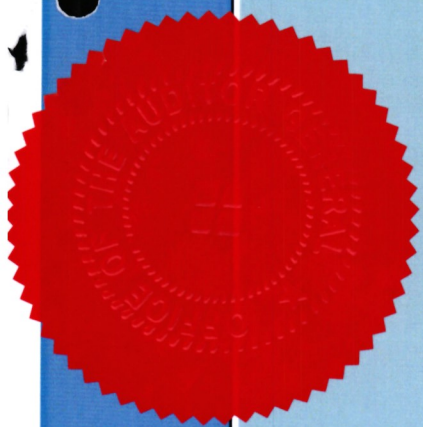



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Enhancing Accountability



 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
REPORT	
DATE: 03 MAR 2022	DAY: THURS
TABLED BY: LDM	
CLERK-AT THE-TABLE: C. Ndlovu	

THE AUDITOR-GENERAL

ON

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

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

Revised Template 30th June 2020



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Reports and Financial Statements

For the year ended June 30, 2020

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

N	Designation	Name
o		
1.	A.I.E holder	GREGORY K OTAALO
2.	Sub-County Accountant	SILVESTER ONYANGO
3.	Chairman NGCDFC	SAMWEL MBATI
4.	Member NGCDFC	RUTH OWOUR

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF LUANDA Constituency Headquarters

P.O. Box 536
EBUSAKAMI KIMA RD,
LUANDA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LUANDA CONSTITUENCY
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For the year ended June 30, 2020**

(f) NGCDF LUANADA Constituency Contacts

Telephone: (254) 721 925048
E-mail: cdf luanda@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF LUANDA Constituency Bankers

Equity Bank of Kenya
KISUMU BUSIA RD
P. O BOX
LUANDA

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The Luanda National Government Constituency Development Fund committee has a primary role of implementing budgets that have been approved by the NG-CDF Board within stipulated time to enable the end users' access improved infrastructure facilities in Education Projects, Bursaries for Secondary Schools, Tertiary Institutions as well as special Schools within the constituency.

I appreciate the role played by local stakeholders and Project Management Committees from the five wards who work closely with the Luanda NG-CDF Committee in identifying and prioritizing community projects to be implemented with regard to realizing the vision 2030.

The Luanda NG-CDFC in consultation with other stakeholders has highlighted the importance and relevance of actualizing targets on proposed projects by strict adherence to the 2015 NG-CDF Act which outlines clearly the government financial regulations and procedures which are subject to audit.

The guidelines highlighted with the regulations play an integral role with regard to ensuring strict adherence to procurement procedures while sourcing for service providers within the region. This in turn prevail a conducive environment for project implementation which occasions economies of scale to both the funding agencies and other related entities.

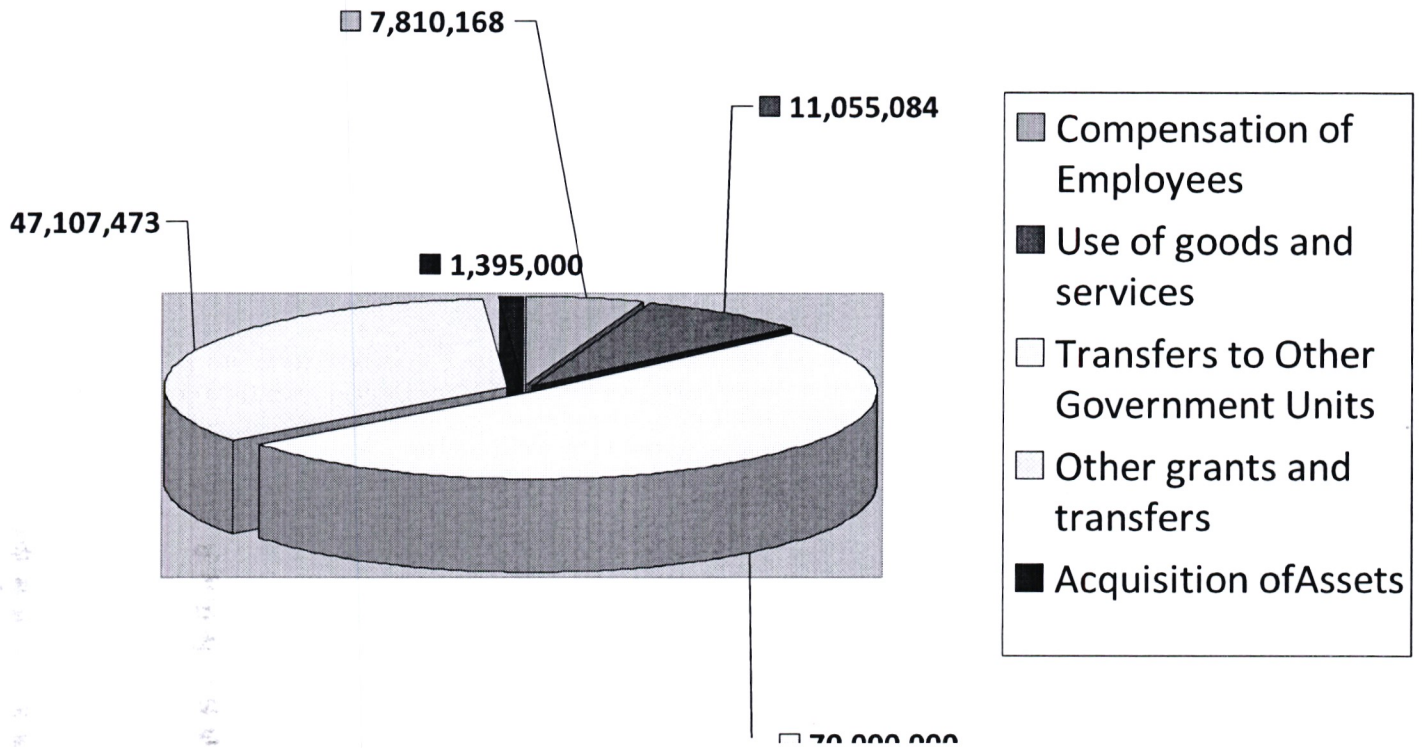
I am grateful to the entire committee and the fund manager for dedicating their efforts towards ensuring transparency, accountability, efficiency in utilization of public funds. This has enabled us to make tremendous and significant contributions to the entire society with special focus on youth and persons with special needs besides being able to equitably distribute resources within the five wards in Luanda Constituency as guided by our 2018-2023 Strategic Development Plan.

