	Follow up is ongoing		
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<p>7.0 Lack of Ownership Documents for Motor Vehicle</p>	<p>The statement of receipts and payments reflects expenditure Kshs.9,945,722 on purchase of vehicles and other transport equipment paid to a local motor vehicle dealer for a Land Cruiser Hardtop motor vehicle. Although the vehicle had been delivered and was in use, the logbook was not provided for audit.</p> <p>Consequently, ownership of the vehicle could not be confirmed.</p>	<p>Follow up is ongoing</p>		
<p>1.0 Unfunded Projects, Lack of Ownership Documents for Land and Incomplete Projects</p>	<p>Delayed disbursement of funds and non-completion of projects denied the residents of Kacheliba Constituency the benefits that would have accrued from the projects. In addition, the Fund Management was in breach of the law.</p>			
<p>2.0 Delayed Disbursements of Funds from the Board</p>	<p>Fund had total budget of Kshs.137,367,724 for the financial year 2019/2020 out of which an amount of Kshs.68,000,000 or 49% of budgeted funds was received resulting into a budget underfunding of Kshs.69,367,723 or 51% of the budgeted funds contrary to Section 16(a) of the National Government Constituencies Development Fund Act, 2015 hence Board was in breach of the Law.</p>			

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3.0 Undisclosed Historical Cost of Land	The cost of the land was not disclosed. Consequently, the accuracy of the summary could not be confirmed	Follow up is on going		
4.0 Delayed Disposal of Non-Functional Grader	The grader was still lying down at the Kapenguria Public Works yard at the time of audit, exposed to rust and vandalism contrary to Section 162(3) of Public Procurement and Asset Disposal Act, 2015.			