Our Committee is again focusing on reviewing the current Joint Strategic Plan as a requirement by the NG-CDF Board. Besides evaluating our success since the inception of the fund, the committee is anticipating the implementation of Luanda Constituency Information and Communication Centre through establishment of Constituency Innovation Hub which will enable the general public access internet and library services.

Among major milestones realized by the Luanda NG-CDF Committee include;

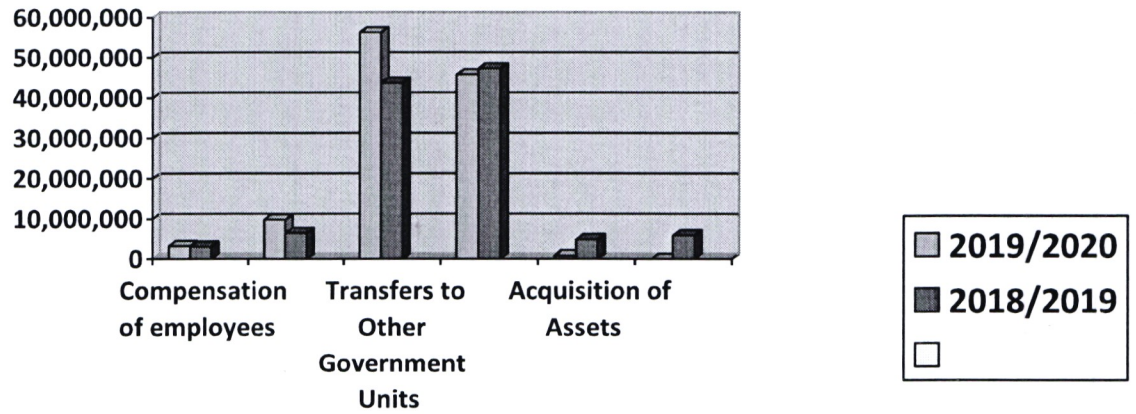
- I. In the process of constructing 16 classroom, administration block at Mumboha secondary school.
- II. Construction of completely new girls' school, Esibeye girls' secondary school
- III. Construction of 8 classrooms at Esibeye and Khwiliba primary school
- IV. We are well aware of the challenges that may have impacted negatively towards the implementation process and most notably are conflicts of interest between P M Cs and Local Contractors, issues of duplication of projects with the county government resulting to double funding and delayed disbursement of funds by the National Government for timely implementation of approved projects.
- V. My committee is well aware of the emerging issues and shall continue to carry out its mandate in accordance with the Law and in constant consultation with relevant stakeholders. We endeavour to focus our energies in the right direction considering strong values and commitment that shall translate into a delivering culture to the entire constituency

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LUANDA CONSTITUENCY
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STATEMENT OF EXPENDITURE COMPARISON BETWEEN FY 2018-2019 AND 2019-2020



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



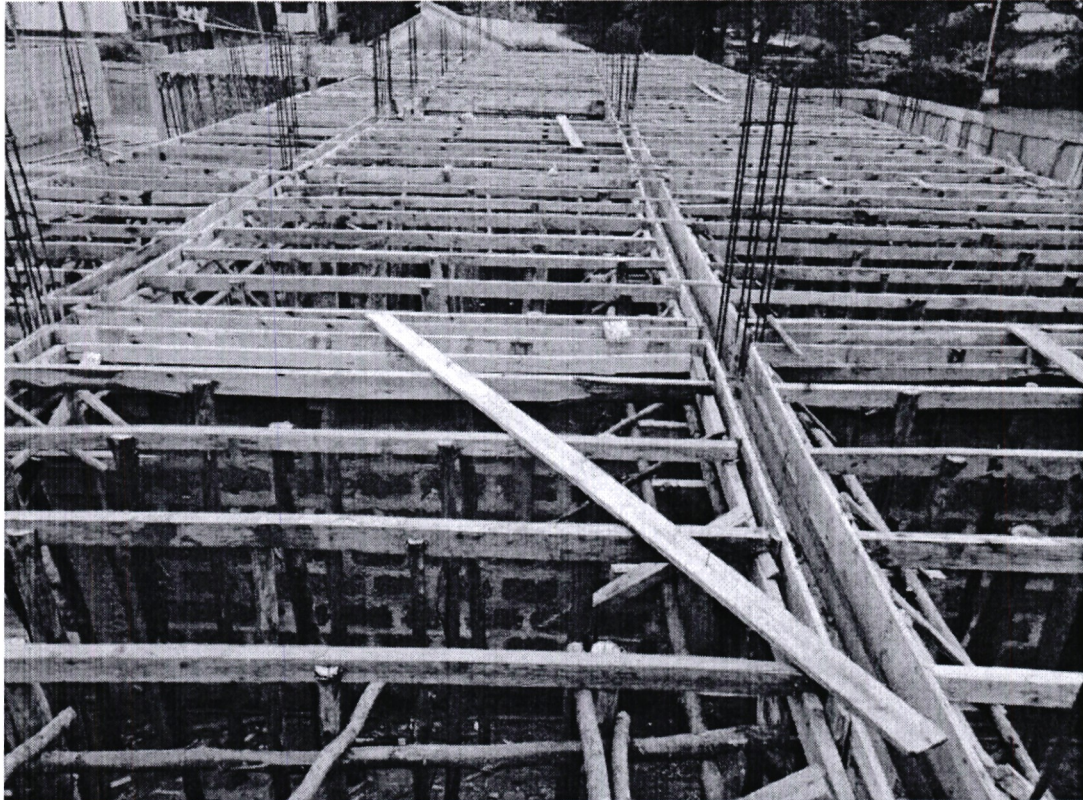
On going construction of 5no classrooms at Esibeye Secondary school

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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On going construction of 8no classrooms at Esibeye Primary school

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Ongoing construction of 16no classrooms at Mumboha Secondary school

Sign

CHAIRMAN NGCDF COMMITTEE

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

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-LUANADA Constituency's 2018-2022 strategic plan are to:

- a) To improve academic performance in national exams for primary and secondary schools
- b) To increase technical skills for improved youth employment
- c) To improve access to security services
- d) To nurture youth talents through sports
- e) To increase forest cover and minimise land degradation
- f) To increase accountability by project management committee

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Construction of additional classrooms Refurbishment of dilapidated classrooms Construction of sanitation facilities Improved all access roads to school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 we increased number of classrooms, dormitories, laboratories etc from 15 To 28 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	Improved access to security services Improved citizen engagement with	Low number of reported crimes in the constituency Strengthen	Increase number of police stations Numbers of usable offices for chiefs	In the fy 19/20 we increased the number of chief's offices Provide electricity to chief's offices

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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	security agents	community policing st		
Environment	Improve and increased forest cover and minimize land degradation	Increased forest cover in the whole constituency	Support youth and women groups tree nursery enterprises	Annual tree planting in public schools and other institutions Organise quarterly cleaning of the markets Provide litter bins to enhance waste management
Sports	Nurture youths' talents through sports	Youths engagement in sporting activities in the constituency	Support active youths' clubs with sports equipment	Promote annual youth tournament Improved sports play ground

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

Reports and Financial Statements

For the year ended June 30, 2020

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

Resource mobilization, to implement the strategic plan, Luanda NG-CDF committee will require a lot of resources. A large proportion of this money will come from the NG-CDF itself and other development partners/. This committee will therefore be at the forefront of leveraging the funding from other stakeholders who have continued to support the social and economic development of Luanda constituency.

2. Environmental performance

On environment conservation the Luanda NG-CDF has emphasised on addressing deforestation, waste management in Luanda town, and environmental education to ensure that Luanda Constituency citizen are informed of the need to conserve the environment.

3. Employee welfare

The implementation of this strategy will require timely training of Luanda NG-CDF staff to provide them with skills and direction to execute their respective duties. Staff/project implementers will be recruited and trained so that adequate capacity is developed

4. Market place practices-

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

b) Responsible competition practice.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects. How the organisation ensures responsible competition practices with issues like anticorruption, responsible political involvement, fair competition and respect for competitors

Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) Responsible marketing and advertisement outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship In order to safeguard consumer rights and interests, the Luanda NG CDF came up with a service charter and the complaints handling policy, principles and service

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

Reports and Financial Statements

For the year ended June 30, 2020

charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. Community Engagements -

Luanda NG-CDF has been organizing and allowing every citizen an opportunity vote in decision making, encouraging citizen to attend meetings, participate in public or private political discussion on issues, and encourage community to volunteer in community activities

In education sector Luanda NG-CDF has constructed additional classrooms, refurbishment of dilapidated classrooms, construction of sanitation facilities, construction of libraries, provision of safe clean water and improves all access roads to school.

Luanda NG-CDF has increased technical skills for improved youth employment through coordination and harmonization of bursaries to needy youths pursuing college studies.

Luanda NG-CDF has improved d security through acquiring land construct offices for chiefs, construct police stations, provide electricity to chief's offices.

The office has also nurture youth talents through sports by supporting active youth clubs with sports equipment, promoting annual youth tournament and improving sports play ground

Under environment the office has increased forest cover and minimize land degradation through promoting annual tree planting in public schools and other institutions, organizing quarterly cleaning of market and providing litter bins to enhance waste management.

Under monitoring and evaluation, the NG-CDF has increased accountability by project management committee through establishment of stakeholder project monitoring committee, design monitoring and evaluation framework and strengthen staff capacity on data base management

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

Reports and Financial Statements

For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

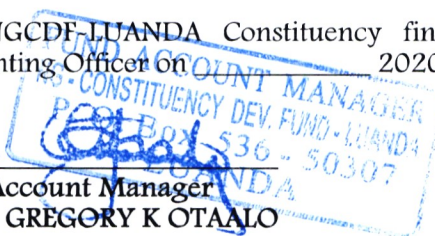
The Accounting Officer in charge of the NGCDF-LUANDA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards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


The Accounting Officer in charge of the NGCDF-LUANDA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-LUANDA Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.

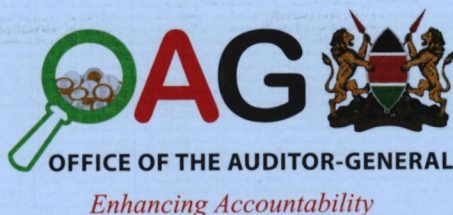
Fund Account Manager
Name: GREGORY K OTAALO




Sub-County Accountant
Name: SYLVESTER ONYANG OLENGO
ICPAK Member Number:

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 - LUANDA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund Luanda Constituency set out on pages 17 to 46, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flow and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Misstatement of Payments

As disclosed under Notes 5 and 7 to the financial statements, the statement of receipts and payments reflects balances of use of goods and services of Kshs.13,411,884 and other grants and transfers of Kshs.45,478,504. However, these balances differed with those in the financial statements submitted for audit on 30 September, 2020 by Kshs.3,306,750 and Kshs.300,576, respectively. Further, the Management did not provide journal entries detailing the changes.

Consequently, the accuracy of the expenditure of Kshs.13,411,884 and Kshs.45,478,504 could not be confirmed.

2.0 Unsupported Expenditure

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers balance of Kshs.45,478,504 which includes emergency projects payments of Kshs.2,150,000.

However, the following anomalies were noted:

- (i) Procurement documents for all emergency projects were not provided for audit purposes.
- (ii) Payments totaling Kshs.2,150,000 were not posted in the cash book.
- (iii) There was no evidence that the projects were inspected and certified by relevant Government officers.
- (iv) No evidence such as minutes or requests from the Project Management Committees were provided to justify the need for the projects as defined by section 8 (3) of the National Government Constituencies Development Fund Act, 2015, which states that emergency shall be construed to mean an urgent, unforeseen expenditure for which it is in the opinion of the Committee that it cannot be delayed until the next financial year without harming the public interest of the Constituents.

Consequently, the accuracy and validity of the expenditure of Kshs.2,150,000 on emergency projects could not be confirmed.

3.0 Inaccuracies of Financial Statements

3.1 Misstatement of Cash and Cash Equivalents

The statements of assets and liabilities reflects cash and cash equivalents balance of Kshs.3,609,082. However, Note 10A to the financial statements reflects Kshs.128,490 resulting in an unreconciled difference of Kshs.3,480,592.

Consequently, the accuracy and completeness of cash and cash equivalents balance of Kshs.3,609,082 could not be confirmed.

3.2 Misstatements in Statement of Assets and Liabilities

As disclosed under Note 13 A to the financial statements, the statement of assets and liabilities reflects a fund balance brought forward from the previous year of Kshs.51,425,567 constituting of a bank account balance of Kshs.48,119,393 and an adjustment of Kshs.3,306,174. However, the details of the adjustment were not explained.

Consequently, the accuracy and validity of the adjustment amounting to Kshs.3,306,174 could not be ascertained.

3.3 Other Inaccuracies of Financial Statements

Review of the financial statements also revealed the following inaccuracies:

- i. The budget execution by programmes and sub programs reflects emergency projects amounting to Kshs.7,198,241. However, the components reflected are payments to primary schools amounting to Kshs.1,850,000 and payments to secondary schools amounting to Kshs.300,000 both totaling to Kshs.2,150,000 leading to a variance of Kshs.5,048,241.
- ii. The statement of receipts and payments reflects actual transfers from National Government Constituencies Development Fund (NGCDF) Board balance of

Kshs.68,000,000 while the statement of assets and liabilities reflects balance brought forward from the previous year of Kshs.48,119,393, both totalling Kshs.116,119,393. However, the statement of appropriation recurrent and development combined reflects actual transfers from NGCDF Board amounting to Kshs.119,297,077 leading to unreconciled variance of Kshs.3,177,684.

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

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

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.188,793,292 and Kshs.119,297,077, respectively, resulting to an under-funding of Kshs.69,496,215 or 37% of the budget. Similarly, the Fund expended Kshs.119,297,077 against an approved budget of Kshs.188,793,292 resulting to an under-expenditure of Kshs.69,496,215 or 37% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Those charged with Governance

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

In preparing the financial statements, the 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 abolish 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 financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

Report of the Auditor-General on National Government Constituencies Development Fund Luanda Constituency for the year ended 30 June, 2020

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists,

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

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

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For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	68,000,000	162,825,359
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		68,000,000	162,825,359
PAYMENTS			
Compensation of employees	4	3,250,629	3,101,925
Use of goods and services	5	13,411,884	6,509,850
Transfers to Other Government Units	6	56,309,570	43,717,796
Other grants and transfers	7	45,478,504	47,354,990
Acquisition of Assets	8	846,490	4,900,943
Other Payments	9	-	5,895,250
TOTAL PAYMENTS		119,297,077	111,480,754
SURPLUS/DEFICIT		(51,297,077)	51,344,605

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


Fund Account Manager
Name: GREGORY K OTAALO


National Sub-County Accountant
Name: SYLVESTER ONYANGO
ICPAK Member Number:

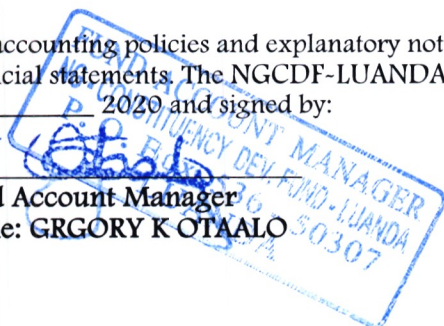
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
LUANDA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

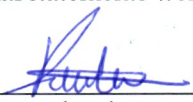
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,609,082	48,119,393
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,609,082	48,119,393
Current Receivables	10C	-	4,677,027
TOTAL FINANCIAL ASSETS		3,609,082	52,796,420
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A	(3,480,592)	(1,370,853)
Gratuity	12B	-	-
NET FINANCIAL ASSETS		128,490	51,425,567
REPRESENTED BY			
Fund balance b/fwd 1st July 2019	13A	51,425,567	80,963
Surplus/Deficit for the year		(51,297,077)	51,344,604
Prior year adjustments	14		0
NET FINANCIAL POSITION		128,490	51,425,567

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

Fund Account Manager
Name: GREGORY K OTAALO




National Sub-County Accountant
Name: SYLVETER ONYANGO
ICPAK Member Number:

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

Reports and Financial Statements

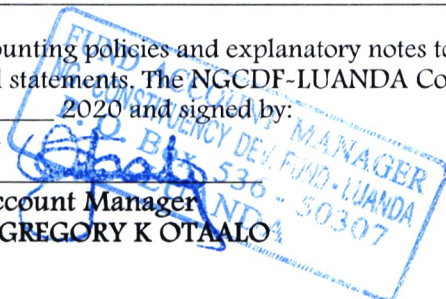
For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	68,000,000	162,825,359
Other Receipts	3	-	-
		68,000,000	162,825,359
Payments for operating expenses			
Compensation of Employees	4	3,250,629	3,101,925
Use of goods and services	5	13,411,884	6,509,850
Transfers to Other Government Units	6	56,309,570	43,717,796
Other grants and transfers	7	45,478,504	47,354,990
Other Payments	9	-	5,895,250
TOTAL PAYMENT		118,450,587	106,579,811
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	(4,677,027)
Increase/(Decrease) in Accounts Payable	16	-	1,370,853
Prior year Adjustments	14	-	-
Net Adjustments			(3,306,174)
Net cash flow from operating activities		(50,450,587)	52,939,374
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	846,490	4,900,943
Net cash flows from Investing Activities		(846,490)	(4,900,943)
NET INCREASE IN CASH AND CASH EQUIVALENT		(51,297,077)	48,038,430
Cash and cash equivalent at BEGINNING of the year	13A	51,425,567,	80,963
Cash and cash equivalent at END of the year	10A	128,490	48,119,393

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

Fund Account Manager
Name: GREGORY K OTAALO



National Sub-County Accountant
Name: SYLVESTER ONYANGO
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY

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

X. 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 NG-CDF Board	137,367,724	51,425,568	188,793,292	119,297,077	69,496,215	63.2%
Proceeds from Sale of Assets	0	0	0	-	-	0.0%
Other Receipts	0	0	0	-	-	-
TOTAL RECEIPTS	137,367,724	51,425,568	188,793,292	119,297,077	69,496,215	63.2%
PAYMENTS						
Compensation of Employees	7,810,168	0	7,810,168	3,250,629	4,559,539	41.6%
Use of goods and services	11,055,084	3,306,174	14,361,259	13,411,884	949,375	93.4%
Transfers to Other Government Units	70,000,000	44,308,408	114,308,408	56,309,570	57,998,838	49.3%
Other grants and transfers	47,107,473	3,707,488	50,814,961	45,478,504	5,336,457	89.5%
Acquisition of Assets	1,395,000	0	1,395,000	846,490	548,510	60.7%
Other Payments	0	103,497	103,497	-	103,497	0.0%
TOTAL	137,367,725	51,425,568	188,793,293	119,297,077	69,496,215	63.2%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY
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- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. 41% on compensation of employee is due to unpaid gratuity
 - ii. 88% on use of goods and services is as a result of full allocation of fund and
 - iii. Transfer to other Government units 49% is as a result of late disbursement of funds
 - iv. Other grants and transfer 90% is as a result of early disbursement of bursary to learning institution
 - v. Other payment 0% the environment work is normally carried out in December therefore 0 utilization
 - vi. Acquisition of assets 61%. Payment is made after completion of work, by the end of the financial year; the work had not been completed.
 - vii. Receipt 63% due to late disbursement of funds from the treasury

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-LUANDA Constituency financial statements were approved on _____ 2020 and signed by:


Fund Account Manager
Name: GREGORY K OTALO



Sub-County Accountant
Name: SYLVESTER ONYANGO
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 50/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administrative and Recurrent:	7,410,168	-	7,810,168	7,666,681	743,487
1.1 Compensation of employees	3,356,138	-	3,856,168	3,750,679	-
1.2 Committee allowances	1,464,000	-	1,464,000	2,006,000	-
1.3 Use of goods and services	2,490,000	-	2,490,000	1,810,002	-
2.0 Monitoring and evaluation	3,905,034	-	3,905,084	9,995,832	(5,690,748)
2.1 Capacity building	1,300,000	-	1,300,000	1,749,900	-
2.2 Committee allowances	1,172,170	-	1,172,170	6,453,380	-
2.3 Use of goods and services	1,432,914	-	1,432,914	1,992,502	-
3.0 Emergency	7,198,241	-	7,198,241	2,150,000	3,048,241
3.1 Primary Schools	1,350,000	-	1,850,000	1,350,000	-
3.2 Secondary schools	300,000	-	300,000	300,000	-
3.3 Tertiary institutions	-	-	-	-	-
3.4 Security projects	-	-	-	-	-
4.0 Bursary and Social Security	37,300,000	1,756,177	39,256,177	40,225,204	(969,027)
4.1 Primary Schools:	-	-	-	-	-
4.2 Secondary Schools	21,350,000	1,350,137	23,000,137	26,401,704	-
4.3 Tertiary Institutions	15,000,000	406,040	15,406,040	13,698,500	-
4.4 Special Schools	350,000	-	850,000	25,000	-
4.5 Social Security	-	-	-	-	-
5.0 Sports	2,409,232	-	2,409,232	3,103,300	(694,068)
5.1 Kiseni Centre Sports	172,000	-	172,000	72,000	-
5.2 Hat Trick	382,500	-	382,500	382,500	-
5.3 Referee and committee allowance:	1,354,731	-	1,854,731	2,348,800	-
6.0 Environment	-	103,497	103,497	-	103,497

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY

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Programme/Sub-programme (List all the Projects)	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparative basis 50/06/2020	Budget utilization difference
70 Primary Schools Projects (List all the Projects)	29,000,000	27,083,000	56,080,000	33,174,475	22,905,575
E3USIRATSI A C	-	1,400,000	1,400,000	1,400,000	-
E3ULONGA PRIMARY	-	1,400,000	1,400,000	1,400,000	-
MUSINAKA PRIMARY	-	2,100,000	2,100,000	2,100,000	-
E3UMBAYI PRIMARY	-	2,100,000	2,100,000	2,100,000	-
EKWAN DA PRIMARY	300,000	1,500,000	1,800,000	1,600,000	300,000
M/UMWANDA PRIMARY	-	1,400,000	1,400,000	1,400,000	-
KHWIL BA PRIMARY	7,000,000	6,500,000	13,500,000	4,644,575	3,955,485
E3IBEYE PRIMARY	7,000,000	7,000,000	14,000,000	12,903,945	1,096,035
E3UHANDO PRIMARY	-	1,400,000	1,400,000	1,400,000	-
EMUHA YA PRIMARY	-	2,100,000	2,100,000	2,100,000	-
E3EBEMBE PRIMARY	7,550,000	-	2,550,000	-	2,550,000
EMMUNWA PRIMARY	7,000,000	180,000	1,180,000	925,975	254,055
E3AMANJI PRIMARY	7,600,000	-	1,600,000	-	1,600,000
EMMATSI PRIMARY	7,750,000	-	1,750,000	-	1,750,000
EMMUTSA PRIMARY	7,550,000	-	2,550,000	-	2,550,000
ETABALIA PRIMARY	7,750,000	-	1,750,000	-	1,750,000
WANDICHE PRIMARY	7,750,000	-	1,750,000	1,400,000	350,000
E3SONGULO PRIMARY	7,750,000	-	1,750,000	-	1,750,000
Secondary Schools Projects the Projects	41,000,000	21,415,894	62,415,894	23,135,175	39,280,749
EKWAN DA SEC SCHOOL	3,000,000	1,000,000	4,000,000	2,000,000	2,000,000
E3USAMMI SEC SCHOOL	2,000,000	2,000,000	4,000,000	2,000,000	2,000,000
E3ANDUMBA SEC SCHOOL	2,000,000	1,000,000	3,000,000	2,000,000	1,000,000
HEUBI SEC SCHOOL	-	1,100,000	1,100,000	1,100,000	-
E3IBEYE GIRLS SEC SCHOOL	9,200,000	-	9,200,000	3,400,000	5,300,000
M/UMBCHA SEC SCHOOL	15,000,000	14,815,894	29,815,894	10,635,175	13,180,749

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 50/06/2020	Budget utilization difference
KAYILA SEC SCHOOL	1,000,000	1,500,000	2,500,000	1,500,000	1,000,000
EBWALI SEC SCHOOL	1,300,000	-	1,800,000	-	1,800,000
ESIBEVI SEC SCHOOL	1,000,000	-	1,000,000	-	1,000,000
EBWIRANVI SEC SCHOOL	1,300,000	-	1,500,000	-	1,500,000
EMMATSI SEC SCHOOL	2,300,000	-	2,500,000	-	2,500,000
EBUBAVI SEC SCHOOL	2,000,000	-	2,000,000	-	2,000,000
9.0 Tertiary Institutions Projects (List all the projects)	3,500,000	-	3,500,000	-	3,500,000
LUJANDA KENYA MEDICAL TRAINING COLLEGE	3,500,000	-	3,500,000	-	3,500,000
12.0 Security Projects	3,550,000	1,070,000	4,420,000	-	4,420,000
EBUSANANI CHIEFS CAMP	1,250,000	-	1,250,000	-	1,250,000
EBUBAVI CHIEF CAMP	300,000	-	500,000	-	500,000
EBULALO CHIEFS CAMP	300,000	400,000	1,000,000	-	1,000,000
ESIBEVI CHIEFS CAMP	1,000,000	-	1,000,000	-	1,000,000
MUKHALAKI ALA CHIEFS CAMP	-	670,000	670,000	-	670,000
11.0 Acquisition of assets:	1,695,000	-	1,695,000	346,490	848,510
11.1 Motor Vehicles (including motorcycles)	300,000	-	300,000	00	300,000
11.2 Refurbishment of CDF office	1,395,000	-	1,395,000	346,490	548,510
11.3 Purchase of furniture and equipment	-	-	-	-	-
12.0 Others	-	-	-	-	-
12.1 Strategic Plan	-	-	-	-	-
12.2 Innovation Hub	-	-	-	-	-
12.2	-	-	-	-	-
TOTAL	137,367,724	31,425,568	138,793,293	119,297,077	69,496,216

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

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

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and basis of Preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-LUANDA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

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

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

Reports and Financial Statements

For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019 - 2020	2018 - 2019
		Kshs	Kshs
	AIE NO. B 005063		11,379,310
Normal Allocation	AIE NO. B 005008		43,405,173
	AIE NO. B 030318		500,000
	AIE NO. B 030266		10,000,000
	AIE NO. B 006429		8,000,000
	AIE NO. B 030482		12,000,000
	AIE NO. B 042789		12,000,000
	AIE NO. B 047024		12,000,000
	AIE NO. B 047595		53,540,876
	AIE NO. B 041110	4,000,000	
	AIE NO. B 047783	16,000,000	
	AIE NO. B 047835	7,000,000	
	AIE NO. B 104104	10,000,000	
	AIE NO. B 104381	15,000,000	
	AIE NO. B 096598	16,000,000	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		68,000,000	162,825,359

2. PROCEEDS FROM SALE OF ASSETS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Interest Received		-
Rents		-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)		
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	2,168,325	2,130,275
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	202,236	-
Gratuity-contractual employees	880,068	971,651
TOTAL	3,250,629	3,101,926

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	1,506,174	-
Electricity	198,034	-
Water & sewerage charges	137,800	-
Office rent	-	180,000
Communication, supplies and services	960,000	645,450
Domestic travel and subsistence	-	249,826
Printing, advertising and information supplies & services	358,600	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services(Office tea)	141,400	-
Other committee expenses	2,006,050	-
Committee allowance	6,353,380	3,485,059
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	566,260	1,654,946
Fuel , oil & lubricants	500,000	100,000
Other operating expenses	84,960	144,369
Bank service commission and charges	99,000	-
Other Operating Expenses (legal fee)	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	150,776	50,200
Routine maintenance- other assets	349,450	-
TOTAL	13,411,884	6,509,850

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	33,174,425	25,090,901
Transfers to Secondary Schools	23,135,145	18,626,895
Transfers to Tertiary Institutions	-	-
Transfers to Health Institutions	-	-
TOTAL	56,309,570	43,717,796

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary – Secondary	26,401,704	24,510,463
Bursary – Tertiary	13,698,500	11,532,350
Bursary- Special Schools	125,000	750,000
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	-	4,111,537
Roads and Bridges	-	-
Sports	3,103,300	735,540
Environment	-	-
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	2,150,000	5,715,100
TOTAL	45,478,504	47,354,990

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

Reports and Financial Statements

For the year ended June 30, 2020

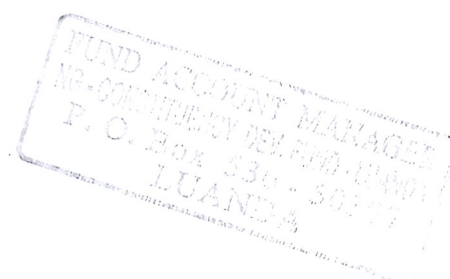
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Water	-	-
Food Security	-	-
Electricity	-	-
Security	-	4,111,537
Roads and Bridges	-	-
Sports	3,103,300	735,540
Environment	-	-
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	2,150,000	5,715,100
TOTAL	45,478,504	47,354,990



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	846,490	3,001,325.00
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	1,899,618
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	846,490	4,900,943

9. OTHER PAYMENTS

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Strategic Plan	-	2,895,250
ICT Hubs	-	3,000,000
		-
TOTAL	-	5,895,250

FUND ACCOUNT MANAGER
NG - CONSTITUENCY DEVELOPMENT FUND - LUANDA
P. O. Box 536 - 50307
LUANDA

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

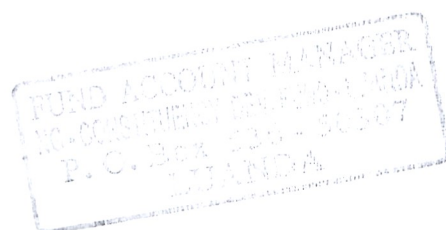
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2020)</i>
	Date imprest taken	Kshs	Kshs	Kshs
			-	-
		-	-	-
		-	-	-

12A. RETENTION

Supplier/Contractor	PV No.	2019 - 2020	2018 - 2019
BALANCE/B/F		1,370,853	
M/S GUUMBA CONTRACTOR	3	239,795	651,009
M/S OSUUNDWA ENGEERING	24	237,795	
M/S FINETOPS CONTRACTORS	75	415,687	559,664
M/S OSUUNDWA ENGEERING	77	172,502	
M/S TENDAJI CONSTRUCTION SOL	81	84,649	160,180
M/S OSUUNDWA ENGEERING	139	311,483	
M/S FINETOPS CONTRACTORS	140	647,828	
TOTAL		3,480,592	1,370,853

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	00	00
Name 2	00	00
Name 3	00	00
Add as appropriate	00	00
Total	00	00



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

Reports and Financial Statements

For the year ended June 30, 2020

13. BALANCES BROUGHT FORWARD

	2019 - 2020	2018 - 2019
	Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts	48,119,393	80,963
Cash in hand		
Imprest		
TOTAL	48,119,393	80,963

<i>13A BANK ACCOUNT BALANCE</i>	<i>48,119,393</i>
<i>ADJUSTMENT</i>	<i>3,306,174</i>
<i>NEW BALANCE</i>	<i><u>51,425,567</u></i>

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY2019 - 2020 per Financial statements	Adjustments
Description of the error	Kshs	Kshs
Bank accounts balances	3,609,082	-
Cash in hand	-	-
Accounts Payable	(3,480,592)	-
Receivables	-	-
Others (specify)	-	-
TOTAL	128,490	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019-2020	2018-2019
	Kshs	Kshs
Outstanding Imprest as at 1st July 2019 (A)	-	-
Imprest issued during the year (B)	9,239,714	-
Imprest surrendered during the Year ©	9,239,714	-
Net changes in accounts receivables (D=A+B-C)	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019-2020	2018-2019
	Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)	1,370,853	1,370,853
Deposits and Retention held during the year (B)	2,109,739	-
Deposits and Retention paid during the year ©	-	-
Net changes in accounts payable (D=A+B-C)	3,480,592	1,370,853



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

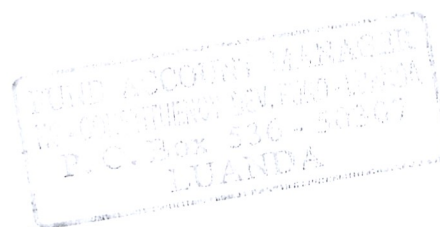
	2019 - 2020	2018 - 2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Staff salaries	-	-
Staff Gratuity	-	-
Others (specify)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019 - 2020	2018 - 2019
	Kshs	Kshs
Compensation of employee	4,559,539	971,564
Use of goods and services	1,249,950	0
Amounts due to other Government entities (see attached)	57,998,838	44,560,701
Amounts due to other Grants and other transfers (see attached list)	5,035,881	(408,987)
Acquisition of assets	548,510	6,279,756
Other payments	103,497	103,497
	69,496,215	51,425,604



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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

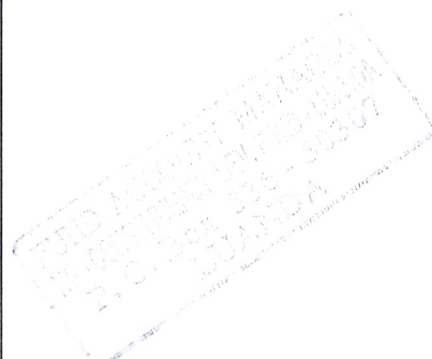
	2019 - 2020	2018 - 2019
	Kshs	Kshs
PMC account balances (see attached list)	375,825	1,088,958
	375,825	1,088,958



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

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					

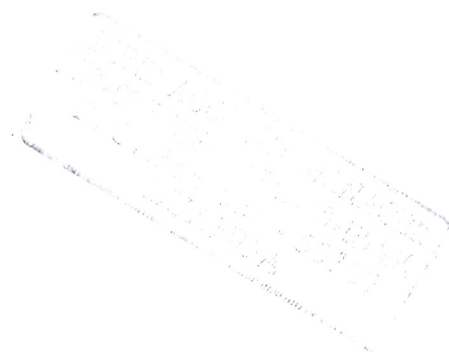


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
LUANDA CONSTITUENCY**

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Payment of staff salaries and gratuity	128,490	971,564	
Use of goods & services				
Amounts due to other Government entities		00	44,308,408	
		00	00	
		00	00	
		00	44,308,408	
Sub-Total		128,490	45,279,972	
Amounts due to other grants and other transfers		00	00	
		00	00	
		00	00	
		00	00	
Sub-Total				
Sub-Total		00	6,042,098	
Acquisition of assets		00	00	
Landscaping		00	1,470,501	
Others (<i>specify</i>)		00	00	
Environment		00	103,497	
		00	00	
		00	00	
Sub-Total		00	103,497	
Grand Total		128,490	51,425,567	



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

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

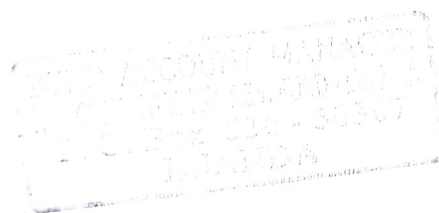
Asset class	Historical Cost Kshs 2018/2019	Additions during the year	Disposals during the year	Historical Cost Kshs 2019/2020
Land	2,446,727		-	2,446,727
Buildings and structures	34,595,036	846,490	-	35,441,526
Transport equipment	6,130,000		-	6,130,000
Office equipment, furniture and fittings	3,866,693	-	-	3,866,693
ICT Equipment, Software and Other ICT Assets	80,000		-	80,000
Other Machinery and Equipment	632,000		-	632,000
Heritage and cultural assets	-		-	-
Intangible assets	-		-	-
Total	47,750,456	846,490	-	48,596,946

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

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

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
MULWANDA PRIMARY SCHOLL	EQUITY	1120263334737	2,005	00
EBUSIRATSI AC PRIMARY SCHOO	EQUITY	1120197500612	1	00
ESIANDUMBA SECONDARY SCHOOL	EQUITY	1120263155499	57,169	44,240
ESSONGOLO SECONDARY SCHOOL	KCB	1112683380	161,879	00
IBUBI SECONDARY SCHOOL	KCB	1128466872	1,550.50	00
EKWANDA SECONDARY SCHOOL	KCB	1129094561	8,843.50	00
ESIBEYE SECONDARY SCHOOL	KCB	1135232229	144,377	00
ESIANDUMBA CHIEFS CAMP	EQUITY	1120263155499	00	7,290
EBUSYUBI SECONDARY SCHOOL	EQUITY	1120297583153	00	13,272
EBUSAKAMI SECONDARY SCHOOL	KCB	1167788613	00	1,024,156
	TOTAL		375,825	1,088,958



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

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)
1.0	Inaccuracy in the financial statement. Unsupported current receivable of Kshs 4,677,027	The unsupported figure was for installation of ICT HUB, but after consultation Luanda NG-CDF requested for a refund from Telkom Kenya	F.A M- Gregory K. Otaalo	Resolved	
1.2	Misstatement of the cash and cash equivalent in the statement of cash flow	It was an oversight, the management has corrected the balances in assets and liabilities, cash flow and the figures are in agreement	F.A M- Gregory K. Otaalo	Resolved	
1.3	Erroneous financial period in the financial statement	The management has corrected the financial statement	F.A M- Gregory K. Otaalo	RESOLVED	
2.0	Incorrect bank statement	The management has undertaken to correct the reconciliation statement in the subsequent financial year	Sub county district accountant	To be resolved	1 year
3.0	Incorrect fixed asset balances	The management has corrected the financial statement and included cost of land in the asset register. The management has corrected financial statement	F.A M- Gregory K. Otaalo	Resolved	

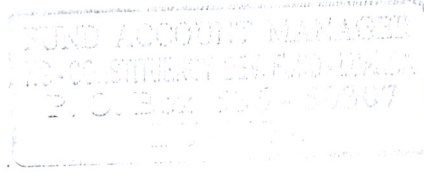
AUD ACCOUNT MANAGER
 NATIONAL GOVERNMENT DEVELOPMENT FUND
 P.O. Box 236
 LUANDA
 TEL: 011 254 732 2222

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LUANDA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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)
4.0	Expenditure on item not in the budget estimate	<p>on the cost of furniture and included tax portion of Kshs 98,257 on the cost of furniture. The management has reported cost of drainage works as part of cost of the building The expenditure was for Mukhalakhala chief's camp which was budgeted in three different financial years. Esiandumba A.P camp was funded from emergency vote after approval by NG-CDF committee. The DCIOs offices was funded from emergency vote through minute dated 31/01/2017</p>	F.A M- Gregory K. Otaalo	Resolved	
4.1	Misstatement of transfer to other Government units	<p>The management has reconciled the ledgers and amend the financial statement as per the attached list of both Primary and Secondary projects annex 9</p>	F.A M- Gregory K. Otaalo	Resolved	



TRIAL BALANCE AS AT 30TH JUNE 2020			
		DR	CR
Cash and Cash equivalents			
	Bank Balances	128,490	
	Cash Balances		
	Outstanding Imprest		
Payments			
	Compensation of Employees	3,250,629	
	Use of goods and services	13,411,884	
	Transfers to Other Government Units	56,309,570	
	Other grants and transfers	45,478,504	
	Acquisition of Assets	846,490	
	Other Payments	-	
Receipts			
	Transfers from the Board		68,000,000
	Proceeds from sale of assets		
	Others receipts		-
Prior Year Adjustment			
Fund Balance b/f			51,425,567
TOTAL			119,425,567
		119,425,567	119,425,567

FUND ACCOUNTS MANAGER
 13-06-2020
 P. C. [Signature]
 119,425,567

Revised Template 30th June 2020



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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